SUPPLEMENT
Dated October 16, 2017
TO
LIMITED OFFERING MEMORANDUM
Dated October 5, 2017

IN CONNECTION WITH

$48,225,000
HOWARD COUNTY, MARYLAND
SPECIAL OBLIGATION BONDS
(DOWNTOWN COLUMBIA PROJECT)
SERIES 2017 A

Set forth below are certain updates to information set forth in the Limited Offering Memorandum dated October 5, 2017 (as supplemented, the "Limited Offering Memorandum"), pertaining to the above-captioned bonds (the "2017 A Bonds"). Specifically, this Supplement hereby supplements and amends certain information concerning pending litigation related to the 2017 A Bonds.

1. The second sentence of the first paragraph under the caption "RISK FACTORS – Pending Litigation" is deleted, and the following two sentences are added as the second and third sentences of the first paragraph under such caption:

> Although the lawsuit has been dismissed by the Circuit Court, an appeal of the court's ruling to an appellate court has been filed, which may remand the case back to the Circuit Court for further proceedings. If the lawsuit should ultimately succeed on the merits, the Circuit Court may rule that the 2017 A Bonds were invalidly issued and not a binding debt obligation of the County.

2. The last sentence of the last paragraph under the caption "LITIGATION – Pending Litigation" is deleted, and the following is added as the last sentence of the last paragraph under such caption:

> A second hearing on the pre-trial motions was held on October 13, 2017. At the hearing, the judge ruled in favor of the County and dismissed the Complaint based on a lack of taxpayer standing. Immediately following the hearing, Plaintiffs filed an appeal with the Maryland Court of Special Appeals. The result of such an appeal cannot be predicted.

This Supplement is submitted in connection with the offering and sale of the 2017 A Bonds referred to herein and should be read in conjunction with the information set forth in the Limited Offering Memorandum. The delivery of this Supplement has been authorized by Howard County, Maryland.

[THIS PAGE INTENTIONALLY LEFT BLANK]

NEW ISSUE – BOOK-ENTRY ONLY **NOT RATED**

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, under existing law, the interest on the 2017 A Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes, and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; provided, however, for purposes of the alternative minimum tax imposed on corporations (as defined for federal income tax purposes under Section 56 of the Code), interest on the 2017 A Bonds is included in computing adjusted current earnings. It is also the opinion of Bond Counsel that, under existing law of the State of Maryland, the principal amount of the 2017 A Bonds, the interest payable on the 2017 A Bonds, their transfer, and any income from the 2017 A Bonds, including any profit made in the sale or transfer thereof, are exempt from state and local taxes in the State of Maryland; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the 2017 A Bonds or the interest thereon. See "TAX EXEMPTIONS" herein.

$48,225,000
HOWARD COUNTY, MARYLAND
SPECIAL OBLIGATION BONDS
(DOWNTOWN COLUMBIA PROJECT)
SERIES 2017 A

Dated: Date of Issue

Amount	Due Date	Interest Rate	Price	CUSIP
$ 4,500,000	02/15/2028	4.000%	102.127*	442599 AD8
$ 8,675,000	02/15/2034	4.125%	99.700	442599 AE6
$10,300,000	02/15/2039	4.375%	100.236*	442599 AF3
$24,750,000	02/15/2047	4.500%	100.338*	442599 AG1

The above-captioned bonds, consisting of $48,225,000 aggregate principal amount of Howard County, Maryland Special Obligation Bonds (Downtown Columbia Project), Series 2017 A (the "2017 A Bonds"), are special obligations of Howard County, Maryland (the "County") payable solely from and secured by a pledge of Tax Increment Revenues (as defined herein) and Special Tax Revenues (as defined herein) established under an Indenture of Trust, dated as of October 1, 2017 (the "Indenture"), by and between the County and Manufacturers and Traders Trust Company, a New York banking corporation, as trustee (the "Trustee"), and certain other amounts held by the Trustee pursuant to the provisions of the Indenture. The 2017 A Bonds are being issued to (i) finance certain public infrastructure improvements related to the Downtown Columbia Development District (the "Development District") and the Crescent Special Taxing District (the "Special Taxing District" and, collectively with the Development District, the "Districts") as described herein, (ii) fund a reserve fund, (iii) fund capitalized interest on the 2017 A Bonds, (iv) pay a portion of the administrative costs related to the 2017 A Bonds and the Districts and (v) pay certain costs relating to the issuance of the 2017 A Bonds. **The 2017 A Bonds are subject to optional, mandatory sinking fund, extraordinary optional and special mandatory redemption as described herein.**

Interest on the 2017 A Bonds is payable on February 15 and August 15 of each year, commencing February 15, 2018. The 2017 A Bonds are being issued in fully registered book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Beneficial owners of the 2017 A Bonds will not receive physical certificates representing their interests in the 2017 A Bonds purchased, but will receive a credit balance on the books of the nominees of such beneficial owners. The 2017 A Bonds will be issued in authorized denominations of $100,000 or any integral multiple of $5,000 in excess thereof, provided that if the 2017 A Bonds are rated in a rating category not lower than "BBB-" by Fitch Ratings, Inc., "Baa3" by Moody's Investors Service, Inc. or "BBB-" by S&P Global Ratings, the authorized denominations will be $5,000 and integral multiples thereof (referred to herein as the "Authorized Denominations"). THE INDENTURE PROHIBITS THE SALE OR PURCHASE OF 2017 A BONDS OTHER THAN IN THE AUTHORIZED DENOMINATIONS. Payments of principal of and interest on the 2017 A Bonds will be paid by the Trustee to DTC or its nominee for subsequent disbursement to DTC Participants who will remit such payment to the beneficial owners of the 2017 A Bonds. See "THE 2017 A BONDS – Book-Entry System" herein.

NO APPLICATION HAS BEEN MADE FOR A RATING WITH RESPECT TO THE 2017 A BONDS, NOR IS THERE ANY REASON TO BELIEVE THAT THE COUNTY WOULD HAVE BEEN SUCCESSFUL IN OBTAINING AN INVESTMENT GRADE RATING FOR THE 2017 A BONDS HAD SUCH APPLICATION BEEN MADE. UNTIL SUCH TIME AS THE MINIMUM AUTHORIZED DENOMINATION IS REDUCED TO $5,000, THE 2017 A BONDS MAY BE SOLD ONLY TO QUALIFIED INSTITUTIONAL BUYERS WITHIN THE MEANING OF RULE 144A OF THE SECURITIES ACT OF 1933, AS AMENDED, OR ACCREDITED INVESTORS WITHIN THE MEANING OF REGULATION D OF THE SECURITIES ACT OF 1933, AS AMENDED. SEE "NOTICE TO INVESTORS" HEREIN.

THE PURCHASE OF THE 2017 A BONDS IS AN INVESTMENT SUBJECT TO A HIGH DEGREE OF RISK, INCLUDING THE RISK OF NONPAYMENT OF PRINCIPAL AND INTEREST. SEE "RISK FACTORS" HEREIN FOR A DISCUSSION OF SUCH FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN EVALUATING THE INVESTMENT QUALITY OF THE 2017 A BONDS.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2017 A BONDS, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES. LIKEWISE, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES, NO OTHER TAXES OR ASSESSMENTS ARE PLEDGED TO THE PAYMENT OF THE 2017 A BONDS. THE 2017 A BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY, BUT ARE SPECIAL OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM CERTAIN AMOUNTS DEPOSITED IN THE TAX INCREMENT FUND, THE SPECIAL TAXES FUND, THE IMPROVEMENT FUND, THE DEBT SERVICE FUND AND THE RESERVE FUND, AS MORE FULLY DESCRIBED HEREIN.

The 2017 A Bonds are offered for delivery when, as and if issued by the County and accepted by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of an opinion of McGuireWoods LLP, Baltimore, Maryland, Bond Counsel, as to the validity of the 2017 A Bonds and the excludability from gross income of interest thereon for federal income tax purposes. Certain legal matters will be passed upon for the Underwriters by Ballard Spahr LLP, Washington, D.C., for the County by the County Solicitor and McGuireWoods LLP as Disclosure Counsel, and for The Howard Research And Development Corporation, the developer of property within the Districts, by Miles & Stockbridge P.C. It is expected that the 2017 A Bonds will be available for delivery on or about October 19, 2017.

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

STIFEL PiperJaffray®

October 5, 2017

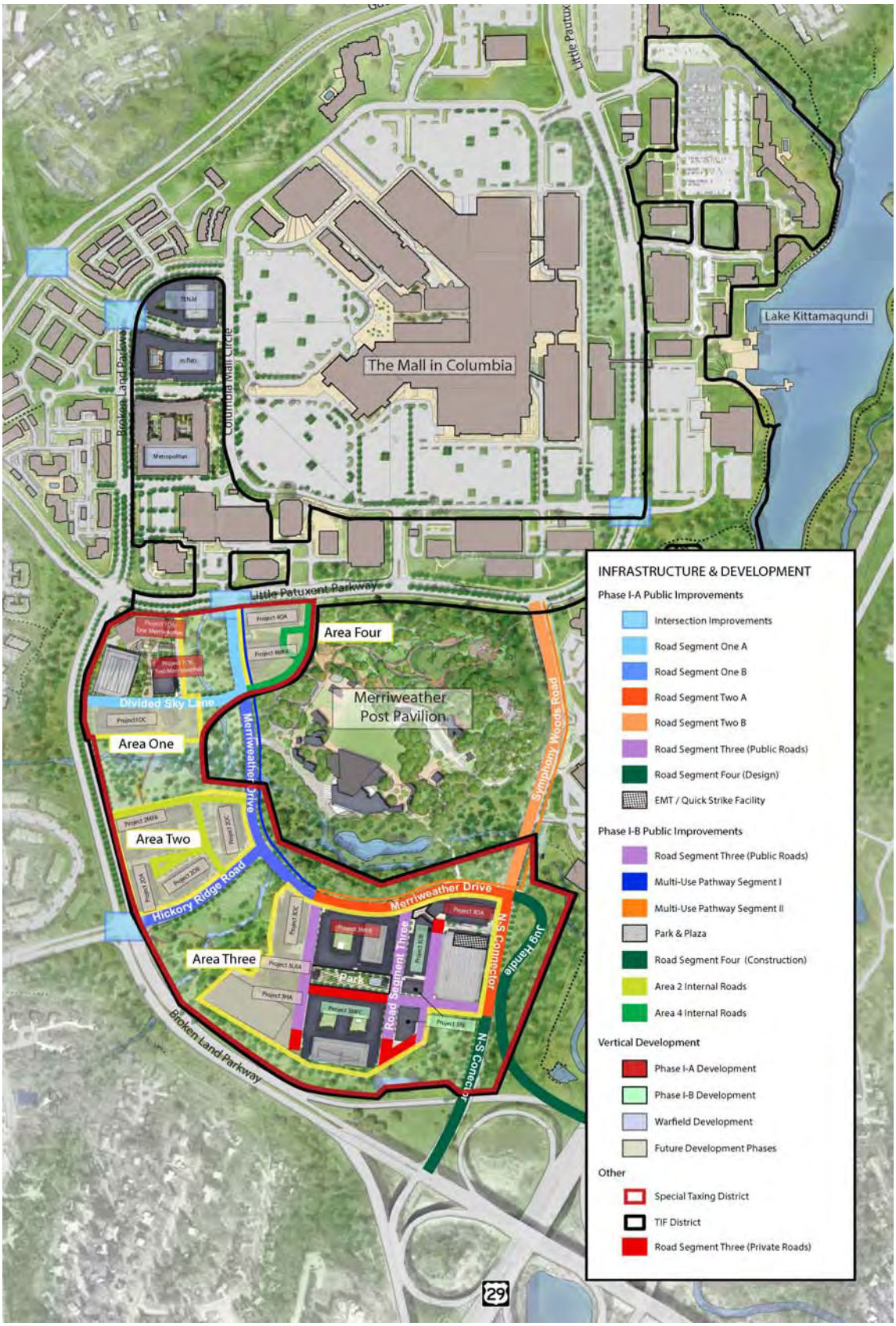
* Priced to first optional redemption date of February 15, 2026.

[THIS PAGE INTENTIONALLY LEFT BLANK]

REGIONAL MAP



MAP OF DEVELOPMENT DISTRICT AND SPECIAL TAXING DISTRICT



AERIAL VIEW OF DEVELOPMENT DISTRICT AND SPECIAL TAXING DISTRICT



AERIAL VIEW OF PHASE I DEVELOPMENT



No dealer, broker, salesman or other person has been authorized by the County or by the Underwriters to give any information or to make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2017 A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by sources that are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters. The information and expressions of opinion herein speak only as of the date hereof and are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information contained herein since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Limited Offering Memorandum: The Underwriters have reviewed the information in this Limited Offering Memorandum in accordance with, and as part of their responsibilities to investors under, the United States Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the County or the Developer since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2017 A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE.

THE 2017 A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE 2017 A BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTIONS IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE STATE, THE COUNTY, NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE 2017 A BONDS.

THE COUNTY HAS PROVIDED INFORMATION FOR OR REVIEWED THE FOLLOWING SECTIONS OF THIS LIMITED OFFERING MEMORANDUM: "INTRODUCTION – The Districts," "INTRODUCTION – Use of Proceeds," "INTRODUCTION – Authority for Creation of the Districts, Issuance of Bonds and Levy of Special Taxes," "INTRODUCTION – Enforcement of Taxes; Direct and Overlapping Taxes," "THE COUNTY," "THE 2017 A BONDS – Sources and Uses of Funds," "SECURITY FOR THE 2017 A BONDS – Property Tax Credits," "– Property Tax Exemptions," "– Property Tax Collection Procedures," and "– Timeline for Collection of Taxes," "THE DEVELOPMENT DISTRICT, THE SPECIAL TAXING DISTRICT, AND REVENUES – The Development District and Special Taxing District," "LITIGATION" AS IT RELATES TO THE COUNTY AND "CONTINUING DISCLOSURE" AS IT RELATES TO THE COUNTY. THE COUNTY HAS NOT PASSED UPON THE ACCURACY OR COMPLETENESS OF THE REMAINING SECTIONS OF THIS LIMITED OFFERING MEMORANDUM. NEITHER THE STATE NOR ANY OF ITS AGENCIES HAVE PASSED UPON THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM. THE TRUSTEE HAS NEITHER PARTICIPATED IN THE PREPARATION OF, NOR REVIEWED, THIS LIMITED OFFERING MEMORANDUM.

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

TABLE OF CONTENTS

Page

INTRODUCTION **1**
Downtown Columbia 2
The Districts 3
The Developer; Development of the Development District 3
Use of Proceeds 4
Appraisal Report 4
Market Study 6
Tax Increment and Special Tax Report 6
Engineer's Report 9
Authority for Creation of the Districts, Issuance of Bonds and Levy of Special Taxes 10
Plan of Finance for Public Infrastructure Improvements 11
Security for the 2017 A Bonds 12
Enforcement of Taxes; Direct and Overlapping Taxes 13
Risk Factors 14
Limitations Concerning Information Contained Herein 14
THE COUNTY **14**
THE 2017 A BONDS **16**
Redemption 16
Authorized Denominations 19
Additional Bonds 19
Book-Entry System 20
The Trustee and the Administrator 21
Sources and Uses of Funds 22
Debt Service Schedule 23
NOTICE TO INVESTORS **24**
SECURITY FOR THE 2017 A BONDS **24**
General 24
Developer Not Liable for 2017 A Bonds 26
Tax Increment Revenues 26
Special Tax Revenues 26
Tax Increment Fund and Special Taxes Fund 27
Additional Bonds and Future Downtown Columbia Bonds 28
Assessment Procedures 28
Property Tax Credits 29
Property Tax Exemptions 29
Reserve Fund 30
Permitted Investments 30
Property Tax Collection Procedures 31
Appraised Property Values 32
Market Study 35
Timeline for Collection of Taxes 37
PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA **37**
General 38
The Developer 42
Design and Construction Team 46
The Development of the Development District and the Special Taxing District 50
Plan of Finance 58
The Funding Agreement 63
THE DEVELOPMENT DISTRICT, THE SPECIAL TAXING DISTRICT, AND REVENUES **64**
The Development District and Special Taxing District 64
Estimated Tax Increment Revenues 64
Rate and Method of Apportionment of Special Taxes 71

RISK FACTORS **72**
UNDERWRITING **78**
FINANCIAL ADVISORS **78**
LEGAL MATTERS **78**
TAX EXEMPTIONS **79**
LITIGATION **81**
NO RATING **83**
CONTINUING DISCLOSURE **83**
RELATIONSHIPS **83**
MISCELLANEOUS **83**

APPENDIX A Appraisal Report
APPENDIX B Market Study
APPENDIX C Tax Increment and Special Tax Report
APPENDIX D Engineer's Report
APPENDIX E Rate and Method of Apportionment of Special Taxes
APPENDIX F Proposed Form of Indenture
APPENDIX G Proposed Form of Funding Agreement
APPENDIX H Proposed Form of Bond Counsel Opinion
APPENDIX I County Solicitor's No-Merit Opinion
APPENDIX J Proposed Form of Developer's Continuing Disclosure Agreement
APPENDIX K Proposed Form of County's Continuing Disclosure Agreement

[THIS PAGE INTENTIONALLY LEFT BLANK]

LIMITED OFFERING MEMORANDUM

$48,225,000
HOWARD COUNTY, MARYLAND
SPECIAL OBLIGATION BONDS
(Downtown Columbia Project)
Series 2017 A

INTRODUCTION

This Limited Offering Memorandum, including the cover page and the Appendices hereto, is provided to furnish information in connection with the issuance and sale by Howard County, Maryland (the "County") of $48,225,000 aggregate principal amount of Howard County, Maryland Special Obligation Bonds (Downtown Columbia Project), Series 2017 A (the "2017 A Bonds"). The 2017 A Bonds will be issued pursuant to the provisions of (i) Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "Tax Increment Financing Act"); (ii) Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended (the "Special Taxing District Act" and, together with the Tax Increment Financing Act, the "Acts"); (iii) Resolution No. 105-2016, adopted by the County Council of Howard County, Maryland (the "County Council") on November 9, 2016 (the "Resolution"); (iv) Council Bill No. 56-2016 enacted by the County Council on November 9, 2016 (the "Ordinance," and together with the Resolution, the "Authorizing Legislation"); and (v) an Indenture of Trust dated as of October 1, 2017 (the "Indenture") by and between the County and Manufacturers and Traders Trust Company, a New York banking corporation, as trustee (the "Trustee").

The 2017 A Bonds will be issued as fully registered bonds in book-entry form in denominations of $100,000 or any integral multiple of $5,000 in excess thereof, provided that if the 2017 A Bonds are rated in a rating category not lower than "BBB-" by Fitch Ratings, Inc., "Baa3" by Moody's Investors Service, Inc. or "BBB-" by S&P Global Ratings, the authorized denominations of the 2017 A Bonds will be $5,000 and integral multiples thereof (referred to herein as the "Authorized Denominations"). See "THE 2017 A BONDS – Authorized Denominations" and "NO RATING" herein.

The 2017 A Bonds and any Additional Phase One Bonds (defined herein) (collectively, the "Phase One Bonds") will be secured by: (i) a senior lien on the proceeds of tax collections by the County, arising from the taxation of the increase, if any, in the assessed value of real property located in the Downtown Columbia Development District (the "Development District") constituting the Phase One Properties (defined herein) over their original taxable value, exclusive of amounts payable to the State of Maryland (the "Phase One Tax Increment Revenues"), (ii) the proceeds of tax collections by the County, arising from the taxation of the increase, if any, in the assessed value of all of the other real property located in the Development District over their original taxable value, exclusive of amounts payable to the State of Maryland (the "Other Tax Increment Revenues" and, together with the Phase One Tax Increment Revenues, the "Tax Increment Revenues"), which lien may be subordinated in the future to the lien securing any Phase Two Bonds or Future Downtown Columbia Bonds (each defined herein), and (iii) proceeds of certain special taxes (the "Special Tax") to be levied on and collected from the taxable parcels within the Crescent Special Taxing District (the "Special Tax Revenues"). The Tax Increment Revenues and the Special Tax Revenues are collectively referred to as the "Revenues."

The "Phase One Properties" are defined as (i) the parcels on which The Metropolitan, m.flats, TEN.M, One Merriweather, Two Merriweather, Area One Parking, Project 3 Office A, Project 3 Multifamily B, Project 3 Multifamily C, Project 3 Office B, Project 3 RE, and Area Three Parking (each as described herein) are or will be constructed and (ii) and any other parcel of property in the Special Taxing District that is added to this definition by a Supplemental Indenture; provided that at the time of its addition, the proposed improvements to be constructed on such parcel have been completed or are actively in process, as evidenced by an executed construction contract, and adequate funding to complete such construction is in place, in each case as determined by the County in its sole discretion. See "PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA."

Pursuant to the Indenture and the Rate and Method (defined herein), a portion of the Tax Increment Revenues hereinafter described as the Second Available Tax Increment Revenues projected in the aggregate amount of $235,192,755 will be set aside to fund elementary school costs of the County as well as capital and operating costs associated with the Downtown Columbia development. As a result of the above-described set-aside for County utilization, the calculation of the Special Tax Requirement (defined herein), will not take into consideration such Second Available Tax Increment Revenues as a credit against the imposition of the Special Tax, resulting in the levying of a Special Tax in an amount that may be greater than would otherwise be the case. The First Available Tax Increment Revenues (defined herein), plus any remaining Tax Increment Revenues that exceed the Second Available Tax Increment Revenues, are the amount of Tax Increment Revenues that would be available to pay debt service in the first instance.

The Special Tax will be collected in any given year only if the portion of the Tax Increment Revenues set forth in the Indenture representing the Tax Increment Revenues projected to be collected from the Phase One Properties (the "First Available Tax Increment Revenues") plus any remaining Tax Increment Revenues in excess of the Second Available Tax Increment Revenues is insufficient to (i) cover debt service on the 2017 A Bonds, (ii) pay the administrative costs related to the 2017 A Bonds and the Districts (as defined herein) and (iii) maintain any applicable funds under the Indenture. The 2017 A Bonds are also secured by certain funds held by the Trustee under the Indenture as hereinafter described. See "— Security for the 2017 A Bonds" below and "SECURITY FOR THE 2017 A BONDS" herein.

The Tax Increment and Special Tax Report projects no Special Taxes will be required to be collected. See "INTRODUCTION – Tax Increment and Special Tax Report" and "APPENDIX C – Tax Increment and Special Tax Report."

Notwithstanding the foregoing, given that all of the Tax Increment Revenues are pledged to the 2017 A Bonds, no Second Available Tax Increment Revenues set aside in any fiscal year will be paid to the County unless debt service on the 2017 A Bonds has been paid in full from Tax Increment Revenues and Special Tax Revenues.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2017 A BONDS, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES. LIKEWISE, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES, NO OTHER TAXES OR ASSESSMENTS ARE PLEDGED TO THE PAYMENT OF THE 2017 A BONDS. THE 2017 A BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY, BUT ARE SPECIAL OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM CERTAIN AMOUNTS DEPOSITED IN THE TAX INCREMENT FUND, THE SPECIAL TAXES FUND, THE IMPROVEMENT FUND, THE DEBT SERVICE FUND AND THE RESERVE FUND, AS MORE FULLY DESCRIBED HEREIN. SEE "SECURITY FOR THE 2017 A BONDS" HEREIN.

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

Downtown Columbia

The development project consists of the redevelopment of a portion of the downtown area ("Downtown Columbia") in the unincorporated master-planned community of Columbia, Maryland ("Columbia"), one of the first master-planned communities in the United States. Columbia is located in the County. Downtown Columbia consists of an approximately 391-acre downtown area in Columbia designated by the County Council and the County Executive of the County for development in the "Downtown Columbia Plan, a General Plan Amendment," adopted by the County Council on February 1, 2010 and approved by the County Executive on February 3, 2010 (the "Downtown Columbia Plan"). Currently, Downtown Columbia is comprised mainly of an enclosed shopping mall and office buildings with isolated amenities in automobile-dependent surroundings. The Downtown Columbia Plan establishes a four-phase master plan, spanning over an approximately 30-year period, for the completion of Downtown Columbia. The development of the Special Taxing District (as defined below) property and The Metropolitan Downtown Columbia (the "Metropolitan"), m.flats Downtown Columbia ("m.flats") and TEN.M Downtown Columbia ("TEN.M") properties in the Development District (each discussed in more detail

below) are within the Initial Stage of the Downtown Columbia Plan (as defined below). See "PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA" herein. For an aerial view of the Initial Stage of the Downtown Columbia Plan, please visit https://www.youtube.com/watch?v=8rfeKHIcMCc&feature=youtu.be .

The Districts

The Authorizing Legislation established (i) the Development District as a "development district" pursuant to the Tax Increment Financing Act and (ii) the Crescent Special Taxing District (the "Special Taxing District" and, together with the Development District, the "Districts") as a "special taxing district" pursuant to the Special Taxing District Act. The Development District is comprised of approximately 146 acres within Downtown Columbia and encompasses all or a portion of the six neighborhoods with the exception of The Mall neighborhood and the Merriweather-Symphony Woods neighborhood. The Special Taxing District consists of an approximately 65-acre parcel located within the Crescent neighborhood in the Development District.

A map of the Districts is included on page ii of this Limited Offering Memorandum. See also "PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA – General – Development District and Special Taxing District" herein.

On September 5, 2017, a resolution, Resolution No. 124-2017, was introduced at the County Council's meeting to enlarge the Development District. Resolution No. 124-2017 would add three additional parcels containing approximately 2.6 acres of property to the Development District. One of the additional parcels is currently developed with the Toby's Dinner Theater. Resolution No. 124-2017 was tabled by the County Council on October 2, 2017, and is expected to be considered by the County Council on November 6, 2017.

The Developer; Development of the Development District

The Howard Research And Development Corporation (the "Developer") serves as the community developer of Downtown Columbia under the Downtown Columbia Plan. The Developer is a wholly-owned subsidiary of The Howard Hughes Corporation, a $5 billion equity market capitalization company headquartered in Dallas, Texas**. The Howard Hughes Corporation has made no commitment to provide any financial support for the payment of the 2017 A Bonds and does not directly own land in, and has no legal obligations with respect to, the Development District or the Special Taxing District, except for its limited guaranty of certain obligations of the Developer under the Funding Agreement to complete the Public Improvements and to indemnify the County for certain matters.** To date, The Howard Hughes Corporation has contributed approximately $99 million in cash equity, not including land value, to the Developer for the costs of the redevelopment of Downtown Columbia. For additional information about the Developer, see "PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA – The Developer" herein.

The Developer or its subsidiaries are the sole owners of approximately 117.5 acres within the Development District and through an affiliation with subsidiaries of Kettler, Inc. own another 10 acres consisting of three multifamily developments named The Metropolitan, m.flats and TEN.M. The Developer and its wholly-owned subsidiaries own all of the land within the Special Taxing District with the exception of certain open space areas and a public road parcel.

The Developer intends to develop the Development District in multiple phases over approximately 15 to 20 years. The Developer's development plans for the Development District contemplate a mix of office, multifamily residential (a portion of which is expected to include affordable housing units), retail, restaurant, hotel and civic/recreation uses. The development of a portion of the Warfield neighborhood in the Development District consists of the development of the Metropolitan, TEN.M and m.flats (the "Warfield Development"). The Phase I-A Development (hereinafter defined) will consist of two office buildings and related retail and restaurant uses in Area One of the Special Taxing District and an office building and a multifamily residential building in Area Three of the Special Taxing District. The Phase I-B Development (hereinafter defined) is expected to include office, multifamily, retail and restaurant space in Area Three of the Special Taxing District. Additional future phases of the development in the Special Taxing District will consist of office, multifamily, retail and restaurant uses and a hotel on the remainder of the Special Taxing District property. The Phase I-A Development and the Phase I-B Development are referred to herein as the "Phase I Development." See "PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA."

Use of Proceeds

A portion of the proceeds of the 2017 A Bonds will be used to finance or refinance the construction of roads and intersections for the Special Taxing District, as well as related water, sewer and stormwater improvements and an EMT/Quick Strike Facility (collectively, the "Public Improvements"). See "PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA – The Development of the Development District and the Special Taxing District – Public Infrastructure Improvements" herein. The remainder of the proceeds of the 2017 A Bonds will be used to (i) fund the Reserve Fund in an amount equal to the Reserve Requirement, (ii) make a deposit to the Capitalized Interest Account in an amount that is estimated to be sufficient to fund the interest on the 2017 A Bonds to February 15, 2019, (iii) pay a portion of the administrative costs related to the 2017 A Bonds and the Districts and (iv) pay costs of issuing the 2017 A Bonds. See "THE 2017 A BONDS – Sources and Uses of Funds" herein.

Appraisal Report

An appraisal of the property within the Special Taxing District dated September 7, 2017 (the "Appraisal Report"), has been prepared by Cushman & Wakefield of Maryland, Inc. (the "Appraiser"). The purpose of the Appraisal Report was to estimate the value of the property within the Special Taxing District on an "as-is" basis as of June 20, 2017, as well as to provide prospective values which are described below. The valuation approaches used by the Appraiser and the values assigned to them are set forth in the following charts:

[CHARTS APPEAR ON FOLLOWING PAGE]

Hypothetical Value Conclusions					
Appraisal Premise	**Project Component (completion, leasing status)**	**Real Property Interest**	**Date of Value**	**Value Conclusion**	**Value-to-Bond Ratio**
Hypothetical Value 1 – With TIF; Assumes Merriweather One and Two are completed and stabilized and no other development					
Hypothetical Value	Merriweather One (completed, 58.5% leased)	Fee Simple	June 20, 2017	$78,000,000	
Hypothetical Value	Merriweather Two (under construction)	Fee Simple	June 20, 2017	$50,500,000	
Hypothetical Value	Parcel 3OA (land)	Fee Simple	June 20, 2017	$10,700,000	
Hypothetical Value	Parcel 3MFB (land)	Fee Simple	June 20, 2017	$17,200,000	
Hypothetical Value	Excess Land	Fee Simple	June 20, 2017	$94,300,000	
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$250,700,000**	**5.2:1**
Hypothetical Value 2 – With TIF; Assumes Merriweather One and Two are completed and stabilized, Building 3OA is completed and 46.8% leased, and no other development					
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$342,800,000**	**7.1:1**
Hypothetical Value 3 – With TIF; Assumes Merriweather One and Two are completed and stabilized, Building 3OA is completed and 46.8% leased, Building 3MBF is completed and 27.5% leased, and no other development					
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$455,000,000**	**9.4:1**

Market Value Conclusions					
Appraisal Premise	**Project Component (completion, leasing status)**	**Real Property Interest**	**Date of Value**	**Value Conclusion**	**Value-to-Bond Ratio**
Prospective Market Value – With TIF; Merriweather One and Merriweather Two completed and stabilized, Building 3OA completed and 46.8% leased and Building 3MBF completed and 27.5% leased and no other development					
Prospective Market Value	Merriweather One (completed, stabilized)	Fee Simple	July 31, 2019	$87,600,000	
Prospective Market Value	Merriweather Two (completed, stabilized)	Fee Simple	July 31, 2019	$49,700,000	
Prospective Market Value	Building 3OA (completed, 46.8% leased)	Fee Simple	July 31, 2019	$114,000,000	
Prospective Market Value	Building 3MFB (completed, 27.5% leased)	Fee Simple	July 31, 2019	$143,400,000	
Prospective Market Value	Excess Land	Fee Simple	July 31, 2019	$102,000,000	
Prospective Market Value	**Aggregate Value**	**Fee Simple**	**July 31, 2019[(1)]**	**$496,700,000**	**10.3:1**
Market Value As-Is – With no TIF; Merriweather One completed and 58.5% leased, Merriweather Two under construction and 59.3% pre-leased, no other Development					
Market Value As-Is	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$176,900,000**	**3.7:1**

Compiled by Cushman & Wakefield of Maryland, Inc.

[(1)] Represents expected date of completion of Building 3OA.

See "SECURITY FOR THE 2017 A BONDS – Appraised Property Values" and "APPENDIX A – Appraisal Report" hereto.

The Appraiser is affiliated with Cushman & Wakefield, a leading global real estate services firm that helps clients transform the way people work, shop, and live. Its 45,000 employees in more than 70 countries help occupiers and investors optimize the value of their real estate by combining their global perspective and deep local knowledge with an impressive platform of real estate solutions. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of $6 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory.

Note that the Appraisal Report is only an estimate of value, as of the specific date stated in the Appraisal Report, and is subject to the Assumptions and Limiting Conditions, as well as any Extraordinary Assumptions and Hypothetical Conditions stated in the Appraisal Report. Changes since that date in external and market factors or in the property itself can significantly affect the conclusions. As an opinion, it is not a measure of realizable value and may not reflect the amount that would be realized if the property was sold. Reference should be made to the entire Appraisal Report because relying solely on excerpts or portions of a report does not necessarily convey all of the limitations, conditions, assumptions or qualifications of the report that influenced the opinion of value. Prospective purchasers should review the Appraisal Report in its entirety in order to make an informed decision whether to purchase the 2017 A Bonds.

Neither the Underwriters nor the County makes any representations as to the accuracy, completeness, assumptions, or information contained in the Appraisal Report. The assumptions or qualifications with respect to the Appraisal Report are contained therein. There can be no assurance that any such assumptions will be realized, and the County and the Underwriters make no representation as to the reasonableness of such assumptions. Prospective purchasers of the 2017 A Bonds should review the Appraisal Report in its entirety in order to make an informed decision regarding the suitability of the 2017 A Bonds as an investment opportunity. See "SECURITY FOR THE 2017 A BONDS – Appraised Property Values" and "APPENDIX A – Appraisal Report" hereto.

Market Study

A market assessment for all land uses under consideration in the ongoing development of Downtown Columbia dated March 31, 2017 (the "Market Study"), has been prepared by Robert Charles Lesser & Co. Real Estate Advisors (the "Market Consultant"), to determine the market prospects for the proposed development in Downtown Columbia. Subject to the various assumptions and limiting conditions stated in the Market Study, the Market Consultant determined, among other things, that the Developer's projected absorption schedule for the proposed development in Downtown Columbia is reasonable based on available demand.

Established in 1967, the Market Consultant provides real estate advisory services, including market and financial analysis, strategic planning, asset allocation, management consulting and asset management. Since its establishment, the Market Consultant has worked for more than 5,000 clients on over 200,000 assignments.

Neither the Underwriters nor the County makes any representations as to the accuracy, completeness, assumptions or information contained in the Market Study. The assumptions or qualifications with respect to the Market Study are contained therein. There can be no assurance that any such assumptions will be realized, and the County and the Underwriters make no representation as to the reasonableness of such assumptions. Prospective purchasers of the 2017 A Bonds should review the Market Study in its entirety in order to make an informed decision regarding the suitability of the 2017 A Bonds as an investment opportunity. See "SECURITY FOR THE 2017 A BONDS – Market Study" and "APPENDIX B – Market Study" hereto.

Tax Increment and Special Tax Report

MuniCap, Inc. prepared the Downtown Columbia Development District and Special Taxing District Tax Increment and Special Tax Report dated October 16, 2017 (the "Tax Increment and Special Tax Report"), regarding the projected receipts of Tax Increment Revenues and Special Tax Revenues. The Tax Increment and Special Tax Report estimates Tax Increment Revenues and Special Tax Revenues under six scenarios:

i. Scenario A (Base Case) is the base case scenario and assumes that (a) the Phase One Properties complete or underway are completed as proposed by the Developer, as described herein, (b) property values increase at a 2% annual rate of inflation, (c) the High Performance Building real property tax credit (the "LEED Credit") and the Certain Commercial or Industrial real property tax credit (the "EDA Credit") are received, (d) the real property tax rate remains static at the 2017 level in future years and (e) only the 2017 A Bonds are issued.

ii. Scenarios B, C, D, E and F are provided for illustrative purposes. Scenario B (No Appreciation) assumes that (a) the Phase One Properties complete or underway are completed as proposed by the Developer, as described herein, (b) property values remain static at the stabilized levels in future years with no inflationary increases, (c) the LEED Credit and the EDA Credit are received, (d) the real property tax rate remains static at the 2017 level in future years and (e) only the 2017 A Bonds are issued.

iii. Scenario C (Excludes Project 3 Office A) assumes that (a) the Phase One Properties complete or underway are completed as proposed by the Developer, as described herein, except for Project 3 Office A and associated Area Three Phase One Parking, (b) property values increase at a 2% annual rate of inflation, (c) the LEED Credit and the EDA Credit are received, (d) the real property tax rate remains static at the 2017 level in future years and (e) only the 2017 A Bonds are issued.

iv. Scenario D (Excludes Project 3 Office A/Includes Project 3 Multifamily B) assumes that (a) the Phase One Properties complete or underway are completed as proposed by the Developer, as described herein, except for Project 3 Office A and associated Area Three Phase One Parking, (b) Project 3 Multifamily B is completed as proposed by the Developer, as described herein, (c) property values increase at a 2% annual rate of inflation, (d) the LEED Credit and the EDA Credit are received, (e) the real property tax rate remains static at the 2017 level in future years and (f) only the 2017 A Bonds are issued.

v. Scenario E (Includes Project 3 Multifamily B) assumes that (a) the Phase One Properties complete or underway and Project 3 Multifamily B are completed as proposed by the Developer, as described herein, (b) property values increase at a 2% annual rate of inflation, (c) the LEED Credit and the EDA Credit are received, (d) the real property tax rate remains static at the 2017 level in future years and (e) only the 2017 A Bonds are issued.

vi. Scenario F (Full Development) assumes that (a) all Phase One Properties are fully developed as proposed by the Developer, as described herein, (b) property values increase at a 2% annual rate of inflation, (c) the LEED Credit and the EDA Credit are received, (d) the real property tax rate remains static at the 2017 level in future years and (e) the 2017 A Bonds and $28,485,000 of Additional Phase One Bonds are issued.

Scenarios A, B, C, D, E and F in the Tax Increment and Special Tax Report assume full build-out of the Phase One Properties underway occurs in calendar year 2020. Assessed values from the Phase One Properties completed during calendar year 2020 would be stabilized in Fiscal Year 2025. Taxes paid on the stabilized values are anticipated to be available for debt service on the 2017 A Bonds in bond year 2025.

The Tax Increment and Special Tax Report concludes that completion of the Phase One Properties complete or underway will result in incremental assessed values and incremental tax revenues shown in the table below.

[TABLE APPEARS ON FOLLOWING PAGE]

Scenario	*Projected Assessed Value*[a]	*Base Assessed Value*[b]	*Incremental Assessed Value*	*Tax Rate Per $100 of Assessed Value*	*Annual Incremental Taxes*	*Annual Incremental Taxes at 99.5%*
A – Base Case	$568,495,808	($9,907,900)	$558,587,908	$1.014	$5,664,081	$5,635,761
B – No Appreciation	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	$4,952,846
C – Excluding 3OA/Area Three Phase One Parking	$432,948,377	($9,907,900)	$423,040,477	$1.014	$4,289,630	$4,268,182
D – Excluding 3OA & Area Three Phase One Parking/Including 3MFB	$567,891,640	($9,907,900)	$557,983,740	$1.014	$5,657,955	$5,629,665
E – Including 3MFB	$711,503,074	($9,907,900)	$701,595,174	$1.014	$7,114,175	$7,078,604
F – Full Phase One Properties	$993,739,103	($9,907,900)	$983,831,203	$1.014	$9,976,048	$9,926,168

[a]Projected value shown represents the value as of bond year ending February 15, 2025, the first year in which stabilized taxes from the fully completed Phase One Properties development are anticipated.

[b]The certified base value of the Phase One Properties $9,907,900 is the same for all scenarios.

Source: MuniCap, Inc.

Determination of Tax Increment Revenues

Under the Tax Increment and Special Tax Report, Tax Increment Revenues are calculated by multiplying the incremental assessed value of the property within the Development District by the tax rate for the County. These calculations result in an estimated base annual collection of Tax Increment Revenues under Scenario A (Base Case) of $5,703,941. See "APPENDIX C – Tax Increment and Special Tax Report" hereto for more information on the scenarios presented.

Projected Debt Service Coverage

The chart below shows the projected debt service coverage for Scenarios A, B, C, D, E and F.

Scenario	**Annual Net Debt Service at Stabilization**[(a)]	**Annual Incremental Taxes at Stabilization Net of Tax Credits**	**Debt Service Coverage**
A – Base Case	$2,566,279	$5,392,173	210%
B – No Appreciation	$2,566,279	$4,740,788	185%
C – Excluding 3OA/Area Three Phase One Parking	$2,566,279	$4,268,182	166%
D – Excluding 3OA & Area Three Phase One Parking/Including 3MFB	$2,566,279	$5,411,736	211%
E – Including 3MFB	$2,566,279	$6,617,087	258%
F – Full Phase One Properties	$4,355,802	$8,975,437	206%

[a]Annual net debt service payments shown at the first year in which stabilized taxes are anticipated which is projected to be in the bond year ending February 15, 2024 for Scenarios A through E, and February 15, 2025 for Scenario F. Scenario F assumes that Additional Phase One Bonds will be issued to fund the public improvements necessary to support the additional development.

Source: MuniCap, Inc.

Projected Special Tax Liability

The chart below shows the projected Special Tax liability for Scenarios A, B, C, D, E and F. For each scenario, the expected Special Tax liability in each year would be substantially less than the Maximum Special Tax in that year. See "THE DEVELOPMENT DISTRICT, THE SPECIAL TAXING DISTRICT AND REVENUES."

Scenario	*Debt Service through BYE 2047*[(a)]	*Incremental Tax Revenues through BYE 2047*[(b)]	*Special Taxes Collected through BYE 2047*
A – Base Case	$90,330,197	$151,669,047	$0
B – No Appreciation	$90,330,197	$125,390,051	$0
C – Excluding 3OA/Area Three Phase One Parking	$90,330,197	$136,292,589	$0
D – Excluding 3OA & Area Three Phase One Parking/Including 3MFB	$90,330,197	$153,481,358	$0
E – Including 3MFB	$90,330,197	$151,401,473	$0
F – Full Phase One Properties	$144,046,834	$164,314,618	$0

[(a)]See Tables I-A and I-B in APPENDIX C – Tax Increment and Special Tax Report.

[(b)]Represents Tax Increment Revenues available to apply to the special tax requirement pursuant to the Indenture. Revenues shown are after tax credits and set asides.

Source: MuniCap, Inc.

The Tax Increment Revenues available to apply to the special tax requirement for each fiscal year shall mean "the First Available Tax Increment Revenues and any Tax Increment Revenues in excess of the sum of the First Available Tax Increment Revenues and the Second Available Tax Increment Revenues," where the First Available Tax Increment Revenues and the Second Available Tax Increment Revenues are set amounts as defined in the Indenture.

By initially limiting the Tax Increment Revenues, the County is able to "set aside" certain revenues to apply to County expenses (e.g., the cost of public facilities planned for Downtown Columbia). To the extent the First Available Tax Increment Revenues and any Tax Increment Revenues in excess of the sum of the First Available Tax Increment Revenues and the Second Available Tax Increment Revenues are not sufficient to pay debt service, the Special Tax will be levied. The Second Available Tax Increment Revenues are not a credit to the Special Taxes to be levied on the property, but are pledged to the 2017 A Bonds, and the 2017 A Bonds have the first claim on these revenues. As shown in the above chart, even after taking into consideration applicable set asides, the estimated Special Taxes to be levied in all scenarios is zero.

Neither the Underwriters nor the County makes any representation as to the accuracy of the Tax Increment and Special Tax Report. The assumptions or qualifications with respect to the Tax Increment and Special Tax Report are contained therein. There can be no assurance that any such assumptions will be realized, and the County and the Underwriters make no representation as to the reasonableness of such assumptions. Prospective purchasers of the 2017 A Bonds should review the Tax Increment and Special Tax Report in its entirety in order to make an informed decision regarding the suitability of the 2017 A Bonds as an investment opportunity. See "APPENDIX C – Tax Increment and Special Tax Report" hereto.

Engineer's Report

An Engineer's Report dated September 8, 2017, as supplemented by a Supplement dated October 13, 2017 (together, the "Engineer's Report"), has been prepared by Gutschick, Little & Weber, P.A. and is contained in APPENDIX D to this Limited Offering Memorandum. The Engineer's Report provides a detailed description of the current state of development, zoning, and public approvals for the Public Improvements and all lands within the Special Taxing District, and the estimated costs of the Public Improvements and of the other infrastructure for the Special Taxing District. The Engineer's Report concludes that all necessary discretionary approvals have been

obtained from the County for Parcels C and D in the Warfield Neighborhood (on which parcels The Metropolitan, m.flats and TEN.M have been or are being constructed) and for Parcels A-1, A-2 and A-3 within Area One in the Crescent Neighborhood (on which parcels One Merriweather, Two Merriweather and a parking garage have been or are being constructed). The Site Development Plan for Project 3 Office A and for Phase I-B (which includes Project 3 Multifamily B) vertical construction has been submitted to the Howard County Department of Planning & Zoning for review as part of the routine development process. With respect to the Road Segments One A and One B, the Engineer's Report concludes that all County approvals that are conditions precedent to the posting of bonds and issuance of permits for construction of the public improvements shown on such permits have been obtained. Plans for Road Segment Two A are approved and Plans for Road Segment Two B are under administrative review. The approval of the Area Three Road plans will be subject to an administrative Design Manual waiver process and the Engineer has been advised by the County's Department of Public Works that the waivers are likely to be granted in the ordinary course of reviewing the road construction plans. Road Segments Two A, Two B and the Area Three public roads will go through the bonding and permit stages as part of the routine progression of those segments. All of the foregoing roads are to be financed with the 2017 A Bonds. The Engineer's Report also concludes that the costs of the Public Improvements are sufficient and reasonable for development activity of the scope and purpose described therein.

The Engineer's Report notes that Phase I environmental studies were performed for all four of the building areas in the Special Taxing District: (1) in Area One (One Merriweather) in July, 2015 by The Robert B. Balter Company ("Balter"), (2) in Area Two (Two Merriweather) in September, 2016 by Balter, (3) in Area Two in March, 2017by ECS Mid-Atlantic, LLC ("ECS"), (4) in Area Three in May, 2015 by ECS and (5) in Area Four in March, 2017 by ECS. In addition, a Phase I environmental study was conducted in September, 2013 by Environmental Consultants and Contractors, Inc. for the portion of the Warfield Neighborhood on which TEN.M and m.flats are being constructed. In all of these studies, no evidence was revealed of any recognized environmental conditions in connection with these properties. See "PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA – The Development of the Development District and the Special Taxing District" and "– Plan of Finance" herein.

Formed in 1986, Gutschick, Little & Weber, P.A. provides civil engineering, surveying, planning and landscape architecture services.

Neither the Underwriters nor the County makes any representation as to the accuracy of the Engineer's Report. See "APPENDIX D – Engineer's Report" hereto.

THE APPRAISAL REPORT, THE MARKET STUDY, THE TAX INCREMENT AND SPECIAL TAX REPORT AND THE ENGINEER'S REPORT ARE CONSIDERED INTEGRAL PARTS OF THIS LIMITED OFFERING MEMORANDUM, AND PROSPECTIVE INVESTORS SHOULD READ THEM IN THEIR ENTIRETY. SEE APPENDICES A, B, C AND D HERETO. THE COUNTY AND THE UNDERWRITERS MAKE NO REPRESENTATION AS TO THE ACCURACY OF THE APPRAISAL REPORT, THE MARKET STUDY, THE TAX INCREMENT AND SPECIAL TAX REPORT OR THE ENGINEER'S REPORT.

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

General

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

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

Pursuant to the Authorizing Legislation, the County created the Development District and the Downtown Columbia Tax Increment Fund (the "Tax Increment Fund"), and the Special Taxing District and the Crescent Special Taxes Fund (the "Special Taxes Fund"). The Authorizing Legislation also (i) authorized the issuance of bonds in an aggregate principal amount not to exceed $90,000,000 and (ii) approved the Howard County, Maryland Crescent Special Taxing District Rate and Method of Apportionment of Special Taxes (the "Rate and Method"). Under the Authorizing Legislation, the 2017 A Bonds may not mature longer than 30 years from the date of issuance, inclusive of the capitalized interest period, and the interest rate on the 2017 A Bonds may not exceed 12% per annum.

Proposed Repeal of Ordinance

On August 25, 2017, two members of the County Council pre-filed legislation, Council Bill No. 74-2017, to repeal the Ordinance. Council Bill No. 74-2017 was introduced at the County Council's September 5, 2017 meeting, and a public hearing was held on September 18, 2017, followed by two legislative work sessions on September 25, 2017 and October 2, 2017. The two County Council members expressed concern over the County Executive's decision to finance additional public road improvements authorized under the Ordinance with the proceeds of the 2017 A Bonds in lieu of the financing of a public parking garage. The two Council members have indicated that they believe that the County Executive's decision raised questions about the financial information presented in 2016 to the County Council during the approval process of the Ordinance and altered the potential public benefit of the issuance of the 2017 A Bonds. At its legislative session on October 2, 2017, the County Council by a 3 to 2 vote did not pass Council Bill No. 74-2017.

Proposed Enlargement of Development District

On September 5, 2017, a resolution, Resolution No. 124-2017, was introduced at the County Council's meeting to enlarge the Development District. Resolution No. 124-2017 would add three additional parcels containing approximately 2.6 acres of property to the Development District. One of the additional parcels is currently developed with the Toby's Dinner Theater. Resolution No. 124-2017 was tabled by the County Council on October 2, 2017, and is expected to be considered by the County Council on November 6, 2017.

Plan of Finance for Public Infrastructure Improvements

The Authorizing Legislation authorized the issuance of up to $90,000,000 of bonds to fund the Public Improvements and certain other public infrastructure improvements related to the Phase I Development. The County may determine to issue Additional Bonds pursuant to the Indenture to finance the remaining public infrastructure improvements contemplated by the Authorizing Legislation. Such Additional Bonds are referred to as the "Additional Phase One Bonds" and collectively with the 2017 A Bonds as the "Phase One Bonds." The County may also determine to issue other Additional Bonds pursuant to the Indenture to finance additional public infrastructure improvements relating to future phases of development in the Special Taxing District (the "Phase Two Bonds"). The County may also determine to issue future special obligation bonds pursuant to the Acts and a separate indenture to finance public infrastructure improvements within or relating to development of the areas in the Development District that are outside of the Special Taxing District (the "Future Downtown Columbia Bonds"). Before issuing the Phase Two Bonds or the Future Downtown Columbia Bonds, the County would be required to enact an ordinance authorizing the issuance of such bonds. See "PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA" herein.

The Phase Two Bonds will be secured by the Tax Increment Revenues and the Special Tax Revenues. The Future Downtown Columbia Bonds will be secured by the Tax Increment Revenues but will not be secured by the Special Tax Revenues. See " – Security for the 2017 A Bonds" below and "SECURITY FOR THE 2017 A BONDS" for a discussion of the priority of the liens on the Tax Increment Revenues securing the Phase One Bonds, Phase Two Bonds and Future Downtown Columbia Bonds.

Security for the 2017 A Bonds

The 2017 A Bonds will be secured by a pledge of the Tax Increment Revenues and the Special Tax Revenues, and all money deposited in the Tax Increment Fund and the Special Taxes Fund established by the Authorizing Legislation and the Improvement Fund, the Debt Service Fund and the Reserve Fund established under the Indenture. The 2017 A Bonds are secured by a lien on all Tax Increment Revenues; provided that the lien on the Phase One Tax Increment Revenues securing the 2017 A Bonds and any other Phase One Bonds shall be (i) senior to or on a parity with the lien on the Phase One Tax Increment Revenues securing the Phase Two Bonds and (ii) senior to the lien on the Phase One Tax Increment Revenues securing any Future Downtown Columbia Bonds. Any Phase Two Bonds may be secured by a lien on the Phase One Tax Increment Revenues, and such lien may be on a parity with or subordinate to the lien pledged to the 2017 A Bonds and any other Phase One Bonds. Any Future Downtown Columbia Bonds may be secured by a lien on the Phase One Tax Increment Revenues, but such lien shall be in all respects subordinate to the lien pledged to the 2017 A Bonds and any other Phase One Bonds and any Phase Two Bonds secured by a lien on the Phase One Tax Increment Revenues that is on a parity with the lien pledged to the Phase One Bonds (the "Parity Phase Two Bonds"). The County shall not otherwise encumber, pledge or place any charge or lien upon any of the Phase One Tax Increment Revenues superior to the pledge and lien created under the Indenture for the benefit of the 2017 A Bonds and any other Phase One Bonds and Parity Phase Two Bonds. The County may encumber, pledge or place a charge upon any of the Other Tax Increment Revenues to secure Phase Two Bonds or any Future Downtown Columbia Bonds and such lien may be superior to, on a parity with, or subordinate to the pledge and lien created under the Indenture for the benefit of the Phase One Bonds.

The 2017 A Bonds and any other Phase One Bonds are payable in the first instance from the Tax Increment Revenues up to a portion of the Tax Increment Revenues set forth in the Indenture representing the First Available Tax Increment Revenues plus any remaining Tax Increment Revenues in excess of the Second Available Tax Increment Revenues collected in each Fiscal Year. To the extent the First Available Tax Increment Revenues and any remaining Tax Increment Revenues in excess of the Second Available Tax Increment Revenues are insufficient to pay debt service on the 2017 A Bonds and any other Phase One Bonds, related administrative costs and to maintain certain funds created under the Indenture, the Special Tax will be collected by the County and the proceeds of the Special Tax will be applied to such payments.

Pursuant to the Indenture and the Rate and Method, a portion of the Tax Increment Revenues hereinafter described as the Second Available Tax Increment Revenues projected in the aggregate principal amount of $235,192,755 will be set aside to fund elementary school costs of the County as well as capital and operating costs associated with the Downtown Columbia development. As a result of the above-described set-aside for County utilization, the calculation of the Special Tax Requirement will not take into consideration such Second Available Tax Increment Revenues as a credit against the imposition of the Special Tax resulting in the levying of a Special Tax in an amount that may be greater than would otherwise be the case. The First Available Tax Increment Revenues, plus any remaining Tax Increment Revenues that exceed the Second Available Tax Increment Revenues, are the amount of Tax Increment Revenues that would be available to pay debt service. The Special Tax will be collected in any given year only if a deficiency exists with respect to the First Available Tax Increment Revenues plus any remaining Tax Increment Revenues in excess of the Second Available Tax Increment Revenues. If the First Available Tax Increment Revenues, any remaining Tax Increment Revenues in excess of the Second Available Tax Increment Revenues, and Special Tax Revenues are insufficient to pay debt service on the 2017 A Bonds and any other Phase One Bonds, any remaining Tax Increment Revenues shall be applied to pay debt service on the 2017 A Bonds and any other Phase One Bonds (subject to the senior or parity pledge of such amounts to the Phase Two Bonds or Future Downtown Columbia Bonds in accordance with the Indenture).

Notwithstanding the foregoing, given that all of the Tax Increment Revenues are pledged to the 2017 A Bonds, no Second Available Tax Increment Revenues set aside in any fiscal year will be paid to the County unless debt service on the 2017 A Bonds has been paid in full from Tax Increment Revenues and Special Tax Revenues.

The County may issue Additional Bonds in accordance with the Indenture to finance additional infrastructure improvements in or relating to the Special Taxing District, provided that certain conditions are met. If the Additional Bonds constitute Additional Phase One Bonds, either (i) the County and the Trustee must receive a certificate of the Administrator to the effect that (A) the amount of the proposed Additional Phase One Bonds and any Phase One Bonds that will remain Outstanding after the issuance of such Additional Phase One Bonds will not exceed the amount of Phase One Bonds for which Net Debt Service can be paid in each succeeding Bond Year from the amount of Projected Phase One Tax Increment Revenues divided by 125%, and (B) the amount of the Maximum Special Tax in every succeeding Fiscal Year shall be at least one hundred and five percent (105%) of the total Annual Debt Service for the corresponding Bond Year on the proposed Additional Phase One Bonds and any Bonds that will be Outstanding after the issuance of such Additional Phase One Bonds, or (ii) the Holders of a majority of the Phase One Bonds and any Parity Phase Two Bonds outstanding immediately prior to the issuance of such Additional Bonds must consent to the issuance thereof. If such Additional Bonds constitute Phase Two Bonds, either (i) the County and the Trustee must receive a certificate of the Administrator to the effect that (A) the amount of the Maximum Special Tax in every succeeding Fiscal Year shall be at least one hundred and five percent (105%) of the total Annual Debt Service for the corresponding Bond Year on the proposed Phase Two Bonds and any Bonds that will remain Outstanding after the issuance of such Phase Two Bonds and (B) if such Phase Two Bonds constitute Parity Phase Two Bonds, the amount of the proposed Parity Phase Two Bonds and any Phase One Bonds and Parity Phase Two Bonds that will remain Outstanding after the issuance of such Parity Phase Two Bonds will not exceed the amount of Phase One Bonds and Parity Phase Two Bonds for which Net Debt Service can be paid in each succeeding Bond Year from the amount of Projected Phase One Tax Increment Revenues divided by 125%, or (ii) the Holders of a majority of the Phase One Bonds and a majority of the Phase Two Bonds outstanding immediately prior to the issuance of such Additional Bonds must consent to the issuance thereof. The County may also issue Future Downtown Columbia Bonds under a separate indenture to finance infrastructure improvements within or relating to the development of areas in the Development District that are outside of the Special Taxing District. See "THE 2017 A BONDS – Additional Bonds" and "SECURITY FOR THE 2017 A BONDS – Additional Bonds and Future Downtown Columbia Bonds."

As additional security for the 2017 A Bonds, a Reserve Fund will be established in an amount equal to the Reserve Requirement. The Reserve Fund will be funded from proceeds of the 2017 A Bonds. The Indenture defines the Reserve Requirement with respect to the 2017 A Bonds as an amount equal to the least of (i) 10% of the original principal amount of the 2017 A Bonds, (ii) 125% of average Annual Debt Service on the 2017 A Bonds outstanding as of the date of issuance of the 2017 A Bonds, or (iii) the Maximum Annual Debt Service on the 2017 A Bonds outstanding as of the date of determination, and, with respect to any Additional Bonds, as of the date of any calculation, an amount determined by a Supplemental Indenture. As of the date of delivery of the 2017 A Bonds, the Reserve Requirement is equal to $3,921,282.59, which is an amount equal to 125% of average Annual Debt Service on the 2017 A Bonds. See "SECURITY FOR THE 2017 A BONDS – Reserve Fund" herein. See also "APPENDIX F – Proposed Form of Indenture" hereto.

Enforcement of Taxes; Direct and Overlapping Taxes

The County has covenanted in the Indenture, for the benefit of the owners of the 2017 A Bonds (the "Bondholders" or "Holders"), that the County will comply in all material respects with all requirements of applicable State and local laws, including the Acts, and the Rate and Method so as to assure the timely collection of the Revenues for the payment of the 2017 A Bonds, including enforcing the collection of any property taxes or Special Taxes levied on any property in the Districts and not paid when due. See "SECURITY FOR THE 2017 A BONDS – Property Tax Collection Procedures" herein. The County is not required, nor does the County intend, to advance any of its own funds or any other money of the County in the event of a delinquency in the payment of Revenues.

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

The real property tax rates for the County and the State for the Fiscal Year ending June 30, 2017 and for the prior five Fiscal Years are as follows:

[TABLE APPEARS ON FOLLOWING PAGE]

Fiscal Year Ending	Maryland State Tax Rate Per $100 Assessed Value[1]	Howard County Tax Rate Per $100 Assessed Value[2]
2012	$0.112	$1.014
2013	$0.112	$1.014
2014	$0.112	$1.014
2015	$0.112	$1.014
2016	$0.112	$1.014
2017	$0.112	$1.014

[1] Source: Maryland State Department of Assessments and Taxation.

[2] Source: Howard County, Maryland Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016 for all years from 2012 through 2016. Information for years subsequent to 2016 provided by Maryland State Department of Assessments and Taxation.

State taxes will not be deposited in the Tax Increment Fund and are not pledged as security for the 2017 A Bonds. See "SECURITY FOR THE 2017 A BONDS – General" herein.

Risk Factors

The purchase of the 2017 A Bonds involves significant investor risks. At the time of delivery of the 2017 A Bonds, the Developer and its affiliates will own 117.5 of the 146 acres of property in the Development District (with approximately 10 additional acres owned as a joint venture with Kettler, Inc. for the development of The Metropolitan, m.flats and TEN.M) and will be the only taxpayers in the Special Taxing District. The timely payment of principal and interest on the 2017 A Bonds from the Revenues is contingent, among other things, upon (i) the successful completion and operation of the Public Improvements, the Warfield Development and the Phase I Development and (ii) the willingness and ability of the Developer and its affiliates and other owners of property in the Districts to pay taxes in the Districts when due. These risks and certain others are described in more detail in "RISK FACTORS" herein.

Limitations Concerning Information Contained Herein

This Limited Offering Memorandum contains brief descriptions of, among other things, the 2017 A Bonds, the security for the 2017 A Bonds, risk factors, the Development District, the Special Taxing District, the County, the Public Improvements, Downtown Columbia, and other information, together with summaries of certain provisions of the 2017 A Bonds. Such descriptions and information do not purport to be complete, comprehensive or definitive. All such descriptions are qualified in their entirety by reference to such documents.

THE COUNTY

Howard County, Maryland is 251 square miles in area and is home to approximately 305,462 residents. The County is located in the State between Baltimore, Maryland and Washington, D.C., and at its closest points is less than four miles from the former and 13 miles from the latter. The County was formed in 1851 and bears the name of Colonel John Eager Howard, the fifth governor of the State. The County was predominately agricultural until 1966, when construction began on the new town of Columbia. The County's population has grown an average of 1.65% annually since 2000 and is the third wealthiest in the nation.

Over the past four decades, the County has changed from a farming community into a community of urban, suburban and rural components. This is due, in part, to the County's close proximity to the cities of Washington, D.C. and Baltimore, as well as to the County's active promotion of economic development. The County is a major commercial center for the Washington-Baltimore region, with over 1,750 properties offering 71.6 million square feet of space to over 9,050 businesses. Several of the largest office and business parks in the Washington-Baltimore region are located in the County, including Columbia Gateway with 600 acres, Maryland Wholesale Food Center with 400 acres and Rivers Corporate Park with 350 acres. The County is also home to Emerson Corporate Commons with 570 acres and Maple Lawn with 506 acres, both mixed-use developments with over 3 million square feet of office space.

The Howard Research And Development Corporation began the assemblage of the land for the master planned city of Columbia in 1962. Today, Columbia is an unincorporated city built on 14,000 acres in the east-

central portion of the County. Columbia has 99,615 residents, 5,500 businesses and 91,000 local jobs located in over 23 million square feet of commercial office, industrial and research and development buildings. Ten village centers, each providing a variety of day-to-day shopping needs and community and professional facilities and services, are now in operation. In addition, the Mall in Columbia, Columbia Crossing, Dobbin Center, Snowden Square and Long Gate provide 3.5 million square feet of retail stores, shops and restaurants.

The County's public school system consistently ranks among the State's top school districts based on student performance on the Maryland School Assessments. In 2016, all 12 of the County's public high schools made the list of "America's Most Challenging High Schools" published annually by the *Washington Post*. A total of 116 of the State's high schools were on this national list, which had over 2,500 high schools ranked. The County students' average score is above the national averages on standardized tests, and approximately 92% of graduates continue their education beyond high school.

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

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

Allan H. Kittleman was elected Howard County Executive on November 4, 2014. Prior to being County Executive, he served on the County Council representing District 5 from 1998 to 2004, and served in the Maryland General Assembly as the Senator representing District 9 from 2004 to 2014. Mr. Kittleman is also an attorney who practiced with several private law firms representing employers in worker's compensation matters. Mr. Kittleman was born and raised in the County, and is a product of the Howard County public school system. A graduate of Atholton High School, Mr. Kittleman received a B.A. degree in political science from the University of Maryland, Baltimore County, and a J.D. degree with honors from the University of Maryland School of Law.

Diane Wilson was appointed Chief of Staff to Howard County Executive Allan Kittleman on December 2, 2014. Before being appointed Chief of Staff, Ms. Wilson served as Senator Kittleman's Legislative Assistant, responsible for constituent and legislative issues relating to Howard and Carroll counties. Prior to working for Mr. Kittleman, Ms. Wilson served as Deputy Secretary for the Maryland Department of General Services where she managed a team of more than 600 specialists supporting goals and objectives related to statewide procurement, capital design and construction, acquisition and disposal of real estate, and facilities operations and maintenance of 56 state-owned buildings comprised of 6.5 million square feet of space. Ms. Wilson also served as a Real Estate Specialist for the Federal Emergency Management Agency ("FEMA"), where she coordinated the FEMA five-year capital plan on all associated projects for nationwide space expansion in seven of 10 regional offices.

Lonnie R. Robbins was appointed Chief Administrative Officer effective January 3, 2007 after serving as Deputy Chief Administrative Officer since 2004. Mr. Robbins has served as both a Senior Assistant County Solicitor and Assistant County Solicitor in the Howard County Office of Law. He has also worked as the procurement advisor for the Maryland State Board of Public Works, Administrator for Maryland State Department of General Services, and executive aide for the Office of Governor Harry R. Hughes. Mr. Robbins received his B.S. degree in Business and Public Administration from the University of Maryland and a J.D. degree from the University of Baltimore. Mr. Robbins is active in Howard County and Maryland State Bar Associations, Leadership Howard County and First Tee of Howard County.

Stanley J. Milesky was appointed Director of Finance effective September 12, 2011. Prior to that date Mr. Milesky was Howard County's Deputy Director of Finance for three years. Mr. Milesky previously served as the Chief of the Bureau of Treasury Management for the City of Baltimore (the "City") from November 2002 to May 2008. In that capacity, he oversaw all treasury and revenue collection activities on behalf of the City, including all issuance of municipal debt. Mr. Milesky was also employed by the Maryland Department of Transportation for over 33 years, where he served as the Acting Director of Finance and Administration for the Maryland Aviation Administration, and was responsible for financing of the capital expansion at Baltimore/Washington Thurgood Marshall International Airport. During his tenure in the Office of the Secretary of the Maryland Department of Transportation, Mr. Milesky served as the Department's Manager of Cash and Debt Administration, and

prior to that, as project director for the implementation of the Department's first comprehensive financial management information system. Mr. Milesky also served as the Director of Administration and Finance for the Maryland State Railroad Administration from 1987 to 1991. Mr. Milesky, a 1969 graduate of Baltimore Polytechnic Institute, earned a B.S. degree from Towson University in 1978 and in 1981 was awarded a Master of Public Administration degree from the University of Southern California.

THE 2017 A BONDS

The 2017 A Bonds will be issued in the aggregate principal amount of $48,225,000, will be dated as of the date of issue, bear interest from such date at the rates, and mature on the dates set forth on the cover page of this Limited Offering Memorandum. The 2017 A Bonds initially will be issued in fully registered book-entry form, in authorized denominations of $100,000 or any integral multiple of $5,000 in excess thereof. See "THE 2017 A BONDS – Authorized Denominations" herein.

The Depository Trust Company, New York, New York ("DTC") will act as securities depository for the 2017 A Bonds. So long as the 2017 A Bonds are held in book-entry form, principal of, premium (if any) and interest on the 2017 A Bonds will be paid directly to DTC for subsequent disbursement to DTC participants who will remit such payments to the Beneficial Owners (as defined herein) of the 2017 A Bonds in accordance with the procedures adopted by DTC. See "THE 2017 A BONDS – Book-Entry System" herein.

Interest on the 2017 A Bonds will be paid in lawful money of the United States of America semiannually on February 15 and August 15 of each year (each, an "Interest Payment Date"), commencing February 15, 2018. Interest on the 2017 A Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The 2017 A Bonds may be transferred and exchanged in accordance with the Indenture. Until such time as the minimum authorized denomination is reduced to $5,000, the 2017 A Bonds may be sold only to qualified institutional buyers within the meaning of Rule 144A of the Securities Act of 1933, as amended, or accredited investors within the meaning of Regulation D of the Securities Act of 1933, as amended. See "NOTICE TO INVESTORS" herein.

Redemption

Optional Redemption

The 2017 A Bonds are subject to redemption prior to maturity on and after February 15, 2026, as a whole or in part at any time, at the option of the County, at a redemption price equal to 100% of the principal amount of 2017 A Bonds to be redeemed plus accrued interest thereon to the redemption date.

In lieu of redeeming the 2017 A Bonds, the County shall have the right to purchase such 2017 A Bonds or cause such 2017 A Bonds to be purchased on the date named for redemption at a price equal to 100% of the principal amount of such 2017 A Bonds, plus accrued interest thereon to the date named for redemption, and by their acceptance of the 2017 A Bonds, the holders thereof agree to sell the 2017 A Bonds to the County or any purchaser obtained by the County on such date. If there shall have been deposited with the Trustee the purchase price of such 2017 A Bonds on such date, then such 2017 A Bonds shall be deemed to have been purchased on such date whether or not the holders thereof surrender such Bonds for purchase and such holders shall not be entitled to interest accruing on such 2017 A Bonds subsequent to such date and shall have no claims with respect thereto except to receive the purchase price of such 2017 A Bonds so held by the Trustee.

Mandatory Sinking Fund Redemption

The 2017 A Bonds are subject to mandatory sinking fund redemption on February 15 in the respective years set forth in the following tables, at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date:

$4,500,000 Term Bond Due February 15, 2028

Year	Sinking Fund Installment	Year	Sinking Fund Installment
2021	$200,000	2025	$ 465,000
2022	100,000	2026	875,000
2023	100,000	2027	1,100,000
2024	485,000	2028*	1,175,000

*final maturity

$8,675,000 Term Bond Due February 15, 2034

Year	Sinking Fund Installment	Year	Sinking Fund Installment
2029	$1,250,000	2032	$1,475,000
2030	1,325,000	2033	1,575,000
2031	1,400,000	2034*	1,650,000

*final maturity

$10,300,000 Term Bond Due February 15, 2039

Year	Sinking Fund Installment	Year	Sinking Fund Installment
2035	$1,750,000	2038	$2,050,000
2036	1,850,000	2039*	2,725,000
2037	1,925,000		

*final maturity

$24,750,000 Term Bond Due February 15, 2047

Year	Sinking Fund Installment	Year	Sinking Fund Installment
2040	$2,900,000	2044	$3,850,000
2041	3,125,000	2045	4,125,000
2042	3,350,000	2046	3,650,000
2043	3,600,000	2047*	150,000

*final maturity

The 2017 A Bonds redeemed as described under "THE 2017 A BONDS – Redemption – Optional Redemption" and 2017 A Bonds purchased by the Trustee from available money on deposit with the Trustee in accordance with the Indenture will be credited to the remaining sinking fund installments in the manner described herein. See "THE 2017 A BONDS – Redemption – Credits to Sinking Fund Installments from Redemptions and Purchases of 2017 A Bonds."

Extraordinary Optional Redemption

At the option of the County, the 2017 A Bonds are subject to redemption prior to maturity as a whole or in part at any time, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption, (i) if the County determines that the amount remaining in the Improvement Fund will not be used to fund the Public Improvements and directs the Trustee to transfer such amount from the Improvement Fund to the Debt Service Fund for the redemption of the 2017 A Bonds or (ii) upon the occurrence of any of the following conditions or events: (x) if title to, or the permanent use of, or use for a limited period of time of, any portion of the improvements located within the Districts are condemned or the subject of an agreement with, or

action by, a public authority in the nature of or in lieu of condemnation proceedings; or (y) if title to any portion of the improvements located within the Districts is found to be deficient; or (z) if any portion of the improvements located within the Districts is damaged or destroyed by fire or other casualty, and, with respect to clauses (x), (y) and (z), in such case to the extent that the ability of the properties in the Districts to generate sufficient Tax Increment Revenues and Special Tax Revenues to pay debt service on the 2017 A Bonds is substantially impaired.

Special Mandatory Redemption from Prepayments of Special Taxes

The 2017 A Bonds are subject to redemption, in whole or in part, upon the written direction of the County, from amounts received by the Trustee constituting Special Taxes paid as a result of an optional or mandatory prepayment of the Special Tax pursuant to the terms of the Rate and Method, on any date on which 2017 A Bonds are subject to redemption at the option of the County as described under the caption " – *Optional Redemption*" above, at the Redemption Price provided for the redemption of 2017 A Bonds under the caption " – *Optional Redemption*" above on such date plus interest accrued thereon to the date set for redemption. Upon any redemption pursuant to this paragraph, the Sinking Fund Installments becoming due in each year shall be reduced, *pro rata*.

Selection of 2017 A Bonds for Redemption

If fewer than all of the 2017 A Bonds shall be called for redemption, the Securities Depository shall select the particular Bonds or portions of Bonds to be redeemed in accordance with its procedures, or if the book-entry system has been discontinued, the Trustee shall select or cause to be selected the particular Bonds or portions of 2017 A Bonds to be redeemed on a *pro rata* basis among all outstanding maturities of the 2017 Bonds, as nearly as practicable, and within a maturity, by random drawing or in such other manner as the Trustee in its discretion may deem proper; provided that the portion of any 2017 A Bond to be redeemed shall be in a principal amount equal to $5,000 or any integral multiple thereof, provided that no redemption shall result in a 2017 A Bond in a denomination of less than the Authorized Denomination in effect at that time and, in selecting 2017 A Bonds for redemption, each 2017 A Bond shall be treated as representing that number of bonds that is obtained by dividing the principal amount of such 2017 A Bond by $5,000.

Credits to Sinking Fund Installments from Redemptions and Purchases of 2017 A Bonds

If (i) the Trustee purchases Term Bonds during any Fiscal Year, (ii) the County delivers to the Trustee for cancellation on or before the 45th day next preceding any February 15 on which a sinking fund installment is due Term Bonds subject to redemption from such sinking fund installment, or (iii) Term Bonds subject to redemption from a sinking fund installment are optionally redeemed during such Fiscal Year, then an amount equal to 100% of the aggregate principal amount of such 2017 A Bonds so purchased, delivered or redeemed shall be credited against such sinking fund installment.

Notice of Redemption or Purchase

So long as the 2017 A Bonds are held in book-entry form, notice of redemption or purchase will be given by the Trustee only to DTC and not to the Beneficial Owners of 2017 A Bonds under the DTC book-entry-only system. Neither the County nor the Trustee is responsible for notifying the Beneficial Owners, who are to be notified in accordance with the procedures in effect for the DTC book-entry system. See "Book-Entry System" below. If the book-entry system has been discontinued, notice of redemption or purchase, containing the information required by the Indenture, will be mailed by first class mail, postage prepaid, by the Trustee to the registered owners of the Bonds to be redeemed or purchased. Each notice of redemption or purchase shall be given at least thirty (30) days prior to the date set for redemption or purchase.

Each notice of redemption or purchase of 2017 A Bonds will be given in accordance with the terms of the 2017 A Bonds and will set forth (i) the maturities of the 2017 A Bonds to be redeemed or purchased, (ii) the date fixed for redemption or purchase, (iii) the redemption or purchase price to be paid, (iv) the designated office of the Trustee at which such 2017 A Bonds shall be redeemed or purchased, (v) the CUSIP numbers of the 2017 A Bonds to be redeemed or purchased, (vi) if fewer than all of the 2017 A Bonds then Outstanding are called for redemption or purchase, the distinctive numbers and letters, if any, of the 2017 A Bonds to be redeemed or purchased, (vii) in the case of 2017 A Bonds to be redeemed or purchased in part only, the portion of the principal amount thereof to be redeemed or purchased, (viii) any conditions to such redemption or purchase and (ix) that on redemption or purchase date, if all conditions, if any, to such redemption or purchase have been satisfied, there

will become due and payable upon all 2017 A Bonds to be redeemed the redemption or purchase price thereof, together with interest accrued to the redemption or purchase date, and that, from and after such date, interest thereon will cease to accrue. If any 2017 A Bond is to be redeemed or purchased in part only, the notice of redemption or purchase that relates to such 2017 A Bond will state also that on or after the redemption or purchase date, upon surrender of such 2017 A Bond to the Trustee at its designated office, a new 2017 A Bond or 2017 A Bonds of the same maturity, bearing interest at the same rate and of any Authorized Denomination, will be issued in the aggregate principal amount equal to the unredeemed or unpurchased portion of such 2017 A Bond.

Each notice of redemption or purchase with respect to any 2017 A Bond must comply with any published and mandatory regulation or release of the Securities Exchange Commission, the Municipal Securities Rulemaking Board or other governmental board or body from time to time applicable to such 2017 A Bond.

If notice of redemption or purchase has been given as described above and any and all conditions, if any, to such redemption or purchase have been satisfied, then on or prior to the redemption or purchase date the County will pay to the Trustee from the Revenues an amount in cash that, in addition to other money, if any, available therefor held by the Trustee, will be sufficient to redeem or purchase at the redemption or purchase price thereof, plus accrued interest to the redemption or purchase date, all of the 2017 A Bonds to be redeemed or purchased on such date.

Authorized Denominations

The 2017 A Bonds initially will be issued in Authorized Denominations of $100,000 or any integral multiple of $5,000 in excess thereof, provided that if the 2017 A Bonds are rated in a rating category not lower than "BBB-" by Fitch Ratings, Inc., "Baa3" by Moody's Investors Service, Inc. or "BBB-" by S&P Global Ratings, the 2017 A Bonds will be issuable in denominations of $5,000 and integral multiples thereof. See "NO RATING" herein.

Additional Bonds

The Indenture provides that the County may issue from time to time Additional Bonds under and within the limitations and provisions of the Indenture (i) to obtain funds necessary to finance or refinance the completion of any Public Improvements, (ii) to obtain funds necessary to finance or refinance the acquisition or construction of any Additional Public Improvements, or (iii) to refund or advance refund any Outstanding Bonds. Prior to the issuance of Additional Bonds to refund or advance refund any Bonds, the County must deliver to the Trustee, among others evidence satisfactory to the Trustee that after giving effect to such refunding or advance refunding, Maximum Annual Debt Service during any year prior to the maturity of any Bonds theretofore outstanding will not be increased by more than 10%. If the Additional Bonds are not refunding bonds, the Indenture requires that certain other conditions be met. If the Additional Bonds constitute Additional Phase One Bonds, either (i) the County and the Trustee must receive a certificate of the Administrator to the effect that (A) the amount of the proposed Additional Phase One Bonds and any Phase One Bonds that will remain Outstanding after the issuance of such Additional Phase One Bonds will not exceed the amount of Phase One Bonds for which Net Debt Service can be paid in each succeeding Bond Year from the amount of Projected Phase One Tax Increment Revenues divided by 125%, and (B) the amount of the Maximum Special Tax in every succeeding Fiscal Year shall be at least one hundred and five percent (105%) of the total Annual Debt Service for the corresponding Bond Year on the proposed Additional Phase One Bonds and any Bonds that will be Outstanding after the issuance of such Additional Phase One Bonds, or (ii) the Holders of a majority of the Phase One Bonds and any Parity Phase Two Bonds outstanding immediately prior to the issuance of such Additional Bonds must consent to the issuance thereof. If such Additional Bonds constitute Phase Two Bonds, either (i) the County and the Trustee must receive a certificate of the Administrator to the effect that (A) the amount of the Maximum Special Tax in every succeeding Fiscal Year shall be at least one hundred and five percent (105%) of the total Annual Debt Service for the corresponding Bond Year on the proposed Phase Two Bonds and any Bonds that will remain Outstanding after the issuance of such Phase Two Bonds and (B) if such Phase Two Bonds constitute Parity Phase Two Bonds, the amount of the proposed Parity Phase Two Bonds and any Phase One Bonds and Parity Phase Two Bonds that will remain Outstanding after the issuance of such Parity Phase Two Bonds will not exceed the amount of Phase One Bonds and Parity Phase Two Bonds for which Net Debt Service can be paid in each succeeding Bond Year from the amount of Projected Phase One Tax Increment Revenues divided by 125%, or (ii) the Holders of a majority of the Phase One Bonds and a majority of the Phase Two Bonds outstanding immediately prior to the issuance of such Additional Bonds must consent to the issuance thereof. The County may also issue Future Downtown Columbia Bonds under a separate indenture to finance infrastructure improvements within or relating to the

development of areas in the Development District that are outside of the Special Taxing District. See "SECURITY FOR THE 2017 A BONDS – Additional Bonds and Future Downtown Columbia Bonds" and "APPENDIX F – Proposed Form of Indenture."

In addition, the Developer has acknowledged and agreed that, notwithstanding the foregoing provisions of the Indenture, the County will not issue any Additional Phase One Bonds if the ratio of (i) the sum of the First Available Tax Increment Revenues plus any remaining Tax Increment Revenues in excess of the Second Available Tax Increment Revenues, in each case for the immediately preceding Fiscal Year, plus such Tax Increment Revenues projected to be derived from projects in the Development District which are under construction of for which significant progress towards the commencement of construction has occurred, as determined by the County in its reasonable judgment, to (ii) the Debt Service payable on all Outstanding Phase One Bonds, including such Additional Phase One Bonds to be issued, in each future Fiscal Year in which any then-Outstanding Phase One Bonds will remain Outstanding, is less than 80%. Notwithstanding the foregoing, the County may waive this condition in its sole discretion. See "PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA – The Funding Agreement."

Book-Entry System

DTC will act as securities depository for the 2017 A Bonds. The 2017 A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the 2017 A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the 2017 A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2017 A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2017 A Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2017 A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2017 A Bonds, except in the event that use of the book-entry system for the 2017 A Bonds is discontinued.

To facilitate subsequent transfers, all 2017 A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2017 A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no

knowledge of the actual Beneficial Owners of the 2017 A Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts the 2017 A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2017 A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2017 A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2017 A Bonds may wish to ascertain that the nominee holding the 2017 A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the 2017 A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2017 A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2017 A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal and interest on the 2017 A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2017 A Bonds at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2017 A Bond certificates are required to be printed and delivered. The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2017 A Bond certificates will be printed and delivered to DTC.

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

In the event that the book-entry-only system is discontinued, payments of principal of and interest on the 2017 A Bonds will be payable to the registered owners of the 2017 A Bonds in accordance with the procedures set forth in the Indenture.

The Trustee and the Administrator

Manufacturers and Traders Trust Company, a New York banking corporation, has been appointed as the Trustee for the 2017 A Bonds under the Indenture.

MuniCap, Inc. (the "Administrator") has been retained by the County to perform certain duties and responsibilities with respect to the operations of the Districts. The initial term of the County's contract with the administrator expired on January 31, 2015 and was extended in 2016 and 2017 for an additional one-year period. The contract may be renewed by the County for 4 additional one-year periods. The administrative services provided to the County by the Administrator include calculation of the annual Special Tax levy, Special Tax collections, delinquency management, rebate calculations, continuing disclosure, and property owner liaison.

The Administrator is a public finance consulting firm with a specialized practice providing services related to the formation and administration of special tax and assessment districts. These services include the preparation of tax increment projections and special tax and assessment methodologies, calculation of annual special tax and assessment levies, continuing disclosure and financial services related to the administration of tax increment and special tax and assessment districts. The Administrator has its principal office in Columbia, Maryland, and provides district administration services to approximately 164 special tax and assessments districts in Maryland and 20 other states.

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

Sources and Uses of Funds

The table below sets forth the estimated sources and uses of funds with respect to the 2017 A Bonds.

SOURCES AND USES OF 2017 A BOND PROCEEDS

Sources of Funds		
Principal Amount of 2017 A Bonds		$48,225,000.00
Original Issue Discount		(26,025.00)
Premium		203,678.00
	Total Sources	$48,402,653.00
Uses of Funds		
Improvement Fund		$38,500,000.00
Capitalized Interest Account[1]		2,779,600.36
Reserve Fund		3,921,282.59
Administrative Expense Fund		100,000.00
Costs of Issuance[2]		3,101,770.05
	Total Uses	$48,402,653.00

[1] The amount deposited to the Capitalized Interest Account of the Debt Service Fund at closing is equal to interest due on the 2017 A Bonds to February 15, 2019.

[2] Includes Underwriters' discount and other costs of issuing the 2017 A Bonds.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Debt Service Schedule

The following table presents the debt service schedule for the 2017 A Bonds based on the maturity dates and interest rates set forth on the cover of this Limited Offering Memorandum, assuming no redemptions other than mandatory sinking fund redemptions are made.

DEBT SERVICE SCHEDULE

Bond Year	Principal	Interest[1,2]	Annual Debt Service
2018	-	$ 677,381.60	$ 677,381.60
2019	-	2,102,218.76	2,102,218.76
2020	-	2,102,218.76	2,102,218.76
2021	$ 200,000.00	2,102,218.76	2,302,218.76
2022	100,000.00	2,094,218.76	2,194,218.76
2023	100,000.00	2,090,218.76	2,190,218.76
2024	485,000.00	2,086,218.76	2,571,218.76
2025	465,000.00	2,066,818.76	2,531,818.76
2026	875,000.00	2,048,218.76	2,923,218.76
2027	1,100,000.00	2,013,218.76	3,113,218.76
2028	1,175,000.00	1,969,218.76	3,144,218.76
2029	1,250,000.00	1,922,218.76	3,172,218.76
2030	1,325,000.00	1,870,656.26	3,195,656.26
2031	1,400,000.00	1,816,000.00	3,216,000.00
2032	1,475,000.00	1,758,250.00	3,233,250.00
2033	1,575,000.00	1,697,406.26	3,272,406.26
2034	1,650,000.00	1,632,437.50	3,282,437.50
2035	1,750,000.00	1,564,375.00	3,314,375.00
2036	1,850,000.00	1,487,812.50	3,337,812.50
2037	1,925,000.00	1,406,875.00	3,331,875.00
2038	2,050,000.00	1,322,656.26	3,372,656.26
2039	2,725,000.00	1,232,968.76	3,957,968.76
2040	2,900,000.00	1,113,750.00	4,013,750.00
2041	3,125,000.00	983,250.00	4,108,250.00
2042	3,350,000.00	842,625.00	4,192,625.00
2043	3,600,000.00	691,875.00	4,291,875.00
2044	3,850,000.00	529,875.00	4,379,875.00
2045	4,125,000.00	356,625.00	4,481,625.00
2046	3,650,000.00	171,000.00	3,821,000.00
2047	150,000.00	6,750.00	156,750.00
	$48,225,000.00	$43,759,575.50	$91,984,575.50

[1] Interest is calculated based on interest rates ranging from 4.00% to 4.50% per annum. Interest on the 2017 A Bonds is scheduled to be paid on February 15 and August 15, commencing February 15, 2018.

[2] Interest on the 2017 A Bonds to February 15, 2019 is expected to be paid from proceeds of the 2017 A Bonds deposited in the Capitalized Interest Account at closing.

NOTICE TO INVESTORS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the 2017 A Bonds. Until such time as the minimum denomination of the 2017 A Bonds is reduced to $5,000, they may be sold only to qualified institutional buyers (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended) or to accredited investors (as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended ("Reg D")).

Until such time as the minimum denomination of the 2017 A Bonds is reduced to $5,000, each purchaser of the 2017 A Bonds offered hereby will be deemed to have represented and warranted as follows (terms used herein that are defined in Reg D are as defined therein):

> **Each purchaser (1) is an accredited investor or a qualified institutional buyer, (2) is acquiring such 2017 A Bonds for its own account or for the account of an accredited investor or a qualified institutional buyer, as the case may be, but expressly reserves the right to sell the 2017 A Bonds, and (3) until such restriction does not apply, it will sell or transfer the 2017 A Bonds only to accredited investors or qualified institutional buyers.** A purchaser who is an accredited investor or a qualified institutional buyer may sell all or a portion of the 2017 A Bonds to a broker-dealer and any resale by such broker-dealer must be to an accredited investor or a qualified institutional buyer.

SECURITY FOR THE 2017 A BONDS

General

The 2017 A Bonds and the interest thereon are secured and payable solely from: (i) Tax Increment Revenues; (ii) the Special Tax, if any, levied on the property within the Special Taxing District, including the proceeds of the sale or redemption of any property in the Districts subject to sale for nonpayment of property taxes; and (iii) amounts held in certain funds pursuant to the Indenture. See "INTRODUCTION – Authority for the Creation of the Districts, Issuance of Bonds and Levy of Special Taxes" herein.

The 2017 A Bonds are secured by a lien on all Tax Increment Revenues; provided that the lien on the Phase One Tax Increment Revenues securing the 2017 A Bonds and any other Phase One Bonds shall be (i) senior to or on a parity with the lien on the Phase One Tax Increment Revenues securing the Phase Two Bonds and (ii) senior to the lien on the Phase One Tax Increment Revenues securing any Future Downtown Columbia Bonds. Any Phase Two Bonds may be secured by a lien on the Phase One Tax Increment Revenues, and such lien may be on a parity with or subordinate to the lien pledged to the Phase One Bonds. Any Future Downtown Columbia Bonds may be secured by a lien on the Phase One Tax Increment Revenues, but such lien shall be in all respects subordinate to the lien pledged to the Phase One Bonds and any Parity Phase Two Bonds. The County shall not otherwise encumber, pledge or place any charge or lien upon any of the Phase One Tax Increment Revenues superior to the pledge and lien created under the Indenture for the benefit of the 2017 A Bonds and any other Phase One Bonds and Parity Phase Two Bonds. The County may encumber, pledge or place a charge upon any of the Other Tax Increment Revenues to secure Phase Two Bonds or any Future Downtown Columbia Bonds and such lien may be superior to, on a parity with, or subordinate to the pledge and lien created under the Indenture for the benefit of the Phase One Bonds. See "– Additional Bonds and Future Downtown Columbia Bonds" below.

The 2017 A Bonds and any other Phase One Bonds are payable in the first instance from the Tax Increment Revenues up to the First Available Tax Increment Revenues plus any remaining Tax Increment Revenues in excess of the Second Available Tax Increment Revenues collected in each Fiscal Year. To the extent the First Available Tax Increment Revenues and any remaining Tax Increment Revenues in excess of the Second Available Tax Increment Revenues are insufficient to pay debt service on the 2017 A Bonds and any other Phase One Bonds, related administrative costs and to maintain certain funds created under the Indenture, the Special Tax will be collected by the County and the proceeds of the Special Tax will be applied to such payments.

Pursuant to the Indenture and the Rate and Method, a portion of the Tax Increment Revenues hereinafter described as the Second Available Tax Increment Revenues projected in the aggregate principal amount of $235,192,755 will be set aside to fund elementary school costs of the County as well as capital and operating costs associated with the Downtown Columbia development. As a result of the above-described set-aside for County utilization, the calculation of the Special Tax Requirement will not take into consideration such Second Available

Tax Increment Revenues as a credit against the imposition of the Special Tax resulting in the levying of a Special Tax in an amount that may be greater than would otherwise be the case. The First Available Tax Increment Revenues, plus any remaining Tax Increment Revenues that exceed the Second Available Tax Increment Revenues, are the amount of Tax Increment Revenues that would be available to pay debt service in the first instance.

The Special Tax will be collected in any given year only if a deficiency exists with respect to the First Available Tax Increment Revenues plus any remaining Tax Increment Revenues in excess of the Second Available Tax Increment Revenues. If the First Available Tax Increment Revenues, any remaining Tax Increment Revenues in excess of the Second Available Tax Increment Revenues and Special Tax Revenues are insufficient to pay debt service on the 2017 A Bonds and any other Phase One Bonds, any remaining Tax Increment Revenues shall be applied to pay debt service on the 2017 A Bonds and any other Phase One Bonds (subject to the senior or parity pledge of such amounts to the Phase Two Bonds or Future Downtown Columbia Bonds in accordance with the Indenture).

The Tax Increment and Special Tax Report projects no Special Taxes will be required to be collected. See "INTRODUCTION – Tax Increment and Special Tax Report" and "APPENDIX C – Tax Increment and Special Tax Report."

Notwithstanding the foregoing, given that all of the Tax Increment Revenues are pledged to the 2017 A Bonds, no Second Available Tax Increment Revenues set aside in any fiscal year will be paid to the County unless debt service on the 2017 A Bonds has been paid in full from Tax Increment Revenues and Special Tax Revenues.

The 2017 A Bonds do not contain a provision allowing for the acceleration of the 2017 A Bonds in the event of a payment default or other default under the terms of the 2017 A Bonds or the Indenture. For a description of the limitations of remedies available to Bondholders and the Trustee, see "RISK FACTORS" herein and "APPENDIX F – Proposed Form of Indenture" hereto. The ultimate source of recovery in the event of a default on payment of Revenues is the tax sale provisions described below. See "SECURITY FOR THE 2017 A BONDS – Property Tax Collection Procedures" and "RISK FACTORS – No Acceleration Provision" herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2017 A BONDS, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES. LIKEWISE, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES, NO OTHER TAXES OR ASSESSMENTS ARE PLEDGED TO THE PAYMENT OF THE 2017 A BONDS. THE 2017 A BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY, BUT ARE SPECIAL OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM CERTAIN AMOUNTS DEPOSITED IN THE TAX INCREMENT FUND, THE SPECIAL TAXES FUND, THE IMPROVEMENT FUND, THE DEBT SERVICE FUND AND THE RESERVE FUND, AS MORE FULLY DESCRIBED HEREIN.

THE PURCHASE OF THE 2017 A BONDS IS AN INVESTMENT SUBJECT TO A HIGH DEGREE OF RISK, INCLUDING THE RISK OF NONPAYMENT OF PRINCIPAL AND INTEREST. SEE "RISK FACTORS" HEREIN FOR A DISCUSSION OF THE FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN EVALUATING THE INVESTMENT QUALITY OF THE 2017 A BONDS.

In the event that the Special Tax is required to be collected in any given year, the amount of Special Tax that the County may collect from properties in the Special Taxing District in any year is strictly limited by the maximum amounts approved by the County pursuant to the Ordinance. The County is legally authorized under the Special Taxing District Act, and has covenanted in the Indenture, to cause the collection of the Special Tax in an amount determined according to the Rate and Method. The County will direct the Administrator to carry out such responsibilities. See "SECURITY FOR THE 2017 A BONDS – Special Tax Revenues" herein. The Rate and Method apportions the total amount of the Special Tax to be collected among the taxable parcels in the Special Taxing District as more particularly described herein. See "THE DEVELOPMENT DISTRICT, THE SPECIAL TAXING DISTRICT, AND REVENUES – Rate and Method of Apportionment of Special Taxes" and "APPENDIX E – Rate and Method of Apportionment of Special Taxes" hereto.

Developer Not Liable for 2017 A Bonds

None of the Developer, any affiliate thereof, and any partner, officer, director, agent, or representative thereof has pledged its credit or assets or has provided any guarantee, surety or undertaking of any kind, moral or otherwise, to pay the principal of, premium (if any) and interest on, the 2017 A Bonds, although the foregoing does not limit or release any obligation of the Developer or its affiliates to pay any County ad valorem real property taxes or any Special Tax applicable to any portion of the property it owns in the Districts.

Tax Increment Revenues

Pursuant to the Tax Increment Financing Act, the Tax Increment Revenues in any Fiscal Year are the portion of the County taxes that would normally be paid to the County and that represent the levy on the amount by which the assessable base of real property in the Development District subject to taxation as of January 1 preceding that Fiscal Year exceeds the "Original Taxable Value" divided by the "Assessment Ratio" (each as defined in the Tax Increment Financing Act) used to define the Original Taxable Value (the "Tax Increment"). The County has received from the Supervisor of Assessments a certification that the Original Assessable Base (as defined in the Tax Increment Financing Act) for the tax parcels in the Development District is $111,482,400. The Original Assessable Base is the assessable base as of January 1, 2015.

The County has pledged, pursuant to the Authorizing Legislation, that until the 2017 A Bonds have been fully paid or defeased, the property taxes on real property in the Development District will be divided such that (i) the portion of the taxes that is produced by the County's annual tax rate levied upon the Original Taxable Value will be allocated to, and when collected, paid into the funds of the County, in the same manner as taxes by or for the County on all other property are paid and (ii) the portion of the taxes on the Tax Increment that would normally be paid to the County will be paid into the Tax Increment Revenues Account of the Tax Increment Fund to be applied in accordance with the Tax Increment Financing Act and the Indenture. No State real property taxes will be paid into the Tax Increment Fund.

Pursuant to the Tax Increment Financing Act, the Authorizing Legislation and the Indenture, all Tax Increment Revenues collected are pledged to secure the 2017 A Bonds and will be deposited into the Tax Increment Fund. See "SECURITY FOR THE 2017 A BONDS – Property Tax Collection Procedures" herein.

Special Tax Revenues

General

The Special Tax was levied and imposed on taxable real property within the Special Taxing District pursuant to the Ordinance in an amount equal to the Maximum Special Tax. The Special Tax Revenues are pledged to the payment of the 2017 A Bonds. The Maximum Special Tax in each year will be an amount that by itself will provide at least 110% coverage of net debt service on the 2017 A Bonds in that year.

The Special Tax will be collected in any given year only if the First Available Tax Increment Revenues and any remaining Tax Increment Revenues that exceed the Second Available Tax Increment Revenues are insufficient to (i) cover debt service on the 2017 A Bonds, (ii) pay the administrative costs related to the 2017 A Bonds and the Districts and (iii) maintain any applicable funds under the Indenture. See "THE DEVELOPMENT DISTRICT, THE SPECIAL TAXING DISTRICT, AND REVENUES." Upon delivery of the 2017 A Bonds, the County will record among the land records of the County a Notice of Special Tax.

The Rate and Method describes the methodology for determining the amount of Special Taxes that are levied and collected. See "THE DEVELOPMENT DISTRICT, THE SPECIAL TAXING DISTRICT, AND REVENUES – Rate and Method of Apportionment of Special Taxes" and "APPENDIX E – Rate and Method of Apportionment of Special Taxes." Apart from providing a methodology for levying the Special Taxes to secure the 2017 A Bonds, this methodology was developed in order to provide revenues to cover certain anticipated County costs associated with the Downtown Columbia development. The Special Tax Requirement will take into account the First Available Tax Increment Revenues and any Tax Increment Revenues in excess of the sum of the First Available Tax Increment Revenues and the Second Available Tax Increment Revenues. Pursuant to the Indenture and the Rate and Method, the Second Available Tax Increment Revenues will be set aside to fund elementary school costs of the County as well as capital and operating costs associated with the Downtown Columbia

development. As a result of the above-described set-aside for County utilization, the calculation of the Special Tax Requirement (defined herein), will not take into consideration such Second Available Tax Increment Revenues as a credit against the imposition of the Special Tax, resulting in the levying of a Special Tax in an amount that may be greater than would otherwise be the case. See "SECURITY FOR THE 2017 A BONDS – General."

The Tax Increment and Special Tax Report projects no Special Taxes will be required to be collected. See "INTRODUCTION – Tax Increment and Special Tax Report" and "APPENDIX C – Tax Increment and Special Tax Report."

Notwithstanding the foregoing, given that all of the Tax Increment Revenues are pledged to the 2017 A Bonds, no Second Available Tax Increment Revenues set aside in any fiscal year will be paid to the County unless debt service on the 2017 A Bonds has been paid in full from Tax Increment Revenues and Special Tax Revenues.

Collection of Special Taxes

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

Pursuant to the Rate and Method, the County Executive or the County Executive's designee will fix the amount of the Special Tax within the Special Taxing District required for the payment of principal of and interest on any Outstanding 2017 A Bonds becoming due and payable during the ensuing Fiscal Year, including any necessary replenishment or expenditure of the Reserve Fund for the 2017 A Bonds and an amount estimated to be sufficient to pay the Administrative Expenses (including amounts necessary to discharge any obligation under Section 148 of the Code) during such Fiscal Year, taking into account the balances in the Tax Increment Fund, the Reserve Fund, the Administrative Expense Fund and the Special Taxes Fund. The Special Tax so collected must not exceed the authorized amounts as provided in the Rate and Method. The Administrator will send written notification to the County of any Special Tax to be levied for the ensuing Fiscal Year.

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

Tax Increment Fund and Special Taxes Fund

The Tax Increment Fund and the Special Taxes Fund are held in trust under the Indenture by the County for the benefit of the holders of the 2017 A Bonds and, pending disbursement, will be subject to a lien in favor of the holders of the 2017 A Bonds. The County will deposit Tax Increment Revenues into the Tax Increment Fund and Special Tax Revenues into the Special Taxes Fund. Tax Increment Revenues include the proceeds of the tax levy on the Tax Increment that would normally be paid to the County, interest thereon and proceeds of the redemption or the sale of property sold as a result of foreclosure of the liens of the County property taxes equal to the amount of said liens and interest thereon, including any penalties collected, in connection with delinquent property taxes, in each case to the extent attributable to such levy. The Special Tax Revenues include the proceeds of the Special Tax received by the County, interest thereon and proceeds of the redemption or the sale of property sold as a result of foreclosure of the lien of the Special Tax equal to the amount of said lien and interest thereon, including any penalties collected in connection with any delinquent Special Tax. Currently, no money is on deposit in the Tax Increment Fund or the Special Taxes Fund.

On each January 15 and July 15 (with respect to payments of principal of and interest on the Phase One Bonds (including the 2017 A Bonds) on the immediately succeeding Interest Payment Date) and on any date required for the payment of any other obligations relating to the Development District and the Special Taxing District, the County shall withdraw, (i) first from amounts in the Tax Increment Fund up to the amount of the First Available Tax Increment Revenues, (ii) second, to the extent such amounts are insufficient therefor, from any remaining amounts in the Tax Increment Fund which exceed the Second Available Tax Increment Revenues, (iii) third, to the extent such amounts are insufficient therefor, from the Special Taxes Fund, and (iv) fourth, to the extent such amounts are insufficient therefor, from any remaining amounts in the Tax Increment Fund (subject to the senior or parity pledge of such amounts to the Phase Two Bonds or Future Downtown Columbia Bonds in accordance with the Indenture), and transfer the following amounts for the following purposes in the following

order of priority: (A) to the Administrative Expense Fund, such amount as shall be determined by the County to be necessary to pay County Expenses (as reflected in an Officer's Certificate delivered to the Trustee), (B) second, to the Trustee for deposit to the Debt Service Fund, the amount necessary, taking into account any amounts then on deposit in the Debt Service Fund and the Capitalized Interest Account and any excess in the Reserve Fund available for transfer to the Debt Service Fund, to make the amount in the Debt Service Fund equal the principal, premium, if any, and interest due on the Phase One Bonds (including the 2017 A Bonds) on the immediately succeeding Interest Payment Date or such other payment date, as applicable; and (C) to the Trustee for deposit to the Reserve Fund, the amount necessary, taking into account amounts then on deposit in the Reserve Fund after giving effect to any amount required to be transferred from the Reserve Fund to the Debt Service Fund, to make the amount in the Reserve Fund equal the Reserve Requirement. On July 15 of each year, after the County has made the transfers required by clauses (A) through (C) above and any transfers relating to the Phase Two Bonds and the Future Downtown Columbia Bonds, any balance on deposit in, or deposited to (i) the Special Taxes Fund shall remain on deposit in the Special Taxes Fund and applied as set forth in the Indenture, and (ii) the Tax Increment Fund may be withdrawn by the County free and clear of the lien of this Indenture and transferred, first to the Reserve Fund for Permanent Public Improvements, up to the amounts determined by the County in accordance with Council Bill No. 70-2016, and second to the County's general fund.

Additional Bonds and Future Downtown Columbia Bonds

The Authorizing Legislation authorized the issuance of up to $90,000,000 of bonds to fund the Public Improvements and certain other public infrastructure improvements related to the Phase I Development. The County may determine to issue Additional Phase One Bonds pursuant to the Indenture to finance the remaining public infrastructure improvements contemplated by the Authorizing Legislation. The County may also determine to issue the Phase Two Bonds pursuant to the Indenture to finance additional public infrastructure improvements relating to future phases of development in the Special Taxing District. The County may also determine to issue the Future Downtown Columbia Bonds pursuant to the Acts and a separate indenture to finance public infrastructure improvements within or relating to development of the areas in the Development District that are outside of the Special Taxing District. Before issuing the Phase Two Bonds or the Future Downtown Columbia Bonds, the County would be required to enact an ordinance authorizing the issuance of such bonds. See "THE 2017 A BONDS – Additional Bonds" and "PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA" herein.

Any Additional Phase One Bonds are secured by a parity lien on the Phase One Tax Increment Revenues. Any Phase Two Bonds may be secured by a lien on the Phase One Tax Increment Revenues, and such lien may be on a parity with or subordinate to the lien pledged to the Phase One Bonds. Any Future Downtown Columbia Bonds may be secured by a lien on the Phase One Tax Increment Revenues, but such lien shall be in all respects subordinate to the lien pledged to the Phase One Bonds and any Parity Phase Two Bonds. The County may encumber, pledge or place a charge the Other Tax Increment Revenues to secure the Phase Two Bonds or any Future Downtown Columbia Bonds and such lien may be superior to, on a parity with, or subordinate to the pledge and lien created under the Indenture for the benefit of the Phase One Bonds.

Assessment Procedures

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

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

For new construction, the assessor uses a cost approach to determine the initial full cash value using the land acquisition price (if applicable) and the land value and actual construction costs provided by the developer of such property (if available). No assurances can be given that such assessment procedure will continue to remain in effect during the term of the 2017 A Bonds.

The property within the Development District was last assessed as of January 1, 2015. Reassessment of the property for the next three-year cycle will occur as of January 1, 2018, and every three years thereafter under current law. See Section III of the Tax Increment and Special Tax Report contained in APPENDIX C hereto.

Property Tax Credits

Property Tax Credits for High Performance Buildings. Pursuant to Section 9-242 of the Tax-Property Article of the Annotated Code of Maryland and Section 20.129B of the Howard County Code, the owner of a "high performance building" receives a property tax credit against County real property taxes imposed on the building (the "LEED Credit"). A "high performance building" means a building that (i) achieves at least a silver LEED rating or a comparable certification or rating. The amount of the tax credit is equal to the following percentage of the total County property tax on the building: LEED silver – 25%; LEED gold – 50%; LEED platinum – 75%. The LEED Credit is provided for the first five tax years after application is received by the County. The LEED Credits are expected to reduce the amount of Tax Increment Revenues available to pay debt service on the 2017 A Bonds.

Currently, the Metropolitan has a LEED rating of silver and is receiving LEED Credit for tax years 2016 through 2020. The Developer has indicated that it expects that m.flats, TEN.M, One Merriweather, Two Merriweather, Project 3 Office A and Project 3 Multifamily B will achieve a LEED silver rating and be eligible for the LEED Credits. MuniCap, Inc. has accounted for the impact of the LEED Credits in determining the amount of Tax Increment Revenues available to pay the debt service on the 2017 A Bonds by assuming that the LEED Credits will continue to be available and all owners of eligible property in the Development District will apply for and receive the LEED Credits at the LEED silver rating level. See "APPENDIX C – Tax Increment and Special Tax Report."

Property Tax Credit for Certain Commercial or Industrial Businesses. Pursuant to Section 9-315(a)(3) of the Tax-Property Article of the Annotated Code of Maryland and Section 20.123 of the Howard County Code, there is a property tax credit available against the tax on real property owned or occupied by a commercial or industrial business that (i) expands or relocates in the County, (ii) plans to employ at least 12 additional full-time employees, (iii) makes a substantial investment and (iv) is engaged in an activity identified in the County's Economic Development Strategic Plan as a target for the County's business attraction and retention efforts. A "substantial investment" is defined as the acquisition of building, land or equipment totaling at least $2,000,000 or the creation of 10 positions with salaries greater than the County annual average. The credit is based on the assessed value of a newly constructed building not currently on the tax rolls and applies only to the space occupied by the company that meets the foregoing requirements.

A business must apply to the County's Economic Development Authority (the "Authority") for this tax credit. The Authority and the County Executive will evaluate the application under criteria established by the Authority and may deny or approve the application, subject to any terms and conditions as required by the criteria. If approved, the tax credit will be granted annually for a term not to exceed ten years beginning with the first tax year in which the real property tax would increase as a result of an increase in assessment due to new construction. As part of the evaluation process, the County Executive shall establish the amount of the tax credit according to the following schedule: (i) up to 100% for years 1 and 2; (ii) up to 80% for years 3 and 4; (iii) up to 60% for years 5 and 6; (iv) up to 40% for years 7 and 8; and (v) up to 20% for years 9 and 10. This tax credit is expected to reduce the amount of Tax Increment Revenues available to pay debt service on the 2017 A Bonds.

Currently, MedStar Health, Inc., a tenant in One Merriweather, qualifies for this tax credit. See "PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA" for information on the lease with MedStar Health, Inc. MuniCap, Inc. has accounted for the impact of this tax credit in determining the amount of Tax Increment Revenues available to pay the debt service on the 2017 A Bonds by assuming that this tax credit will continue to be available and one additional tenant in Project 3 Office A will apply for and receive the tax credit. See "APPENDIX C – Tax Increment and Special Tax Report."

Property Tax Exemptions

Certain property in the Districts is expected to be exempt from payment of real property taxes because it is owned by the County or another exempt entity. This includes certain rights-of-way and homeowners' association property, as well as certain other property expected to be used for construction of a school, fire/EMT station and other public uses and certain proposed affordable housing. MuniCap, Inc. has assumed that such

property will be exempt from real property taxes for purposes of preparing the projections of Tax Increment Revenues. See "APPENDIX C – Tax Increment and Special Tax Report."

Reserve Fund

The Indenture provides that the Reserve Fund must be maintained in an amount equal to the Reserve Requirement. The Indenture defines the Reserve Requirement, with respect to the 2017 A Bonds, as an amount equal to the least of (i) 10% of the original principal amount of the 2017 A Bonds, (ii) 125% of average Annual Debt Service on the 2017 A Bonds outstanding as of the date of issuance of the 2017 A Bonds, or (iii) the Maximum Annual Debt Service on the 2017 A Bonds outstanding as of the date of determination, and, with respect to any Additional Bonds, as of the date of any calculation, an amount determined by a Supplemental Indenture. "Annual Debt Service" means, for each Fiscal Year, the sum of (i) the interest due on the Outstanding 2017 A Bonds in such Fiscal Year and (ii) the principal amount of the Outstanding 2017 A Bonds due in such Fiscal Year (including any Sinking Fund Installment due in such Fiscal Year). "Fiscal Year" means the 12-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive. See "APPENDIX F – Proposed Form of Indenture" hereto. As of the date of issuance of the 2017 A Bonds, the Reserve Requirement is equal to $3,921,282.59, which amount is equal to 125% of average Annual Debt Service on the 2017 A Bonds.

The Reserve Fund will be funded from proceeds of the 2017 A Bonds.

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

The Trustee will determine the value of the assets of the Reserve Fund on each Interest Payment Date beginning February 15, 2019 and such other dates as the County directs. If the amount in the Reserve Fund exceeds the Reserve Requirement, the Trustee will provide written notice to the County of the amount of the excess and will transfer, in the following order of priority, the excess, if transferable, from the Reserve Fund: (i) to the Capitalized Interest Account during the Capitalized Interest Period and (ii) thereafter, (A) to the County an amount equal to the County Expenses due for the next Fiscal Year, plus any County Expenses then due and payable, and (B) to the Debt Service Fund or the Improvement Fund, as shall be directed by the County.

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

Permitted Investments

All funds and accounts established under the Indenture are held by the Trustee except for the Tax Increment Fund, the Special Taxes Fund, the Costs of Issuance Fund and the Administrative Expense Fund, which are held by the County. Money in all funds and accounts established by the Indenture and held by the Trustee will be invested in Permitted Investments as directed by the County. In the absence of such direction, the Trustee will invest any such moneys in a money market mutual fund registered with the Securities and Exchange Commission and rated in the highest rating category of at least one rating agency. See "APPENDIX F – Proposed Form of Indenture" hereto for descriptions of the Permitted Investments. Money in the Special Taxes Fund will be invested by the County in Permitted Investments and money in the Tax Increment Fund, the Costs of Issuance

Fund and the Administrative Expense Fund will be invested in any lawful investment for funds of the County and in accordance with the County's investment policy. Any interest earned, profits realized and losses suffered by reason of any investment of the funds and accounts created by the Indenture will be credited or charged, as the case may be, to the fund or account from which such investment was made.

Property Tax Collection Procedures

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

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

The County is required under the Special Taxing District Act to cause the levy of the Special Tax in an amount equal to the debt service on the 2017 A Bonds as reflected in the Rate and Method. The County has entered into a contract with the Administrator to assist the County in carrying out such responsibilities. The Rate and Method apportions the total amount of Special Tax to be collected among the taxable parcels in the Special Taxing District as more particularly described therein.

The 2017 A Bonds are payable in the first instance by the Tax Increment Revenues. The Special Tax will be levied but only collected as needed to pay debt service on the 2017 A Bonds and administrative costs and to maintain certain funds under the Indenture in the event the First Available Tax Increment Revenues are insufficient for such purposes. Based on the projected Tax Increment Revenues, the Special Tax is anticipated to be levied and collected in certain years under each of the Scenarios set forth in the Tax Increment and Special Tax Report. See "APPENDIX C – Tax Increment and Special Tax Report" hereto.

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

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

that in the case of delinquency, the Special Tax will have the same lien priority as ad valorem property taxes.

If the Reserve Fund is depleted and delinquencies in the payment of the Revenues exist, there could be a default or delay in payments to the Bondholders pending a tax sale of the property or foreclosure proceedings and receipt by the County of delinquent Revenues, if any. However, in the event that the Tax Increment Revenues are insufficient, the County may, within the limits of the Rate and Method and the Acts, adjust the Special Tax levied on all District property in future Fiscal Years to provide an amount, taking into account such delinquencies, required to pay debt service on the 2017 A Bonds and to replenish the Reserve Fund.

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

Total Property Tax Levies and Collections (000)

Fiscal Year Ended June 30	Total Tax Levy (1)	Current Year's Taxes Collection Year of Levy		Taxes Collected (Current and Delinquent)		Delinquent Taxes	As % of Current Year's Tax Levy
		Amount	%	Amount	%	Amount	
2016	$594,758	$593,510	99.79	$593,510	99.79	$1,248	0.21
2015	569,892	568,112	99.69	568,645	99.78	1,248	0.22
2014	555,255	550,756	99.19	554,768	99.91	487	0.09
2013	551,717	547,732	99.28	551,283	99.92	434	0.08
2012	541,973	540,660	99.76	541,664	99.94	309	0.06

(1) Total tax levy represents the original property tax levy, and excludes fire district taxes levied, payments in lieu of taxes, additions and abatements, interest on taxes, discount on taxes and various tax levies on any tax-exempt property.

Source: The County

Appraised Property Values

The Appraisal Report was prepared by the Appraiser to estimate the value of the property within the Special Taxing District based on certain development assumptions. The Appraisal Report was prepared to estimate the value of the subject property on an "as is" basis as of June 20, 2017, as well as to provide prospective values which are described below. The valuation approaches used by the Appraiser and the values assigned to them are set forth in the following tables:

[TABLES APPEAR ON FOLLOWING PAGE]

Hypothetical Value Conclusions					
Appraisal Premise	**Project Component (completion, leasing status)**	**Real Property Interest**	**Date of Value**	**Value Conclusion**	**Value-to-Bond Ratio**
Hypothetical Value 1 – With TIF; Assumes Merriweather One and Two are completed and stabilized and no other development					
Hypothetical Value	Merriweather One (completed, 58.5% leased)	Fee Simple	June 20, 2017	$78,000,000	
Hypothetical Value	Merriweather Two (under construction)	Fee Simple	June 20, 2017	$50,500,000	
Hypothetical Value	Parcel 3OA (land)	Fee Simple	June 20, 2017	$10,700,000	
Hypothetical Value	Parcel 3MFB (land)	Fee Simple	June 20, 2017	$17,200,000	
Hypothetical Value	Excess Land	Fee Simple	June 20, 2017	$94,300,000	
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$250,700,000**	**5.2:1**
Hypothetical Value 2 – With TIF; Assumes Merriweather One and Two are completed and stabilized, Building 3OA is completed and 46.8% leased, and no other development					
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$342,800,000**	**7.1:1**
Hypothetical Value 3 – With TIF; Assumes Merriweather One and Two are completed and stabilized, Building 3OA is completed and 46.8% leased, Building 3MBF is completed and 27.5% leased, and no other development					
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$455,000,000**	**9.4:1**

Market Value Conclusions					
Appraisal Premise	**Project Component (completion, leasing status)**	**Real Property Interest**	**Date of Value**	**Value Conclusion**	**Value-to-Bond Ratio**
Prospective Market Value – With TIF; Merriweather One and Merriweather Two completed and stabilized, Building 3OA completed and 46.8% leased and Building 3MBF completed and 27.5% leased and no other development					
Prospective Market Value	Merriweather One (completed, stabilized)	Fee Simple	July 31, 2019	$87,600,000	
Prospective Market Value	Merriweather Two (completed, stabilized)	Fee Simple	July 31, 2019	$49,700,000	
Prospective Market Value	Building 3OA (completed, 46.8% leased)	Fee Simple	July 31, 2019	$114,000,000	
Prospective Market Value	Building 3MFB (completed, 27.5% leased)	Fee Simple	July 31, 2019	$143,400,000	
Prospective Market Value	Excess Land	Fee Simple	July 31, 2019	$102,000,000	
Prospective Market Value	**Aggregate Value**	**Fee Simple**	**July 31, 2019[(1)]**	**$496,700,000**	**10.3:1**
Market Value As-Is – With no TIF; Merriweather One completed and 58.5% leased, Merriweather Two under construction and 59.3% pre-leased, no other Development					
Market Value As-Is	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$176,900,000**	**3.7:1**

Compiled by Cushman & Wakefield of Maryland, Inc.

(1) Represents expected date of completion of Building 3OA.

The Tax Increment and Special Tax Report prepared by MuniCap, Inc., set forth in APPENDIX C hereto, utilizes the following scenarios:

Scenario A – Assumes completion of One Merriweather, Two Merriweather and Building 3OA.

Scenario B – The same as Scenario A, but assumes no inflationary increases.

Scenario C – Assumes completion of One Merriweather and Two Merriweather, but not Building 3OA.

Scenario D – Assumes completion of One Merriweather, Two Merriweather and Building 3MFB.

Scenario E – Assumes completion of One Merriweather, Two Merriweather and Buildings 3OA and 3MFB.

Scenario F – Assumes completion of One Merriweather, Two Merriweather and all of the buildings in Area 3.

The table below applies the values from the Appraisal Report to the component parcels in Scenarios A, C, D and E. No values are provided for Scenario B or F because components related to these scenarios were not part of the Appraisal Report.

	Prospective Values as of July 31, 2019 (In $ millions)				Hypothetical Values as of June 20, 2017 (In $ millions)			
Scenario:	A	C	D	E	A	C	D	E
Parcels with Buildings:								
One Merriweather	$87.6	$87.6	$87.6	$87.6	$78.0	$78.0	$78.0	$78.0
Two Merriweather	49.7	49.7	49.7	49.7	50.5	50.5	50.5	50.5
Building 3OA	114.0	-	-	114.0	102.8	-	-	102.8
Building 3MFB	-	-	143.4	143.4	-	-	129.4	129.4
Total Buildings	$251.3	$137.3	$280.7	$394.7	$231.3	$128.5	$257.9	$360.7
Parcels with Land Only:								
3OA Land	-	$10.7	$10.7	-	-	$10.7	$10.7	-
3MFB Land	18.3	18.3	-	-	17.2	17.2	-	-
Other Land	102.0	102.0	102.0	102.0	94.3	94.3	94.3	94.3
Total Land	$120.6	$131.0	$112.7	$102.0	$111.5	$122.2	$105.0	$94.3
Total Value	$371.6	$268.3	$393.4	$496.7	$342.8	$250.7	$362.9	$455.0

The Appraiser is affiliated with Cushman & Wakefield, a leading global real estate services firm that helps clients transform the way people work, shop, and live. Its 45,000 employees in more than 70 countries help occupiers and investors optimize the value of their real estate by combining their global perspective and deep local knowledge with an impressive platform of real estate solutions. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of $6 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory.

Note that the Appraisal Report is only an estimate of value, as of the specific date stated in the Appraisal Report, and is subject to the Assumptions and Limiting Conditions, as well as any Extraordinary Assumptions and Hypothetical Conditions stated in the Appraisal Report. Changes since that date in external and market factors or in the property itself can significantly affect the conclusions. As an opinion, it is not a measure of realizable value and may not reflect the amount that would be realized if the property was sold. Reference should be made to the entire Appraisal Report because relying solely on excerpts or portions of a report does not necessarily convey all

of the limitations, conditions, assumptions or qualifications of the report that influenced the opinion of value. Prospective purchasers should review the Appraisal Report in its entirety in order to make an informed decision whether to purchase the 2017 A Bonds. See "APPENDIX A – Appraisal Report" hereto.

Neither the Underwriters nor the County makes any representations as to the accuracy, completeness, assumptions, or information contained in the Appraisal Report. The assumptions or qualifications with respect to the Appraisal Report are contained therein. There can be no assurance that any such assumptions will be realized, and the County and the Underwriters make no representation as to the reasonableness of such assumptions. Prospective purchasers of the 2017 A Bonds should review the Appraisal Report in its entirety in order to make an informed decision regarding the suitability of the 2017 A Bonds as an investment opportunity. See "APPENDIX A – Appraisal Report" hereto.

Market Study

A market assessment for all land uses under consideration in the ongoing development of Downtown Columbia dated March 31, 2017 (the "Market Study"), has been prepared by Robert Charles Lesser & Co. Real Estate Advisors (the "Market Consultant"), to determine the market prospects for the proposed development in Downtown Columbia. Subject to the various assumptions and limiting conditions stated in the Market Study, and based on their review of available plans and demographic and economic data, the Market Consultant analyzed the market environment and development of Downtown Columbia and drew the following conclusions:

General

- Employment growth in the County is expected to be robust in the near future, adding 3,000 new jobs annually through 2025. This rate of growth is consistent with historical patterns of growth in the County and demonstrates an improved growth outlook compared to forecasts from one to two years ago.

- The County has a strong demographic base of affluent and well-educated households. The distribution of incomes across all age groups skews higher than in neighboring counties or the Baltimore-Washington region overall. This bodes well for residential development as well as for attracting office and retail tenants.

Multifamily Rental

- Average rents at new rental communities in the competitive market (Howard County and western Anne Arundel County) have experienced strong rent growth and low vacancies over the past five years. Until 2014, the Howard County rental apartment market had few new deliveries, resulting in low vacancy and low rental rate growth. When The Metropolitan delivered in late 2014, its strong absorption demonstrated that there is pent-up demand for new, high quality rental units in Downtown Columbia and that the market is capable and willing to pay much higher rents for this product and environment compared to other rental units in the County today.

- The performance of The Metropolitan and, while outside the primary market area, Annapolis Towne Centre, indicate that high-quality new units in mixed-use environments such as Downtown Columbia can achieve substantial rent premiums above existing properties in the local market. The proposed rental apartments in Downtown Columbia can achieve rents of $2.30 to $2.40 per square foot (psf), with the potential for later phases to see even higher rents as the master plan becomes more fully realized.

- Utilizing a segmentation strategy that targets a variety of multifamily residential audiences, the Market Consultant's demand model projects that Downtown Columbia could absorb 2,500 new market rate units, 800 seniors units, and 400 affordable units over the next 10 years. Approximately, two-thirds of the demand for market rate units is for high-end units, defined as those affordable to households with incomes of $75,000 or more. Based on this absorption schedule, plans to deliver 1,237 market rate rental units and 150 affordable rental units over five to seven years are reasonable.

Office

- The office markets in Howard and Anne Arundel Counties have grown steadily and in relative lock step for the last several decades. Howard County has experienced annual average net absorption of roughly 440,000 SF of space from 2006 to the present day. Vacancy hit 15% in the years following the Recession, but has fallen to under 10% in the last year. Lower vacancies have begun to produce moderate rental rate growth in Howard County and strong rental rate growth in Downtown Columbia.

- With the reinvigoration of Downtown Columbia and the planned residences, restaurants, entertainment, and retail, the Market Consultant expects that the Howard County office market will continue to perform well, and may be able to increasingly attract new office employment growth.

- Over the next 15 years, the Market Consultant expects demand for 13.7 million square feet of new office space in Anne Arundel and Howard Counties in total. With a significant but reflective capture of Howard County demand and attracting some demand expected in Anne Arundel County, the Market Consultant estimates Downtown Columbia could absorb 3.0 to 3.5 million square feet of new office space over the next 15 to 17 years. Annual office absorption is notably inconsistent on a year to year basis, with some exceptionally high years and many stable ones. Over time, actual absorption will likely converge towards the forecasted average annual.

- The 2.7 million square feet of office space planned in Downtown Columbia represents a 21% capture of the available market for new Class A space, which is reasonable and achievable given its unique position in the market. The first two buildings within the planned development have pre-leased space at lease rates in the low $30s, a premium to the Class A average in downtown Columbia of $26 per square foot (FS). Additional office space should be able to achieve lease rates of at least $34 to $36 per square foot.

Retail

- The Downtown Columbia retail market is mature and sophisticated, with a natural hierarchy of space (neighborhood, community/big box, and regional mall) that was part of the original vision of the master-plan. The strength of the retail market is evidenced by very low vacancies, especially among power, lifestyle, and regional shopping centers, which sits at less than 1%, and high rents relative to the rest of the market at $40.00 per square foot (NNN). Including other types of shopping centers, the market is still very healthy and robust, with vacancies under 4% and rents at $18.46 per square foot (NNN). Rents for new space in Downtown Columbia should easily exceed the market average for existing space and support lease rates of $45 to $50 per square foot (NNN).

- Over the next decade, as the number of households is expected to more than double and the daytime employment base is expected to continue to expand within Downtown Columbia assuming the Developer's plans for office and residential development go according to schedule, an additional 500,000 to 550,000 SF of retail should be supportable. This could be delivered both as ground floor retail in mixed-use buildings and as stand-alone retail space.

- The planned 306,000 SF of new retail in the development plan is easily supportable given the strength of the existing market and new households and employees that the planned development will add to the local market.

- The ability to deliver high-performing new retail space is intricately linked to the quantity and pace of new residential and office development. New employees and residents will generate substantial demand for new retail space. Conversely, new and exciting retail will only further enhance Downtown Columbia's ability to attract new residents and employees. This logic of delivering new, high quality product and a compelling, walkable, and mixed-use environment will likely increase the County's and Downtown Columbia's potential absorption over the next ten years relative to historical averages.

Established in 1967, the Market Consultant provides real estate advisory services, including market and financial analysis, strategic planning, asset allocation, management consulting and asset management. Since its establishment, the Market Consultant has worked for more than 5,000 clients on over 200,000 assignments.

Neither the Underwriters nor the County makes any representations as to the accuracy, completeness, assumptions or information contained in the Market Study. The assumptions or qualifications with respect to the Market Study are contained therein. There can be no assurance that any such assumptions will be realized, and the County and the Underwriters make no representation as to the reasonableness of such assumptions. Prospective purchasers of the 2017 A Bonds should review the Market Study in its entirety in order to make an informed decision regarding the suitability of the 2017 A Bonds as an investment opportunity. See "APPENDIX B – Market Study" hereto.

Timeline for Collection of Taxes

The following is a summary of the timeline for the collection of taxes on the properties in the Districts as applied to the 2017 A Bonds:

Process	Date
Regular property tax assessment notices mailed to property owners	December
The "date of finality" (the date assessments for real property become final for next taxable year)	January 1
Deadline for appealing reassessment notices (mailed the prior December)	Mid-February
Homeowners' tax credit applications received by this date will have credits reflected on July 1 property tax bills, if eligible	May 1
Appropriation of Tax Increment Revenues and Special Taxes equal to Debt Service	June 30
Director of Finance calculates and mails tax bills, including Special Taxes	July 1
Transfers of Tax Increment Revenues to pay interest on the 2017 A Bonds due on August 15 and Special Taxes, if necessary to pay such interest.	July 15
Interest due on 2017 A Bonds from amounts on deposit in the Debt Service Fund	August 15
Based on projections of Tax Increment Revenues to be available to pay Debt Service in the next Fiscal Year, Administrator notifies County of amount of Special Taxes, if any, that will be needed in such Fiscal Year.	On or about September
Deadline to submit homeowners' and renters' tax credit applications and real property exemptions	September 1
Deadline to pay real property taxes without penalty[1]	September 30
Transfers of Tax Increment Revenues to pay principal and interest on the 2017 A Bonds due on February 15 and Special Taxes, if necessary to pay such interest	January 15
Final bill and legal notice mailed to property owners who have not yet paid taxes	February 1
Principal and interest due on 2017 A Bonds from amounts on deposit in the Debt Service Fund	February 15
First of two instances of publication of properties going to tax sale	March
Mailing of notice to owners of properties subject to tax sale	March
Tax sale[2]	By June 30

[1] Owners of principal residences and small business properties may pay real property taxes (including Special Taxes) on a semi-annual basis with half due on September 30 and half due on December 31.

[2]County law provides that the tax sale shall be held no earlier than the third Wednesday in April and no later than the last Wednesday in August. The County currently holds the tax sale in June.

PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA

The information appearing below under this heading (other than under the subheading "-- The Funding Agreement") has been furnished by the Developer for inclusion in this Limited Offering Memorandum and is believed to be reliable. No person other than the Developer makes any representation or warranty as to the accuracy or completeness of such information supplied by it.

General

Downtown Columbia

The development project consists of the redevelopment of a portion of the downtown area ("Downtown Columbia") in the unincorporated master-planned community of Columbia, Maryland ("Columbia"), one of the first master-planned communities in the United States. Columbia was founded in 1967 by Jim Rouse who is regarded as one of the visionary leaders of the master-planned community industry. Mr. Rouse sought to create a new kind of American community that would, through rational planning, avoid the problems associated with America's big cities and the unplanned sprawl of suburbia and become "the most livable, the most beautiful and the most effective city in America." Columbia achieved much of Jim Rouse's goals; home to approximately 100,000 residents, it was ranked first in 2016 among *Money Magazine's* Best Places to Live. Columbia is also home to Merriweather Post Pavilion, an outdoor concert amphitheater in the heart of Downtown Columbia ranked the second best amphitheater in the United States by *Billboard* magazine in 2010 and the fourth best amphitheater in the United States by *Rolling Stone* in 2013. Merriweather Post Pavilion is located adjacent to the Special Taxing District.

Columbia is located in Howard County, Maryland (the "County"). Based on U.S. Census data for 2015, the County is the nation's third most affluent county with a median household income of over $110,000, according to the Bureau of the Census, American Community Survey. Its convenient location between Baltimore and Washington D.C. draws highly educated residents with easy access to leading public and private employers and high-quality public schools. According to the Maryland Department of Business and Economic Development, the largest private employers in the County as of October 2015 were Johns Hopkins University, Lorien Health Systems, Howard County General Hospital, Howard County Community College, Verizon, Leidos, MICROS Systems, Coastal Sunbelt Produce, Giant Food, and Wells Fargo. Columbia is approximately 15 miles from Fort George G. Meade, the National Security Agency headquarters, and the Defense Information Systems Agency, and approximately 17 miles from Baltimore/Washington International Airport. See "APPENDIX B -- Market Study" for additional information on the County and Columbia.

Downtown Columbia consists of an approximately 391-acre downtown area in Columbia designated by the County Council (the "County Council") and the County Executive of the County for redevelopment in the "Downtown Columbia Plan, a General Plan Amendment," adopted by the County Council on February 1, 2010 and approved by the County Executive on February 3, 2010 (the "Downtown Columbia Plan"). Currently, Downtown Columbia is comprised mainly of an enclosed shopping mall and office buildings with isolated amenities in automobile-dependent surroundings. The Downtown Columbia Plan strives to transform Downtown Columbia into an urban-oriented business and cultural hub that is "a diverse, mixed-use, livable, physically distinctive and human-scaled place with a range of housing choices and recreational, civic, cultural and educational amenities" and that "complete[s] Jim Rouse's vision of a 'real city' by creating a vital Downtown Columbia in which residents can live, shop, work, entertain, exercise and enjoy cultural opportunities in an enriched natural setting." To that end, the Downtown Columbia Plan divides Downtown Columbia area into six new or reconfigured downtown neighborhoods: Warfield, The Mall, The Lakefront and Lakefront Core, The Crescent, Merriweather-Symphony Woods and Symphony Overlook. This neighborhood structure encourages a mix of varying uses among neighborhoods that, along with planned connections to existing neighborhoods in Columbia and the planned amenity spaces in each component, will create a more cohesive community with distinctive identities for each neighborhood. See "-- The Development of the Development District and the Special Taxing District" below for the map depicting the six neighborhoods comprising Downtown Columbia.

The Downtown Columbia Plan establishes a four-phase master plan, spanning an approximately 30-year period, for the completion of Downtown Columbia. The development of the Special Taxing District (as defined below) property and The Metropolitan Downtown Columbia (the "Metropolitan"), m.flats Downtown Columbia ("m.flats") and TEN.M Downtown Columbia ("TEN.M") properties (each discussed in more detail below) are within Phase I of the Downtown Columbia Plan (the "Initial Stage of the Downtown Columbia Plan"). Recognizing that additional housing in Downtown Columbia is fundamental to the economic future of Columbia, the Downtown Columbia Plan recommends the development of an aggregate total of up to 6,244 additional residential units as described in the Downtown Columbia Plan and the related County legislation, of which amount 656 to 2,296 units have been allocated to the Initial Stage of the Downtown Columbia Plan. The Downtown Columbia Plan also recommends the development of an aggregate total of 1.25 million square feet of retail (of which amount 300,000 to 676,446 square feet have been allocated to the Initial Stage of the Downtown Columbia Plan), 4.3 million square feet of office (of which amount 1,000,000 to 1,513,991 square feet have been allocated to

the Initial Stage of the Downtown Columbia Plan), and 640 additional hotel rooms (at least 100 of which have been allocated to the Initial Stage of the Downtown Columbia Plan) in Downtown Columbia to serve the present and future needs of the community, as well as connected street networks, upgraded major intersections, and structured parking to accommodate future uses and promote a "park-once" approach.

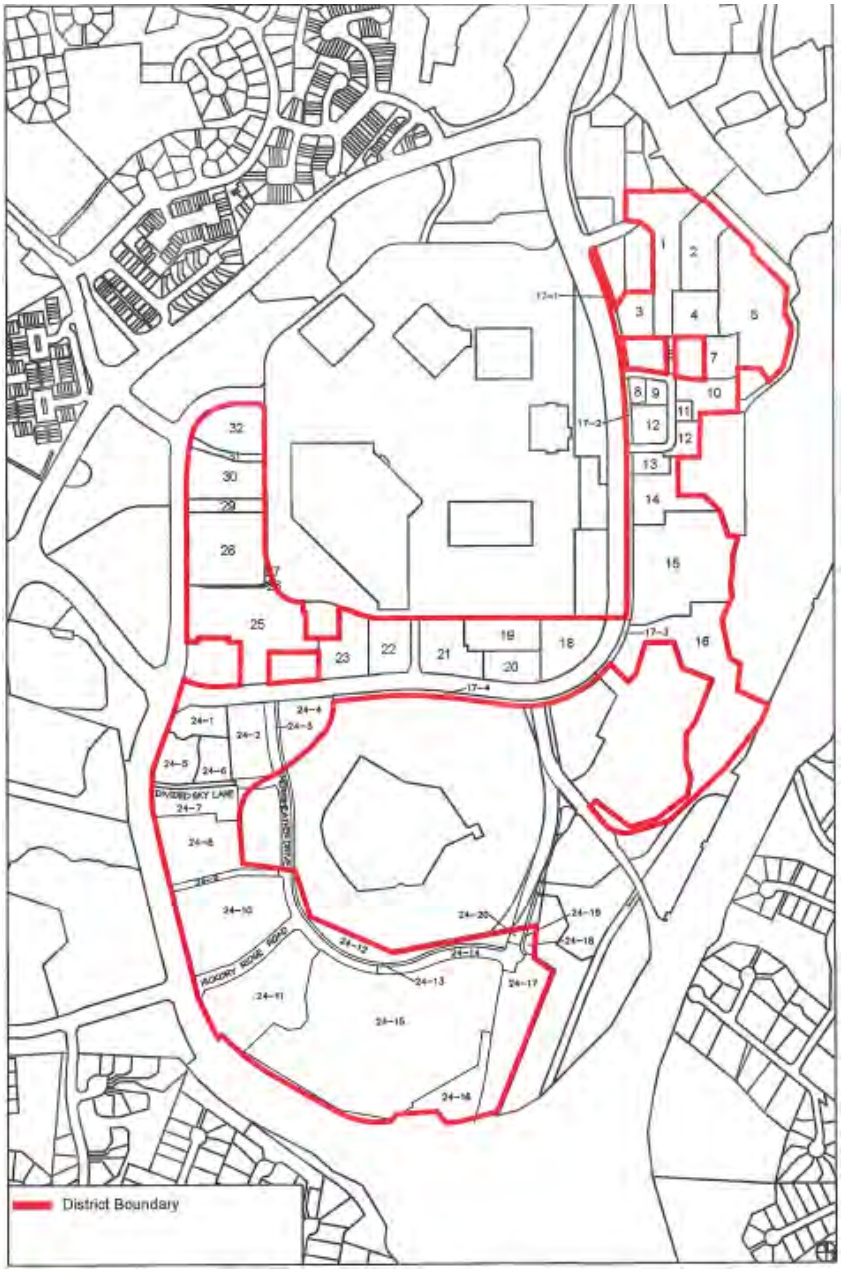
Downtown Columbia conforms with *Plan Howard 2030*, the County's most recent Howard County General Plan (the "General Plan"). The General Plan identifies Downtown Columbia as a Growth and Revitalization Area, and recommends implementing the Downtown Columbia Plan to create a vibrant mixed-use urban center for the County. The General Plan also indicates the County expects future growth and development to be directed to Downtown Columbia.

Development District and Special Taxing District

The Downtown Columbia Development District (the "Development District") is comprised of approximately 146 acres within Downtown Columbia and encompasses all or a portion of the six neighborhoods with the exception of The Mall neighborhood and the Merriweather-Symphony Woods neighborhood. The Crescent Special Taxing District (the "Special Taxing District") is comprised of approximately 65-acres located within the Crescent neighborhood in the Development District. The Special Taxing District is located adjacent to Merriweather Post Pavilion and is generally bound by Little Patuxent Parkway to the north, existing property owners and the Merriweather Post Pavilion to the east, Route 29 Interchange #18 and Broken Land Parkway to the south, and Broken Land Parkway to the west. See "-- The Development of the Development District and the Special Taxing District" below for the map showing the neighborhoods in Downtown Columbia. The Development District and the Special Taxing District are shown in the following maps:

[MAPS APPEAR ON FOLLOWING PAGES]

Development District



Special Taxing District



The Howard Research And Development Corporation (the "Developer") serves as the community developer of Downtown Columbia under the Downtown Columbia Plan. The Developer or its subsidiaries are the sole owners of approximately 117.5 acres of the approximately 146-acre property comprising the Development District, and as the principal landowner, the Developer is able to master-plan and seek development approvals for most of the developable land in the Development District. Of the approximately 28.5 acres not solely owned by the Developer or its subsidiaries, approximately 10 acres are owned by a joint venture between the Developer and subsidiaries of Kettler, Inc. (a nationally recognized multifamily developer and property manager in the Washington D.C. area) in the Warfield neighborhood for the Metropolitan (a multifamily development with 380 residential units and approximately 15,300 square feet of retail and restaurants) and m.flats and TEN.M (multifamily developments with a total of 437 units and approximately 34,300 square feet of retail) (see "-- The Development of the Development District and the Special Taxing District" below for additional information on the development of these properties), and approximately six acres improved with a Sheraton Hotel are owned by Interstate Columbia, LLC in the Lakefront neighborhood. The remainder of the Development District property consists of various roadways owned by Mall Entrances Business Trust and open space owned by Columbia

Association Inc. (a civic organization organized and operated to promote the common good and social welfare of the people of Columbia). The Developer and its wholly-owned subsidiaries own all of the land within the Special Taxing District (with certain open space areas owned by Columbia Association Inc. and a certain parcel owned by the County for the purpose of a public roadway).

The Developer intends to develop the Development District in multiple phases over approximately 15 to 20 years. The Developer's development plans for the Development District contemplate a mix of office, multifamily residential (a portion of which is expected to include affordable housing units), retail, restaurant, hotel and civic/recreation uses. The development of a portion of the Warfield neighborhood in the Development District consists of the development of the Metropolitan, TEN.M and m.flats. The Phase I-A Development (hereinafter defined) will consist of two office buildings, and related retail and restaurant uses, in Area One of the Special Taxing District, and an office building and a multifamily residential building in Area Three of the Special Taxing District. The Phase I-B Development (hereinafter defined) will include office, multifamily, retail and restaurant space in Area Three of the Special Taxing District. Additional future phases of the development in the Special Tax District will consist of office, multifamily, retail and restaurant uses and a hotel on the remainder of the Special Taxing District property.

The Developer

The Developer is a wholly-owned subsidiary of The Howard Hughes Corporation ("HHC"), an approximately $5 billion equity market capitalization company headquartered in Dallas, Texas. The Developer (directly or through its subsidiaries) owns all of the real property comprising HHC's real estate development portfolio across the country. The Developer (directly or through its affiliates) also develops and manages all of HHC's real estate projects in Maryland. See "-- Experience of HHC, the Developer and the Developer's Affiliates" below for a summary of the Developer's and its affiliates' development experience.

HHC is traded on the New York Stock Exchange under the symbol HHC. As of July 31, 2017, HHC has contributed approximately $99.0 million in cash equity, not including land value, to the Developer for the costs of the redevelopment of Downtown Columbia, of which over $60.2 million was used for the costs of development and construction relating to the Phase I-A Development and the Phase I-B Development in the Special Taxing District, and $38.8 million represents its 50% share of the equity contributions made to Parcel C Property LLC and Parcel D Property LLC (the joint venture between the Developer and subsidiaries of Kettler, Inc. for the Metropolitan, m.flats and TEN.M). In addition, subsidiaries of Kettler, Inc. have contributed approximately $38.8 million in cash equity which represents their 50% share of the equity contributions to this joint venture. See "-- Plan of Finance" below for additional information on the sources and uses of funding the development of the Phase I-A Development and the Phase I-B Development. **HHC has made no commitment to provide any financial support for the payment of the 2017 A Bonds and does not directly own land in, and has no legal obligations with respect to, the Development District or the Special Taxing District except for its limited guaranty of certain obligations of the Developer under the Funding Agreement to complete the Public Improvements (hereinafter defined) and to indemnify the County for certain matters.**

Experience of HHC, the Developer and the Developer's Affiliates

HHC, the Developer and the Developer's affiliates manage and develop commercial, residential and mixed-use real estate in 14 states from New York to Hawaii. Their core expertise includes planning and developing master-planned communities, developing complex, large-scale mixed use projects, and actively managing these developments once completed. The range of assets includes large scale communities with dominant market positions across geographically diverse properties and asset classes. Over the past five years, HHC, the Developer and the Developer's affiliates have completed on schedule and under budget the construction of, in the aggregate, over 3.9 million square feet of office and retail properties as well as 1,208 multifamily units and 913 hotel rooms, with a combined cost of $1.6 billion. The master-planned communities represent in the aggregate over 80,000 acres in their overall development portfolio. In addition to the Development District, the Developer's and its affiliates' portfolio of master-planned communities includes the following:

The Woodlands (The Woodlands, Texas). The Woodlands is a 28,000-acre master-planned community north of Houston, Texas. The Woodlands has won a number of awards over its acclaimed 42-year history, including a Special Award for Excellence in 1994 from the Urban Land Institute. Roughly one-and-a-half times the size of Manhattan, it is home to over 110,000 residents, over 2,100 employers and more than 63,000 employees, and continues to grow. Over the past five years, approximately 1.7 million square feet of office, over

200,000 square feet of retail, 913 hotel rooms and 704 multifamily units were delivered in The Woodlands. Almost half of the office portfolio in The Woodlands is leased to companies that are investment grade. Projects within The Woodlands include Hughes Landing, a 66-acre mixed-use development with five Class A office buildings, 390 multifamily residences, a Restaurant Row with seven full-service restaurants, a Whole Foods Market-anchored retail center, and a 205-suite Embassy Suites by Hilton hotel that opened at the end of 2015. Outdoor amenities include water sport activities, a boardwalk, an entertainment pavilion, a dog park, a connection to over 200 miles of hike-and-bike trails and two parks. In 2016, Hughes Landing received the Houston Business Journal's Landmark Award for mixed-use development. Other developments in The Woodlands include the newly completed 302-room The Westin at The Woodlands hotel, and the recently renovated and expanded The Woodlands Resort and Conference Center, featuring upgraded meeting spaces, 184 new luxury guest rooms, and a new 1,005-foot lazy river.

Bridgeland (Cypress, Texas). Bridgeland is a master-planned community situated less than 30 miles northwest of downtown Houston, Texas. The Texas State Highway 99 (known as the Grand Parkway) bisects the community providing direct access to several major employment nodes in Houston and The Woodlands. The project has 11,400 acres designed to consist of four residential villages, an 800-acre town center, and over 3,000 acres of lakes, parks, trails and open spaces. Bridgeland was recognized as the 2015 Master Planned Community of the Year by the Texas Association of Builders and has won more than 100 awards since opening in 2006. Only 21% of the total saleable acreage has been developed allowing for long-term growth which is currently expected to include up to 20,000 homes and 65,000 residents. In 2014, the development was granted a permit from the United States Army Corps of Engineers to build on 806 acres of land. Recent enhancements to the community include the opening of a neighborhood village with shops and offices and the sale of land parcels for the future multi-school educational campus that is underway with a new elementary, middle and high school.

Summerlin (Las Vegas, Nevada). Summerlin is a 22,500-acre master-planned community located nine miles west of Las Vegas, Nevada. Lot sales began in Summerlin in the early 1990s. The current population exceeds 100,000 residents and is projected to grow to over 200,000 residents at full build-out with approximately 270 additional residences planned to be brought to market by 2023. It is estimated that Summerlin captures 8% of the overall Las Vegas housing market and 24% of the housing market for which home prices exceed $400,000. Amenities include 150 parks, 150 miles of trails, 14 houses of worship, and nine golf courses, as well as 22 schools. Summerlin has often ranked in the Robert Charles Lesser annual poll of top-selling master-planned communities in the nation, ranking sixth in the 2015 annual report and fifth in the 2016 annual report. As of June 1, 2017, there were 29 active subdivisions in Summerlin including, among other, "The Summit," a 555-acre joint venture with Discovery Land Company featuring a private residential golf and lifestyle club community with low density custom homes. The Summerlin development also includes Downtown Summerlin that opened in the Fall of 2014. Constructed and completed in 16 months, the first phase of Downtown Summerlin consisted of 1.4 million square foot mixed-use development located on a 106-acre site (of the approximate 300 developable acres in the heart of Summerlin) featuring over 115 stores and restaurants in an integrated open-air environment with entertainment, dining, shopping, a marketplace and a nine-story Class A office building. The development has attracted over a million monthly visitors and offers a mix of regionally and nationally known brands, 25 of which are first-to-market retailers. It is expected that, when the entire 400-acre development is complete, Downtown Summerlin will feature an additional five million square feet of office, hotel and multifamily residences. There are more than 5,000 developable acres remaining in the overall Summerlin development. The first multifamily development in Downtown Summerlin, the Constellation, is located on this remaining land that is part of Phase Two. Developed in a joint venture with the Calida Group, the Constellation was completed in 2016 and delivered approximately 124 luxury rental units in Downtown Summerlin. The process of master planning an additional 184 acres has begun for over five million square feet of density to expand the commercial offerings and provide new amenities for residents.

In addition to the master-planned communities, the Developer and its affiliates also completed the following development projects:

The Outlet Collection at Riverwalk (New Orleans, Louisiana). The Outlet Collection at Riverwalk, an outlet center in a downtown environment, opened in New Orleans in 2014. The Outlet Collection at Riverwalk is also the first location in the region for a number of tenants such as Neiman Marcus Last Call Studio, Tommy Bahama Outlet and PUMA Outlet. The repositioning of the former Riverwalk Marketplace included a complete redevelopment and a significant expansion of approximately 50,000 square feet, bringing the total to 250,000 square feet of retail space in downtown New Orleans. The Outlet Collection at Riverwalk is fully leased.

ONE Ala Moana (Honolulu, Hawaii). ONE Ala Moana is a luxury condominium tower developed by HHMK Development, LLC, comprised of HHC and a joint venture of Honolulu development firms, The MacNaughton Group and Kobayashi Group. This 23-story tower, located at Ala Moana Center, offers 206 one-, two- and three-bedroom condominium residences ranging from 760 to 4,100 square feet, and features an exclusive service, amenity and concierge package. The project was 100% sold out prior to starting construction in 2013 and completed construction in December 2014. In 2015, FIABCI-USA, the International Real Estate Federation, honored ONE Ala Moana with the prestigious Grand Prix of Real Estate residential high-rise award.

The master-planned community and mixed-use development pipeline of the Developer and its affiliates includes over 50 million square feet of entitlements within the portfolio. The following projects, other than the Development District, are currently under development:

Ward Village (Honolulu, Hawaii). Ward Village is a coastal master-planned community located on 60-acres of prime ocean front land between Waikiki and downtown Honolulu. It is a vertical master-planned community, and integrates Hawaii's culture and history as foundations for the creation of the community. The property is the largest urban development site in Honolulu and the largest LEED-ND Platinum certified development in the country. Its master-plan entitlements allow for up to 9.3 million square feet of mixed use development which allow for over 4,000 condominium units and over one million square feet of retail and other commercial space. The property is currently comprised of 1.3 million square feet of retail, industrial and office space. At full build out, the development will provide over 4,000 homes. Public amenities include a planned four-acre park, new tree-lined sidewalks and bike lanes and access to the Pacific Ocean through the adjacent Ala Moana Beach Park and Kewalo Harbor. During 2015, the contracted sales for the 491 residences in the first two residential condominium towers, Waiea and Anaha, reached over 90%. Waiea was completed in 2016 and Anaha is expected to be completed in the second half of 2017. The construction of these towers began in 2014. Pre-sales began in July 2015 on a new Ae‘o tower containing 466 residences, developed above the 50,000 square foot flagship Whole Foods Market, designed by Bohlin Cywinski Jackson. Ae‘o had 57% of its homes contracted for sale as of December 2016. Construction on the Ae‘o tower began in February 2016, and completion is scheduled for 2018. In December 2015, Ke Kilohana, a 424-residence condominium tower was announced with 375 of these homes reserved for Hawaii residents who meet certain income and asset requirements. This tower provides a more affordable option for local residents to live in Ward Village. Pre-sales for Ke Kilohana started in 2016.

Seaport (New York, New York). Located on the East River in Lower Manhattan within the view of the Brooklyn Bridge, Statue of Liberty and New York City's skyline, the revitalized Seaport District will encompass seven buildings on several city blocks totaling 365,000 square feet with over 80 new stores and restaurants. Seaport is New York's original commercial hub and had historically been the epicenter of the growth and development of New York City. The restored Seaport District includes iPic Theaters' first Manhattan location with a 400,000 square-foot eight-screen movie and a dinner theater that opened in October 2016 in the Fulton Market Building, the new Pier 17 currently under construction, and a 40,000 square foot food market and a flagship restaurant in the restored 53,000 square-foot Tin Building in a partnership with acclaimed Chef Jean-Georges Vongerichten. With 40% more public space than before, Pier 17 will be highlighted by a 1.5-acre public roof that will include year-round attractions including seasonal summer concert series, a winter village, a restaurant, outdoor bars and a venue for concerts and special events with views of the Manhattan and Brooklyn skylines. Renovation of Seaport should be substantially complete in the summer of 2018. Seaport is positioned to benefit from Lower Manhattan's growth in residential and office population, with many of the new tenants coming to downtown New York in the media, technology, and creative industries.

The Woodlands Hills (Conroe, Texas). The Woodlands Hills is expected to feature approximately 4,800 residential lots and 161 acres of land, to be held either for sale or for commercial development on 2,100 acres of raw land 13 miles north of The Woodlands in Conroe, Texas. Sales are targeted to begin in the fourth quarter of 2017.

Landmark (Alexandria, Virginia). The redevelopment of the Landmark mall, located between the Washington Beltway and the Potomac River, will provide a 750,000-square-foot open-air, mixed-use urban village with shopping, dining, entertainment, new parks and plazas, a 44,000-square-foot 10-screen luxury cinema and multifamily residences.

Kendall Town Center (Miami, Florida). Kendall Town Center is located 18 miles southwest of downtown Miami, and when completed will provide the surrounding area with retail, restaurant and entertainment opportunities. The center, located next to the new West Kendall Baptist Hospital employing nearly 1,500 workers,

is entitled for 621,300 square feet of retail, 60,000 square feet of office and a 50,000-square-foot community center.

Additional mixed-use developments are also planned for AllenTowne (27 miles north of downtown Dallas, Texas), Circle T Ranch (centrally located between Dallas, Texas, and Fort Worth, Texas), The Outlet Collection at Elk Grove (16 miles from Sacramento, California), and The Bridges at Mint Hill (Charlotte, North Carolina). Development opportunities are also currently being evaluated in the City of West Windsor, New Jersey.

Key Officers

The officers of the Developer (employed through an affiliated entity, Howard Hughes Management Company LLC) responsible for the Development District are as follows:

John DeWolf, Executive Vice President, Development. John DeWolf joined the company in 2011 and leads the company's strategic developments in Columbia. Under Mr. DeWolf's leadership, the first new residential/retail mixed-use project, the Metropolitan, was developed in the Development District with m.flats and TEN.M underway on an adjacent parcel and the state-of-the-art renovations of the Merriweather Post Pavilion, and a mixed-use project was completed in the newly-renovated former Rouse Company Building. Mr. DeWolf has over 30 years of real estate experience, including his work for New York & Company where he oversaw the addition of 225 stores. Mr. DeWolf has held senior positions with New England Development, Woolworth Corporation and The Disney Stores, Inc. Mr. DeWolf graduated from Syracuse University earning a Bachelor of Science degree and a Juris Doctor degree.

Greg Fitchitt, Senior Vice President, Development. Greg Fitchitt joined the company in 2013, working on a variety of assets from Miami to California. In 2014, Mr. Fitchitt relocated to Maryland to focus on Downtown Columbia. During the prior 15 years, Mr. Fitchitt completed nine shopping center redevelopments as a developer for Westfield, including projects in Washington State, Los Angeles, and San Diego. One of his projects was the first regional shopping center to be awarded a Gold level rating for sustainability by the U.S. Green Building Council under the LEED for Neighborhood Development pilot program. In addition to his professional activities, Mr. Fitchitt has served on the boards of non-profit affordable housing developers in San Diego and Venice, CA, and the San Diego chapter of NAIOP. He currently serves as Chair and President of the Downtown Columbia Partnership, and as a board member of the Howard County Chamber of Commerce. Mr. Fitchitt graduated from Pomona College with a degree of Bachelor of Arts in Philosophy and a Master of Business Administration from the University of California, Los Angeles.

Ruth U. Hoang, Vice President, Development. Ruth U. Hoang joined the company in 2015 to guide the residential development planned as part of up to 13,000,000 square feet of mixed use space in the Development District. Ms. Hoang specializes in the complete life-cycle development of multifamily communities from site selection to project completion, having been involved in the development of approximately 4,400 units in the mid-Atlantic region. Ms. Hoang previously worked in development for Home Properties, JPI Development and the National Capital Revitalization Corporation. She is a member of the Urban Land Institute, the Maryland Building Industry Association and the CREW Network. Ms. Hoang earned a Bachelor of Arts degree from the University of Virginia.

Gabriel Chung, Vice President, Development. With 15 years of development experience, Gabriel Chung is part of the development team that secured legislation for the Downtown Columbia Plan. Mr. Chung structured the company's joint venture agreement with subsidiaries of Kettler, Inc., for the development of the Metropolitan, m.flats and TEN.M. He is leading the efforts for growing the commercial development program in the Development District, including the office buildings currently under construction in the Special Taxing District. Prior to joining the Development District team, Mr. Chung was a development executive at The Woodlands Development Company. Working on the 28,000-acre Woodlands project, he was involved with the planning, financing, developing, and monetizing of the Town Center, totaling in excess of two million square feet of office, retail, and residential products.

Bill Rowe, Senior Vice President, Design & Construction Management. Mr. Rowe leads the company's coordination of the local team of professional construction managers overseeing the design and construction of all horizontal and vertical projects for the company's developments in Columbia. Mr. Rowe also utilizes the company's pre-construction team in Dallas to provide estimating, scheduling, and contract

management support. Bill is a 30-year veteran of real estate development and construction, managing over 10 million square feet of new and re-development construction (retail and commercial) valued at over $1 billion. Prior to joining the company in April of 2015, he was Vice President of Construction for Vornado Realty Trust. He has also held senior construction positions with Petrie Ross Ventures, WCI Communities and The Rouse Company.

Design and Construction Team

The following entities have been engaged to provide design and construction services relating to the development of the Development District.

Project Architects / Land Planners

Design Collective, Inc. ("Design Collective"), JP2 Architects, LLC ("JP2 Architects"), Gensler ("Gensler"), FOX Architects, LLC ("FOX Architects"), Daft, McCune, Walker ("DMW"), The Preston Partnership, LLC ("Preston") and TCA Architects, Inc. ("TCA") serve as principal project architects and land planners for various portions of the Development District.

Design Collective. Design Collective is a multi-disciplinary and award-winning design firm specializing in architecture, urban design, interior design, landscape architecture, and graphics. Representative projects include University of Maryland's Health Sciences Facility III in Baltimore, MD (a new 430,000- square foot research facility), Towson Row in Towson, MD (redevelopment of a 5-acre site to include more than 1,000,000 square feet of mixed-use space), Regional Headquarters for global real estate services firm Cushman & Wakefield in Baltimore, MD (a 20,000 square foot tenant fit-out), and 1213 Walnut Street in Philadelphia, PA (a new 300,478 square foot mixed-use, multifamily high-rise).

JP2 Architects. JP2 Architects is a full-service architectural firm providing master planning, architecture, interiors, and graphic design services. Representative projects include the Belmont Park, Elmont, NY (a mixed use master plan on New York's Long Island with retail, restaurants, entertainment venues, office, hotel and residential uses centered near the existing Belmont Park Grandstand with a lifestyle shopping district with amenities and over 800 new residences) and MarketPlace at Fells Point, Baltimore, MD (new urban lifestyle apartments in Historic Fells Point).

Gensler. Gensler is a global architecture, design, and planning firm with 46 locations and more than 5,000 professionals networked across Asia, Europe, Australia, the Middle East and the Americas. Founded in 1965, the firm serves more than 3,500 active clients in virtually every industry. Gensler supports clients at every stage of the design cycle, from initial strategy and design planning through implementation and management. Representative projects in the Baltimore-Washington area include The Lumber Shed and The Boilermaker Shops at The Yards in Washington, DC (a multi-phased mixed-use development featuring historically significant structures reimagined as mixed-use pavilions amidst a riverfront park) and Gaylord National Resort & Convention Center in Prince George's County, Maryland (a mixed-use development near the U.S. capital featuring a four-star, 2,000-key hotel and a 825,000-square-foot convention center). Business Insider ranked Gensler 25th in its 2016 "Top 100 Creators" list. ENR ranked Gensler #1 Architecture Firm for its 2016 Top 150 Global Design Firms. Gensler has also been ranked first by Architectural Record in its "2016 Top 300" list, and ranked #1 by the Building Design's 2016 World Architecture 100 "Most Admired US Firm" and fifth in the "Most Admired Global Firm" categories. For the 35th consecutive year, Gensler tops Interior Design magazine's Top 100 Giants list.

FOX Architects. FOX Architects is an architecture and interior design firm based in Washington D.C. Founded in 2003, the firm provides interior and architecture services that include corporate build-to-suit, developer driven new construction, vertical building expansions, building renovations, master planning and feasibility studies. Representative office projects include the Washington Gas building in Springfield, Virginia (a 186,000 square foot office and a 68,000 square foot industrial building connected by a parking structure), 1400 Crystal Drive in Arlington, Virginia (a 310,000 gross square foot office with three below-grade garage levels), and Arundel Preserve in Hanover, Maryland (a seven-story office building and an adjacent above-ground parking structure). FOX Architects was awarded in 2016 the Fairfax County Exception Design Honor Award for the Washington Gas project, and in 2015 the AIA Award of Merit for the 1400 Crystal Drive project.

DMW. Founded in 1970, DMW provides land planning, site design, civil engineering, surveying and environmental, and landscape architecture services. Among its mixed-use projects are the Greenspring Quarry

in Baltimore County, MD, a mining reclamation and development project (one of the largest in Baltimore County, MD) consisting of 600 single family condominium style homes, 225,000 square feet of office space, and 112,000 square feet of retail space surrounding a deep water lake), The Palisades of Towson in Towson, MD (a 18-story LEED Silver 357-unit luxury apartment building with a vegetative roof), and the Market Square at Frederick, in Frederick, MD (one of the largest site development projects within the City of Frederick limits in recent years) includes 198,000 square feet of retail shops and offices, and approximately 450 residential units of a mixed variety incorporating Main Street elements in the retail sections and traditional "town-center" residential streetscapes).

Preston. Founded in 1995, Preston provides planning and architectural design services for multifamily, mixed use and retail developments, specializing in dense urban sites and transit-oriented projects. Over the years, they have designed more than 30 LEED certified projects and over 80 mixed-use projects. Sample mixed-use projects include the Fairfax Gateway in Fairfax, VA (a suburban mixed use project with a mixed-use component, interconnected by pedestrian bridges, with a total of 403 units and 906 parking spaces provided via street and structured parking), the Gaithersburg Station in Gaithersburg, MD (a mixed-use residential project in the historic Old Town Gaithersburg designed to fit the unique context of Old Town with a pedestrian-friendly streetscape and neighborhood retail), and Novus Odenton in Odenton, MD (an Odenton Town Center with park areas and lounge spaces with 244 apartment units, 10,500 square feet of community and "live/work" space to enrich the pedestrian experience, local art, health and fitness club, and ornamental landscaping).

TCA. Founded in 1993, TCA specializes in the planning and design of high-density, multifamily housing, mixed-use, and signature hospitality developments. The firm's collaborative approach and industry leading technological expertise have resulted in award-winning, sustainable projects. With over 40,000 multifamily units completed and another 25,000 apartment currently in development, TCA is one of California's fastest growing architectural firms. Sample mixed-use projects include Hanover Waverly in Oakland, CA (a mixed-use project of 224 apartments and 22,000 square feet of ground floor retail with three courtyards at the second level of the building), VIO in San Jose, CA (a mixed-use HighDEF project with 234 residential apartment units and approximately 5,000 square feet of ground-floor retail space with a LEED Silver rating), and The Camden in Hollywood, CA (a 287-unit residential community with a movie-screening lounge, clubhouse, pool/spa and multiple themed outdoor courtyards).

Civil Engineer

Gutschick, Little & Weber, P.A. ("GLW") serves as the Civil Engineer for the Development District. Gutschick was established in 1986 and provides a broad range of expertise including civil engineering, land surveying, planning, and landscape architecture for different types of developments, in virtually all local Maryland jurisdictions. GLW is located in Burtonsville, Maryland. Representative projects in Maryland include Maple Lawn, Maryland (a mixed-use community in the County featuring a hybrid traditional design), Marlboro Riding (a recreational and equestrian community in Prince George's County, Maryland), and Shipley's Grant (a mixed-use community in the County).

Traffic and Parking Consultant

Wells & Associates ("Wells") serves as the traffic and parking services consultant for the Development District. Wells provides transportation engineering, transportation planning and transportation demand management services. Representative projects include the Anne Arundel Health System Acute Care Pavilion (provided traffic impact analysis for the expansion of the campus and the relocation to a new campus), the Washington Redskins FedEx Field stadium complex in Greater Landover, Maryland (conducted transportation studies, traffic and parking operations plans, regarding traffic impacts at three interchanges on I-495, 17 arterial highway intersections, three on-site approach roadways, and all driveways into the Redskins stadium parking lots, and parking and traffic study for a preliminary plan application to increase the number of seats and relocate parking), and the I-495 express lanes bus service in McLean, Virginia (provided commuter market research).

Construction Managers

Harvey Cleary Builders ("Harvey") serves as the construction manager for the One Merriweather and Two Merriweather (each defined below) office buildings and for the related garage in the Special Taxing District. Harvey is a commercial general contractor performing base buildings, tilt-up buildings, interior renovations, laboratories, high rises. It provides preconstruction and construction services for wide range of projects such as office buildings, industrial facilities, healthcare and research facilities, governmental facilities,

retail and hospitality/commercial residential, interiors and community buildings. Representative office projects in the Baltimore-Washington area include the Chevron PGPA Executive Offices in Washington, DC (a renovation of an existing full-floor, 22,000 square foot shell space), the Boeing Headquarters in Arlington, Virginia (a 330,000 square feet facility over 6 floors with an executive office space, SCIF space, auditoriums, full service kitchen, deli, coffee bar, fitness center, data center and a marketing center), the FEMA Office Building and Warehouse in Washington, DC (four-level, 130,000 square foot office building, including the full interior build-out, a 35,000 square foot attached warehouse and 19-acres of site improvements), The Ritz-Carlton Washington, DC (a phased-occupied renovation of a fully operational hotel lobby and lounge area), and the Halliburton Government Affairs office in Washington, DC (a 4,500 square foot interior build-out completed in eight weeks to meet client's schedule).

HTI Contractors ("HTI") serves as the construction manager for the horizontal improvements in the Special Taxing District. HTI is a construction company located in Finksburg, Maryland specializing in site grading, utilities and paving. It services the greater metropolitan Baltimore and surrounding areas. Representative projects include mass grading work and subbase/utility infrastructure for an intercounty connector in Montgomery County, Maryland, a Hampstead By-Pass highway in Carroll County Maryland, and the Gateway Overlook shopping center and road widening in the County.

CBG Building Company ("CBG") serves as the construction manager for certain of the mixed-use buildings in the Special Taxing District. CBG has been delivering award-winning communities from coast to coast for more than 25 years. CBG's professional construction team builds more than 4,000 homes each year, providing high-quality, responsive service backed by a significant bonding capacity and national resources. CBG's experience spans a diverse portfolio of geographic areas and product types, including luxury, mixed-use, and affordable housing apartments, as well as campus housing, military family communities, and senior living facilities. With respect to mixed-use developments, CBG has constructed numerous high-profile commercial/residential buildings in major metropolitan areas. Sample mixed-use projects in the Baltimore-Washington area include Studio Plaza in Silver Spring, Maryland (a 399-unit, 11-story community with retail and underground parking), Sherman Avenue Apartments in Washington, DC (a LEED® Gold, 319-unit community featuring an elevated interior courtyard with pool and grill area, vegetative green roof, and hydroponic room on the sky terrace), and Novus Odenton in Odenton, Maryland (a 244-unit luxury apartment community with 10,500 square feet of community and live-work space among three Type 5A structures).

The Whiting-Turner Contracting Company ("Whiting-Turner") serves as the construction manager for an office building and a related garage in the Special Taxing District. Based in Baltimore, Maryland, Whiting-Turner has been in business since 1909 and is one of the nation's largest construction management and general contracting companies. Whiting-Turner provides the full spectrum of construction services on projects small and large in markets such as retail, office, education, health care, life sciences, technology, transportation and utilities. Sample mixed-use projects in the Baltimore and Virginia areas include the Rockville Town Square in Rockville, Maryland (a mixed-use urban renewal project with a 1,667-space public garage (below-grade and precast), a 252-space private garage (below-grade), 175,000 square feet of retail, 156 condominium units, 488 apartment units, and 60,000 square feet of cultural arts space; the project was awarded Best Mixed-Use Project and Best Smart Growth Master Plan by the Maryland/DC chapter of the National Association of Industrial and Office Properties in 2007) and the Miller & Rhodes Building renovations in Richmond, Virginia (a historic renovation of a department store into a 438,000 square foot development including a 250-room Hilton Garden Inn, 133 condominium units, and parking).

Brawner Contracting Co., Inc. ("Brawner") serves as the construction manager for a bridge that will be a part of the Road Segment One B in the Special Taxing District. Founded in 1980, Brawner performs general contracting services to the Baltimore-Washington region, as well as infrastructure, on-call services, construction management and design/build services. Representative projects include the Big Falls Road Bridge over Gunpowder Falls in Baltimore County, MD, a Patapsco River Pedestrian Bridge along the Patapsco River in Baltimore County, MD, and Howard County, MD, and the parking garage stairs tower at the Baltimore Washington International Airport.

B&R Construction Services, LLC ("B&R") is designing and installing dry utilities throughout the Special Taxing District including Areas One and Three. B&R is a multi-disciplinary firm offering mechanical, electrical and plumbing engineering design and construction management services, dry utility design and commissioning services. Founded in 1992, B&R has completed winning projects of all sizes regionally and nationwide. Recent projects include Foundry Row in Owings Mills, MD (a mixed-use development, anchored by

Wegmans; B&R is providing dry utility and electrical and plumbing base building engineering design services) and Avalon at Hunt Valley Towne Centre, Hunt Valley, MD (a mixed-use building with 332 upscale apartments, 30,000 SF of retail space and an adjacent parking garage; B&R is providing dry utility design for electrical and plumbing engineering design services).

Conservation Planning

Biohabitats, Inc. ("Biohabitats") is designing and leading the implementation of the wetlands mitigation and stream restoration in the Special Taxing District. Biohabitats' interdisciplinary team works at multiple scales to identify and prioritize conservation issues, assess threats to biodiversity, engage local communities, design conservation strategies, and model complex changes. Representative projects include the design of a flood protection system in the Long Wharf district of New Haven, CT, the coastal wetland restoration in Freshkills Park in New York, NY, and the restoration and ecological enhancements and improvements to Baton Rouge Lakes in Baton Rouge, LA.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The Development of the Development District and the Special Taxing District

The following map shows the locations of the six neighborhoods comprising Downtown Columbia, all or a portion of which are included in the Development District with the exception of The Mall neighborhood and the Merriweather-Symphony Woods neighborhood (see also *"– General – Downtown Columbia"* above):



Vertical Improvements

Vertical Improvements – General. Columbia is the most mature master-planned community in the Developer's and its affiliates' portfolio. The Rouse Company sold out the community's inventory of single-family residential lots long ago. The development of the urban-oriented business and cultural hub envisioned for the downtown area comprises the last stage of development of Downtown Columbia. This approach is consistent with The Woodlands project described above in "– The Developer – Experience of HHC, the Developer and the Developer's Affiliates" where value is created by the development of the "town center" land for commercial development later in the life cycle of the master-planned community.

For its first project in the Development District, the Developer repurposed in the Lakefront Core neighborhood the former Rouse Company headquarters building (one of the first works of acclaimed architect Frank Gehry) into a Whole Foods Market-anchored mixed-use asset. In 2014, the Developer acquired a portfolio of existing Class A and B office buildings in the Symphony Overlook neighborhood known as 10-60 Columbia Corporate Center and totaling over 717,000 square feet of rentable space. The buildings are located adjacent to the Developer's other office and mixed use holdings, rendering the Developer the largest office landlord in Downtown Columbia controlling approximately 1.2 million square feet of the 2.4 million square feet of existing office in this submarket. The Developer also purchased in December 2016 an approximately 0.6-acre parcel it previously master-leased in the Lakefront neighborhood for an approximately 126,720 square foot office building known as The American City Building.

Following is a description of the projected vertical development within the portions of the Special Taxing District and the Development District that support the repayment of the 2017 A Bonds:

[CHART APPEARS ON FOLLOWING PAGE]

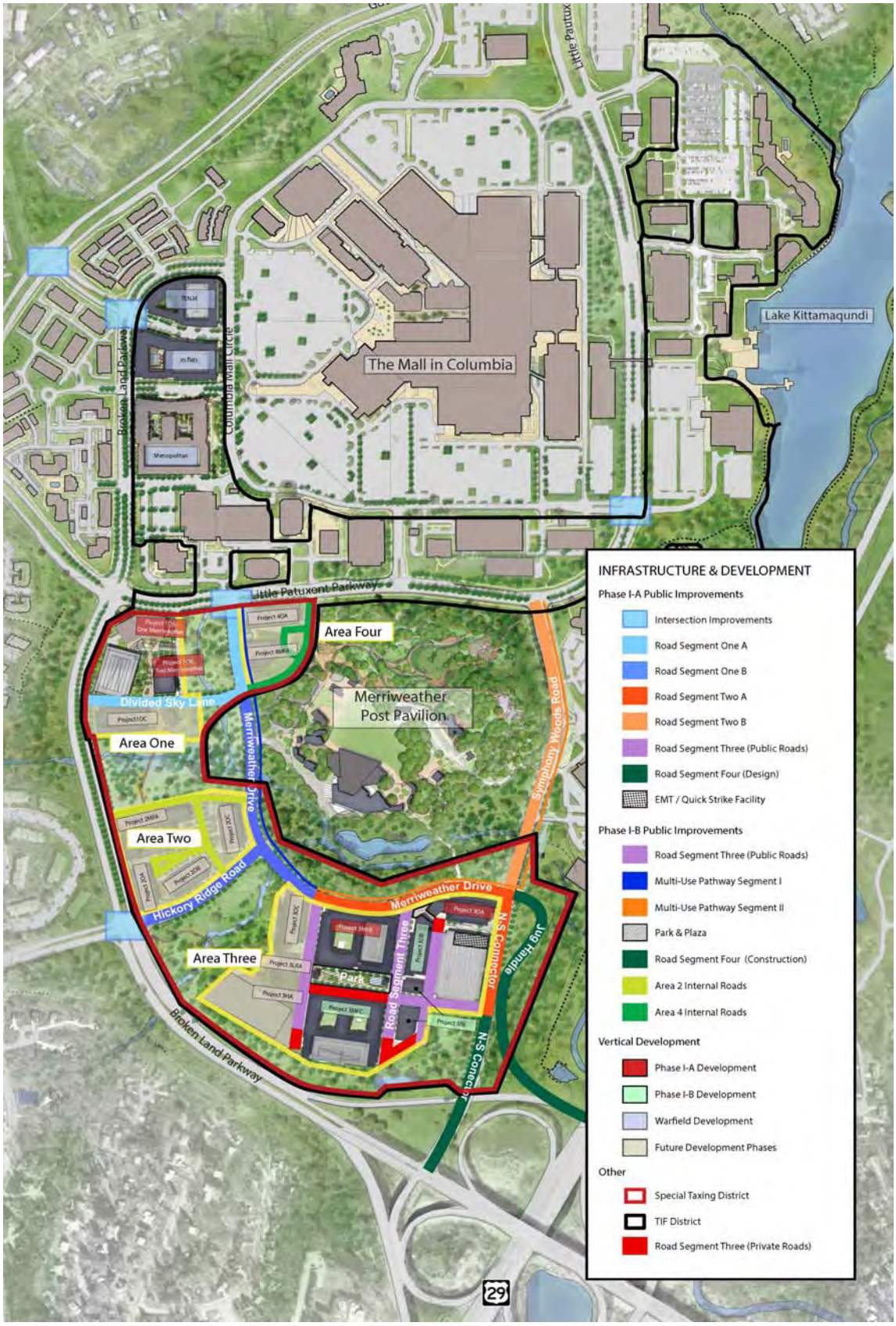
Project	Development Phase	Completion / First Occupancy	% Construction Completed [1]	% Occupied / Pre-Leased	Gross Square Footage [2]				Total Parking Spaces (Shared Parking Garages)	Units	
					Office	Retail	Residential Multifamily	Total		Residential Multifamily	Total
Projects Completed or Under Development											
Metropolitan	Warfield Development	12/2014	100%	95%	-	15,319	445,235	460,554	-	380	380
TEN.M / m.flats	Warfield Development	09/2017	85%	4%	-	34,377	504,978	539,355	-	437	437
One Merriweather	Phase I-A Development	12/2016	100%	60%	208,034	9,749	-	217,783	-	-	-
Two Merriweather	Phase I-A Development	11/2017	95%	58%	102,993	29,583	-	132,576	-	-	-
Project 3OA [3]	Phase I-A Development	03/2019	-	-	325,197	15,036	-	340,233	-	-	-
Project 3MFB [3]	Phase I-A Development	12/2018	-	-	-	71,333	452,095	523,428	-	382	382
Area One Parking Garage	Phase I-A Development	12/2016	100%	-	-	-	-	-	1,127	-	-
Area Three Parking Garage Phase I	Phase I-A Development	03/2019	-	-	-	-	-	-	1,341	-	-
Total					**636,224**	**175,398**	**1,402,308**	**2,213,929**	**2,468**	**1,199**	**1,199**
Planned Projects / Future Development											
Project 3MFC	Phase I-B Development	12/2019	-	-	-	38,195	452,897	491,092	-	423	423
Project 3OB	Phase I-B Development	06/2020	-	-	374,803	19,570	-	394,373	-	-	-
Project 3RE	Phase I-B Development	03/2019	-	-	-	45,389	-	45,389	-	-	-
Area Three Parking Garage Phase II	Phase I-B Development	06/2020	-	-	-	-	-	-	659	-	-
Total					**374,803**	**103,154**	**452,897**	**930,854**	**659**	**423**	**423**
Grand Total					**1,011,026**	**278,552**	**1,855,205**	**3,144,783**	**3,127**	**1,622**	**1,622**

[1] For Office Developments, such as One & Two Merriweather, % Completed refers to the Core & Shell Building. Tenant specific buildout will occur based on lease-up

[2] Includes common areas and common elements

[3] Development that is underway includes development under construction, development for which a letter of intent or lease has been signed, and/or where substantial design has been completed. This provides sufficient assurance that the development is eminent. Although, 3OA, 3MFB and the related Area Three Garage are not currently under construction, mass grading of their respective sites has begun and construction is anticipated to begin in Q4 2017

The following map shows the locations of the projected vertical development within the Special Taxing District, together with locations of the Metropolitan, m.flats and TEN.M, and the location of the horizontal infrastructure development:



Vertical Improvements – Development District (other than Special Taxing District) property. The Developer, in a joint venture with subsidiaries of Kettler, Inc., completed in 2014 the Metropolitan, a 380-unit multifamily development in the Warfield neighborhood. Leasing in the Metropolitan is stabilized and, as of August 28, 2017, is at approximately 95% occupancy. The Metropolitan includes approximately 15,300 square feet of ground level retail and restaurants. The following table lists the retail and restaurant tenants that have signed leases for retail/restaurant space in the Metropolitan:

Retail and Restaurant Leases in the Metropolitan

Name	Square Footage	Term
Corner Bakery Cafe	3,800	10 years
MOD Super Fast Pizza	2,613	10 years
Village Nails Bar	1,800	10 years
European Wax Center	1,658	5 years
Caliburger	2,120	10 years and 4 months
Floyd's 99 Barbershop	1,600	10 years

In early 2016, the Developer began construction on m.flats and TEN.M in the Warfield neighborhood, providing an additional 437 units to the residential mix and approximately 34,300 square feet of retail/restaurant mix in the Development District. The leasing of residential units in m.flats and TEN.M began in July 2017, for occupancy beginning in September 2017. Lease negotiations are in progress with retail and restaurant tenants. The following table lists the retail and restaurant tenants that have signed leases for retail/restaurant space in TEN.M and m.flats:

Retail and Restaurant Leases in TEN.M and m.flats

Name	Square Footage	Term	Property
Bonchon Chicken	2,600	10 years and 3 months	TEN.M
Bubbles	1,740	10 years	TEN.M
Cold Stone Creamery	1,400	10 years	m.flats
Kung Fu Tea	931	10 years and 4 months	TEN.M

The development of the Metropolitan, m.flats and TEN.M in the Warfield neighborhood (collectively, the "*Warfield Development*"), together with the Phase I-A Development, comprise the initial phase of vertical development in the Development District.

Vertical Improvements – Special Taxing District property. In 2015, the Howard County Planning Board granted Final Development Plan approval for over 4.8 million square feet of density to be built in the Special Taxing District (see "– The Development of the Development District and the Special Taxing District – Permits" below). The Developer's ultimate development plans for the entire Special Taxing District are expected to include approximately 1,387 multifamily residential units (of which approximately 150 will be affordable housing units), approximately 2,720,000 square feet of office use, approximately 306,500 square feet of retail use, and 250 hotel rooms. See "– The Development of the Development District and the Special Taxing District – Permits" below and "APPENDIX D – Engineer's Report" for additional information on the approval process and status and the affordable housing units.

Phase I-A Development and Phase I-B Development

The Developer has already developed, or plans to develop, the following portions of the Special Taxing District property: (1) in Area One, two office buildings known as Project 1 Office A One Merriweather ("One Merriweather") and Project 1 Office B Two Merriweather ("Two Merriweather") and in Area Three, an office building known as Project 3 Office A and a multifamily building known as Project 3 Multifamily B (collectively, the "Phase I-A Development") and (2) in Area Three, a multifamily building known as Project 3 Multifamily C, an

office building known as Project 3 Office B, and a retail development known as Project 3 RE (collectively, the "Phase I-B Development").

One Merriweather, located in Area One of the Special Taxing District, provides approximately 208,000 square feet of office building and approximately 9,700 square feet of retail space. It is the first new Class A office building to be constructed in Downtown Columbia in more than a decade. The Developer began the construction of One Merriweather in 2015 and the building is complete. The building is served by structured parking containing 1,127 spaces, which is enough parking for a second office building as well. MedStar Health, Inc., one of the largest healthcare providers in the greater Baltimore-Washington, DC region, has signed an anchor tenant lease for One Merriweather, leasing approximately 59% of the building's office space for an initial lease term of 156 months. Approximately 3,230 square feet of the building's office space is also leased to a wealth management firm, WMS Partners, LLC, for an initial lease term of 120 months. The following table lists the retail and restaurant tenants that have signed leases for restaurant space in One Merriweather:

Retail and Restaurant Leases in One Merriweather

Name	Square Footage	Term
Cured	8,254	10 years and 4 months
So & So Cafe	1,089	10 years and 11 months

In 2016, the Developer began the development and construction of a second office building in Area One of the Special Taxing District, Two Merriweather, adjacent to One Merriweather. Two Merriweather will contain approximately 103,000 square feet of office space and approximately 29,000 square feet of retail space. Connections Education LLC, a provider of virtual education for students in grades K through 12 and an affiliate of Pearson PLC, the world's largest educational company, has signed an anchor tenant lease for Two Merriweather, leasing approximately 76% of the building's office space for an initial lease term of 132 months. The construction of Two Merriweather (other than any future tenant improvements) is expected to be completed by November 2017.

In Area Three of the Special Taxing District, the development plans include approximately 1,075,000 square feet of additional office space, approximately 224,400 square feet of additional retail space, a hotel with approximately 250 rooms, and approximately 1,043,000 square feet of additional multifamily residential development in the Special Taxing District. With respect to the office and multifamily uses, Project 3 Office A (planned to provide approximately 325,000 square feet of office space) and Project 3 Multifamily B (planned to provide approximately 452,000 square feet of multifamily space), together with the related initial phase of the Area Three Garage (which initial stage is planned to provide approximately 1,300 parking spaces) are currently under design. An approval of the Site Development Plan ("SDP") for these projects by the County Planning Board (which approval would be based upon a finding that the plan satisfies applicable criteria in the Zoning Regulations, including conformance with the Downtown Columbia Plan) is anticipated in the fourth quarter of 2017. See "APPENDIX D – Engineer's Report" for additional information on the SDP process and approval. A letter of intent has been signed for an anchor tenant for Project 3 Office A to lease approximately 150,000 rentable square feet in Project 3 Office A, which square footage may be reduced by approximately 25,000 rentable square feet at the tenant's option prior to occupancy. The construction of Project 3 Office A is expected to begin in the fourth quarter of 2017, and the core and the shell of the building are anticipated to be completed by March 2019. It is expected that the occupancy of Project 3 Office A by the anchor tenant will begin by the end of July 2019. The construction of Project 3 Multifamily B is expected to begin in the fourth quarter of 2017, and the first occupancy of this project is anticipated to begin by the end of 2018. The development of Project 3 Office A will require the construction of an initial stage of a parking garage in Area Three to serve Project 3 Office A, Project 3 RE and the approximately 71,000-square foot retail component of Project 3 Multifamily B, which initial stage is expected to provide approximately 1,300 parking spaces. The financing of Project 3 Office A and Project 3 Multifamily B (together with the initial stage of the Area Three parking garage) has not yet been secured. The Developer expects to finance these projects through a combination of private construction financing and institutional-provided equity derived from the Developer's extensive relationships in the private debt and equity markets, and Developer-provided equity. See "– Plan of Finance" below for additional information on the sources of funding of the public and private improvements for the Phase I-A and I-B Developments. The approval of Project 3 Office A and Project 3 Multifamily B (and the remainder of Phase I-B Development) by the board of directors of the Developer is expected in due course. As of July 31, 2017, the Developer has spent approximately

$1.0 million on the design costs for Project 3 Office A, and approximately $2.5 million on the design costs for Project 3 Multifamily B. These funds were derived from the Developer's parent, HHC.

With respect to additional multifamily residential, office, and retail development in Area Three, (1) Project 3 Multifamily C is currently under design and the first occupancy of this project is anticipated to begin by the end of 2019, (2) the concept design on Project 3 Office B has already begun with construction anticipated to be completed in June 2020, and (3) the design of the Project 3 RE has already begun with construction anticipated to be completed by the end of the first quarter of 2019. The parking for these projects is planned to be provided through the construction of the subsequent phase of the Area Three parking garage providing approximately 700 additional parking spaces, for a total of approximately 2,000 parking spaces planned for the Area Three Garage.

Zoning

The property in the Development District (including the Special Taxing District) and in the entire Downtown Columbia Plan area is currently zoned NT ("New Town") District under Section 125 of the Howard County Zoning Regulations. Pursuant to the Howard County Zoning Regulations, the maximum levels of new development in Downtown Columbia are up to 6,244 net new dwelling units as described in the Downtown Columbia Plan and the related County legislation, 4,300,000 net new office gross square feet floor area, 640 net new hotel rooms and 1,250,000 net new retail gross square feet floor area. The product mix planned for the Development District is consistent with the Downtown Development Plan and the zoning requirements. See "APPENDIX D – Engineer's Report" for additional information on the zoning of the property in the Developer District.

Public Infrastructure Improvements

The public improvements to be financed with the proceeds of the 2017 A Bonds consist of the construction of roads and intersections in or benefitting the Special Taxing District, as well as related water, sewer, and stormwater improvements, and an EMT/Quick Strike Facility (collectively, the "Public Improvements"). Such new road improvements will consist of the construction of Road Segment One A and Road Segment One B (including related water, sewer and stormwater management improvements), Road Segment Two A (including related water, sewer and stormwater management improvements), and Road Segment Two B (including related water, sewer and stormwater management improvements), a portion of the public roads in Road Segment Three (including related water, sewer and stormwater management improvements), road intersection improvements, the EMT/Quick Strike Facility, and the design costs of Road Segment Four, as shown on the map above (see "– Vertical Improvements – *Vertical Improvements – General*" above). The intersection improvements to existing roadways will include improvements to the Governor Warfield Parkway and Twin Rivers Road intersection, the Little Patuxent Parkway and Swift Stream intersection, the Broken Land Parkway and Twin Rivers Road intersection, the Little Patuxent Parkway and Merriweather Drive intersection, and to Broken Land Parkway and Hickory Ridge road signalization. The construction of these Public Improvements is planned to be completed by the end of 2018, with the exception of the EMT/Quick Strike Facility, which is planned to be completed by the end of 2019. See "APPENDIX D – Engineer's Report" for information on the status of the permits for, and additional information on, the Public Improvements financed with the proceeds of the 2017 A Bonds.

In addition to the Public Improvements to be financed with the proceeds of the 2017 A Bonds, the Developer will also build certain public infrastructure with private funds as a part of the Phase I-A Development and the Phase I-B Development. See "– Plan of Finance" herein for information on the financing of these improvements with private funds. See also "APPENDIX D – Engineer's Report" for additional information on the public improvements financed with private funds. Future phases of public improvements in the Special Taxing District are planned to include the remainder of the public roads in Road Segment Three (including related water, sewer and stormwater management improvements), Segments One and Two of the Multi-Use Pathway (along Merriweather Drive and along Symphony Woods Road), and public roads in Areas Two and Four, all as shown on the map above.

Permits

As discussed above in the subheading "– General," the development of Downtown Columbia is controlled by the Downtown Columbia Plan. The Downtown Columbia Plan recommends the development of approximately 13,000,000 net new square feet of commercial and residential uses. The Developer's plans for the development of, and the planned product mix for, the Special Taxing District and the Development District

comply with the recommendations of the Downtown Columbia Plan. See "APPENDIX D – Engineer's Report" for additional information on the Downtown Columbia Plan.

The private and public improvements in the Special Taxing District related to One Merriweather and Two Merriweather have received all discretionary permits and approvals from the County. The County Council approved the Downtown-Wide Design Guidelines by adopting Resolution No. 138-2010 on March 7, 2010. The County Planning Board approved the Final Development Plans ("FDPs") and the Neighborhood Documents for the development in the Special Taxing District in its Decision and Order dated April 16, 2015, as amended by its Decision and Order dated October 14, 2016, and for the development of the Warfield Development in the Warfield neighborhood in its Decision and Order dated May 24, 2012, as amended by its Decision and Order dated November 14, 2014. The County Planning Board found that the FDPs conformed with the approved Neighborhood Documents, and that the Crescent Neighborhood documents conformed with the Downtown Columbia Plan. See "APPENDIX D – Engineer's Report" for additional information on the FDPs and Neighborhood Documents process and approval.

The development of individual parcels must also receive an SDP approval from the County Planning Board. In order to approve the SDP, the County Planning Board must make a finding that the development conforms to the Downtown Columbia Plan and the approved FDPs. Separate SDP approvals were granted for One Merriweather and Two Merriweather in the Special Taxing District and for the Warfield Development in the Warfield neighborhood. A separate SDP was submitted for Project 3 Office A in the Special Taxing District in February 2017, and is expected to be approved in October 2017.

SDP approvals also will be required for the Phase I-B Development and future development in the Development District. The SDP for Project 3 Multifamily B, Project 3 Multifamily C, Project 3 Office B, and Project 3 RE was submitted in February 2017. The approval of the SDP is anticipated in October 2017. The building permit for Project 3 Multifamily B has already been submitted with the approval anticipated by October 2017. The submission for permits for Project 3 Multifamily C is anticipated by April 2018 with approvals anticipated by September 2018. The permits for Project 3 Office A have been submitted, with approvals anticipated by October 2017. Submissions for permits for Project 3 Office B are anticipated by August 2018 with approvals anticipated by December 2018. Permit submissions for Project 3 RE are anticipated by the November 2017, with approvals anticipated by March 2018. See "APPENDIX D – Engineer's Report" for additional information on the SDP process and approval.

In addition to the County development plan approvals, development within the Development District requires certain stormwater management, stream mitigation, and wetland mitigation work, as well as certain community enhancements, programs and public amenities. See "APPENDIX D – Engineer's Report" for additional information on these and other permits, approvals and other development requirements for Downtown Columbia.

The Special Taxing District lies within the existing service areas for the utilities necessary for the development of the Phase I-A Development and Phase I-B Development. The water and sewer mains to serve the Special Taxing District development will be installed in conjunction with the construction of Merriweather Drive and Symphony Woods Road. See "APPENDIX D – Engineer's Report" for additional information on the utilities necessary for the development of the property comprising Downtown Columbia.

The Environmental Review

Environmental studies were performed with respect to various portions of the Special Taxing District and Development District properties. The Robert B. Balter Company performed a Phase I Environmental Site Assessment dated July 23, 2015 of the One Merriweather parcel, and a Phase I Environmental Site Assessment dated September 2, 2016 of the Two Merriweather parcel in Area One of the Special Taxing District. According to the reports, their assessments revealed no evidence of recognized environmental conditions in connection with these properties. ECS Mid-Atlantic, LLC ("ECS") performed Phase I Environmental Site Assessments dated March 16, 2017 on the Area Two and Area Four portions of the Special Taxing District. ECS noted in its reports that their assessments revealed no evidence of recognized environmental conditions in connection with these properties. ECS also performed Phase I Environmental Site Assessments dated May 20, 2015 on a portion of Area Three in the Special Taxing District. According to their report, ECS' assessment revealed no evidence of recognized environmental conditions in connection with such property. With respect to the property in the Warfield neighborhood on which TEN.M and m.flats are constructed, Environmental Consultants and Contractors,

Inc. ("ECC") performed a Phase I Environmental Site Assessment on such property dated September 10, 2013. The report states that ECC (i) did not observe adverse environmental conditions on such property, (ii) no evidence of underground or above ground storage tanks, groundwater monitoring wells, or accumulated debris was observed on the site, and (ii) the review of Federal and State of Maryland environmental databases did not identify any sites with the potential to impact such property. Additional Phase I studies may be needed as additional parcels are developed. It is not expected that those subsequent Phase I studies will produce materially different results.

Downtown Columbia conforms with a watershed management plan known as the Columbia Town Center Merriweather & Crescent Environmental Enhancements Study that was prepared as a supplement to the Downtown Columbia Plan (the "Environmental Plan"). The Environmental Plan was prepared to determine then-existing conditions of environmental resources and to recommend environmental enhancements to these natural features. In accordance with Community Enhancement, Program and Public Amenity 7, the Developer prepared a restoration phasing plan for the environmental enhancement areas in 2012. This phasing plan has been subsequently updated as the Downtown Columbia Plan has moved through master plan, to Final Development Plans to SDPs. Upon the recommendations of the Environmental Plan, two restoration sites have been completed. The restoration of three additional sites has begun to varying degrees of completion. The remaining phases of environmental restoration will be completed in accordance with the timing approved by the County Planning Board and will generally coincide with adjacent land and roadway development by the Developer in the Development District.

Plan of Finance

The total cost of the Phase I–A Development, Phase I-B Development and Warfield Development is estimated at approximately $966.5 million, not including land value. Of this amount, approximately $885.7 million (approximately 92%) represents private development and approximately $80.8 million represents public improvements. The Developer will fund approximately $905.2 million (approximately 94%) of both private and public improvements. As of July 31, 2017, over $311.8 million of the total development (approximately 32% of the total cost) had been completed.

The aggregate cost of the public improvements in the Development District to be funded with the 2017 A Bonds and any Additional Phase One Bonds will be approximately $61.0 million. Funding of the costs of such public improvements not covered by the proceeds of the 2017 A Bonds and any Additional Phase One Bonds is expected to be provided through Developer-provided equity.

The first two vertical developments in the Special Taxing District, One Merriweather and Two Merriweather, are currently under construction (with the core and shell of One Merriweather having been completed and the anchor tenant moved in) and have project level financing in place. JP Morgan Chase Bank has extended a $49.9 million construction loan and a $33.2 million construction loan for One Merriweather and Two Merriweather respectively. Both loans have a four-year term with a one-year extension option, providing for an initial maturity date of February 2020 for One Merriweather and October 2020 for Two Merriweather. Both loans are secured by all Mortgaged Property as defined in each loan's deed of trust, including the real property, buildings and improvements, leases and rental payments, and any other estates and interests. The parking garage that serves both One Merriweather and Two Merriweather is financed as part of One Merriweather and is included as part of the Mortgaged Property. As of July 31, 2017, the Developer had borrowed an aggregate of $48.1 million of construction financing against the One Merriweather and Two Merriweather loans. Neither of these loans includes funds directed or intended for the public improvements as highlighted in the charts below.

The Metropolitan, m.flats and TEN.M are outside of the Special Taxing District; however, they are in the Development District and the property tax levied on the incremental increase in the value of these properties will be available to pay debt service on the 2017 A Bonds. The Metropolitan is now fully completed and stabilized at approximately 95% occupancy as of August 28, 2017. The Metropolitan was financed through a $63.3 million construction loan from Helaba Bank (which loan was refinanced in 2016 by Principal Life Insurance Company). TEN.M and m.flats are currently under construction, with initial occupancy beginning in September 2017, and have project level financing in place. Helaba Bank extended an $88.0 million construction loan for both projects. The construction loan has a four-year term with a three-year extension option, providing for an initial maturity date of January 2020. Collateral for the loan includes a first fee mortgage lien on real property, buildings and improvements, leases and rental, and any other estates and interests. As of July 31, 2017, Parcel C Property LLC,

the joint venture entity between the Developer and subsidiaries of Kettler Inc., had drawn approximately $62.7 million in construction loan proceeds.

The Developer intends to explore through its extensive relationships in the private debt and equity markets all possible sources of debt and equity to complete the vertical development of the remaining buildings. It is expected that such costs would be funded through a combination of private construction financing and institutional- and Developer-provided equity.

The following table shows the estimated sources and uses to complete Phase I-A Development, the Phase I-B Development and the Warfield Development private development and public improvements to be constructed by the Developer in the Special Taxing District.

Sources of Funds	**To Date [1]**	**Warfield Development**	**Phase I-A**	**Phase I-B**	**Total**
HRD Equity (Not Including Land Value)	$60,249,956		$111,576,464	$89,094,285	$200,670,749
Parcel D Property LLC Equity	$32,861,882	$32,861,882	$0	$0	$32,861,882
Parcel C Property LLC Equity	$44,724,797	$44,724,797	$0	$0	$44,724,797
Sub-Total Cash Equity	**$137,836,636**	**$77,586,680**	**$111,576,464**	**$89,094,285**	**$278,257,428**
Helaba Bank, The Metropolitan Construction Loan	$63,273,370	$63,273,370			$63,273,370
Helaba Bank, TEN.M & m.flats Construction Loan	$62,654,771	$88,000,000			$88,000,000
JPMorgan Chase Bank, 1OA Loan	$40,720,373	$0	$49,929,100	$0	$49,929,100
JPMorgan Chase Bank, 1OB Loan	$7,338,666	$0	$33,156,000	$0	$33,156,000
Future Debt (Anticipated)	$0	$0	$182,989,023	$209,876,542	$392,865,565
Sub-Total Private Debt	**$173,987,180**	**$151,273,370**	**$266,074,123**	**$209,876,542**	**$627,224,035**
1A TIF Bond Proceeds	$0	$0	$38,500,000	$0	$38,500,000
1B TIF Bond Proceeds	$0	$0	$0	$22,531,001	$22,531,001
Sub-Total Bond Proceeds	**$0**	**$0**	**$38,500,000**	**$22,531,001**	**$61,031,000**
Total Sources	**$311,823,816**	**$228,860,050**	**$416,150,586**	**$321,501,828**	**$966,512,463**

Uses of Funds	**To Date [1]**	**Warfield Development**	**Phase I-A**	**Phase I-B**	**Total**
Horizontal Development & Public Improvements	$14,467,134	$0	$47,142,373	$33,702,238	$80,844,611
Vertical Development Hard, Soft, & Financing Costs	$297,356,681	$228,860,050	$369,008,213[2]	$287,799,590[2]	$885,667,852
Total Uses	**$311,823,816**	**$228,860,050**	**$416,150,586**	**$321,501,828**	**$966,512,463**

Source: The Developer

1) To Date Numbers as of 07/31/2017

2) Includes approximately $48,000,000 for the two phases of the construction of the Area Three Garage

As shown in the table above, the cash equity contributions, not including land value, as of July 31, 2017 totaled $137.8 million, including $60.2 million related to the Special Taxing District. These funds were derived from the Developer's parent, HHC. Parcel D Property LLC and Parcel C Property LLC, the single-purpose, bankruptcy-remote entities owned by the Developer and subsidiaries of Kettler, Inc., own the Metropolitan parcel (Parcel D), and the m.flats and TEN.M parcel (Parcel C). HHC's equity contribution in these entities was 50% or $38.8 million of the total $77.6 million. **HHC has made no commitment to provide any financial support for**

the payment of the 2017 A Bonds and does not directly own land in, and has no legal obligations with respect to, the Development District or the Special Taxing District except for its limited guaranty of certain obligations of the Developer under the Funding Agreement to complete the Public Improvements and to indemnify the County for certain matters.

The Appraiser has determined that the As-Is value of the property in the Special Taxing District (assuming no tax increment financing is available) as of June 20, 2017 was $176.9 million, as compared with $48.1 million of loans on this property, leaving approximately $128.8 million of value in excess of debt. See "APPENDIX A – Appraisal Report" hereto. The following table shows the estimated sources and uses of funds for the public improvements required to complete the Phase I-A Development and the Phase I- B Development:

[TABLE APPEARS ON FOLLOWING PAGES]

Public Improvements

Sources of Funds	**To Date[1]**	**Phase I-A**	**Phase I-B**	**Total**
HRD Equity	$14,467,134	$8,642,374	$11,171,237	$19,813,611
1A TIF Bond Proceeds [2]	$0	$38,500,000	$0	$38,500,000
1B TIF Bond Proceeds [2]	$0	$0	$22,531,001	$22,531,001
Total Sources	**$14,467,134**	**$47,142,373**	**$33,702,238**	**$80,844,611**

Uses of Funds	**To Date[1]**	**Phase I-A**	**Phase I-B**	**Total Cost**
Road Segment One A				
Merriweather Drive, Divided Sky Lane	$2,454,317	$2,998,677	$0	$2,998,677
SW Piping, Treatment & Storage	$382,440	$641,180	$0	$641,180
Water & Sewer	$354,402	$537,414	$0	$537,414
Dry Utilities	$821,607	$821,607	$0	$821,607
Developer's Fee (5%)	$200,638	$249,944	$0	$249,944
Total Road Segment One A	$4,213,405	$5,248,822	$0	$5,248,822
Road Segment One B				
Merriweather Drive, Hickory Ridge Road	$4,087,148	$6,098,243	$0	$6,098,243
SW Piping, Treatment & Storage	$1,841,858	$2,341,851	$0	$2,341,851
Water & Sewer	$719,178	$842,144	$0	$842,144
Dry Utilities	$266,523	$1,724,023	$0	$1,724,023
Developer's Fee (5%)	$345,735	$550,313	$0	$550,313
Total Road Segment One B	$7,260,442	$11,556,574	$0	$11,556,574
At-Grade Intersection Improvements				
Little Patuxent Parkway / Merriweather Drive	$310,360	$339,348	$0	$339,348
Governor Warfield Parkway / Twin Rivers Road	$101,920	$108,894	$0	$108,894
Little Patuxent Parkway / Swift Stream	$49,944	$51,615	$0	$51,615
Broken Land Parkway / Twin Rivers Road	$61,028	$67,162	$0	$67,162
Broken Land Parkway / Hickory Ridge	$166,547	$773,703	$0	$773,703
Developer's Fee (5%)	$34,490	$67,036	$0	$67,036
Total At-Grade Intersection Improvements	$724,290	$1,407,758	$0	$1,407,758
Wetland Mitigation				
Road Segment One Wetland Mitigation & Restoration	$702,134	$0	$1,393,803	$1,393,803
Developer's Fee (5%)	$35,107	$0	$69,690	$69,690
Total Wetland Mitigation	$737,241	$0	$1,463,493	$1,463,493
Road Segment Two A				
Merriweather Drive, North-South Connector	$635,580	$4,208,440	$0	$4,208,440
SW Piping, Treatment & Storage	$28,417	$863,285	$0	$863,285
Water & Sewer	$17,678	$240,631	$0	$240,631
Dry Utilities	$0	$428,073	$0	$428,073
Developer's Fee (5%)	$34,084	$287,021	$0	$287,021
Total Road Segment Two A	$715,758	$6,027,450	$0	$6,027,450
Road Segment Two B				
Symphony Woods Road	$306,702	$6,263,125	$0	$6,263,125
SW Piping, Treatment & Storage	$4,572	$1,416,981	$0	$1,416,981
Water & Sewer	$1,397	$252,575	$0	$252,575
Dry Utilities	$0	$430,283	$0	$430,283
Developer's Fee (5%)	$15,634	$418,148	$0	$418,148
Total Road Segment Two B	$328,305	$8,781,112	$0	$8,781,112

Road Segment 3 - Public Roads				
Area Three Internal Roads	$203,609	$1,393,803	$906,460	$2,300,263
SW Piping, Treatment & Storage	$86,339	$0	$738,413	$738,413
Water & Sewer	$3,191	$0	$810,019	$810,019
Dry Utilities	$0	$0	$0	$0
Developer's Fee (5%)	$14,657	$69,690	$122,745	$192,435
Total Road Segment Three Public Roads	$307,796	$1,463,493	$2,577,637	$4,041,130
Road Segment 3 - Private Roads				
Area Three Internal Roads	$38,147	$3,712,927	$0	$3,712,927
Developer's Fee (5%)	$1,907	$185,646	$0	$185,646
Total Road Segment Three Private Roads	$40,055	$3,898,573	$0	$3,898,573
Road Segment 4				
Design	$99,347	$1,971,715	$0	$1,971,715
Construction	$0	$0	$15,344,302	$15,344,302
Developer's Fee (5%)	$4,967	$98,586	$767,215	$865,801
Total Road Segment 4	$104,315	$2,070,301	$16,111,517	$18,181,818
Area 3: Park				
Park	$0	$0	$3,889,514	$3,889,514
Developer's Fee (5%)	$0	$0	$194,476	$194,476
Total Area Three Park	$0	$0	$4,083,990	$4,083,990
Multi-Use Pathway: Segment I				
Multi-Use Pathway: Segment I	$33,836	$0	$622,619	$622,619
Developer's Fee (5%)	$1,692	$0	$31,131	$31,131
Total Multi-Use Pathway: Segment I	$35,528	$0	$653,750	$653,750
Multi-Use Pathway: Segment II				
Multi-Use Pathway: Segment II	$0	$0	$439,762	$439,762
Developer's Fee (5%)	$0	$0	$21,988	$21,988
Total Multi-Use Pathway: Segment II	$0	$0	$461,750	$461,750
EMT Rapid Fire Station				
EMT Rapid Fire Station	$0	$4,329,004	$0	$4,329,004
Developer's Fee (5%)	$0	$216,450	$0	$216,450
Total EMT Rapid Fire Station	$0	$4,545,454	$0	$4,545,454
Area Two Roads				
Area Two Roads	$0	$0	$4,329,004	$4,329,004
Developer's Fee (5%)	$0	$0	$216,450	$216,450
Total Area Two Roads	$0	$0	$4,545,454	$4,545,454
Area Four Roads				
Area Four Roads	$0	$0	$2,164,502	$2,164,502
Developer's Fee (5%)	$0	$0	$108,225	$108,225
Total Area Four Roads	$0	$0	$2,272,727	$2,272,727
Sub Total Hard & Soft Costs	**$13,778,223**	**$42,856,703**	**$30,638,398**	**$73,495,101**
Total Developer Fee (5%)	$688,911	$2,142,835	$1,531,920	$3,674,755
Total Contingency (5%)	$0	$2,142,835	$1,531,920	$3,674,755
Total Uses	**$14,467,134**	**$47,142,373**	**$33,702,238**	**$80,844,611**

[1] To Date Numbers as of 7/31/2017

[2] Per MuniCap Tax Increment and Special Tax Report

Source: The Developer

The Funding Agreement

The Funding Agreement dated as of October 18, 2017 (the "Funding Agreement"), between the County and the Developer, provides for the construction and funding of actual costs of the Public Improvements. Pursuant to the terms of the Funding Agreement, the Trustee, at the direction of the County, will release proceeds of the 2017 A Bonds from the Improvement Fund to the Developer (including payments to subcontractors) to pay or reimburse construction costs of the Public Improvements. See "RISK FACTORS – Completion of Public Improvements."

Notwithstanding the foregoing, if any taxes (including Special Taxes) payable to the County by the Developer or its Affiliates are overdue and in arrears as of the date of a request for payment under the Funding Agreement, the County shall be entitled, but not required, to cause the Trustee to withhold disbursements to be made from the Improvement Fund. See "APPENDIX G – Proposed Form of Funding Agreement."

The Funding Agreement provides that to the extent proceeds of the 2017 A Bonds are insufficient to pay the actual costs of the Public Improvements, the Developer will be responsible for providing funds sufficient to cover such costs.

In the Funding Agreement, the Developer acknowledges and agrees that, notwithstanding the provisions of the Indenture relating to the issuance of Additional Bonds, the County will not issue any additional Phase One Bonds if the ratio of (i) the sum of the First Available Tax Increment Revenues plus any Tax Increment Revenues in excess of the Second Available Tax Increment Revenues, in each case for the immediately preceding Fiscal Year, plus such Tax Increment Revenues projected to be derived from projects in the Development District which are under construction or for which the significant progress towards the commencement of construction has occurred, as determined by the County in its reasonable judgment, to (ii) the Debt Service payable on all Outstanding Phase One Bonds, including such additional Phase One Bonds to be issued, in each future Fiscal Year in which any then-Outstanding Phase One Bonds will remain Outstanding, is less than 80%. Factors to be considered by the County in determining whether significant progress towards the commencement of construction has occurred include, but are not limited to (i) an advanced status in the design process, taking into account the status of the completion of building conceptual and schematic design documentation, (ii) significant progress on design development drawings, (iii) submission of a site development plan for the applicable project to the Howard County Planning Board, taking into account the review or approval status, (iv) the availability of financing for the project, and (v) review or status of any applicable agreements, requirements or impediments to construction. Notwithstanding the foregoing, the County may waive this requirement in its sole discretion.

The Funding Agreement may be terminated by the mutual, written consent of the County and the Developer, in which event the County may (but shall not be required to) either execute contracts for or perform any remaining work relating to the Public Improvements not otherwise completed and use all or any portion of funds in the Improvement Fund to pay for same or apply such amounts to any other purpose permitted by the Indenture. The Developer will have no claim or right to any further payments to fund the costs of the Public Improvements under the Funding Agreement, except as otherwise may be provided in such written consent.

The County, at its option, may terminate the Funding Agreement without the consent of the Developer as a result of the occurrence of any of the following events (each, a "Developer Default"):

1. The Developer or any Affiliate which owns any of the 2017 Private Improvements (as defined in the Funding Agreement) shall voluntarily file for reorganization or other relief under any federal or State bankruptcy or insolvency law.

2. The Developer or any Affiliate which owns any of the 2017 Private Improvements shall have any involuntary bankruptcy or insolvency action filed against it, or shall suffer a trustee in bankruptcy or insolvency or receiver to take possession of its assets, or shall suffer an attachment or levy of execution to be made against the property it owns within the Districts unless, in any of such cases, such circumstance shall have been terminated or released within 90 days thereafter.

3. The Developer shall abandon or without reason substantially suspend construction of the Public Improvements, including without limitation abandonment or suspension of construction of the Public Improvements for a period of six consecutive months at a time when such construction is scheduled to

occur, other than for reasons relating to *force majeure* and such abandonment or suspension is not cured or remedied within 90 days after written demand is made on the Developer.

4. The Developer shall breach any material covenant or default in the performance of any material obligation under the Funding Agreement and such breach or default is not cured.

5. The Developer shall have made any material misrepresentation or omission in any written materials furnished in connection with any offering document or bond purchase contract used in connection with the sale of the 2017 A Bonds.

6. The Developer or any Affiliate shall at any time challenge the validity of the Development District or the Special Taxing District or any of the 2017 A Bonds or the levy of any ad valorem property tax, including without limitation, the Special Taxes, within the Special Taxing District, other than on grounds that such levy was not made in accordance with the terms of the Ordinance or that the assessed value upon which such levy was calculated was not correct.

Thereafter, the Developer has 30 days (or such longer period that the County establishes in its sole discretion) after written notice from the County to the Developer (with a copy to the Trustee) of the grounds for termination to cure such Developer Default. If at the end of the cure period, the County determines in its sole discretion that the Developer has not eliminated or completely mitigated the Developer Default to the satisfaction of the County, the County may terminate the Funding Agreement. In the event the Funding Agreement is terminated by the County for cause, the County may either execute contracts for or perform any remaining work related to the Public Improvements not otherwise completed and use all or any portion of the moneys on deposit in the Improvement Fund for such purposes. The Developer will have no claim or right to any further payments to fund the costs of the Public Improvements under the Funding Agreement, except as otherwise may be provided by the written consent of the County.

In the event of the termination of the Funding Agreement, the Developer is entitled to payment of Actual Costs of Public Improvements that were completed at the time of the occurrence of an event listed in paragraph (4) and (5) above solely from the Improvement Fund according to the terms and conditions of the Funding Agreement. The Funding Agreement is not being assigned as security for the 2017 A Bonds. The County has covenanted under the Indenture that it will enforce its rights under the Funding Agreement as necessary and appropriate to facilitate the completion of the Public Improvements, its collection of the Revenues and the satisfaction of its obligations under the Indenture and the 2017 A Bonds. The County has agreed to consult with the Trustee regarding the County's selection of remedies under the Funding Agreement.

See "APPENDIX G – Proposed Form of Funding Agreement."

THE DEVELOPMENT DISTRICT, THE SPECIAL TAXING DISTRICT AND REVENUES

The Development District and Special Taxing District

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

Estimated Tax Increment Revenues

A projection of the expected Tax Increment Revenues and debt service coverage on the 2017 A Bonds prepared by MuniCap, Inc. is found in "APPENDIX C – Tax Increment and Special Tax Report" hereto. The following tables have been developed in connection with that report and show the projected debt service coverage on the 2017 A Bonds as well as the projected Tax Increment Revenues and projected Special Tax Revenues under scenarios A, B, C, D, E and F. See "INTRODUCTION – Tax Increment and Special Tax Report." The Rate and Method provides that Maximum Special Taxes may be reduced by the County's Director of Finance to reflect the actual debt service on the 2017 A Bonds. See "APPENDIX E – Rate and Method of Apportionment of Special Taxes – Section H – Reduction in the Maximum Special Taxes."

Scenario A

Bond Year Ending	Series 2017 A Net Annual Debt Service[(a)]	Tax Increment Revenue After Tax Credits[(b)]	Surplus/ (Deficit)	Debt Service Coverage From Tax Increment Revenues	Maximum Special Tax	Maximum Special Tax Coverage
15-Feb-18	$0	$1,643,707	$1,643,707	NA	$7,727,599	NA
15-Feb-19	$0	$2,745,842	$2,745,842	NA	$7,882,151	NA
15-Feb-20	$2,102,219	$2,968,822	$866,603	141.2%	$8,039,794	382.4%
15-Feb-21	$2,334,055	$3,842,209	$1,508,154	164.6%	$8,200,590	351.3%
15-Feb-22	$2,226,691	$4,166,305	$1,939,614	187.1%	$8,364,602	375.7%
15-Feb-23	$2,223,341	$4,477,903	$2,254,562	201.4%	$8,531,894	383.7%
15-Feb-24	$2,605,003	$5,284,484	$2,679,480	202.9%	$8,702,532	334.1%
15-Feb-25	$2,566,279	$5,392,173	$2,825,894	210.1%	$8,876,582	345.9%
15-Feb-26	$2,958,368	$5,750,475	$2,792,107	194.4%	$9,054,114	306.1%
15-Feb-27	$3,149,071	$5,867,484	$2,718,413	186.3%	$9,235,196	293.3%
15-Feb-28	$3,180,788	$5,986,833	$2,806,045	188.2%	$9,419,900	296.1%
15-Feb-29	$3,209,520	$6,108,569	$2,899,049	190.3%	$9,608,298	299.4%
15-Feb-30	$3,233,703	$6,232,740	$2,999,037	192.7%	$9,800,464	303.1%
15-Feb-31	$3,254,808	$6,359,394	$3,104,586	195.4%	$9,996,473	307.1%
15-Feb-32	$3,272,834	$6,488,581	$3,215,747	198.3%	$10,196,403	311.5%
15-Feb-33	$3,312,782	$6,620,352	$3,307,570	199.8%	$10,400,331	313.9%
15-Feb-34	$3,323,621	$6,754,758	$3,431,137	203.2%	$10,608,337	319.2%
15-Feb-35	$3,356,382	$6,891,853	$3,535,471	205.3%	$10,820,504	322.4%
15-Feb-36	$3,380,660	$7,031,689	$3,651,029	208.0%	$11,036,914	326.5%
15-Feb-37	$3,375,579	$7,174,322	$3,798,743	212.5%	$11,257,653	333.5%
15-Feb-38	$3,417,234	$7,319,808	$3,902,573	214.2%	$11,482,806	336.0%
15-Feb-39	$4,003,438	$7,468,203	$3,464,765	186.5%	$11,712,462	292.6%
15-Feb-40	$4,060,129	$7,619,567	$3,559,438	187.7%	$11,946,711	294.2%
15-Feb-41	$4,155,557	$7,773,957	$3,618,401	187.1%	$12,185,645	293.2%
15-Feb-42	$4,240,878	$7,931,436	$3,690,558	187.0%	$12,429,358	293.1%
15-Feb-43	$4,341,093	$8,092,064	$3,750,971	186.4%	$12,677,945	292.0%
15-Feb-44	$4,430,077	$8,255,904	$3,825,827	186.4%	$12,931,504	291.9%
15-Feb-45	$4,532,831	$8,423,021	$3,890,190	185.8%	$13,190,134	291.0%
15-Feb-46	$3,873,230	$8,593,481	$4,720,251	221.9%	$13,453,937	347.4%
15-Feb-47	$210,025	$8,767,350	$8,557,325	4174.4%	$13,723,016	6534.0%
Total	**$90,330,197**	**$188,033,285**	**$97,703,088**			

[(a)] Annual debt service is as provided for in the Limited Offering Memorandum for bond year ending February 15, 2018 through maturity and includes principal, interest, and administrative expenses. Includes 16 month capitalized interest period.

[(b)] Tax increment revenues shown include all applicable tax credits and exclude set asides to the County.

Source: MuniCap, Inc.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Scenario B

Bond Year Ending	Series 2017 A Net Annual Debt Service[(a)]	Tax Increment Revenue After Tax Credits[(b)]	Surplus/ (Deficit)	Debt Service Coverage From Tax Increment Revenues	Maximum Special Tax	Maximum Special Tax Coverage
15-Feb-18	$0	$1,650,095	$1,650,095	NA	$7,727,599	NA
15-Feb-19	$0	$2,725,758	$2,725,758	NA	$7,882,151	NA
15-Feb-20	$2,102,219	$2,885,373	$783,155	137.3%	$8,039,794	382.4%
15-Feb-21	$2,334,055	$3,642,944	$1,308,889	156.1%	$8,200,590	351.3%
15-Feb-22	$2,226,691	$3,875,540	$1,648,849	174.0%	$8,364,602	375.7%
15-Feb-23	$2,223,341	$4,074,444	$1,851,103	183.3%	$8,531,894	383.7%
15-Feb-24	$2,605,003	$4,740,788	$2,135,784	182.0%	$8,702,532	334.1%
15-Feb-25	$2,566,279	$4,740,788	$2,174,509	184.7%	$8,876,582	345.9%
15-Feb-26	$2,958,368	$4,952,846	$1,994,478	167.4%	$9,054,114	306.1%
15-Feb-27	$3,149,071	$4,952,846	$1,803,775	157.3%	$9,235,196	293.3%
15-Feb-28	$3,180,788	$4,952,846	$1,772,058	155.7%	$9,419,900	296.1%
15-Feb-29	$3,209,520	$4,952,846	$1,743,326	154.3%	$9,608,298	299.4%
15-Feb-30	$3,233,703	$4,952,846	$1,719,143	153.2%	$9,800,464	303.1%
15-Feb-31	$3,254,808	$4,952,846	$1,698,038	152.2%	$9,996,473	307.1%
15-Feb-32	$3,272,834	$4,952,846	$1,680,012	151.3%	$10,196,403	311.5%
15-Feb-33	$3,312,782	$4,952,846	$1,640,064	149.5%	$10,400,331	313.9%
15-Feb-34	$3,323,621	$4,952,846	$1,629,225	149.0%	$10,608,337	319.2%
15-Feb-35	$3,356,382	$4,952,846	$1,596,464	147.6%	$10,820,504	322.4%
15-Feb-36	$3,380,660	$4,952,846	$1,572,186	146.5%	$11,036,914	326.5%
15-Feb-37	$3,375,579	$4,952,846	$1,577,267	146.7%	$11,257,653	333.5%
15-Feb-38	$3,417,234	$4,952,846	$1,535,612	144.9%	$11,482,806	336.0%
15-Feb-39	$4,003,438	$4,952,846	$949,407	123.7%	$11,712,462	292.6%
15-Feb-40	$4,060,129	$4,952,846	$892,717	122.0%	$11,946,711	294.2%
15-Feb-41	$4,155,557	$4,952,846	$797,289	119.2%	$12,185,645	293.2%
15-Feb-42	$4,240,878	$4,952,846	$711,968	116.8%	$12,429,358	293.1%
15-Feb-43	$4,341,093	$4,952,846	$611,753	114.1%	$12,677,945	292.0%
15-Feb-44	$4,430,077	$4,952,846	$522,769	111.8%	$12,931,504	291.9%
15-Feb-45	$4,532,831	$4,952,846	$420,015	109.3%	$13,190,134	291.0%
15-Feb-46	$3,873,230	$4,952,846	$1,079,616	127.9%	$13,453,937	347.4%
15-Feb-47	$210,025	$4,952,846	$4,742,821	2358.2%	$13,723,016	6534.0%
Total	**$90,330,197**	**$137,298,340**	**$46,968,143**			

[(a)] Annual debt service is as provided for in the Limited Offering Memorandum for bond year ending February 15, 2018 through maturity and includes principal, interest, and administrative expenses. Includes 16 month capitalized interest period.

[(b)] Tax increment revenues shown include all applicable tax credits and exclude set asides to the County.

Source: MuniCap, Inc.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Scenario C

Bond Year Ending	Series 2017 A Net Annual Debt Service[(a)]	Tax Increment Revenue After Tax Credits[(b)]	Surplus/ (Deficit)	Debt Service Coverage From Tax Increment Revenues	Maximum Special Tax	Maximum Special Tax Coverage
15-Feb-18	$0	$1,643,707	$1,643,707	NA	$7,727,599	NA
15-Feb-19	$0	$2,745,842	$2,745,842	NA	$7,882,151	NA
15-Feb-20	$2,102,219	$2,973,224	$871,005	141.4%	$8,039,794	382.4%
15-Feb-21	$2,334,055	$3,345,725	$1,011,670	143.3%	$8,200,590	351.3%
15-Feb-22	$2,226,691	$3,582,309	$1,355,618	160.9%	$8,364,602	375.7%
15-Feb-23	$2,223,341	$3,803,226	$1,579,885	171.1%	$8,531,894	383.7%
15-Feb-24	$2,605,003	$4,182,532	$1,577,529	160.6%	$8,702,532	334.1%
15-Feb-25	$2,566,279	$4,268,182	$1,701,903	166.3%	$8,876,582	345.9%
15-Feb-26	$2,958,368	$4,355,545	$1,397,177	147.2%	$9,054,114	306.1%
15-Feb-27	$3,149,071	$4,444,655	$1,295,584	141.1%	$9,235,196	293.3%
15-Feb-28	$3,180,788	$4,535,548	$1,354,759	142.6%	$9,419,900	296.1%
15-Feb-29	$3,209,520	$4,628,258	$1,418,738	144.2%	$9,608,298	299.4%
15-Feb-30	$3,233,703	$4,722,822	$1,489,119	146.0%	$9,800,464	303.1%
15-Feb-31	$3,254,808	$4,819,278	$1,564,470	148.1%	$9,996,473	307.1%
15-Feb-32	$3,272,834	$4,917,663	$1,644,829	150.3%	$10,196,403	311.5%
15-Feb-33	$3,312,782	$5,018,016	$1,705,234	151.5%	$10,400,331	313.9%
15-Feb-34	$3,323,621	$5,120,375	$1,796,754	154.1%	$10,608,337	319.2%
15-Feb-35	$3,356,382	$5,224,782	$1,868,400	155.7%	$10,820,504	322.4%
15-Feb-36	$3,380,660	$5,331,277	$1,950,617	157.7%	$11,036,914	326.5%
15-Feb-37	$3,375,579	$5,439,902	$2,064,323	161.2%	$11,257,653	333.5%
15-Feb-38	$3,417,234	$5,550,699	$2,133,465	162.4%	$11,482,806	336.0%
15-Feb-39	$4,003,438	$5,663,712	$1,660,274	141.5%	$11,712,462	292.6%
15-Feb-40	$4,060,129	$5,778,986	$1,718,857	142.3%	$11,946,711	294.2%
15-Feb-41	$4,155,557	$5,896,565	$1,741,008	141.9%	$12,185,645	293.2%
15-Feb-42	$4,240,878	$6,016,495	$1,775,618	141.9%	$12,429,358	293.1%
15-Feb-43	$4,341,093	$6,138,824	$1,797,732	141.4%	$12,677,945	292.0%
15-Feb-44	$4,430,077	$6,263,600	$1,833,523	141.4%	$12,931,504	291.9%
15-Feb-45	$4,532,831	$6,390,871	$1,858,040	141.0%	$13,190,134	291.0%
15-Feb-46	$3,873,230	$6,520,688	$2,647,458	168.4%	$13,453,937	347.4%
15-Feb-47	$210,025	$6,653,101	$6,443,076	3167.8%	$13,723,016	6534.0%
Total	**$90,330,197**	**$145,976,411**	**$55,646,214**			

[(a)] Annual debt service is as provided for in the Limited Offering Memorandum for bond year ending February 15, 2018 through maturity and includes principal, interest, and administrative expenses. Includes 16 month capitalized interest period.

[(b)] Tax increment revenues shown include all applicable tax credits and exclude set asides to the County.

Source: MuniCap, Inc.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Scenario D

Bond Year Ending	Series 2017 A Net Annual Debt Service[(a)]	Tax Increment Revenue After Tax Credits[(b)]	Surplus/ (Deficit)	Debt Service Coverage From Tax Increment Revenues	Maximum Special Tax	Maximum Special Tax Coverage
15-Feb-18	$0	$1,777,095	$1,777,095	NA	$7,727,599	NA
15-Feb-19	$0	$2,881,898	$2,881,898	NA	$7,882,151	NA
15-Feb-20	$2,102,219	$3,112,001	$1,009,782	148.0%	$8,039,794	382.4%
15-Feb-21	$2,334,055	$4,332,451	$1,998,396	185.6%	$8,200,590	351.3%
15-Feb-22	$2,226,691	$4,660,610	$2,433,918	209.3%	$8,364,602	375.7%
15-Feb-23	$2,223,341	$4,829,098	$2,605,757	217.2%	$8,531,894	383.7%
15-Feb-24	$2,605,003	$5,303,664	$2,698,660	203.6%	$8,702,532	334.1%
15-Feb-25	$2,566,279	$5,411,736	$2,845,457	210.9%	$8,876,582	345.9%
15-Feb-26	$2,958,368	$5,744,258	$2,785,890	194.2%	$9,054,114	306.1%
15-Feb-27	$3,149,071	$5,861,142	$2,712,071	186.1%	$9,235,196	293.3%
15-Feb-28	$3,180,788	$5,980,364	$2,799,576	188.0%	$9,419,900	296.1%
15-Feb-29	$3,209,520	$6,101,971	$2,892,451	190.1%	$9,608,298	299.4%
15-Feb-30	$3,233,703	$6,226,010	$2,992,307	192.5%	$9,800,464	303.1%
15-Feb-31	$3,254,808	$6,352,529	$3,097,721	195.2%	$9,996,473	307.1%
15-Feb-32	$3,272,834	$6,481,579	$3,208,745	198.0%	$10,196,403	311.5%
15-Feb-33	$3,312,782	$6,613,210	$3,300,428	199.6%	$10,400,331	313.9%
15-Feb-34	$3,323,621	$6,747,473	$3,423,853	203.0%	$10,608,337	319.2%
15-Feb-35	$3,356,382	$6,884,422	$3,528,040	205.1%	$10,820,504	322.4%
15-Feb-36	$3,380,660	$7,024,110	$3,643,450	207.8%	$11,036,914	326.5%
15-Feb-37	$3,375,579	$7,166,591	$3,791,012	212.3%	$11,257,653	333.5%
15-Feb-38	$3,417,234	$7,311,922	$3,894,688	214.0%	$11,482,806	336.0%
15-Feb-39	$4,003,438	$7,460,160	$3,456,722	186.3%	$11,712,462	292.6%
15-Feb-40	$4,060,129	$7,611,363	$3,551,234	187.5%	$11,946,711	294.2%
15-Feb-41	$4,155,557	$7,765,589	$3,610,033	186.9%	$12,185,645	293.2%
15-Feb-42	$4,240,878	$7,922,900	$3,682,022	186.8%	$12,429,358	293.1%
15-Feb-43	$4,341,093	$8,083,358	$3,742,265	186.2%	$12,677,945	292.0%
15-Feb-44	$4,430,077	$8,247,024	$3,816,947	186.2%	$12,931,504	291.9%
15-Feb-45	$4,532,831	$8,413,964	$3,881,132	185.6%	$13,190,134	291.0%
15-Feb-46	$3,873,230	$8,584,242	$4,711,012	221.6%	$13,453,937	347.4%
15-Feb-47	$210,025	$8,757,926	$8,547,901	4169.9%	$13,723,016	6534.0%
Total	**$90,330,197**	**$189,650,660**	**$99,320,463**			

[(a)] Annual debt service is as provided for in the Limited Offering Memorandum for bond year ending February 15, 2018 through maturity and includes principal, interest, and administrative expenses. Includes 16 month capitalized interest period.

[(b)] Tax increment revenues shown include all applicable tax credits and exclude set asides to the County.

Source: MuniCap, Inc.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Scenario E

Bond Year Ending	Series 2017 A Net Annual Debt Service[(a)]	Tax Increment Revenue After Tax Credits[(b)]	Surplus/ (Deficit)	Debt Service Coverage From Tax Increment Revenues	Maximum Special Tax	Maximum Special Tax Coverage
15-Feb-18	$0	$1,777,095	$1,777,095	NA	$7,727,599	NA
15-Feb-19	$0	$2,881,898	$2,881,898	NA	$7,882,151	NA
15-Feb-20	$2,102,219	$3,112,001	$1,009,782	148.0%	$8,039,794	382.4%
15-Feb-21	$2,334,055	$4,889,964	$2,555,909	209.5%	$8,200,590	351.3%
15-Feb-22	$2,226,691	$5,311,661	$3,084,970	238.5%	$8,364,602	375.7%
15-Feb-23	$2,223,341	$5,577,073	$3,353,732	250.8%	$8,531,894	383.7%
15-Feb-24	$2,605,003	$6,485,380	$3,880,377	249.0%	$8,702,532	334.1%
15-Feb-25	$2,566,279	$6,617,087	$4,050,808	257.8%	$8,876,582	345.9%
15-Feb-26	$2,958,368	$7,222,176	$4,263,807	244.1%	$9,054,114	306.1%
15-Feb-27	$3,149,071	$7,368,618	$4,219,547	234.0%	$9,235,196	293.3%
15-Feb-28	$3,180,788	$7,517,990	$4,337,202	236.4%	$9,419,900	296.1%
15-Feb-29	$3,209,520	$7,670,349	$4,460,829	239.0%	$9,608,298	299.4%
15-Feb-30	$3,233,703	$7,825,755	$4,592,052	242.0%	$9,800,464	303.1%
15-Feb-31	$3,254,808	$7,984,270	$4,729,462	245.3%	$9,996,473	307.1%
15-Feb-32	$3,272,834	$8,145,954	$4,873,120	248.9%	$10,196,403	311.5%
15-Feb-33	$3,312,782	$8,310,873	$4,998,091	250.9%	$10,400,331	313.9%
15-Feb-34	$3,323,621	$8,479,089	$5,155,469	255.1%	$10,608,337	319.2%
15-Feb-35	$3,356,382	$8,650,671	$5,294,289	257.7%	$10,820,504	322.4%
15-Feb-36	$3,380,660	$8,825,683	$5,445,024	261.1%	$11,036,914	326.5%
15-Feb-37	$3,375,579	$9,004,196	$5,628,617	266.7%	$11,257,653	333.5%
15-Feb-38	$3,417,234	$9,186,279	$5,769,045	268.8%	$11,482,806	336.0%
15-Feb-39	$4,003,438	$9,372,004	$5,368,566	234.1%	$11,712,462	292.6%
15-Feb-40	$4,060,129	$9,561,444	$5,501,315	235.5%	$11,946,711	294.2%
15-Feb-41	$4,155,557	$9,754,672	$5,599,115	234.7%	$12,185,645	293.2%
15-Feb-42	$4,240,878	$9,951,764	$5,710,887	234.7%	$12,429,358	293.1%
15-Feb-43	$4,341,093	$10,152,799	$5,811,706	233.9%	$12,677,945	292.0%
15-Feb-44	$4,430,077	$10,357,854	$5,927,777	233.8%	$12,931,504	291.9%
15-Feb-45	$4,532,831	$10,567,011	$6,034,179	233.1%	$13,190,134	291.0%
15-Feb-46	$3,873,230	$10,780,350	$6,907,120	278.3%	$13,453,937	347.4%
15-Feb-47	$210,025	$10,997,956	$10,787,931	5236.5%	$13,723,016	6534.0%
Total	**$90,330,197**	**$234,339,916**	**$144,009,719**			

[(a)]Annual debt service is as provided for in the Limited Offering Memorandum for bond year ending February 15, 2018 through maturity and includes principal, interest, and administrative expenses. Includes 16 month capitalized interest period.

[(b)]Tax increment revenues shown include all applicable tax credits and exclude set asides to the County.

Source: MuniCap, Inc.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Scenario F

Bond Year Ending	Net Annual Debt Service[(a)] Series 2017 A	Additional Phase One Bonds	Total	Tax Increment Revenue After Tax Credits[(b)]	Surplus/ (Deficit)	Debt Service Coverage From Tax Increment Revenues	Maximum Special Tax	Maximum Special Tax Coverage
15-Feb-18	$0	$0	$0	$1,643,707	$1,643,707	NA	$7,727,599	NA
15-Feb-19	$0	$0	$0	$2,745,842	$2,745,842	NA	$7,882,151	NA
15-Feb-20	$2,102,219	$0	$2,102,219	$2,973,224	$871,005	141.4%	$8,039,794	382.4%
15-Feb-21	$2,334,055	$200,000	$2,534,055	$5,667,128	$3,333,073	223.6%	$8,200,590	323.6%
15-Feb-22	$2,226,691	$840,549	$3,067,241	$7,023,229	$4,796,538	229.0%	$8,364,602	272.7%
15-Feb-23	$2,223,341	$1,555,799	$3,779,140	$7,621,262	$5,397,921	201.7%	$8,531,894	225.8%
15-Feb-24	$2,605,003	$1,621,732	$4,226,735	$8,724,593	$6,119,589	206.4%	$8,702,532	205.9%
15-Feb-25	$2,566,279	$1,789,523	$4,355,802	$8,975,437	$6,409,158	206.1%	$8,876,582	203.8%
15-Feb-26	$2,958,368	$2,024,449	$4,982,817	$9,838,422	$6,880,054	197.4%	$9,054,114	181.7%
15-Feb-27	$3,149,071	$2,043,133	$5,192,204	$10,331,224	$7,182,153	199.0%	$9,235,196	177.9%
15-Feb-28	$3,180,788	$2,054,802	$5,235,590	$10,539,848	$7,359,059	201.3%	$9,419,900	179.9%
15-Feb-29	$3,209,520	$2,074,680	$5,284,200	$10,752,644	$7,543,124	203.5%	$9,608,298	181.8%
15-Feb-30	$3,233,703	$2,079,580	$5,313,283	$10,969,696	$7,735,993	206.5%	$9,800,464	184.5%
15-Feb-31	$3,254,808	$2,092,540	$5,347,348	$11,191,089	$7,936,281	209.3%	$9,996,473	186.9%
15-Feb-32	$3,272,834	$2,103,072	$5,375,906	$11,416,910	$8,144,076	212.4%	$10,196,403	189.7%
15-Feb-33	$3,312,782	$2,111,177	$5,423,959	$11,647,248	$8,334,466	214.7%	$10,400,331	191.7%
15-Feb-34	$3,323,621	$2,116,855	$5,440,476	$11,882,192	$8,558,571	218.4%	$10,608,337	195.0%
15-Feb-35	$3,356,382	$2,125,106	$5,481,488	$12,121,835	$8,765,453	221.1%	$10,820,504	197.4%
15-Feb-36	$3,380,660	$2,133,124	$5,513,783	$12,366,271	$8,985,612	224.3%	$11,036,914	200.2%
15-Feb-37	$3,375,579	$2,138,077	$5,513,656	$12,615,596	$9,240,017	228.8%	$11,257,653	204.2%
15-Feb-38	$3,417,234	$2,139,967	$5,557,202	$12,869,907	$9,452,673	231.6%	$11,482,806	206.6%
15-Feb-39	$4,003,438	$2,443,794	$6,447,232	$13,129,304	$9,125,866	203.6%	$11,712,462	181.7%
15-Feb-40	$4,060,129	$2,493,926	$6,554,055	$13,393,890	$9,333,761	204.4%	$11,946,711	182.3%
15-Feb-41	$4,155,557	$2,530,282	$6,685,839	$13,663,767	$9,508,210	204.4%	$12,185,645	182.3%
15-Feb-42	$4,240,878	$2,575,088	$6,815,966	$13,939,041	$9,698,164	204.5%	$12,429,358	182.4%
15-Feb-43	$4,341,093	$2,622,556	$6,963,649	$14,219,822	$9,878,729	204.2%	$12,677,945	182.1%
15-Feb-44	$4,430,077	$2,667,162	$7,097,239	$14,506,217	$10,076,140	204.4%	$12,931,504	182.2%
15-Feb-45	$4,532,831	$2,708,643	$7,241,475	$14,798,341	$10,265,510	204.4%	$13,190,134	182.1%
15-Feb-46	$3,873,230	$2,306,738	$6,179,968	$15,096,307	$11,223,077	244.3%	$13,453,937	217.7%
15-Feb-47	$210,025	$124,283	$334,308	$15,400,232	$15,190,207	4606.6%	$13,723,016	4104.9%
Total	**$90,330,197**	**$53,716,637**	**$144,046,834**	**$322,064,224**	**$231,734,027**			

[(a)] Annual debt service is as provided for in the Limited Offering Memorandum for bond year ending February 15, 2018 through maturity and includes principal, interest, and administrative expenses. Includes 16 month capitalized interest period for the series 2017 A bonds and a 24 month capitalized interest period for the Additional Phase One Bonds.

[(b)] Tax increment revenues shown include all applicable tax credits and exclude set asides to the County.

Source: MuniCap, Inc.

Rate and Method of Apportionment of Special Taxes

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

Annual Special Tax Requirement. The Special Tax has been levied on the parcels of Taxable Property in accordance with the Rate and Method. The County has covenanted in the Indenture that so long as any 2017 A Bonds are outstanding, it will comply in all material respects with the Acts and the Rate and Method to the extent required to assure the timely collection of the Tax Increment Revenues and the Special Tax Revenues for the payment of the 2017 A Bonds. The Acts and the Ordinance provide that the County shall levy the Special Tax against the parcels of Taxable Property within the Special Taxing District according to the Rate and Method in each Fiscal Year in which the Tax Increment Revenues are insufficient to pay debt service on the 2017 A Bonds in the corresponding bond year, to the extent necessary and permitted by the Acts and subject to the Maximum Special Tax in order to yield an amount (the "Special Tax Requirement") equal to (A) the amount required in such Fiscal Year to pay (1) debt service and other periodic costs (including deposits to any sinking funds) on the 2017 A Bonds to be paid from the Special Taxes collected in such Fiscal Year, (2) Administrative Expenses to be incurred in the Fiscal Year or incurred in any previous Fiscal Year and not paid by the District, (3) amounts required to replenish any reserve fund established in association with the 2017 A Bonds, (4) a contingency, which may include estimated delinquencies expected in payment of Special Taxes, and (5) the costs of remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of cash); less, (B) (1) Tax Increment Revenues available to apply to the Special Tax Requirement for that Fiscal Year, (2) any credits available pursuant to the Indenture, such as capitalized interest, reserves and investment earnings on any account balances, and (3) any other revenues available to apply against the Special Tax Requirement. The Indenture provides that the amounts described in clause (B)(1) above shall mean the First Available Tax Increment Revenues and any Tax Increment Revenues in excess of the sum of the First Available Tax Increment Revenues and the Second Available Tax Increment Revenues.

The Special Tax Requirement allows Special Taxes to be levied up to the Adjusted Maximum Special Tax to replenish the Reserve Fund and to cover estimated delinquencies in payment of the Special Tax on the 2017 A Bonds.

Maximum Special Tax. The Maximum Special Tax for the 2016-2017 Fiscal Year for each parcel of Developed Property will be equal to the product of (a) the number of residential dwelling units, Building Square Footage and Hotel Property guest rooms that may be built on such parcel and (b) the Maximum Special Tax Rate for each class of property, as described in the Rate and Method. On each July 1, commencing July 1, 2017, the Maximum Special Tax Rates shown in the Rate and Method will be increased to 102% of the respective Maximum Special Tax Rates in effect in the previous Fiscal Year.

Assuming that the Special Taxing District is built as currently planned, the allocation of the Maximum Special Tax for the Special Taxing District would be as follows:

Residential Property	26%
Retail Property	11
Office Property	60
Hotel Property	3
Total	100%

The Maximum Special Tax for any Fiscal Year for each parcel classified as Undeveloped Property will be determined by the formula set forth in the Rate and Method. This formula provides for the Maximum Special Tax on all parcels of Undeveloped Property to be equal to the District Maximum Special Tax minus the sum of the Maximum Special Taxes on Developed Property. The total of the Maximum Special Taxes on Undeveloped Property is allocated to each Parcel of Undeveloped Property based on the Net Land Area of the Undeveloped Parcels.

The District Maximum Special Tax is $7,727,599 for the 2016-2017 Fiscal Year. On each July 1, commencing July 1, 2017, 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 (i) any prepayments of the Special Tax pursuant to the Rate and Method occurring prior to such date and (ii) a reduction in the Maximum Special Tax pursuant to the Rate and Method.

The Adjusted Maximum Special Tax for each parcel will be equal to the lesser of (but not less than zero) (i) the Maximum Special Tax for the parcel and (ii) the Maximum Special Tax less the Special Tax Credit for such Parcel.

The Rate and Method provides that the Maximum Special Taxes may be reduced by the County's Director of Finance to reflect the actual debt service on the 2017 A Bonds. See "APPENDIX E – Rate and Method of Apportionment of Special Taxes – Section H – Reduction in the Maximum Special Taxes." On the date of issuance and delivery of the 2017 A Bonds, the County will set the Maximum Special Tax that may be collected from all parcels of Taxable Property in each year at expected build-out of the Special Taxing District based on the assumptions contained in the Tax Increment and Special Tax Report, to a level that provides at least 110% debt service coverage on estimated net annual debt service with respect to the 2017 A Bonds in each year and in many years substantially greater debt service coverage with respect to the 2017 A Bonds. See "APPENDIX C – Tax Increment and Special Tax Report – XI. Projected Debt Service Coverage."

Levy and Collection of the Special Tax. The Special Tax has been levied in an amount equal to the Maximum Special Tax for each parcel each year commencing the 2016-2017 Fiscal Year through the Termination Date. The Director of Finance will determine the amount of the Special Tax to be collected each year, which amount may be less but not more than the Maximum Special Tax, through the application of the procedures described in the Rate and Method.

The Maximum Special Tax for each parcel is reduced by the Special Tax Credit. The resulting Special Tax is referred to as the Adjusted Maximum Special Tax. The Special Tax Credit is equal to the First Available Tax Increment Revenues and any Tax Increment Revenues in excess of the sum of the First Available Tax Increment Revenues and the Second Available Tax Increment Revenues, in each case to the extent collected. The Special Tax Credit for a parcel of real property in the Special Taxing District shall be equal to the Tax Increment Revenues produced by the Parcel and included in the Tax Requirement for that Fiscal Year. The Special Tax Credit shall not include the Tax Increment Revenues set aside for the County pursuant to the Indenture. Special Taxes are to be collected each Fiscal Year from each parcel of taxable property in an amount up to the Adjusted Maximum Special Tax to the extent necessary to fund the Special Tax Requirement.

Commencing with the Commencement Date and for each following Fiscal Year through the Termination Date, the Director of Finance will determine the Special Tax Requirement, if any, for the applicable Fiscal Year and will collect the Special Tax proportionately on each parcel of Taxable Property up to the Adjusted Maximum Special Tax for such property to the extent necessary to fund the Special Tax Requirement.

RISK FACTORS

Investment in the 2017 A Bonds involves certain risks. The following is a discussion of certain risk factors that should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the 2017 A Bonds, which are not rated by any recognized rating agency. This discussion is not comprehensive or definitive and does not summarize all risks that may be associated with the 2017 A Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the Districts to pay their general ad valorem real property taxes or any Special Tax when due. Failures to pay the real property taxes or any Special Tax could result in the inability to make full and punctual payments of debt service on the 2017 A Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property within the Districts.

Pending Litigation

There is pending litigation concerning the County's adoption of the Ordinance. If the lawsuit should succeed on its merits, the Circuit Court may rule that the 2017 A Bonds were invalidly issued and not a binding debt obligation of the County. Under these circumstances, there are no remedies available to Bondholders under the Indenture. Other Circuit Court adverse rulings may materially and adversely affect the ability of the County to fund the Public Improvements and the Developer to complete the development of Downtown Columbia. As a consequence of such a result, the assessed value of the property in the Districts could be reduced, and thus lessen the Tax Increment Revenues, as well as the ability, willingness or requirement of the owners of property in the Districts to pay Special

Taxes, which are the sole sources of payment of debt service on the 2017 A Bonds when due. See "LITIGATION – Pending Litigation" for a description of the pending litigation and "APPENDIX I – County Solicitor's No-Merit Opinion."

In addition, it is not possible to determine what, if any, future lawsuits could arise in connection with the development of Downtown Columbia which would adversely affect the ability of the Developer to complete the development of Downtown Columbia and could reduce the assessed value of the property in the Districts and thus the Tax Increment Revenues. Any such occurrence could result in the failure to collect Tax Increment Revenues or Special Tax Revenues in an amount sufficient to pay the principal of and interest on the 2017 A Bonds when due.

Limited Obligations

The 2017 A Bonds are payable solely from the Tax Increment Revenues, the Special Tax Revenues and certain other funds on deposit with the Trustee or which may be deposited with the Trustee in the future, including earnings and investments on funds on deposit with the Trustee.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2017 A BONDS, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES. LIKEWISE, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES, NO OTHER TAXES OR ASSESSMENTS ARE PLEDGED TO THE PAYMENT OF THE 2017 A BONDS. THE 2017 A BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY, BUT ARE SPECIAL OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM CERTAIN AMOUNTS DEPOSITED IN THE TAX INCREMENT FUND, THE SPECIAL TAXES FUND, THE IMPROVEMENT FUND, THE DEBT SERVICE FUND AND THE RESERVE FUND, AS MORE FULLY DESCRIBED HEREIN.

Concentration of Ownership

Upon the issuance of the 2017 A Bonds, the Developer and its subsidiaries will be the sole owners of all of the taxable parcels within the Special Taxing District. The timely payment of the 2017 A Bonds depends on the willingness and ability of the Developer and its affiliates to pay general ad valorem real property taxes (from which the Tax Increment Revenues will be derived) and Special Taxes when due. This lack of diversity in the obligation to pay general ad valorem real property taxes and Special Taxes presents a significant risk to Bondholders. Failure of the Developer, its affiliates or subsequent owners to pay real property taxes and Special Taxes when due could result in the rapid, total depletion of the Reserve Fund. In that event, there could be a default in payment of the principal of, premium (if any) and interest on, the 2017 A Bonds.

Completion of Public Improvements

The Engineer's Report lists estimates of the costs of the Public Improvements. See "APPENDIX D – Engineer's Report" hereto. If the proceeds of the 2017 A Bonds are not sufficient to finance the completion of the Public Improvements and the Developer fails to meet its obligation under the Funding Agreement to provide funds to complete the Public Improvements, it is unlikely that the County would have other funds to complete the Public Improvements.

Failure to Develop the Phase I Development and the Warfield Development

Land development is subject to comprehensive federal, State and local regulations. Approval is required from various entities in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning, school and health requirements, as well as numerous other matters. Failure to obtain any such approvals or satisfy such governmental requirements could adversely affect planned development of the Phase I Development. See "APPENDIX D – Engineer's Report" hereto.

Development of land is also subject to economic considerations. The failure to complete the Phase I Development, the Warfield Development or the required infrastructure or substantial delays in the completion of the Phase I Development, the Warfield Development or the required infrastructure due to litigation, the inability to obtain required funding or other causes may reduce the value of the property within the Districts and may affect the

willingness and ability of the Developer or any future owner of property within the Districts to pay general ad valorem real property taxes or Special Taxes when due, which may result in a default in payments of the principal of, and interest on, the 2017 A Bonds.

In addition, the inability or delay in the completion of the residential and commercial units will inhibit the ability of the Developer or other owners of such units to generate rental income. This could cause the Developer or such other owners to be unable or unwilling to pay the real property taxes or Special Taxes when due, which may result in a default in payment of the principal of or interest on the 2017 A Bonds.

Commercial Failure

A portion of the Phase I Development and the Warfield Development is being leased, or is expected to be leased, to commercial tenants or other businesses and other portions are being leased or are expected to be leased to residential tenants. The failure to lease the commercial space or residential units in these buildings, failure by the commercial lessees to operate profitably, defaults by lessees under the terms of their leases, the inability to recover overdue and unpaid rents or to lease space vacated by defaulting lessees, or other similar factors could adversely affect the Phase I Development and the Warfield Development and could reduce the ability or willingness of the Developer or any other owners of property in the Districts to pay the real property taxes or Special Taxes, if any, required. Current market conditions and any further decline in local economic conditions or conditions in the Districts could adversely affect the ability of owners to pay the real property taxes and Special Taxes, if any, or the amount realized upon any sale of the property at tax sale. See "SECURITY FOR THE 2017 A BONDS – Property Tax Collection Procedures" herein and "– Potential Delay and Limitations of Tax Sales" below.

The projections of Tax Increment Revenues also assume that these improvements will be of a certain type and scope, will occur within certain time frames, and will continue through the term of the 2017 A Bonds. See "PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA" and "APPENDIX C – Tax Increment and Special Tax Report." If not completed within the projected time frame, if the rental of commercial or residential units does not occur or is delayed, or if such commercial buildings and/or other properties within the Districts are substantially less valuable than projected, the assessed value of property in the Development District and, as a result, the Tax Increment Revenues, could be less than projected. In addition, any commercial failure of all or a portion of Downtown Columbia, whether for reasons within or outside of the control of the Developer (such as, but not limited to, the failure of construction or upkeep that materially affects the public infrastructure, natural disasters, an adverse impact on transportation to or from Downtown Columbia, or a fire or other natural disaster), could adversely and materially affect the collection of Tax Increment Revenues and any Special Taxes. In such events, there could be a default in payment of principal of, and interest on, the 2017 A Bonds. See "RISK FACTORS – Dependence on Tax Increment Revenues" herein.

Market Supportability of Downtown Columbia

"APPENDIX A – Appraisal Report" and "APPENDIX B – Market Study" to this Limited Offering Memorandum contain conclusions described in "SECURITY FOR THE 2017 A BONDS – Appraised Property Values" and "– Market Study" herein. However, there can be no guarantee that a market will develop for and support Downtown Columbia and, in particular, the Warfield Development and the Phase I Development. The failure of the market to support the Downtown Columbia and, in particular, the Warfield Development and the Phase I Development, could reduce the ability or desire of the Developer or other property owners within the Districts to pay ad valorem real property taxes or Special Taxes.

Competition

Downtown Columbia is located in close proximity to other similar mixed-use developments. Competition from these and, other existing or new sources could adversely affect the profitability of development in Downtown Columbia and, in particular, the Warfield Development and the Phase I Development. Increased competition could adversely affect the success of Downtown Columbia and, in particular, the Warfield Development and the Phase I Development, in numerous ways, including the failure to lease the residential and commercial units, failure by the lessees to operate profitably, defaults by lessees under the terms of their lease agreements, and inability of the Developer or any other owner of such units to recover overdue and unpaid rents or to lease space vacated by initial lessees.

Failure of Various Financing Plans and Conditions

The Developer is entering into various loans and other financing arrangements to finance the construction of the development in the Districts. See "PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA – Plan of Finance" herein. The failure of any construction lender or equity participant to fulfill financing obligations or meet such financing conditions could delay the construction of the development or create a default under the terms of the applicable agreements and, in each such case, could adversely affect the Developer's ability to complete the vertical improvements. Such failure could adversely affect the assessed value of property in the Districts, and could adversely and materially affect the collection of Tax Increment Revenues and any Special Taxes. In such an event, there could be a default in payment of the debt service on the 2017 A Bonds. See "RISK FACTORS – Dependence on Tax Increment Revenues" herein.

Dependence on Tax Increment Revenues

The amount of the Tax Increment Revenues available to pay principal and interest on the 2017 A Bonds is determined by the assessed value of taxable real property in the Development District, the tax rate of the County and the percentage of taxes actually collected, the extent of exemptions and credits, and paid into the Tax Increment Fund. The assessed value of real property in the Development District must increase significantly and rapidly in order to produce Tax Increment Revenues sufficient to make principal and interest payments on the 2017 A Bonds before application of the Special Tax without drawing upon the Reserve Fund established under the Indenture.

There can be no assurance that the property and improvements within the Development District will be assessed at the levels shown in "APPENDIX C – Tax Increment and Special Tax Report" hereto, nor can there be a guarantee that the value of the property will not decrease. Property owners have the right to protest the assessed value of their property in the Development District and are not required to tender their property for ad valorem taxation at any agreed upon level. Property values may also be adversely affected by natural or other disasters resulting in the destruction of property in the Development District. The assessed value of the property and improvements will be determined and certified in accordance with the procedures described in "SECURITY FOR THE 2017 A BONDS – Assessment Procedures," and may be at a value lower than projected.

Uncertainty of Calculation of Tax Increments

Tax Increments are calculated based upon the Original Taxable Value in the Development District and the assessed value, from year to year, of the properties in the Development District. Accordingly, they are affected by the assessment of property within the Development District. The method of assessing the properties in the Development District could have a significant impact on the Tax Increment Revenues that become available. The assessment method or combination of methods that the Supervisor of Assessments uses with respect to the Development District is within the discretion of the Supervisor of Assessments and may change from time to time. See "SECURITY FOR THE 2017 A BONDS – Assessment Procedures." There can be no assurance that the properties within the Development District will be assessed at the levels shown in "APPENDIX C – Tax Increment and Special Tax Report" hereto. The use of a particular method or combination of methods of assessment with respect to property in the Development District may, over time, cause a decrease in the assessable base in the Development District and, therefore, result in a reduction in the Tax Increment Revenues available to pay debt service on the 2017 A Bonds. No assurances can be given that the methodology for the State assessment system currently in place will not be changed during the term of the 2017 A Bonds.

The projections of the Revenues in "APPENDIX C – Tax Increment and Special Tax Report" are based upon the laws and regulations in effect as of the date of this Limited Offering Memorandum. No assurance can be given that a change in law or a judicial decision after the date of this Limited Offering Memorandum will not have a materially adverse effect on the Tax Increment Revenues or the availability of Revenues to pay debt service on the 2017 A Bonds.

Local Economic Conditions

The financial health of the businesses that are expected to pay the Tax Increment Revenues and any Special Taxes is in part dependent on the strength of the local economy. Many factors affect the local economy, including (but not limited to) rates of employment and economic growth; demographics; natural disasters; the level of residential and commercial development; federal, state, and local government spending and taxing levels. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or

commercial and industrial activity will occur and what impact such changes could have on the assessed value of property in the Districts and the collection of Tax Increment Revenues and any Special Taxes.

Maximum Rates

Within the limits of the Rate and Method, the County may adjust the Special Tax levied on all property within the Special Taxing District to provide an amount required (i) to pay debt service on the 2017 A Bonds and the amount, if any, necessary to replenish the Reserve Fund to an amount equal to the Reserve Requirement, (ii) to pay all annual Administrative Expenses, costs of remarketing, credit enhancement, bond insurance, and liquidity fees and estimated delinquencies in Special Tax payments and (iii) to make rebate payments to the United States government. However, the amount payable is limited to the amount of the Maximum Special Tax which amount increases by 2% per year. See "SECURITY FOR THE 2017 A BONDS – Special Tax Revenues" and "THE DEVELOPMENT DISTRICT, THE SPECIAL TAXING DISTRICT AND REVENUES – Rate and Method of Apportionment of Special Taxes."

Dependence on Projections

The value of the property in the Districts upon completion of the Phase I Development and, therefore, the amount of Tax Increment Revenues that will be available to pay the 2017 A Bonds on a year to year basis is unknown at the present time. The Appraisal Report contains projections of the value based on the assumptions set out in APPENDIX A and the Market Study contains an assessment of market demand based on the assumptions set out in APPENDIX B. The Tax Increment and Special Tax Report contains projections of the amounts that will be available based on the assumptions set out in APPENDIX C. These projections constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as such may involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and achievements to be different from the future results, performance or achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

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

The projections of Tax Increment Revenues and Special Tax Revenues in APPENDIX C assume that the development of the Phase I Development will occur within certain time frames. There can be no assurances that the Developer will be able to develop the Phase I Development in accordance with such assumptions. If the Developer fails to complete the Phase I Development within the projected time frame or such property is substantially less valuable than projected, the assessed value of property in the Districts and, as a result, the Tax Increment Revenues could be less than projected. In that event, there could be a default in payment of principal of, and interest on, the 2017 A Bonds.

Tax Delinquencies

In order to pay debt service on the 2017 A Bonds, it is necessary that the real property taxes and Special Taxes be paid in a timely manner. Under provisions of the Acts, the Tax Increment Revenues and any Special Tax Revenues, from which funds necessary for the payment of principal of, and interest on, the 2017 A Bonds are derived, are billed to the properties within the Districts by the County. Any Special Tax Revenues are due and payable at the same time as regular ad valorem property tax installments. The unwillingness or inability of a property owner to pay ad valorem property tax bills and any Special Taxes as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make ad valorem real property tax payments and any Special Tax installment payments in the future. If the Developer or its affiliates and other property owners fail to pay the ad valorem property tax installments or any Special Tax when due there could be significant tax delinquencies. See "RISK FACTORS – Concentration of Ownership."

In the event that tax sales of property are necessary, and if the Reserve Fund is depleted, there could be a delay or reduction in payments to Holders of the 2017 A Bonds pending such tax sales and receipt by the County of the proceeds of sale.

See "SECURITY FOR THE 2017 A BONDS – Property Tax Collection Procedures" for a discussion of the provisions that apply, and procedures that the County is obligated to follow in the event of delinquencies in the payment of real property taxes or any Special Taxes. See "RISK FACTORS – Potential Delay and Limitations of Tax Sales" and "– Bankruptcy" herein for a discussion of limitations on the County's ability to recover delinquent Revenues from tax sales.

Potential Delay and Limitations of Tax Sales

The payment of real property taxes and Special Taxes and the ability of the County to recover delinquent unpaid real property taxes and any Special Taxes may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights. See "SECURITY FOR THE 2017 A BONDS – Property Tax Collection Procedures" and "RISK FACTORS – Bankruptcy" herein.

The ability of the County to recover delinquent unpaid real property taxes or any Special Taxes through the sale of the related real property may be limited with regard to properties in which the Federal Deposit Insurance Corporation ("FDIC") may acquire an interest. The FDIC currently does not have an interest in the land within the Districts. However, if a lender takes a security interest in property in the Districts and becomes insolvent, such lender could fall under the jurisdiction of the FDIC. The FDIC has adopted policies regarding the payment of state and local property taxes, including ad valorem and non-ad valorem special taxes and assessments. While this federal instrumentality has acknowledged a policy of paying ad valorem and non-ad valorem special taxes and assessments in certain circumstances, it has also indicated an intention to assert federal preemptive power to challenge any prior taxes, special taxes and assessments where it is in its interest to do so, including the requirement that local governmental entities obtain the consent of the FDIC in order to sell property at tax sale to recover delinquent Special Taxes or real property taxes. If the County is required to obtain the consent of the FDIC in order to sell properties located in the Districts at a tax sale, such consent could be denied and the County might be unable to recover real property taxes or Special Taxes on such properties. Additionally, any delay in receiving the consent of the FDIC to a tax sale would delay recovery of any delinquent real property taxes or Special Taxes. This, in turn, could result in a delay or default in payment of the 2017 A Bonds.

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

Delays and uncertainties in recovering delinquent Revenues create significant risks for Bondholders. Revenues payment delinquencies that continue during the pendency of protracted tax sale proceedings could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of such property. In that event, there could be a default in payments of the principal of, and interest on, the 2017 A Bonds. See "RISK FACTORS – Concentration of Ownership" above.

No Acceleration Provision

The 2017 A Bonds and the Indenture do not contain a provision allowing for the acceleration of the 2017 A Bonds in the event of a payment default or other default under the terms of the 2017 A Bonds or the Indenture. Furthermore, the Indenture does not specify any events of default or remedies nor does it require the Trustee to seek any remedies. The ultimate source of recovery in the event of a default on payment of real property taxes or any Special Taxes is the tax sale provisions described under "SECURITY FOR THE 2017 A BONDS – Property Tax Collection Procedures" herein.

Bankruptcy

The various legal opinions to be delivered concurrently with the delivery of the 2017 A Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors.

Although a bankruptcy proceeding would not cause the Revenues to become extinguished, the amount and priority of any tax lien could be modified if the value of the property falls below the value of the lien. If the value of

the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in completing a tax sale of the property. Such delay would increase the likelihood of a delay or default in payment of the principal of, and interest on, the 2017 A Bonds and the possibility of delinquent tax installments not being paid in full.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the 2017 A Bonds or, if a secondary market exists, that such 2017 A Bonds can be sold for any particular price. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the 2017 A Bonds or because of adverse history or economic prospects connected with a particular issue or industry, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Loss of Tax Exemption

As discussed under the caption "TAX EXEMPTIONS," the interest on the 2017 A Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the 2017 A Bonds as a result of a failure of the County, the Developer or the State to comply with certain provisions of the Code. Should such an event of taxability occur, the 2017 A Bonds are not subject to early redemption and will remain Outstanding to maturity or until redeemed under the optional redemption or mandatory sinking fund redemption provisions of the Indenture.

Other Taxes

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

UNDERWRITING

The 2017 A Bonds are being purchased for offering by Stifel, Nicolaus & Company, Incorporated and Piper Jaffray & Co. (collectively, the "Underwriters"). The Underwriters have made a firm commitment to purchase the 2017 A Bonds for $47,679,278. The purchase price reflects an underwriters' discount of $723,375 and net original issue premium of $177,653. The purchase contract pursuant to which the Underwriters are purchasing the 2017 A Bonds provides that the Underwriters will purchase all of the 2017 A Bonds if any are purchased. The obligation of the Underwriters to make such purchase is subject to certain terms and conditions set forth in such purchase contract.

The Developer has agreed to indemnify the Underwriters and the County against liabilities, including certain liabilities under federal and state securities laws.

The Underwriters may offer and sell the 2017 A Bonds to certain dealers and others at prices different from the prices stated on the cover page of this Limited Offering Memorandum. The offering prices may be changed from time to time by the Underwriters.

FINANCIAL ADVISORS

MuniCap, Inc. and People First Financial Advisors are serving as financial advisors to the County in connection with the issuance of the 2017 A Bonds.

LEGAL MATTERS

McGuireWoods LLP, Baltimore, Maryland, Bond Counsel, will render an opinion with respect to the 2017 A Bonds substantially in the form set forth in APPENDIX H to this Limited Offering Memorandum. Copies of this opinion will be available at the time of delivery of the 2017 A Bonds. Matters will be passed upon for the

Underwriters by Ballard Spahr LLP, Washington, D.C., as Counsel to the Underwriters. Certain legal matters will be reviewed for the County by the County Solicitor and McGuireWoods LLP as Disclosure Counsel, and for the Developer by Miles & Stockbridge P.C.

TAX EXEMPTIONS

Opinion of Bond Counsel – Federal Income Tax Status of Interest. Bond Counsel's opinion will state that, under existing law and assuming compliance with the Covenants (defined herein), interest on the 2017 A Bonds (a) is excludable from gross income of the owners thereof for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; provided, however, for purposes of the alternative minimum tax imposed on corporations, (as defined for federal income tax purposes under Section 56 of the Code), interest on the 2017 A Bonds is included in computing adjusted current earnings.

Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the 2017 A Bonds.

Bond Counsel's opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the proper treatment of interest on the 2017 A Bonds for federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the County or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the "IRS"). The County and the Developer have covenanted, however, to comply with the requirements of the Code. Bond Counsel's opinion relies on the County Solicitor's no-merit opinion attached hereto as APPENDIX I. See "LITIGATION – Pending Litigation."

Reliance and Assumptions; Effect of Certain Changes. In delivering its opinion regarding the 2017 A Bonds, Bond Counsel is relying upon certifications of representatives of the County and the Developer as to facts material to the opinion, which Bond Counsel has not independently verified. In addition, Bond Counsel is assuming continuing compliance with the Covenants (as hereinafter defined) by the County and the Developer. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the 2017 A Bonds in order for interest on the 2017 A Bonds to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the 2017 A Bonds and the use of the property financed by the 2017 A Bonds, limitations on the source of the payment of and the security for the 2017 A Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the 2017 A Bonds to the United States Treasury. The Indenture and the tax compliance and other agreements entered into by the County and the Developer with respect to the 2017 A Bonds contain covenants (the "Covenants") under which the parties thereto have agreed to comply with such requirements. Failure by the County or the Developer to comply with the Covenants could cause interest on the 2017 A Bonds to become includable in gross income for federal income tax purposes retroactively to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the 2017 A Bonds from becoming includable in gross income for federal income tax purposes.

Bond Counsel has not independently verified and has no responsibility to monitor compliance with the Covenants after the date of issue of the 2017 A Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Indenture, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in the Indenture. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the 2017 A Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain collateral federal income tax matters with respect to the 2017 A Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of the 2017 A Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning or disposing of the 2017 A Bonds.

Prospective purchasers of the 2017 A Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, certain insurance companies, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the "branch profits tax," individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

In addition, prospective purchasers should be aware that the interest paid on, and the proceeds of the sale of, tax-exempt obligations, including the 2017 A Bonds, are in many cases required to be reported to the IRS in a manner similar to interest paid on taxable obligations. Additionally, backup withholding may apply to any such payments made to any owner of a 2017 A Bond who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any owner of a 2017 A Bond who is notified by the IRS of a failure to report all interest and dividends required to be shown on federal income tax returns. The reporting and withholding requirements do not in and of themselves affect the excludability of such interest from gross income for federal tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Bond Premium. In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles. An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Prospective purchasers of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Effects of Future Enforcement, Regulatory and Legislative Actions. The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS audits the 2017 A Bonds, the IRS, under its current procedures, will treat the County as the taxpayer. As such, the beneficial owners of the 2017 A Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the 2017 A Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the 2017 A Bonds.

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

The U.S. Department of the Treasury and the IRS are continuously drafting regulations to interpret and apply the provisions of the Code, and court proceedings may be filed, the outcome of which could modify the federal tax treatment of tax-exempt obligations. There can be no assurance that legislation proposed or enacted after the date of issue of the 2017 A Bonds, regulatory interpretation of the Code or actions by a court involving either the 2017 A Bonds or other tax-exempt obligations will not have an adverse effect on the 2017 A Bonds' federal tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the 2017 A Bonds.

Prospective purchasers of the 2017 A Bonds should consult their own tax advisors regarding the potential consequences of any such pending or proposed federal tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Opinion of Bond Counsel – State Tax Exemption. Bond Counsel's opinion will also state that, under existing law of the State of Maryland, the principal amount of the 2017 A Bonds, the interest payable on the 2017 A Bonds,

their transfer, and any income from the 2017 A Bonds, including any profit made in the sale or transfer thereof, are exempt from state and local taxes in the State of Maryland; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the 2017 A Bonds or the interest thereon.

Interest on the 2017 A Bonds may be subject to state or local income taxes in jurisdictions other than the State of Maryland under applicable state or local tax laws. Prospective purchasers of the 2017 A Bonds should consult their own tax advisors regarding the taxable status of the 2017 A Bonds in a particular state or local jurisdiction other than the State of Maryland.

LITIGATION

General

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending against the County with respect to which the County has been served with process or, to the County Solicitor's knowledge, threatened against the County, affecting the existence of the County, the Development District, Special Taxing District or the titles of its officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the 2017 A Bonds, the application of the proceeds thereof in accordance with the Indenture, or the collection or application of any revenues provided for the payment of the 2017 A Bonds, or in any way contesting or affecting the validity or enforceability of the 2017 A Bonds, the Indenture, any action of the County contemplated by any of the said documents, or the collection or application of any revenues provided for the payment of the 2017 A Bonds, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement hereto, or contesting the powers of the County or its authority with respect to the 2017 A Bonds or any action of the County contemplated by any of said documents, except as set forth herein. See "LITIGATION — Pending Litigation" below.

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

Pending Litigation

On April 18, 2017, Corporate Office Properties Trust, Merritt Properties, LLC, St. John Properties, Inc. and Greenebaum Enterprises, Inc., real estate developers who own commercial property in Howard County (collectively referred to as the "Plaintiffs") filed a Complaint in the Circuit Court for Howard County against Howard County and County Executive Allan Kittleman challenging the Ordinance, which provides for the issuance of the 2017 A Bonds (Case No. C-02-CV-17-001419B). On April 27, 2017, the Fifth Circuit Administrative Judge ordered the transfer of the suit to the Circuit Court for Anne Arundel County. On May 26, 2017, Howard County and the County Executive moved to dismiss the Complaint or, alternatively, for summary judgment (the "Motion"). On June 19, 2017, the Plaintiffs amended their Complaint primarily to attempt to address a standing issue and to remove the County Executive as a defendant. The County refiled its Motion on July 11, 2017. On July 26, 2017, the Plaintiffs filed their opposition to the Motion, and on August 24, 2017, the County filed a Motion to Dismiss Declaratory Judgment Action as Moot.

In the Complaint, the Plaintiffs allege three claims, that the Ordinance: (1) is a "special law" that violates the Maryland Constitution by conferring an improper benefit on a single entity (in this case, the Developer); (2) violates the Tax Increment Financing Act because the proposed public improvements will not be within a sustainable community and the County is not a municipal corporation; and (3) violates the Tax Increment Financing Act because the proposed public improvements fail to meet the "But-For" Test (hereinafter described) established by the County.

In support of their claim that the Ordinance is an unconstitutional "special law" under the Maryland Constitution, the Plaintiffs contend that the purpose of the constitutional provision is to "prevent or restrict state and

local legislatures from passing private acts for the improper benefit of a particular person." The Plaintiffs claim that, by providing funding for certain projects contemplated by the Ordinance, the County will convey an improper benefit to the Developer.

The Plaintiffs additionally claim that the Ordinance violates the Tax Increment Financing Act so that the enactment amounts to an ultra vires act by the County. This claim is premised on the Plaintiffs' claim that that proceeds from bonds issued under the Tax Increment Financing Act may only be used to finance development in "sustainable communities" by municipal corporations, and that the County is not a municipal corporation and the Development District is not a sustainable community.

Finally, the Plaintiffs contend that the County cannot establish that the development in Downtown Columbia would not occur "but for" the tax increment financing (the ""But-For" Test"). The Plaintiffs claim that, because the development of Downtown Columbia cannot meet the "But-For" Test, as described in a document entitled the Guidelines for the Creation of a Tax Increment Financing District(s) and/or Tax Increment Financing, issued by the County Department of Finance, the financing of certain improvements with bonds issued under the Tax Increment Financing Act exceeds the authority of the County.

Although the Plaintiffs' claims largely focus on the propriety of using the proceeds of the bonds issued pursuant to the Ordinance to finance a public parking garage for a private development, if the Plaintiffs were to succeed on such claims, the entire ordinance may be invalidated. It should be noted that, while the Ordinance provides approval for the issuance of bonds in connection with various public improvements, including a structured parking garage, the Public Improvements to be financed with the 2017 A Bonds do not include a public parking garage.

In its Motion, the County seeks to dismiss the Complaint because the Plaintiffs lack standing to challenge the Ordinance or, in the alternative, seeks judgment as a matter of law as to each of the three counts asserted by the Plaintiffs. In addition to its argument that the Plaintiffs lack standing necessary to bring the suit, the County also argues that the Ordinance is a legitimate exercise of the County's legislative authority and discretion. Specifically, the County argues that the Ordinance: (1) is not a "special law" prohibited by the Maryland Constitution because it was enacted under the authority of the Tax Increment Financing Act and the Special Taxing District Act; (2) complies with the Tax Increment Financing Act because bond proceeds may be used for public improvements by counties, in addition to municipal corporations, and such improvements are not limited to only the boundaries of sustainable communities; and (3) comports with the Tax Increment Financing Act because the "But-For" test is not a statutory requirement but, instead, is merely a guideline provided by the County Director of Finance as an aid to the County Executive's consideration of proposed projects.

There are several possible avenues the court can take. First, the court may dismiss the lawsuit after determining the Plaintiffs do not have standing. Alternatively, if the court determines the Plaintiffs have standing, then it would decide whether to grant judgment in favor of the County or to proceed and consider the merits of the case. Regardless, there is a possibility that the decision could be appealed to the Maryland appellate courts. While it is impossible to predict with certainty the outcome of any litigation, the County Solicitor (who is representing the County in this lawsuit) believes that there are significant substantive defenses to the claims asserted in the Complaint and that, accordingly, there is a sound basis to believe that the County will prevail.

On August 24, 2017, as a result of the County Executive's final determination that no proceeds of the 2017 A Bonds will be used to finance a public parking garage, the County filed a Motion to Dismiss Declaratory Judgment Action as Moot. The Plaintiffs' arguments are premised on the use of bond proceeds to finance the construction of a parking garage and the Plaintiffs have expressly asserted that they do not challenge the County's use bond proceeds to finance public improvements other than the public parking garage. Because the existence of a justiciable controversy is a pre-requisite to a declaratory judgment action, the County asserts that dismissal is appropriate.

A hearing on the pending pre-trial motions filed by the County seeking to dismiss the case was held on October 2, 2017. Following arguments, the judge scheduled another hearing on October 13, 2017 and indicated that she will deliver her ruling related to the pending pre-trial motions during that hearing.

See "RISK FACTORS – Pending Litigation" and "APPENDIX I – County Solicitor's No-Merit Opinion."

NO RATING

The County has not and does not contemplate making an application to any rating agency for the assignment of a rating to the initial offering of the 2017 A Bonds.

CONTINUING DISCLOSURE

The County and the Developer have agreed to provide certain financial information, operating data and event disclosures in order to enable the Underwriters to comply with the requirements of SEC Rule 15c2-12. See "APPENDIX J – Proposed Form of Developer's Continuing Disclosure Agreement," and "APPENDIX K – Proposed Form of County's Continuing Disclosure Agreement" hereto for specific provisions regarding the Developer's and the County's obligations to provide continuing disclosure.

During the last five years, the County has not failed to comply in any material respect with the terms and provisions of previous continuing disclosure agreements entered into in order to comply with the requirements of SEC Rule 15c2-12.

RELATIONSHIPS

MuniCap, Inc., the financial consultant to the County, has provided financial consultant services to the Developer in connection with matters other than the Districts and the issuance of the 2017 A Bonds. MuniCap, Inc. has also been engaged by the County as the administrator of the Districts and has prepared the Tax Increment and Special Tax Report attached hereto as APPENDIX C.

Piper Jaffray & Co., one of the Underwriters, has provided market and structural analysis of tax increment, special tax and similar financings, including the 2017 A Bonds, to the Developer and its affiliates.

Gutschick, Little & Weber, P.A., the civil engineering firm that prepared the Engineer's Report attached hereto as APPENDIX D, serves as the Developer's and its affiliates' civil engineer on the development of Downtown Columbia and other civil engineering matters.

Cushman & Wakefield of Maryland, Inc., the Appraiser of the Special Taxing District property, has been engaged by lenders in various real property financing transactions to appraise various properties of the Developer and its affiliates. Also, affiliates of the Appraiser have represented the Developer or its affiliates in connection with sales of real property assets.

MISCELLANEOUS

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

This Limited Offering Memorandum is submitted only in connection with the offering of the 2017 A Bonds by the Underwriters. All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed by the County or the Underwriters. The information contained herein should not be considered as representing all conditions affecting the County, the Districts or the 2017 A Bonds.

This Limited Offering Memorandum does not constitute a contract with the purchasers of the 2017 A Bonds.

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

The execution and delivery of this Limited Offering Memorandum have been approved by Howard County, Maryland.

HOWARD COUNTY, MARYLAND

/s/ Allan H. Kittleman
County Executive

/s/ Stanley J. Milesky
Director of Finance

APPENDIX A

Appraisal Report

[THIS PAGE INTENTIONALLY LEFT BLANK]

PPRAISAL OF REAL PROPERTY

Crescent Special Taxing District
Southeast Quadrant of Little Patuxent Parkway and
Broken Land Parkway
Columbia, Howard County, MD 21044

IN AN APPRAISAL REPORT

As of June 20, 2017

Prepared For:

Stifel, Nicolaus & Company, Inc.
18 West Street
Annapolis, MD 21401

Prepared By:

Cushman & Wakefield of Maryland, Inc.
Valuation & Advisory
One East Pratt Street, Suite 700
Baltimore, MD 21202
Cushman & Wakefield File ID: 17-26007-900014-002

CUSHMAN & WAKEFIELD OF MARYLAND, INC.
ONE EAST PRATT STREET, SUITE 700
BALTIMORE, MD 21202



Crescent Special Taxing District
Southeast Quadrant of Little Patuxent Parkway and Broken Land Parkway
Columbia, Howard County, MD 21044

One East Pratt Street, Suite 700
Baltimore, MD 21202
Tel +1 (410) 685-9248
cushmanwakefield.com

September 12, 2017

Nathan S. Betnun
Managing Director
Stifel, Nicolaus & Company, Inc.
18 West Street
Annapolis, MD 21401

Re: Appraisal Report
Crescent Special Taxing District
Southeast Quadrant of Little Patuxent Parkway and Broken Land Parkway
Columbia, Howard County, MD 21044

Cushman & Wakefield File ID: 17-26007-900014-002

Dear Mr. Betnun:

In fulfillment of our agreement as outlined in the Letter of Engagement copied in the Addenda, we are pleased to transmit our appraisal of the above referenced property, as defined herein, in the following Appraisal Report.

The purpose ("Intended Use") of this appraisal will be for inclusion in a preliminary limited offering memorandum ("PLOM") and limited offering memorandum ("LOM") for the issuance of tax increment/special tax bonds (the "Bonds") to be issued by Howard County for the purpose of financing certain Public Improvements, as described below. Incremental County property taxes will be used to repay the Bonds. If these tax revenues are insufficient to meet the debt service requirements on the Bonds, the property owners will be responsible for the payment of special taxes in the amount of the deficiency. The PLOM and LOM will be provided to Accredited Investors or Qualified Institutional Buyers who are potential buyers of the Bonds, and the appraisal will provide the investors with information on the property and its estimated value.

The appraisal will be prepared for Stifel, Nicolaus & Company, Incorporated (the "Client"). In addition to the Client, intended users include The Howard Research And Development Corporation, Howard County and buyers of the Bonds that are (with the Client, collectively, "Intended Users"). This Appraisal Report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).

Property Overview: The subject property is located at the southeast quadrant of Little Patuxent Parkway and Broken Land Parkway within the community of Columbia in Howard County, Maryland. Columbia is centrally located within the Baltimore-Washington Corridor, about 15 miles southwest of downtown Baltimore City and 22 miles northeast of Washington, D.C. The subject property, referred as the Crescent Special Taxing District, is part of a planned high-density mixed-use development area designated by Howard County legislation approved in 2010 as the "Downtown Columbia Plan." The Downtown Columbia Plan, and amended Howard County General Plan entitled "Plan Howard 2030", identifies The Crescent area as one of six neighborhoods in Downtown Columbia approved for redevelopment with a mix of high-density uses including residential, office, retail, hotel, civic and cultural uses. The plan also includes multi-model transportation system improvements and the redevelopment of Merriweather Post Pavilion (19,300 seat +/- amphitheater), which is located adjacent to the subject property. The Howard Hughes Corporation controls the subject property and most of the remaining land components in Downtown Columbia, which allows for development cost efficiencies and synergies in the planning and development process. The Crescent Special Taxing District is also located within a portion of the Downtown Columbia Redevelopment District.

The subject property consists of 65.28 acres +/- of land area that is generally bounded by Little Patuxent Parkway on the north, Broken Land Parkway on the west, U.S. Route 29 Interchange #18 and Broken Land Parkway on the south and the Merriweather Post Pavilion and Symphony Woods (public park) to the east. The subject property was previously used in part as surface parking and open space supporting the adjoining Merriweather Post Pavilion and Symphony Woods facilities. The subject property will be developed with private and public improvements. The private development is planned to contain 4,782,500 square feet of gross building area (GBA) including 2,686,323 square feet of office space, 314,681 square feet of retail space, 1,387 apartment units and a 250-room hotel. A project summary is presented at the end of this section.

The first phase of the Downtown Columbia Plan was approved by the Howard County Planning Board. The subject property contains four planning areas as summarized by the exhibit presented at the end of this section. Area 1 is located at the northwest corner of the site, at the southeast quadrant of Little Patuxent Parkway and Broken Land Parkway. Area 1 is planned to comprise of three office buildings totaling 673,159 square feet of GBA, including 621,027 square feet of office space and 52,132 square feet of street-level retail space. Area 1 has recently been improved with a 9-level above-grade structured parking garage containing 1,127 spaces. The parking garage spaces will be allocated for tenant use occupying space within the first two office buildings to be completed within Area 1. In addition, the parking garage may be used by visitors of Merriweather Post Pavilion events, which may generate transient parking revenue.

One Merriweather: The first office building, referred to as One Merriweather, was completed as of January 1, 2017. MedStar Health, a non-profit, community-based healthcare system serving the Baltimore-Washington, D.C. region, leased 112,479 square feet of the rentable building area (54.0 percent) of this 8-story, 208,181 square foot (net rentable area) building. The lease commenced as of January 1, 2017 for a 13-year term. The building includes 9,343 square feet of street-level retail space, which has been leased to two tenants including a restaurant and a deli. The building was constructed to achieve LEED® “Silver” certification through the Leadership in Energy and Environmental Design (LEED) program of the U.S. Green Building Council for its core and shell. The building also features a fitness center and outdoor restaurant seating area.

Two Merriweather: The second office building within Area 1 known as Two Merriweather is currently under construction. The 5-story, 123,604 square foot (net rentable area) building reflected shell completion by. Major tenant Connections Education LLC, a wholly-owned subsidiary of Pearson PLC (NYSE: PSO), has pre-leased 73,253 square feet of the building (59.3 percent). The lease is scheduled to commence upon completion of the building and tenant buildout by November 6, 2017. The fifth floor office space containing 23,809 square feet remains available for lease. The remaining 26,542 square feet of available space on the first floor and concourse level are being marketed for lease to retail tenants.

Building 3OA: The third office building planned for development is referred to as Building 3OA, which is located within Area 3 of the development. The planned development will include a 12-story office building with 307,678 square feet of office space and 13,133 square feet of retail space on the first floor and a concourse level. The development also includes an adjacent structured parking garage, which will be developed in two phases. The first phase supporting Building 3OA will contain 1,333 parking spaces +/-, which will be a private garage funded by the developer. The second phase of the planned garage will add about 667 spaces supporting adjacent planned uses for a total of 2,000 spaces. The owner has reported in negotiations with an anchor tenant (confidential) to lease 150,000 square feet of the office space, which reflects approximately 46.8 percent of the building. The owner plans to break ground as of November 1, 2017 with shell completion of the office/retail space and parking garage by March 31, 2019. Interior buildout of the common area core and anchor tenant space is estimated by July 31, 2019.

Building 3MFB: The subject's first planned apartment building within the development is referred to as Building 3MFB located within Area 3. The mixed-use apartment/retail building will include 382 apartment units with a total net rentable area of 339,763 square feet improved on seven levels. Project amenities include an interior courtyard with pool, fitness center, yoga studio, music studio, game lounge, enclosed parking and on-site leasing and management office. Unit amenities will include balcony / patio, cable TV, fully equipped kitchens with stainless steel appliances, granite countertops, dishwasher, microwave, washer and dryer, walk-in closets and mini blinds. The unit mix will include 42 studio units (594 square feet average), 214 1BR/1BA units (735 square feet average), 24 1BR/1BA Den units (878 square feet average), 2BR/2BA units (78 units, 1,164 square feet average) and 48 3BR/2BA units (1,391 square feet average). The complex will also include 56,619 square feet of retail space. The developer plans to break ground in November 2017 with first apartment tenant occupancy by February 1, 2019, retail completion by April 1, 2019 and apartment completion by June 30, 2019.

Public Improvements: The Downtown Columbia Plan includes specific recommendations for development of a new street framework, including new major collector roadways and other public improvements in The Crescent neighborhood. These new major collectors will provide direct access to the subject's planned development components. The new roads will also provide alternative access to/from U.S. Route 29 facilitating access to The Crescent development and the rest of Downtown Columbia. In addition, The Crescent will be improved with a privately financed public parking garage and a second garage supporting civic and cultural facilities in The Crescent neighborhood including a new public library containing 95,000 square feet, an EMT Rapid Fire Station and a refurbished Merriweather Post Pavilion.

The subject property is currently being improved with site improvements that will support future development of The Crescent area including roads, walkways, intersection improvements, wetland mitigation and restoration and utilities. Per the client's request, we provide an As-Is market value opinion, which excludes tax increment financing (TIF) to fund the planned public improvements for the proposed development. The As Is Value opinion assumes the developer would fund the costs of the public improvements required to support the proposed development. The estimated budgeted costs for public improvements reported is $80,844,611, of which the owner reports they have spent $13,594,446 as of the effective date of this appraisal. Based on our analysis and discussions with market participants, the owner's monies spent to date for public improvement costs is reflected in the As Is Value opinion. The estimated remaining costs to complete the public improvements required to support the proposed development equates to $63,500,000, rounded, which is considered in determining the excess land valuation. The following table summarizes public improvement costs and estimated completion schedule as of the effective date of this appraisal (June 20, 2017) and July 31, 2019 per the client's request.

PUBLIC IMPROVEMENT COSTS AND COMPLETION SCHEDULE

Public Improvement Item	Total Public Improvement Budget [1]	Phase #1A TIF Bonds Proceeds	Phase #1B TIF Bonds Proceeds	Total TIF Bonds Proceeds	Remaining Costs To Be Funded	Monies Spent To Date	Remaing Costs To Complete As of 6/20/2017	Forecast Date of Completion	Remaing Costs To Complete As of 7/31/2019
Road Segment 1	$18,739,664	$16,194,034	$0	$16,194,034	$2,545,630	$12,246,859	$6,492,805	4/30/2019	$0
Road Segment 2	$14,103,393	$13,245,037	$0	$13,245,037	$858,356	$773,297	$13,330,096	4/30/2019	$0
Road Segment 3 (Public Roads)	$3,848,695	$0	$0	$0	$3,848,695	$422,928	$3,425,767	11/30/2018	$0
Road Segment 3 (Private Roads)	$3,712,927	$0	$0	$0	$3,712,927	$0	$0	11/30/2018	$0
Area 3: Park & Plaza	$3,889,514	$0	$3,889,514	$3,889,514	$0	$48,062	$3,841,452	3/31/2019	$0
Multi-Use Pathways	$1,062,381	$0	$0	$0	$1,062,381	$8,657	$1,053,724	12/31/2018	$0
Road Segment 4	$17,316,017	$1,971,715	$12,116,980	$14,088,695	$3,227,322	$94,642	$17,221,375	9/30/2021	$15,249,660
Area Two Internal Roads	$4,329,004	$0	$4,329,004	$4,329,004	$0	$0	$4,329,004	9/30/2019	$4,329,004
Area Four Internal Roads	$2,164,502	$0	$2,164,502	$2,164,502	$0	$0	$2,164,502	9/30/2019	$2,164,502
EMT Rapid Fire Station	$4,329,004	$4,329,004	$0	$4,329,004	$0	$0	$4,329,004	3/31/2019	$0
Subtotal Improvements	$73,495,101	$35,739,790	$22,500,000	$58,239,790	$15,255,311	$13,594,445	$56,187,729		$21,743,166
Developer's Fee	$3,674,755	$1,786,990	$0	$1,786,990	$1,887,766	$0	$3,674,755		$1,887,766
Contingency	$3,674,755	$973,221	$0	$973,221	$2,701,535	$0	$3,674,755		$2,701,535
Total Costs	$80,844,611	$38,500,000	$22,500,000	$61,000,000	$19,844,611	$13,594,445	$63,537,239		$26,332,466
Total Adjustment For As Is Value (Assuming No TIF is available)						**Rounded:**	**$63,500,000**		
Total Adjustment For Remaining Costs to Complete as of July 31, 2019								**Rounded:**	**$26,300,000**

[1] Source: The Howard Research and Development Corporation

Per the client's request, we provide a prospective market value of the Property as of July 31, 2019, including component values for each completed building and the remaining excess land, assuming: 1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, 2) completion of Merriweather One, Merriweather Two, Building 3OA, Building 3MFB, Phase 1A Public Improvements and related private infrastructure, 3) no vertical construction of any other building, 4) stabilized occupancy of Merriweather One and Merriweather Two, and 5) occupancy by an anchor tenant for 150,000 square feet of office space in Building 3OA.

The Client has also requested three hypothetical market value opinions including:

1) The hypothetical market value of the Property as of the date of the appraisal, including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) no vertical construction of any other building, including neither Building 3OA nor Building 3MFB;

2) The hypothetical market value of the Property as of the date of the appraisal (June 20, 2017), including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) Building 3OA is completed and 46.8 percent leased, completion of Phase 1A Public Improvements and related private infrastructure, (4) no vertical construction of any other building;

3) The hypothetical market value of the Property as of the date of the appraisal, including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) Building 3OA is completed and 46.8 percent leased, (4) Building 3MFB is completed and 27.5 percent leased, (5) completion of Phase 1A Public Improvements and related private infrastructure, (6) no vertical construction of any other building;

Per the client's request, for purposes of this analysis in estimating the prospective market values and hypothetical values upon completion of public improvements, we considered the analysis by MuniCap, Inc. regarding projected special taxes required to cover debt service for the TIF Bonds. The analysis results indicates there will be no special taxes required over the analysis period as real estate taxes from assessed property will cover the TIF Bond debt service.

SUBJECT PROPERTY PROJECT SUMMARY - CRESCENT SPECIAL TAXING DISTRICT

Parcel Description	Status	No. of Bldgs.	Office Sq. Ft. GBA	Retail Sq. Ft. GBA	Apartment Sq. Ft. GBA	Hotel Sq. Ft. GBA	Civic Sq. Ft. GBA	Total Building Sq. Ft. GBA	Apt. Units	Hotel Keys	Parcel Reference	Assessor Parcel Number	Land Area Sq. Ft.	Land Area Acres
Area 1														
Project 1OA: One Merriweather	Completed	1	208,034	9,749	-	-	-	217,783	-	-	Parcel A-1	15-598795	57,843	1.328
Project 1OB: Two Merriweather	Under Construction	1	102,993	29,583	-	-	-	132,576	-	-	Parcel A-2	15-598796	51,157	1.174
Parking Garage	Completed	1	-		-	-	-	-	-	-	Parcel A-3	15-598797	69,334	1.592
Project 1OC	Proposed- Future	1	310,000	12,800	-	-	-	322,800	-	-	Parcel B	15-019921 (part of)	86,684	1.990
Area 1 Subtotal		**4**	**621,027**	**52,132**	**-**	**-**	**-**	**673,159**	**-**	**-**			**265,019**	**6.084**
Area 2														
Project 2MFA	Proposed- Future	1	-	-	456,987	-	-	456,987	375	-	Parcel C (part of)	15-019921 (part of)	282,704	6.490
Project 2OA	Proposed- Future	1	284,000	5,000	-	-	-	289,000	-	-	Parcel C (part of)	15-019921 (part of)	-	-
Project 2OB	Proposed- Future	1	279,000	10,000	-	-	-	289,000	-	-	Parcel C (part of)	15-019921 (part of)	-	-
Project 2OC	Proposed- Future	1	285,699	15,000	-	-	-	300,699	-	-	Parcel C (part of)	15-019921 (part of)	-	-
Area 2 Subtotal		**4**	**848,699**	**30,000**	**456,987**	**-**	**-**	**1,335,686**	**375**	**-**			**282,704**	**6.490**
Area 3														
Project 3MFB	Constr. Start 11/2017	1	-	71,333	452,095	-	-	523,428	382	-	Parcel D2	15-019921 (part of)	146,362	3.360
Project 3MFC	Proposed- Future	1	-	38,195	452,897	-	-	491,092	423	-	Parcel D8	15-019921 (part of)	175,111	4.020
Project 3OA	Constr. Start 11/2017	1	325,197	15,036	-	-	-	340,233	-	-	Parcel D3	15-019921 (part of)	72,745	1.670
Project 3OB	Proposed- Future	1	374,803	19,570	-	-	-	394,373	-	-	Parcel D5	15-019921 (part of)	64,904	1.490
Project 3RE	Proposed- Future	2	-	45,389	-	-	-	45,389	-	-	Parcels D6-D7	15-019921 (part of)	71,874	1.650
Project 3OC	Proposed- Future	1	375,000	14,880	-	-	-	389,880	-	-	Parcel D1 (part of)	15-019921 (part of)	89,298	2.050
Project 3LRA (Civic- Library)	Proposed- Future	1	-	20,000	138,060	-	95,000	253,060	117	-	Parcel D1 (part of)	15-019921 (part of)	-	-
Project 3HA	Proposed- Future	1	-	-	-	150,000	-	150,000	-	250	Parcel D9	15-019921 (part of)	115,434	2.650
Parking Garage A	Proposed- Future	1	-	-	-	-	-	-	-	-	Parcel D4	15-019921 (part of)	87,991	2.020
Area 3 Subtotal		**10**	**1,075,000**	**224,403**	**1,043,052**	**150,000**	**95,000**	**2,587,455**	**922**	**250**			**823,720**	**18.910**
Area 4														
Project 4OA	Proposed- Future	1	175,000	-	-	-	-	175,000	-	-	Parcel E (part of)	15-019921 (part of)	90,169	2.070
Project 4MFA	Proposed- Future	1	-	-	106,200	-	-	106,200	90	-	Parcel E (part of)	15-019921 (part of)	-	-
Area 4 Subtotal		**2**	**175,000**	**-**	**106,200**	**-**	**-**	**281,200**	**90**	**-**			**90,169**	**2.070**
Totals (Areas 1-2-3-4):		**20**	**2,719,726**	**306,535**	**1,606,239**	**150,000**	**95,000**	**4,877,500**	**1,387**	**250**			**1,461,612**	**33.554**
Open Space Subtotal		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	Multiple Parcels	15-019921 (part of)	**1,382,020**	**31.727**
Total Project:		**20**	**2,719,726**	**306,535**	**1,606,239**	**150,000**	**95,000**	**4,877,500**	**1,387**	**250**			**2,843,633**	**65.2808**

PUBLIC IMPROVEMENTS COST SUMMARY AND COMPLETION SCHEDULE

Merriweather District - Public Improvement Budget

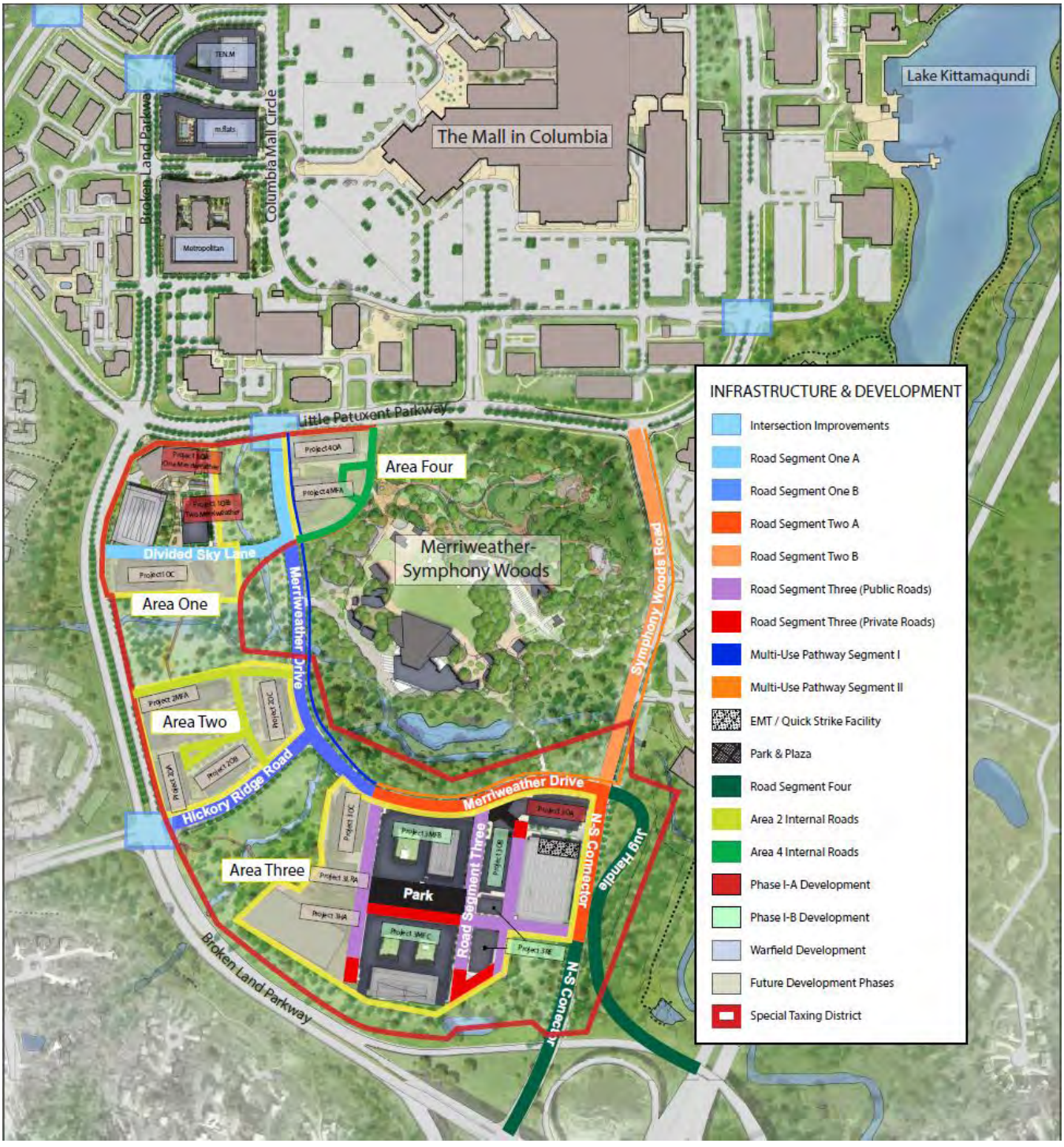
Total Forecast
By Project

DRAFT SUBJECT TO CHANGE

6/15/2017

Project	Design		Permit		Construction		Status
	Start	*Complete CD's*	*Submission*	*Approval*	*Start*	*Completion*	
First Issuance							
Road Segment 1							
Road Segment 1A	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	Construction complete through base paving; open to traffic
Road Costs	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	Construction complete through base paving; open to traffic
SW Piping, Treatment & Storage	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	Construction complete
Water & Sewer	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	Construction complete
Dry Utilities	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	Construction complete
Divided Sky Lane	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	Construction complete through base paving; open to traffic
Road Segment 1B	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	11/2017	Clearing complete, grading advanced, bridge and utility installation in progress
Road Costs	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	11/2017	Clearing complete, grading advanced, bridge and utility installation in progress
SW Piping, Treatment & Storage	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	11/2017	Improvement under construction; following schedule with road construction
Water & Sewer	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	11/2017	Improvement under construction; following schedule with road construction
Dry Utilities	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	11/2017	Improvement under construction; following schedule with road construction
Intersection Improvements	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	10/2017	LPP & MD complete; all others permitted and contracted with HTI; expect work to commence Q2 2017
Wetland Mitigation & Restoration	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	04/2019	MDE Permits obtained; WLM & Stream Restoration efforts surrounding Area One complete; invasive species removal advanced for other areas
Road Segment 2							
Road Segment 2A	COMPLETE	COMPLETE	COMPLETE	06/2017	07/2017	03/2018	Permit Engineering Technically Complete; Grading Permit obtained by mid-June; grading to commence early July; Contract with HTI executed
Road Costs	COMPLETE	COMPLETE	COMPLETE	06/2017	07/2017	03/2018	Permit Engineering Technically Complete; Grading Permit obtained by mid-June; grading to commence early July; Contract with HTI executed
SW Piping, Treatment & Storage	COMPLETE	COMPLETE	COMPLETE	06/2017	07/2017	03/2018	Permit Engineering Technically Complete; Grading Permit obtained by mid-June; grading to commence early July; Contract with HTI executed
Water & Sewer	COMPLETE	COMPLETE	COMPLETE	06/2017	07/2017	03/2018	Permit Engineering Technically Complete; Grading Permit obtained by mid-June; grading to commence early July; Contract with HTI executed
Dry Utilities	COMPLETE	COMPLETE	COMPLETE	06/2017	07/2017	03/2018	Permit Engineering Technically Complete; Grading Permit obtained by mid-June; grading to commence early July; Contract with HTI executed
Road Segment 2B	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November
Road Costs	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November
SW Piping, Treatment & Storage	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November
Water & Sewer	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November
Dry Utilities	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November
Wetland Mitigation & Restoration	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	04/2019	GLW design on track for a Q1 2017 permit application; expected construction start in Q3 2017; current estimate by HHC pre-construction
Road Segment 3 Public Roads	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	08/2018	Full permit secured by October; contract and notice to proceed expected November
Road Costs	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November
SW Piping, Treatment & Storage	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November
Water & Sewer	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November
Dry Utilities	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November
Road Segment 3 Private Roads	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November
Area 3: Park & Plaza	COMPLETE	COMPLETE	COMPLETE	10/2017	09/2018	03/2019	Design tracking permit and construction schedule of 3MFB
EMT Rapid Fire Station	COMPLETE	04/2018	04/2018	06/2018	06/2018	03/2019	Schematic Design completed by Fox Architects; permitting & construction to follow 3OA schedule
Multi-Use Pathway: Segment I	06/2017	09/2017	09/2017	12/2017	01/2018	06/2018	Design by Toole Design expected to begin Q3 2017
Multi-Use Pathway: Segment II	09/2017	01/2018	01/2018	04/2018	04/2018	12/2018	Design by Toole Design expected to begin Q4 2017
Road Segment 4 Design	COMPLETE	06/2019	NA	NA	NA	NA	RFP Issued and engineer selected; design commence Q2 2017
Second Issuance							
Road Segment 4 Construction	NA	NA	06/2019	08/2019	09/2019	09/2021	RFP Issued and engineer selected; design commence Q2 2017
Area 2 Internal Roads	01/2019	06/2019	06/2019	08/2019	09/2019	09/2021	
Area 4 Internal Roads	01/2019	06/2019	06/2019	08/2019	09/2019	09/2021	
Total							

Source: The Howard Hughes Corporation



The subject property includes the land areas highlighted above as Area One, Area Two, Area Three and Area Four, as well as the highlighted public infrastructure improvements.

Based on the agreed-to Scope of Work as outlined in this report, the following opinions of value were developed:

Hypothetical Value Conclusions

Appraisal Premise	Project Component (completion, leasing status)	Real Property Interest	Date Of Value	Value Conclusion
Hypothetical Value 1 - With TIF; Assumes Merriweather One and Two are completed and stabilized and no other development				
Hypothetical Value	Merriweather One (completed, stabilized)	Fee Simple	June 20, 2017	$78,000,000
Hypothetical Value	Merriweather Two (completed, stabilized)	Fee Simple	June 20, 2017	$50,500,000
Hypothetical Value	Parcel 3OA (land)	Fee Simple	June 20, 2017	$10,700,000
Hypothetical Value	Parcel 3MFB (land)	Fee Simple	June 20, 2017	$17,200,000
Hypothetical Value	Excess Land	Fee Simple	June 20, 2017	$94,300,000
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$250,700,000**
Hypothetical Value 2 - With TIF; Merriweather One and Two completed and stabilized, Building 3OA is completed and 46.8% leased, and no other development				
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$342,800,000**
Hypothetical Value 3 - With TIF; Merriweather One and Two completed and stabilized, Building 3OA is completed and 46.8% leased, Building 3MFB is completed and 27.5% leased, and no other development				
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$455,000,000**

Market Value Conclusions

Appraisal Premise	Project Component (completion, leasing status)	Real Property Interest	Date Of Value	Value Conclusion
Prospective Market Value - With TIF; Merriweather One and Merriweather Two completed and stabilized, Building 3OA completed and 46.8% leased and Building 3MBF completed and 27.5% leased and no other development				
Prospective Market Value	Merriweather One (completed, stabilized)	Fee Simple	July 31, 2019	$87,600,000
Prospective Market Value	Merriweather Two (completed, stabilized)	Fee Simple	July 31, 2019	$49,700,000
Prospective Market Value	Building 3OA (completed, 46.8% leased)	Fee Simple	July 31, 2019	$114,000,000
Prospective Market Value	Building 3MFB (completed, 27.5% leased)	Fee Simple	July 31, 2019	$143,400,000
Prospective Market Value	Excess Land	Fee Simple	July 31, 2019	$102,000,000
Prospective Market Value	**Aggregate Value**	**Fee Simple**	**July 31, 2019**	**$496,700,000**
Market Value As Is - With no TIF; Merriweather One completed and 58.5% leased, Merriweather Two under construction and 59.3% pre-leased, no other development				
Market Value As-Is	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$176,900,000**

The value opinions in this report are qualified by certain assumptions, limiting conditions, certifications, and definitions, as well as the following extraordinary assumptions and hypothetical conditions.

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

The prospective market value estimates presented in this report are based upon market participant attitudes and perceptions existing as of the effective date of this appraisal (June 20, 2017). We assume no material change in overall market conditions between the date of this appraisal and prospective value dates, which were set by the Client, except for those identified within this report.

We assume the subject's project components will be completed within the time frames and for the costs and in the manner as presented in this report.

We assume each project component can be legally subdivided without any undue cost or delay, and will be entitled for the proposed development as described in this report.

For purposes of this analysis in estimating the requested prospective market values and hypothetical values upon completion of public improvements as presented in this report, we assume that County TIF bonds will fund most of the planned public infrastructure needed to support the proposed development as described in this report.

Per the client's request, for purposes of this analysis in estimating the Market Value As-Is, we have assumed the subject will not receive TIF to fund the planned public improvements for the proposed development.

Per the client's request, we considered the analysis by MuniCap, Inc. regarding whether projected special taxes will be required to cover debt service for the TIF bonds. The analysis results indicates there will be no special taxes required over the analysis period as real estate taxes from assessed property will cover the TIF Bond debt service.

Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

We have been asked to appraise the subject property in fee simple interest. Although there are leases in-place, the details thereof have been deemed confidential by ownership and are not reflected in our valuation. Our value conclusions are based upon the hypothetical condition that the property is held in fee simple interest and leased under market rents and terms. For analysis purposes, we have assumed the subject's in-place major leases are leased at market rents, with the remaining vacant space absorbed at market levels. Should these conditions vary, our value opinions may be impacted.

(1) The hypothetical market value of the Property as of the date of the appraisal, including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) no vertical construction of any other building, including neither Building 3OA nor Building 3MFB.

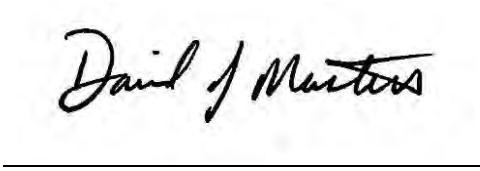
(2) The hypothetical market value of the Property as of the date of the appraisal (June 20, 2017), including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) Building 3OA is completed and 46.8 percent leased, completion of Phase 1A Public Improvements and related private infrastructure, (4) no vertical construction of any other building;

(3) The hypothetical market value of the Property as of the date of the appraisal, including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) Building 3OA is completed and 46.8 percent leased, (4) Building 3MFB is completed and 27.5 percent leased, (5) completion of Phase 1A Public Improvements and related private infrastructure, (6) no vertical construction of any other building;

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD OF MARYLAND, INC.



David J. Masters, MAI, FRICS
Senior Director, Valuation & Advisory
Maryland Certified General Appraiser
License No. 1512
david.masters@cushwake.com
(410) 685-9248 Office Direct

Summary of Salient Facts and Conclusions

BASIC INFORMATION	PROJECT SUMMARY
Common Property Name:	Crescent Special Taxing District
Address:	Southeast quadrant of Little Patuxent Parkway and Broken Land Parkway Columbia, Maryland 21044
Jurisdiction:	Howard County
Property Ownership Entity:	The Howard Hughes Corporation

SITE INFORMATION		
Land Area:	**Square Feet**	**Acres**
Total Land Area:	2,843,633	65.28
Site Shape:	Irregularly shaped	
Site Topography:	Gently rolling	
Frontage:	Good	
Site Utility:	Good	
Flood Zone Status:		
Flood Zone:	X and AE	
Flood Map Number:	240044 - 24027C0155D	
Flood Map Date:	November 6, 2013	

BUILDING INFORMATION				
Property Type (Overall Project):	Mixed-use development including office, apartment, hotel and retail uses totaling 4,782,500 square feet of gross building area within 20 buildings			
Property Name (Active Buildings):	**One Merriweather**	**Two Merriweather**	**Building 3OA**	**Building 3MFB**
Property Type (Project Component):	Office/Retail	Office/Retail	Office/Retail	Apartment/Retail
Gross Building Area:	217,783 SF	132,576 SF	340,233 SF	523,428 SF
Net Rentable Area:	208,181 SF	123,604 SF	320,811 SF	396,382 SF
Units:	N/A	N/A	N/A	382
Number of Buildings (Incl. Parking):	2	1	1	2
Number of Stories:	8	5	12	10
Actual Age (*Forecast Constr. Start):	New	Under Construction	11/1/2017*	11/1/2017*
Completion Date (*Forecast):	1/1/2017	11/30/2017*	3/31/2019*	6/30/2019*
Parking:				
Number of Parking Spaces:	669	458	1,333	10
Parking Type:	Garage	Garage	Garage	Garage

MUNICIPAL INFORMATION	
Assessment Information:	
Assessing Authority	State of Maryland, Howard County
Assessor's Parcel Identification	15-598795, 15-598796, 15-598797, 15-019921
Zoning Information:	
Municipality Governing Zoning	Howard County
Current Zoning	N-T (New Town)
Overlay Zones - Restrictions	Downtown Columbia Plan - Special Taxing District One
Is current use permitted?	Yes
Current Use Compliance	Complying use
Zoning Change Pending	No
Zoning Variance Applied For	No

HIGHEST & BEST USE

As Though Vacant:
A mixed-use development including office, retail, hotel, apartments and parking, built to the highest density possible when economic conditions justify speculative development or if substantial pre-leasing occurs.

As Improved:
An office use with ground level retail and supporting parking as is currently under construction, with future prospective development of the excess land for mixed-use development including office, retail, hotel, apartments and parking, built to the highest density possible when economic conditions justify speculative development or if substantial pre-leasing occurs.

TENANCY INFORMATION	As Is		
	One Merriweather	**Two Merriweather**	**Building 3OA**
Leased %:	58.5%	59.3%	46.8%
Leased (SF):	121,822	73,253	150,000
Current Number of Tenants:	3	1	1
Vacant Available (SF):	86,359	50,351	170,811
Number of Vacant Spaces:	8	6	10
Major Tenants:	**Area:**	**Lease Expires:**	
One Merriweather- MedStar Health	112,479 SF	12/31/2029	
Two Merriweather- Pearson PLC	73,253 SF	11/30/2028	
Building 3OA- Confidential	150,000 SF	10/31/2030	

VALUATION INDICES	Market Value As-Is	Prospective Market Value
VALUE DATE	**June 20, 2017**	**July 31, 2019**
Land Value		
One Merriweather	$8,700,000	$9,300,000
Two Merriweather	$5,300,000	$5,600,000
Building 3OA	$10,700,000	$11,400,000
Building 3MFB	$17,200,000	$18,300,000
COST APPROACH		
One Merriweather	$71,000,000	N/A
Two Merriweather	$22,400,000	N/A
Building 3OA	N/A	N/A
Building 3MFB	N/A	N/A
SALES COMPARISON APPROACH		
One Merriweather	N/A	$87,600,000
Two Merriweather	N/A	N/A
Building 3OA	N/A	N/A
Building 3MFB	N/A	N/A
INCOME CAPITALIZATION APPROACH		
Yield Capitalization		
One Merriweather		
Projection Period:	11 Years	10 Years
Holding Period:	10 Years	9 Years
Terminal Capitalization Rate:	6.75%	6.75%
Internal Rate of Return:	8.00%	7.50%
Indicated Value:	$69,500,000	$87,600,000
Per Square Foot (NRA):	$333.84	$420.79
Two Merriweather		
Projection Period:	N/A	11 Years
Holding Period:	N/A	10 Years
Terminal Capitalization Rate:	N/A	6.75%
Internal Rate of Return:	N/A	7.50%
Indicated Value:	N/A	$49,700,000
Per Square Foot (NRA):	N/A	$402.09
Building 3OA		
Projection Period:	N/A	12 Years
Holding Period:	N/A	11 Years
Terminal Capitalization Rate:	N/A	6.75%
Internal Rate of Return:	N/A	7.75%
Indicated Value:	N/A	$114,000,000
Per Square Foot (NRA):	N/A	$355.35
Direct Capitalization		
Building 3MFB		
Net Operating Income (stabilized):	N/A	$8,524,163
Capitalization Rate (Blended Apt./ Retail):	N/A	5.50%
Preliminary Value:	N/A	$154,984,788
LESS Lease-Up Costs	N/A	($11,623,213)
Indicated Value:	N/A	$143,361,575
Indicated Value Rounded:	N/A	$143,400,000
Per Unit	N/A	$366,492
Income Capitalization Approach		
One Merriweather	$69,500,000	$87,600,000
Two Merriweather	N/A	$49,700,000
Building 3OA	N/A	$114,000,000
Building 3MFB	N/A	$143,400,000
EXCESS LAND VALUATION		
Excess Land - Office/Retail (Excl. Building 3OA)	$68,400,000	$72,800,000
Excess Land - Apt./Retail (Excl. Building 3MFB)	$45,200,000	$48,100,000
Excess Land - Hotel/Retail	$7,000,000	$7,400,000
Excess Land Valuation (Aggregate)	$120,600,000	$128,300,000
Less Remaining Costs of Public Improvements (Rounded)	($63,500,000)	($26,300,000)
Total Excess Land Valuation (Rounded)	$57,100,000	$102,000,000
FINAL VALUE CONCLUSIONS		
Real Property Interest:	Fee Simple	Fee Simple
One Merriweather:	$69,500,000	$87,600,000
Two Merriweather:	$22,400,000	$49,700,000
Building 3OA	$10,700,000	$114,000,000
Building 3MFB	$17,200,000	$143,400,000
Excless Land:	$57,100,000	$102,000,000
Concluded Aggregate Values:	**$176,900,000**	**$496,700,000**
EXPOSURE AND MARKETING TIME		
Exposure Time:	9 Months	
Marketing Time:	9 Months	

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

The prospective market value estimates presented in this report are based upon market participant attitudes and perceptions existing as of the effective date of this appraisal (June 20, 2017). We assume no material change in overall market conditions between the date of this appraisal and prospective value dates, which were set by the Client, except for those identified within this report.

We assume the subject's project components will be completed within the time frames and for the costs and in the manner as presented in this report.

We assume each project component can be legally subdivided without any undue cost or delay, and will be entitled for the proposed development as described in this report.

For purposes of this analysis in estimating the requested prospective market values and hypothetical values upon completion of public improvements as presented in this report, we assume that County TIF bonds will fund most of the planned public infrastructure needed to support the proposed development as described in this report.

Per the client's request, for purposes of this analysis in estimating the Market Value As-Is, we have assumed the subject will not receive TIF to fund the planned public improvements for the proposed development.

Per the client’s request, for purposes of this analysis in estimating the requested prospective market values and hypothetical values upon completion of public improvements, we considered the analysis by MuniCap, Inc. regarding projected special taxes required to cover debt service for the TIF bonds.

Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

We have been asked to appraise the subject property in fee simple interest. Although there are leases in-place, the details thereof have been deemed confidential by ownership and are not reflected in our valuation. Our value conclusions are based upon the hypothetical condition that the property is held in fee simple interest and leased under market rents and terms. For analysis purposes, we have assumed the subject's in-place major leases are leased at market rents, with the remaining vacant space absorbed at market levels. Should these conditions vary, our value opinions may be impacted.

(1) The hypothetical market value of the Property as of the date of the appraisal, including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) no vertical construction of any other building, including neither Building 3OA nor Building 3MFB.

(2) The hypothetical market value of the Property as of the date of the appraisal (June 20, 2017), including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) Building 3OA is completed and 46.8 percent leased, completion of Phase 1A Public Improvements and related private infrastructure, (4) no vertical construction of any other building;

(3) The hypothetical market value of the Property as of the date of the appraisal, including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) Building 3OA is completed and 46.8 percent leased, (4) Building 3MFB is completed and 27.5 percent leased, (5) completion of Phase 1A Public Improvements and related private infrastructure, (6) no vertical construction of any other building;

Property Photographs

AERIAL PHOTOGRAPH



Source: Owner- Aerial View north at the subject site and Downtown Columbia

AERIAL PHOTOGRAPH



Source: Owner- Aerial view northeast at the subject

VIEW SOUTHEAST AT ONE MERRIWEATHER FROM INTERSECTION OF LITTLE PATUXENT PARKWAY AND BROKEN LAND PARKWAY



VIEW SOUTHWEST AT THE ONE MERRIWEATHER AND TWO MERRIWEATHER



VIEW SOUTH AT TWO MERRIWEATHER UNDER CONSTRUCTION



VIEW NORTH AT AREA 1 GARAGE (LEFT) AND TWO MERRIWEATHER UNDER CONSTRUCTION AT RIGHT



VIEW NORTHEAST AT TWO MERRIWEATHER UNDER CONSTRUCTION



VIEW OF ONE MERRIWEATHER - SOUTHERN BUILDING ELEVATION



VIEW OF AREA 1 PARKING GARAGE



VIEW OF ONE MERRIWEATHER – NORTHERN ELEVATION



VIEW EAST AT AREA 2 PUBLIC IMPROVEMENT WORK



VIEW NORTH AT AREA 2 FROM BROKEN LAND PARKWAY



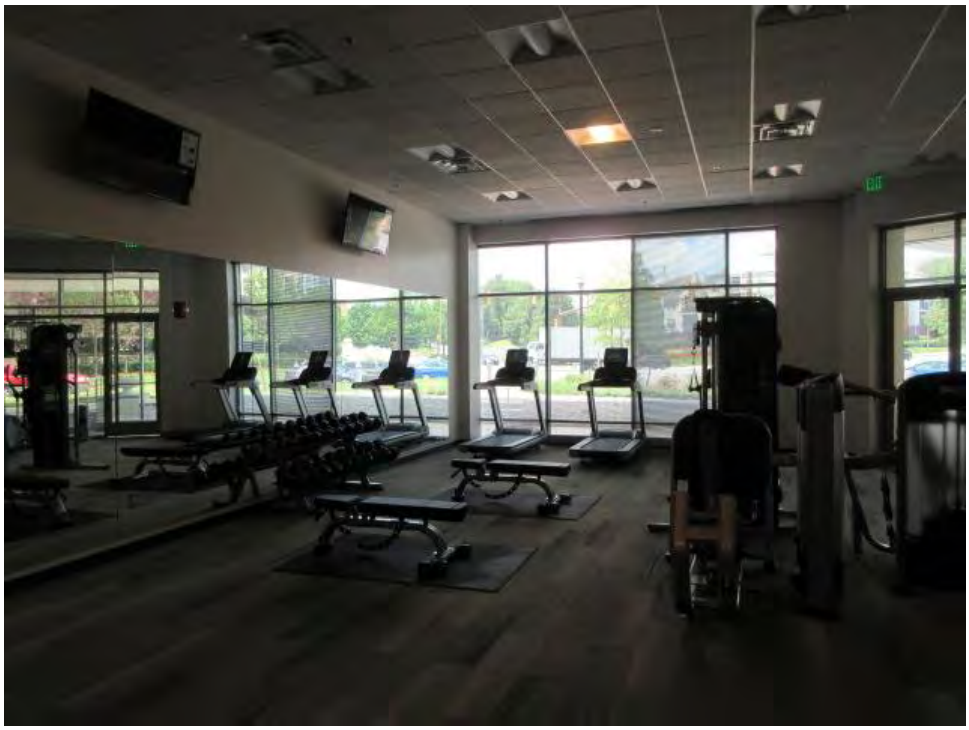
ONE MERRIWEATHER MAIN LOBBY



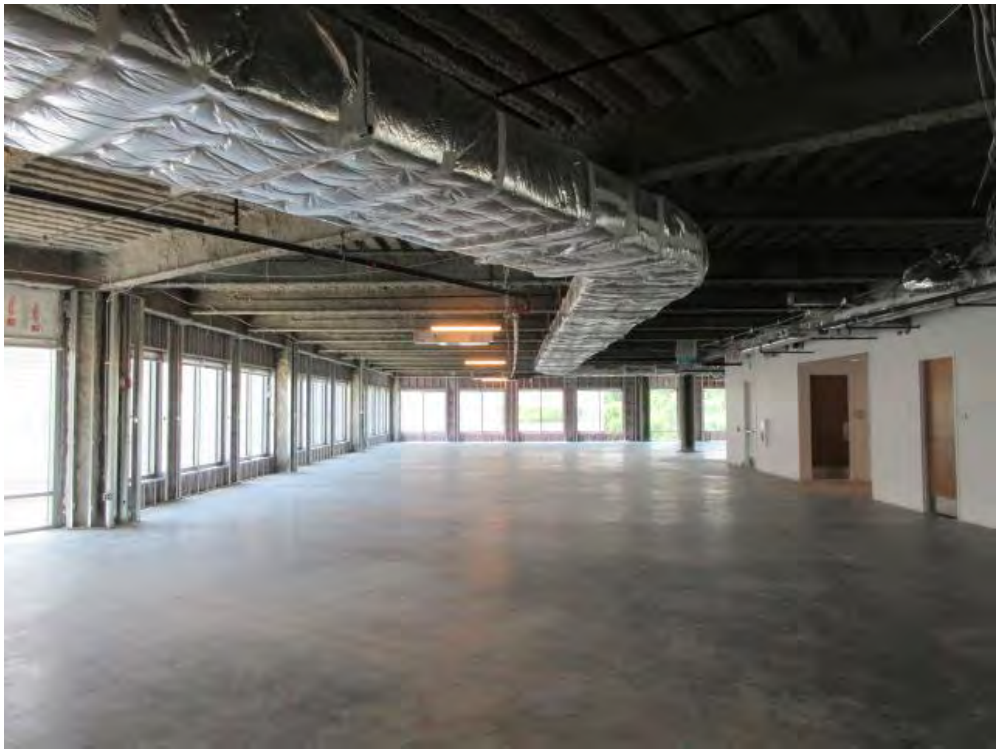
ONE MERRIWEATHER – OFFICE BUILDOUT UNDER CONSTRUCTION



ONE MERRIWEATHER – FUTURE FITNESS CENTER SPACE



ONE MERRIWEATHER – OFFICE SHELL SPACE



VIEW OF AREA 3



VIEW EAST AT AREA 4



AREA THREE RENDERING



Source: Owner

Table of Contents

Summary of Salient Facts and Conclusions 13
Property Photographs 17
Scope of Work....30
Overview 30
Report Option Description....31
Identification Of Property....31
Property Ownership And Recent History 34
Dates Of Inspection And Valuation 34
Client, Intended Use And Users Of The Appraisal 35
Regional Analysis....36
Baltimore Regional Overview....37
Demographic Trends....38
Economic Trends 40
Regional Analysis Conclusions....46
Local Area Analysis....47
Market Analysis....57
National Office Market Analysis 57
Baltimore Regional Office Market Analysis....67
Supply Analysis....70
Demand Analysis 75
Baltimore Regional Office Market Conclusions....76
Competitive Office Survey....77
Apartment Market Analysis 79
National Apartment Market Summary....86
Baltimore Apartment Market Overview 87
Competitive Apartment Properties Overview....95
Demographic Profile....105
Retail Market Analysis....112
Local Retail Market Overview 129
U.S. Lodging Industry Overview 135
Columbia Hotel Market....148
Property Analysis 149
Site Description 149
Improvements Description – Project Summary....157
Improvements Description – One Merriweather 160
Improvements Description – Two Merriweather 166
Improvements Description – Building 3OA (Proposed) 171
Improvements Description – Building 3MFB (Proposed)....177
Real Property Taxes And Assessments 183
Zoning 189
Valuation 191
Highest and Best Use 191
Valuation Process 194
Land Valuation 196
Office/Retail Land Valuation....197

Apartment/Retail Land Valuation 208
Hotel Land Valuation 215
Excess Land Valuation Conclusion 224
Cost Approach 227
Sales Comparison Approach – One Merriweather 236
Income Capitalization Approach 243
Income Capitalization Approach- Office/Retail Properties 244
Income Capitalization Approach- Apartment/Retail Project- Building 3MFB 293
Hypothetical Value Opinions 310
Reconciliation and Final Value Opinion 316
Assumptions and Limiting Conditions 320
Certification of Appraisal 322
Addenda Contents 323

Scope of Work

Overview

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report:

Research

- We inspected the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

This report is intended to comply with the reporting requirements outlined under USPAP for an Appraisal Report. The report was also prepared to comply with the requirements of the Code of Professional Ethics of the Appraisal Institute and in accordance with the *Uniform Standards of Professional Appraisal Practice* (USPAP).

Cushman & Wakefield of Maryland, Inc. has an internal Quality Control Oversight Program. This Program mandates a "second read" of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. For this assignment, Quality Control Oversight was provided by Lynda Gallagher, MAI.

This appraisal employs all three typical approaches to value: the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that all approaches should be considered meaningful and applicable in developing a credible value conclusion.

Report Option Description

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms “describe,” summarize,” and “state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- Describes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- Describes the Scope of Work used to develop the appraisal
- Describes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- Describes the rationale for the Highest and Best Use opinion

Identification Of Property

Common Property Name:	Crescent Special Taxing District
Address:	Southeast quadrant of Little Patuxent Parkway and Broken Land Parkway, Columbia, Howard County, Maryland 21044
Location:	The subject property is located at the southeast quadrant of Little Patuxent Parkway and Broken Land Parkway within the community of Columbia in Howard County, Maryland. Columbia is centrally located within the Baltimore-Washington Corridor, about 15 miles southwest of downtown Baltimore City and 22 miles northeast of Washington, D.C. The subject property is generally bounded by Little Patuxent Parkway on the north, Broken Land Parkway on the west, U.S. Route 29 Interchange #18 and Broken Land Parkway on the south and the Merriweather Post Pavilion and Symphony Woods (public park) to the east. The subject property was originally used in part as surface parking and open space supporting the adjoining Merriweather-Symphony Woods facilities.
Assessor's Parcel Numbers:	

Parcel Description	Parcel No.	Tax Map
One Merriweather (Project 1OA)	15-598795	Howard County Tax Map: 36, Grid: 1, Parcel: 532, Lot: A-1
Two Merriweather (Project 1OB)	15-598796	Howard County Tax Map: 36, Grid: 1, Parcel: 532, Lot: A-2
Parking Garage (Area 1)	15-598797	Howard County Tax Map: 36, Grid: 1, Parcel: 532, Lot: A-3
Excess Land	15-019921	Howard County Tax Map: 36, Grid: 1, Parcel: 527

Legal Description:	The legal description and site survey provided by the client are presented in the Addenda of this report.

Property Overview:

The subject property, referred as the Crescent Special Taxing District, is part of a planned high-density mixed-use development area designated by Howard County legislation approved in 2010 as the “Downtown Columbia Plan.” The Downtown Columbia Plan, and amended Howard County General Plan entitled “Plan Howard 2030”, identifies The Crescent area as one of six neighborhoods in Downtown Columbia approved for redevelopment with a mix of high-density uses including residential, office, retail, hotel, civic and cultural uses.

The first phase of the Downtown Columbia Plan was approved by the Howard County Planning Board. The subject property contains four planning areas as summarized by the exhibit presented at the end of this section. Area 1 is located at the northwest corner of the site, at the southeast quadrant of Little Patuxent Parkway and Broken Land Parkway. Area 1 is planned to comprise of three office buildings totaling 673,159 square feet of GBA, including 621,027 square feet of office space and 52,132 square feet of street-level retail space. Area 1 has recently been improved with a 9-level above-grade structured parking garage containing 1,127 spaces. The parking garage spaces will be allocated for tenant use occupying space within the first two office buildings to be completed within Area 1. In addition, the parking garage may be used by visitors of Merriweather Post Pavilion events, which may generate transient parking revenue.

One Merriweather: The first office building, referred to as One Merriweather, was completed as of January 1, 2017. MedStar Health, a non-profit, community-based healthcare system serving the Baltimore-Washington, D.C. region, leased 112,479 square feet of the rentable building area (54.0 percent) of this 8-story, 208,181 square foot (net rentable area) building. The lease commenced as of January 1, 2017 for a 13-year term. The building includes 9,343 square feet of street-level retail space, which has been leased to two tenants including a restaurant and a deli. The building was constructed to achieve LEED® “Silver” certification through the Leadership in Energy and Environmental Design (LEED) program of the U.S. Green Building Council for its core and shell. The building also features a fitness center and outdoor restaurant seating area

Two Merriweather: The second office building within Area 1 known as Two Merriweather is currently under construction. This 5-story, 123,604 square foot (net rentable area) building is scheduled for shell completion in August 2017. Major tenant Connections Education LLC, a wholly-owned subsidiary of Pearson PLC (NYSE: PSO), has pre-leased 73,253 square feet of the building (59.3 percent). The lease is scheduled to commence upon completion of the building and tenant buildout by December 1, 2017. The fifth floor office space containing 23,809 square feet remains available for lease. The remaining 26,542 square feet of available space on the first floor and concourse level are being marketed for lease to retail tenants.

Building 3OA: The third office building planned for development is referred to as Building 3OA, which is located within Area 3 of the development. The planned development will include a 12-story office building with 307,678 square feet of office space and 13,133 square feet of retail space on the first floor and a concourse level. The development also includes an adjacent structured parking

garage, which will be developed in two phases. The first phase supporting Building 3OA will contain 1,333 parking spaces +/-, which will be a private garage funded by the developer. The second phase of the planned garage will add about 667 spaces supporting adjacent planned uses for a total of 2,000 spaces. The owner has reported in negotiations with an anchor tenant (confidential) to lease 150,000 square feet of the office space, which reflects approximately 46.8 percent of the building. The owner plans to break ground as of November 1, 2017 with shell completion of the office/retail space and parking garage by March 31, 2019. Interior buildout of the common area core and anchor tenant space is estimated by July 31, 2019.

Building 3MFB: The subject's first planned apartment building within the development is referred to as Building 3MFB located within Area 3. The mixed-use apartment/retail building will include 382 apartment units with a total net rentable area of 339,763 square feet improved on seven levels. Project amenities include an interior courtyard with pool, fitness center, yoga studio, music studio, game lounge, enclosed parking and on-site leasing and management office. Unit amenities will include balcony / patio, cable TV, fully equipped kitchens with stainless steel appliances, granite countertops, dishwasher, microwave, washer and dryer, walk-in closets and mini blinds. The unit mix will include 42 studio units (594 square feet average), 214 1BR/1BA units (735 square feet average), 24 1BR/1BA Den units (878 square feet average), 2BR/2BA units (78 units, 1,164 square feet average) and 48 3BR/2BA units (1,391 square feet average). The complex will also include 56,619 square feet of retail space. The developer plans to break ground in November 2017 with first apartment tenant occupancy by February 1, 2019, retail completion by April 1, 2019 and apartment completion by June 30, 2019.

Public Improvements: The Downtown Columbia Plan includes specific recommendations for development of a new street framework, including new major collector roadways and other public improvements in The Crescent neighborhood. These new major collectors will provide direct access to the subject's planned development components. The new roads will also provide alternative access to/from U.S. Route 29 facilitating access to The Crescent development and the rest of Downtown Columbia. In addition, The Crescent will be improved with a privately financed public parking garage and a second garage supporting civic and cultural facilities in The Crescent neighborhood including a new public library containing 95,000 square feet, an EMT Rapid Fire Station and a refurbished Merriweather Post Pavilion.

Property Ownership And Recent History

Current Ownership:

The Howard Hughes Corporation controls the subject property. The ownership entity for each of the subject's parcels is reflected by the following table.

Parcel Description	Parcel No.	Ownership Entity
One Merriweather (Project 1OA)	15-598795	Crescent Area 1-A Holdings LLC
Two Merriweather (Project 1OB)	15-598796	Crescent Area 1-B Holdings LLC
Parking Garage (Area 1)	15-598797	Crescent Area 1 Parking Deck 1 LLC
Excess Land	15-019921	The Howard Research and Development Corporation c/o The Howard Hughes Corporation

Sale History:

To the best of our knowledge, the property has not transferred within the past three years. The subject was originally owned by the Howard Research and Development Corporation, a subsidiary of The Rouse Company, which assembled the property as part of 14,000 acres +/- acquired in the early 1960s to develop the planned community of Columbia. The Rouse Company was acquired by General Growth Properties (GGP) in 2004, which later filed for bankruptcy protection. When GGP emerged from bankruptcy in 2010, GGP retained control of the regional shopping centers that The Rouse Company built, and The Howard Hughes Corporation assumed control of its planned communities and certain other properties including the subject.

Current Disposition:

To the best of our knowledge, the property is not under contract of sale nor is it being marketed for sale.

Dates Of Inspection And Valuation

Market Value As-Is Date:

June 20, 2017 - The subject property is currently being improved with site improvements that will support future development of The Crescent area including roads, walkways, intersection improvements, wetland mitigation and restoration and utilities. Per the client's request, we provide an As-Is market value opinion, which excludes tax increment financing (TIF) to fund the planned public improvements for the proposed development. The As Is Value opinion assumes the developer would fund the costs of the public improvements required to support the proposed development. The estimated budgeted costs for public improvements reported is $80,844,611, of which the owner reports they have spent $13,594,446 as of the effective date of this appraisal. Based on our analysis and discussions with market participants, the owner's monies spent to date for public improvement costs is reflected in the As Is Value opinion. The estimated remaining costs to complete the public improvements required to support the proposed development equates to $63,500,000, rounded, which is considered in determining the excess land valuation.

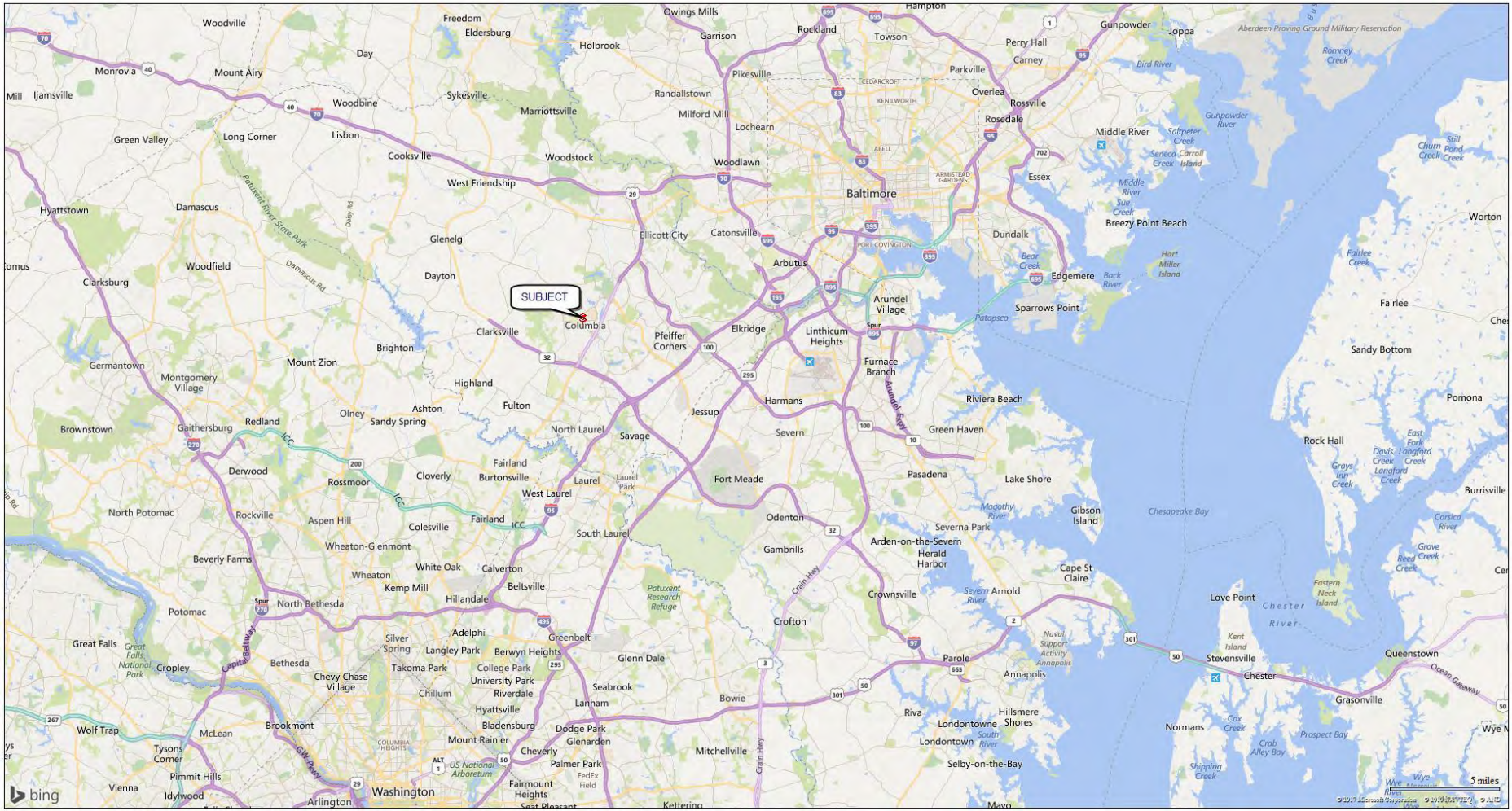
Prospective Market Value Date:	July 31, 2019- Per the client's request, we provide a prospective market value of the Property as of July 31, 2019, including component values for each completed building and the remaining excess land, assuming: 1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, 2) completion of Merriweather One, Merriweather Two, Building 3OA, Building 3MFB, Phase 1A Public Improvements and related private infrastructure, 3) no vertical construction of any other building, 4) stabilized occupancy of Merriweather One and Merriweather Two, and 5) occupancy by an anchor tenant for 150,000 square feet of office space in Building 3OA.
Hypothetical Values Date:	June 20, 2017
Date of Last Inspection:	June 20, 2017
Property Inspected by:	David J. Masters, MAI, FRICS

Client, Intended Use And Users Of The Appraisal

Client:	Stifel, Nicolaus & Company, Inc.
Intended Uses:	The purpose ("Intended Use") of this appraisal will be for inclusion in a preliminary limited offering memorandum ("PLOM") or limited offering memorandum ("LOM") for the issuance of tax increment/special tax bonds (the "Bonds") to be issued by Howard County for the purpose of financing certain Public Improvements, as described below. Incremental County property taxes will be used to repay the Bonds. If these tax revenues are insufficient to meet the debt service requirements on the Bonds, the property owners will be responsible for the payment of special taxes in the amount of the deficiency. The LOM will be provided to Accredited Investors or Qualified Institutional Buyers who are potential buyers of the Bonds, and the appraisal will provide the investors with information on the property and its estimated value.
Intended Users:	The appraisal will be prepared for Stifel, Nicolaus & Company, Incorporated (the "Client"). In addition to the Client, intended users include The Howard Research And Development Corporation, Howard County and buyers of the Bonds that are (with the Client, collectively, "Intended Users").

Regional Analysis

REGIONAL MAP

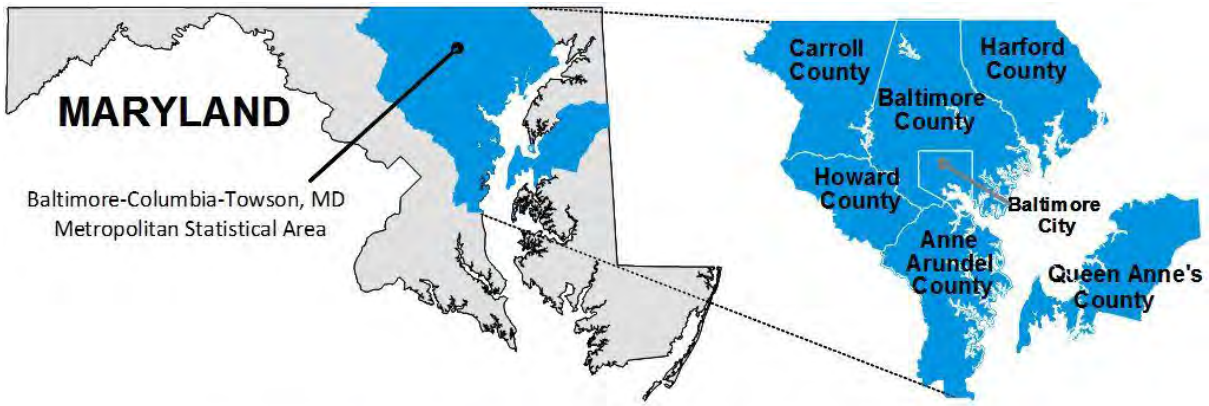


Baltimore Regional Overview

Introduction

The subject is located in Howard County, which is part of the Baltimore-Columbia-Towson Metropolitan Statistical Area (MSA), which is commonly known as the Baltimore MSA. The U.S. Census Bureau defines the Baltimore MSA by the following map:

BALTIMORE – COLUMBIA – TOWSON
METROPOLITAN STATISTICAL AREA (MSA)



Source: Cushman & Wakefield Valuation & Advisory

The Baltimore MSA encompasses about 2,600 square miles and consists of Baltimore City and the six surrounding counties of Anne Arundel, Baltimore, Carroll, Harford, Howard and Queen Anne's. The Baltimore region benefits from its proximity to Washington, D.C., the nation's capital, which is located about 39 miles southwest of downtown Baltimore City. The Baltimore MSA is part of the U.S. Census' Washington-Baltimore-Arlington Combined Statistical Area (CSA). This megalopolis is the nation's fourth largest consumer market with an estimated population of more than 9.6 million.

Baltimore has historically been an important port and rail transportation hub for the Mid-Atlantic region, as its central location along the eastern seaboard, with access to all of the east coast's major distribution routes, makes it highly appealing to distribution and manufacturing companies. The region also benefits from its proximity and convenient access to the Chesapeake Bay and the Atlantic Ocean. The Port of Baltimore is one of the busiest deep-water ports along the East Coast.

The presence of three major Federal government military installations, as well as its proximity to Washington, D.C., are demand generators for Federal government agencies and government contractors to locate in the region. In addition, major universities and healthcare systems provide a stable employment base in the greater Baltimore Region.

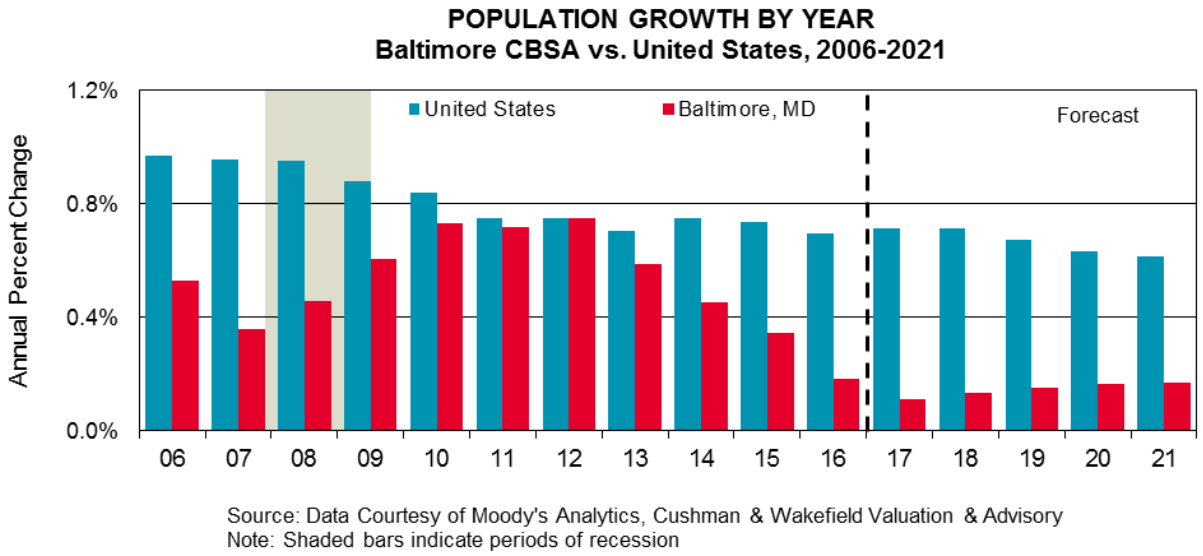
The private and public sectors have directed significant investment into Baltimore City over the past three decades, which has spurred revitalization of the region's urban core. As a result, Baltimore City has become the financial, legal, corporate and political center of Maryland, while maintaining its status as an important port, educational and cultural center. The revitalization of Baltimore City has stabilized the out-migration of population and households from Baltimore City to surrounding suburban communities, which has encouraged new multifamily housing and retail development in downtown Baltimore.

Demographic Trends

Population

The Baltimore MSA is the twenty-first largest metropolitan statistical areas in the United States with an estimated population of approximately 2.8 million. From 2006 through 2016, the region's compound annual population growth rate was estimated to be 0.5 percent, which was about 30 basis points below the national per annum growth rate of 0.8 percent over the same time. The region's population growth is projected to decelerate slightly over the next five years, with a compound annual growth rate of 0.2 percent through 2021.

The following tables illustrate the population trends in the Baltimore region:



Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

Population Trends

	Year-End 2006	Year-End 2016	Forecast Year-End 2017	Forecast Year-End 2021	Compound Annual Growth Rate 2006-2016	Compound Annual Growth Rate 2017-2021
United States	**298,379,912**	**323,127,513**	**325,432,522**	**334,075,925**	**0.8%**	**0.7%**
Maryland	**5,627,367**	**6,016,447**	**6,036,839**	**6,139,768**	**0.7%**	**0.4%**
Baltimore-Towson MSA	**2,658,162**	**2,798,886**	**2,802,000**	**2,819,364**	**0.5%**	**0.2%**
Anne Arundel County	517,698	568,346	571,121	582,971	0.9%	0.5%
Baltimore County	793,733	831,026	831,762	836,532	0.5%	0.1%
Carroll County	166,950	167,656	167,055	165,431	0.0%	-0.2%
Harford County	241,163	251,032	251,044	251,479	0.4%	0.0%
Howard County	271,793	317,233	320,789	335,319	1.6%	1.1%
Queen Anne's County	45,716	48,929	48,926	48,958	0.7%	0.0%
Baltimore City	621,109	614,664	611,302	598,672	-0.1%	-0.5%

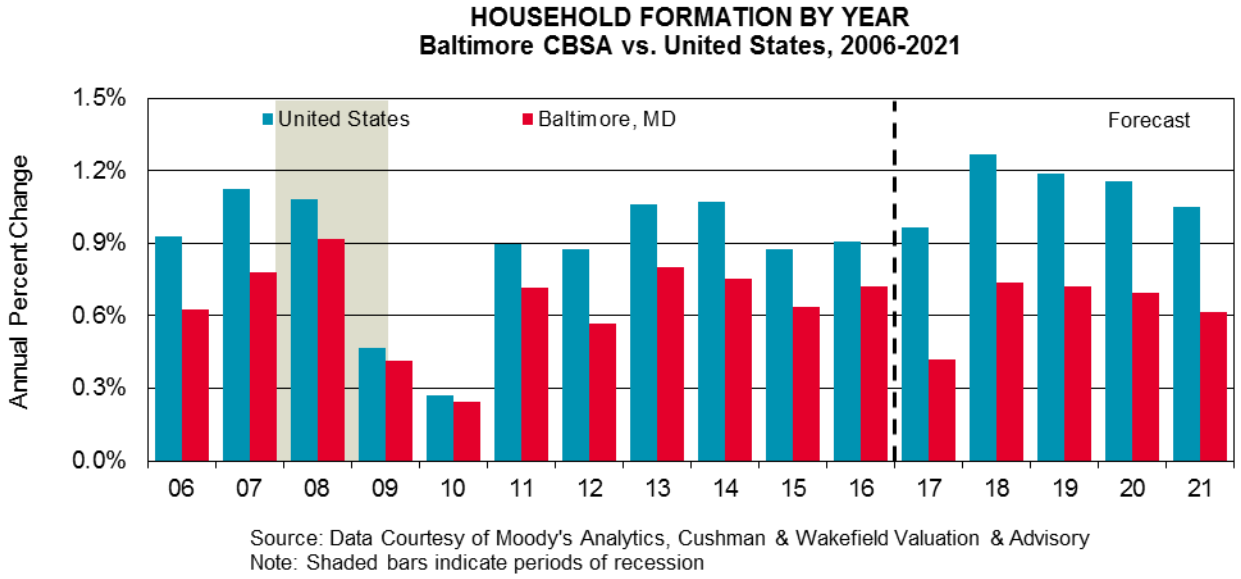
Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Over the past decade, the majority of the region's population growth occurred in suburban areas including Howard, Anne Arundel and Queen Anne's Counties. Baltimore City's population decreased slightly over the same timeframe, and is forecast for continued modest annual declines over the next five years. Continued efforts to revitalize the urban core have helped to slow down out-migration from Baltimore City. Going forward, the Baltimore MSA's most significant population growth will continue to be in the suburban areas of Howard County and Anne Arundel County.

Household Formation

The Baltimore MSA has approximately 1.1 million households. The region experienced a compound annual household growth rate of 0.7 percent from 2006 to 2016 and is projected to grow at an average of 0.7 percent annually through 2021. The parts of the region that have experienced the strongest migration trends portray the healthiest household formation rate as well. As such, Howard, Queen Anne's and Anne Arundel Counties' household formation growth rate outpaced the rest of the region over the past ten years. This trend is expected to continue over the next five years, with Baltimore and Harford Counties also experiencing healthy growth over that time. On the other hand, Baltimore City is forecast to remain relatively unchanged over the next five years. The forecast increase will be primarily driven by retirees, empty nesters and young professionals who prefer new multifamily developments with all of the amenities of an urban environment. This has spurred new apartment construction in Baltimore City.

The following tables illustrate the household formation trends in the Baltimore region:



Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

Household Formation Trends

	Year-End 2006	Year-End 2016	Forecast Year-End 2017	Forecast Year-End 2021	Compound Annual Growth Rate 2006-2016	Compound Annual Growth Rate 2017-2021
United States	**112,629,751**	**123,881,389**	**125,077,116**	**131,002,118**	**1.0%**	**1.2%**
Maryland	**2,090,385**	**2,269,201**	**2,284,075**	**2,371,659**	**0.8%**	**0.9%**
Baltimore-Towson MSA	**1,011,323**	**1,086,225**	**1,090,766**	**1,121,275**	**0.7%**	**0.7%**
Anne Arundel County	189,999	213,335	215,092	224,614	1.2%	1.1%
Baltimore County	312,297	329,724	331,062	340,232	0.5%	0.7%
Carroll County	58,429	61,107	61,097	61,938	0.4%	0.3%
Harford County	87,428	94,182	94,501	96,847	0.7%	0.6%
Howard County	97,859	115,453	117,148	125,362	1.7%	1.7%
Queen Anne's County	16,942	18,541	18,601	19,038	0.9%	0.6%
Baltimore City	248,367	253,884	253,265	253,243	0.2%	0.0%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Household Income

Over the past decade, the Baltimore MSA consistently recorded a median household income that was above the national average, however, lagged slightly behind the median income of the State of Maryland. According to Moody's Analytics, the median income for households in the Baltimore MSA was $74,952 as of year-end 2016, which is $17,738, or 31.0 percent, higher than the national average. Over the next five years, the region's median household income is projected to increase by a compound annual rate of 3.1 percent, which is on par with the national growth rate.

The following table illustrates the latest data available for historic and projected median household income trends for the United States, Maryland, the Baltimore MSA and local jurisdictions:

Median Household Income Trends

	Year-End 2006	Year-End 2016	Forecast Year-End 2017	Forecast Year-End 2021	Compound Annual Growth Rate 2006-2016	Compound Annual Growth Rate 2017-2021
United States	**$48,451**	**$57,214**	**$58,939**	**$66,601**	**1.7%**	**3.1%**
Maryland	**$65,144**	**$78,412**	**$80,518**	**$90,508**	**1.9%**	**3.0%**
Baltimore-Towson MSA	**$60,719**	**$74,952**	**$76,900**	**$86,766**	**2.1%**	**3.1%**
Anne Arundel County	$79,510	$93,502	$95,963	$107,986	1.6%	3.0%
Baltimore County	$61,246	$70,816	$72,557	$80,328	1.5%	2.6%
Carroll County	$77,455	$87,686	$89,985	$103,003	1.2%	3.4%
Harford County	$70,175	$79,804	$82,280	$93,918	1.3%	3.4%
Howard County	$96,284	$113,340	$116,577	$128,569	1.6%	2.5%
Queen Anne's County	$71,939	$91,641	$93,510	$106,510	2.5%	3.3%
Baltimore City	$36,095	$46,756	$47,715	$55,363	2.6%	3.8%

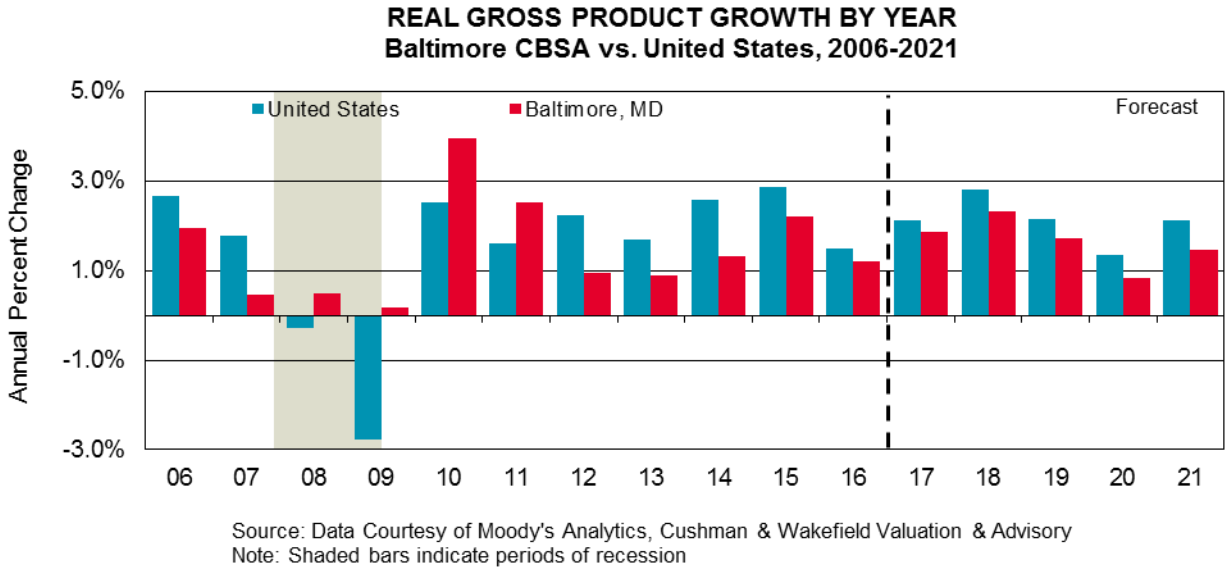
Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Economic Trends

Gross Metro Product

From 2006 through year-end 2016, Baltimore's Gross Metro Product (GMP) increased at a compound annual growth rate of 1.4 percent, which was in line with the nation's GDP growth rate over the same time frame. Baltimore's GMP increased slightly by 0.2 percent in 2009, which was during the height of the economic recession. The region fared better than the nation during this period, which saw GDP fall by roughly 2.8 percent over the same time. More recently, due to persisting political and economic uncertainty, the region's GMP slowed down in 2013, increasing by 0.9 percent at that time. The GMP subsequently increased by 1.3 percent in 2014 and by 2.2 percent in 2015. Furthermore, the region's GMP is forecast to increase by 1.8 percent in 2017 as the regional and national economies continue to pick up steam. Overall, over the next five years Baltimore's economic growth is expected to remain healthy, with a projected per annum GMP growth rate of 1.6 percent.

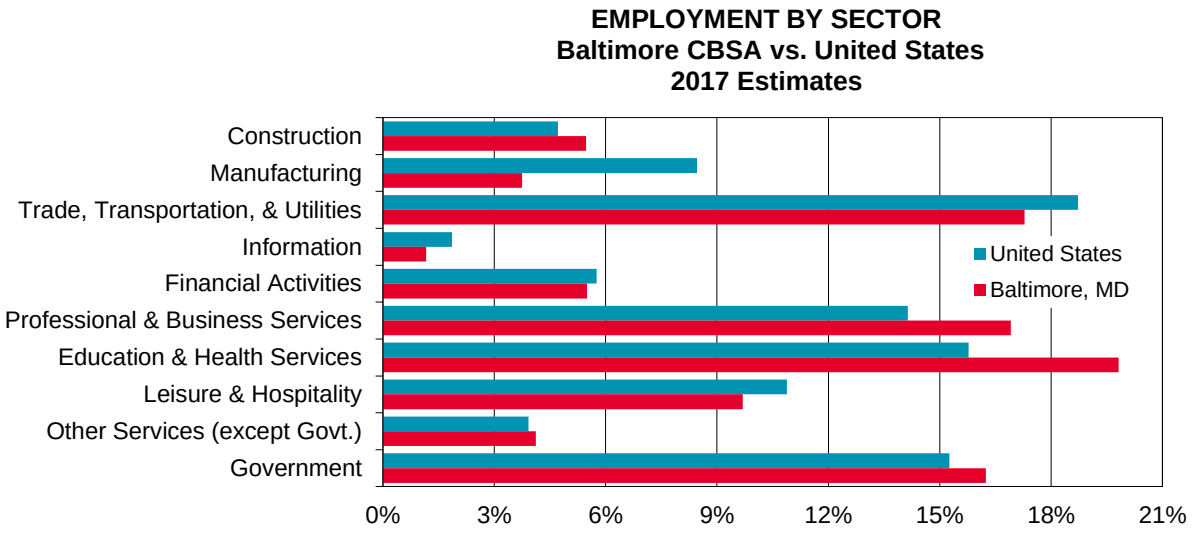
The following graph compares historical and projected GMP growth by year for the Baltimore MSA to the historical and projected GDP growth for the United States:



Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

Employment Distribution

The Baltimore region has undergone a difficult transition from being a historically manufacturing-based economy to one centered on service-providing industries. Today, the economy is comprised of multiple industries, which make up a broad employment base that spans sectors such as construction, education, health care, utilities and professional services. The industries with the largest share of employment are the Education & Health Services, Trade, Transportation, & Utilities, Government, and Professional & Business Services industries, which represent a combined employment share of 69.3 percent as of second quarter-end 2017. The following graph compares non-farm employment sectors for the Washington, D.C. MSA and the U.S. as a whole:



Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

The following table reflects recent non-farm employment trends by industry group in the Baltimore MSA:

Employment Trends By Industry Group - Baltimore MSA				
Averages During Period:	**Year-End 2016**		**Year-End 2015**	
Employment Sector	**Nos.**	**% Total**	**Nos.**	**% Total**
Natural Resources and Mining, & Construction	77,554	5.6%	74,669	4.0%
Manufacturing	53,708	3.8%	53,751	3.9%
Total Goods Producing Employment:	**131,262**	**9.4%**	**128,420**	**9.3%**
Trade, Transportation and Utilities	246,061	17.6%	243,555	17.7%
Information and Telecommunications	16,641	1.2%	16,684	1.2%
Financial Activities	79,388	5.7%	78,451	5.7%
Professional and Business Services	231,619	16.6%	225,717	16.4%
Educational and Health Services	271,121	19.4%	265,212	19.3%
Leisure and Hospitality	135,418	9.7%	133,967	9.7%
Other Services	57,519	4.1%	56,432	4.1%
Government Sector	227,438	16.3%	228,621	16.6%
Total Service-Providing Employment:	**1,265,205**	**90.6%**	**1,248,638**	**90.7%**
Total Non-Agricultural Employment:	**1,396,467**	**100.0%**	**1,377,058**	**100%**

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Manufacturing was once a dominant industry in the local economy and accounted for roughly 20.0 percent of region's employment as recently as 1975. Centered on the Port of Baltimore, shipping and steel manufacturers were among the area's major economic activities. However, redirection of the national economy caused many manufacturing companies in Baltimore, such as Bethlehem Steel, General Motors and Maryland Dry Dock, to contract. Consequently, manufacturing jobs decreased to an employment share of less than 10.0 percent of the local workforce by 1995. At the close of second quarter 2017, manufacturing employment represented only 3.8 percent of the region's employment and is forecast to contract over the next five years.

Today, Baltimore's regional economy is diverse and the private sector has shifted towards service, trade and technology-based employment. Although the manufacturing industry still maintains a presence in the region, high-tech contractors, educational institutions, public utilities, retailers and financial institutions have become the main economic drivers. The Government Sector is also vital to the region, due in large part to its proximity to Washington, D.C., and accounted for about 16.3 percent of the region's total employment at the end of second quarter 2017. It also generates a significant amount of employment in the private sector by way of government contractors and services that support government agencies. The heavy presence of the federal government is mainly positive for the region, as it helps stabilize employment and economic growth. Employment growth in the government sector may be limited in the future due to budgetary constraints from continued high federal government debt levels.

Educational & Health Services: Noted for its research universities and medical institutions, the Baltimore MSA is home to twenty-two 4-year and seven 2-year enrollment colleges, including the University of Maryland-Baltimore and Johns Hopkins University. As a result, the medical field has a significant impact on the area's economy. At second quarter-end 2017, the Education and Health Services industry represented 19.8 percent of the region's total employment. Several of the region's largest private employers are a part of the industry including the Johns Hopkins University and Bayview Medical Center, the University of Maryland Medical Center, and MedStar Health.

Recreation & Tourism Industries: Baltimore prides itself on its revitalized downtown that features an array of attractions, which has transformed the city's earlier image as an industrial seaport town into a bustling tourist center. Tourist attractions in the Baltimore area include the Inner Harbor, National Aquarium, Maryland Science Center, Arundel Mills Mall, Baltimore Zoo, Baltimore Ravens (NFL), Baltimore Orioles (MLB) at Camden Yards, three casinos (Maryland Live! at Arundel Mills Mall, Horseshoe Casino in Baltimore City, and the Hollywood Casino in Perryville), passenger cruises at the Port of Baltimore, and historic communities in Baltimore City including Little Italy, Fells Point, Federal Hill, Canton and Mount Vernon. The Leisure and Hospitality industry represents nearly 9.7 percent of the region's employment base and has continued to display strong employment growth.

Major Employers

There are three major Federal Government military installations in the Baltimore region – Fort George G. Meade in Anne Arundel County, the U.S. Army Aberdeen Proving Ground in Harford County, and the U.S. Naval Academy in the City of Annapolis. In addition, the National Security Agency (NSA) government intelligence complex is located adjacent to Fort Meade. The U.S. Department of Defense Base Realignment and Closing (BRAC) plan relocated about 19,000 military jobs to five Maryland military installations as part of the realignment, mostly from New Jersey and Northern Virginia, which was completed as of September 2011. The Baltimore region absorbed the largest number of military jobs, adding about 8,200 jobs to the Aberdeen Proving Ground and 5,700 jobs to Fort Meade. The state added additional new jobs as a result of BRAC including defense contractors and supporting businesses. The BRAC realignment has resulted in about $4.0 billion in new complexes and infrastructure at Maryland's military facilities, and has supported new residential and commercial construction proximate to each military installation. Although the total number of NSA employees is classified, an estimated 8,300 new jobs were added to the NSA complex through 2016 to support a new U.S. Cyber Command Center at Fort Meade.

The following table reflects the largest employers in the Baltimore region:

Largest Employers
Baltimore-Columbia-Towson MSA

Employer	Employment Sector	No. of Regional Employees
Fort George G. Meade/ National Security Agency	Fed. Govt. – Military Installation	54,000
Johns Hopkins University	Education and Health Services	27,095
Aberdeen Proving Ground (U.S. Army)	Fed. Govt. – Military Installation	22,797
University System of Maryland	Education and Health Services	22,533
Johns Hopkins Health System	Education and Health Services	22,290
U.S. Social Security Administration	Government Agency	14,351
MedStar Health	Education and Health Services	12,385
Northrop Grumman Corp.	Defense and Technology	10,400
LifeBridge Health	Education and Health Services	10,104
Wal-Mart Stores Inc.	Retail Trade	7,500
Giant Food Stores LLC	Retail Trade	5,357
Mercy Health Services	Education and Health Services	5,015
Exelon Corporation	Energy	4,811
T. Rowe Price Associates Inc.	Professional and Business Services	4,806
Sheppard Pratt Health System	Education and Health Services	4,647
Amazon	Retail Trade	4,500
Anne Arundel Health System	Education and Health Services	4,000
Abacus Corp.	Professional and Business Services	3,850
Under Armour, Inc.	Retail Trade	3,700
UnitedHealthcare	Education and Health Services	3,668

Sources: Guide to Military Installations, 2017 Baltimore Business Journal, and Cushman & Wakefield Valuation & Advisory

The Baltimore region is home to about 71,858 businesses, of which about 1,755 employ 100 or more workers. The following reflects a summary of the total number of businesses by jurisdiction in the Baltimore region:

Number of Businesses - Baltimore-Towson MSA			
	No. of Employers	Avg. Annual Employment	No. of Businesses with 100 or more workers
Baltimore-Towson MSA	**71,858**	**1,309,632**	**1,755**
Anne Arundel County	15,207	267,123	355
Baltimore City	13,780	337,533	420
Baltimore County	21,398	373,120	524
Carroll County	4,580	57,783	66
Harford County	5,848	91,376	104
Howard County	10,073	167,909	278
Queen Anne's County	1,470	14,788	8

Source: Maryland Department of Labor, Licensing and Regulation, 2016, Maryland Department of Business & Economic Development, 2016, U.S. Census Bureau, 2015

Employment Trends

Employment trends in the Baltimore region are reflected in the following table (most recent data available):

Employment Trends - Baltimore-Towson MSA							
Year:	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017 YTD**
Labor Force*	1,452,396	1,472,207	1,475,997	1,455,461	1,472,176	1,482,654	1,497,803
Employed Residents*	1,341,865	1,366,153	1,375,145	1,366,206	1,392,698	1,415,598	1,432,256
Unemployment*	110,531	106,054	100,852	89,255	79,478	67,056	65,190
% Unemployed*	7.61%	7.20%	6.83%	6.13%	5.40%	4.52%	4.35%
Average Jobs By Place of Work**	1,292,600	1,314,700	1,332,900	1,344,100	1,364,933	1,377,558	1,400,067
Average No. of Jobs Change**	20,000	22,100	18,200	11,200	20,833	33,458	22,508
Average % of Jobs Change**	1.57%	1.71%	1.38%	0.84%	1.55%	2.49%	1.63%

Source: Bureau of Labor Statistics - *Data reflects average annual rates **Nonfarm Jobs - Not seasonally adjusted
YTD- Average year-to-date through June 2017

The Bureau of Labor Statistics (BLS) produces monthly estimates of total employment and unemployment of residents of a given area, commonly known as the Local Area Unemployment Statistics (LAUS). The overall number of employed residents in the Baltimore MSA increased by about 22,900 (1.6 percent increase) in 2016, which exceeded the 10,478-person increase (0.7 percent increase) in the labor force. This consequently drove down the average annual unemployment rate from 5.4 percent for 2015 and to 4.4 percent through June 2017.

Employment grew by 32,576 people during the first half of 2017. Further, the labor force also increased by 32,858 individuals during the same time. Overall, the unemployment rate averaged 4.4 percent in the year-to-date period ending June 2017 (most recent data available).

Another employment measure from the BLS is the Current Employment Statistics (CES) program, which surveys businesses and government agencies to provide detailed data on the number of jobs in a given area. Similar to the number of employed residents, the number of jobs by place of work also reached a pre-recession peak in 2007 in the Baltimore MSA, followed by declines during the following three years. Since then, the number of jobs created has increased steadily, highlighted by a net monthly average of 233,458 more jobs in 2016. This resulted in a job growth rate of 2.5 percent +/- over the same time. Additionally, through June 2017 Baltimore saw 22,508 monthly jobs added when compared to 2016's average, representing an increase of 1.63 percent.

Environmental Influences - Transportation System

Road: The Baltimore region benefits from a comprehensive transportation system that includes interstate highways, an international airport, a seaport and distribution and commuter railways. Interstate 95 (I-95) is the primary north-south thoroughfare connecting the Baltimore region to major metropolitan areas throughout the Northeast. I-95 and the Baltimore/Washington Parkway (MD-295) provide a direct link between the Baltimore and Washington, D.C. beltways. Interstate 83 provides access to New York and Canada, while Interstate 70 is the primary east-west highway that links Baltimore with Pittsburgh and Midwest markets. All major arterials are accessible from I-695 (the Baltimore Beltway), which is a 52-mile circumferential highway that encircles Baltimore City. The mobility provided by these major roadways has placed major employment centers within commuting distance of area workers and suburban bedroom communities. The highway system also promotes trucking and distribution service companies, with more than 100 motor freight lines servicing the region.

Rail: CSX Transportation, Conrail, Norfolk Southern Railroad and the Canton Railroad Company provide freight service throughout the Baltimore region. AMTRAK provides high-speed commuter rail transportation service along the Northeast corridor between Washington, D.C. and Boston. Two commuter lines operated by MARC/CSX connect Baltimore's Camden Yard and Pennsylvania Station to Union Station in Washington, D.C. A 14-mile commuter subway system links downtown Baltimore City to Owings Mills in northwest Baltimore County. In addition, a 27-mile *Light-Rail* system connects Hunt Valley in northern Baltimore County through downtown Baltimore to Glen Burnie in Anne Arundel County to the south, with a spur connecting to the Baltimore-Washington Thurgood Marshall International Airport (BWI Airport). Rail stations along the commuter rail lines have spurred transit-oriented development.

Air: The Baltimore/Washington International Thurgood Marshall Airport (“BWI”), located about ten miles south of downtown Baltimore, provides domestic and international air transportation to the region. BWI is one of the fastest growing airports in the country. A $1.2 billion capital improvement and expansion program was completed in 2009 and another $100.0 million dollar expansion was completed in 2013. BWI is one of the region’s major economic drivers. Its growth has helped spur the development of multiple business parks near the airport that are improved with office, flex and industrial buildings, and it has created more than 100,000 jobs. A record 25.7 million passengers used BWI between the periods July 2016 and June 2017. This is up 4.8 percent when compared to the prior twelve month period. Discount carrier Southwest Airlines is the primary airline, handling almost 70 percent of the passenger air traffic. BWI is also a major resource for national and international cargo, freight and mail distribution.

Water: The Port of Baltimore stretches over 45 miles of developed waterfront and is one of only four Eastern U.S. ports with a channel depth of 50 feet. The Port of Baltimore’s container traffic grew 0.7 percent since the opening of the expanded Panama Canal in June 2016. The Port utilizes nineteen terminals, over six million square feet of warehouse space and five million square feet of cold storage. These extensive facilities mostly accommodate ships carrying general, container, bulk and break-bulk cargo, making it the second busiest containerized cargo port in the Mid-Atlantic and Gulf coast regions. The Port is the national leader in handling cars, farm and construction machinery, as well as imported forest products, sugar, and aluminum. A new $22 million auto berth opened in late 2014 to better position the port to accommodate rising automobile shipments in the future. The port’s economic impact is vital to the Baltimore region. According to the Maryland Port Authority, in 2016 (most recent data available) the Port generated about 13,650 direct jobs, a payroll of nearly $3 billion, and roughly $310 million in state and local taxes. The Port also features a cruise passenger terminal, which accommodates three cruise lines with about 100 cruises annually.

Governmental Influences

Government forces that affect real estate values include tax structure, zoning authority, public services and fiscal and regulatory policies that affect development. Maryland levies an 8.25 percent corporate income tax on net income attributable to business transacted within the state. The state sales and use tax is 6.0 percent on tangible personal property sold at retail outlets. This tax does not apply to a manufacturer's purchase of raw materials, or to the purchases of machinery and equipment. Local jurisdictions offer complete or partial exemptions on machinery, equipment and inventories. All jurisdictions exempt inventory at warehouse facilities. The state also has a graduated personal income tax of 2.0 percent to 5.75 percent on federal adjusted gross income. Real estate taxes in the state are based on triennial state assessments. Local property taxes fund public education. Zoning authority is vested in the local jurisdictions, which regulate land use and the density of development. The Baltimore region is adequately served by necessary public utilities including electricity, natural gas, water, stormwater and sanitary sewers, telecommunication and cable services. As the region has expanded from the urban core, outlying municipalities continue to expand public facilities to meet growing demand.

Regional Analysis Conclusions

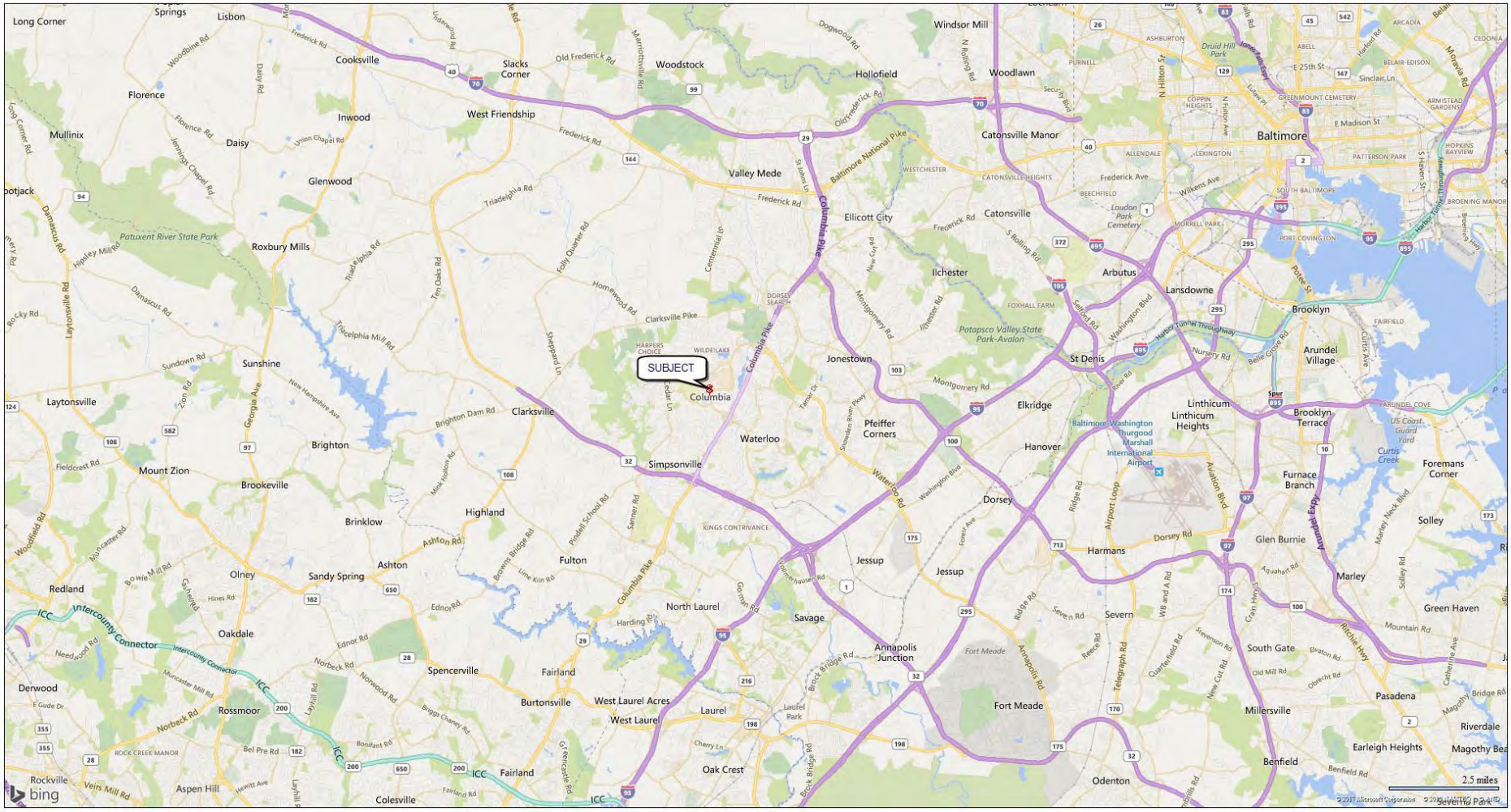
Regional Strengths: Strengths of the Baltimore region include an efficient transportation network with linkages to major national markets. This includes the Port of Baltimore, which has reflected continued growth in the handling of general cargo and containers attributed in part to the completion of the Panama Canal expansion in 2016. The Baltimore region also benefits from its proximity to the Washington, D.C. metropolitan area and its Federal government employment base. The region is a hub in the growing cybersecurity sector. The presence of Federal government agencies, military installations and major educational and research centers, such as Johns Hopkins University, help stabilize the region’s employment and generate demand for real estate. Additionally, the region’s low cost of living (when compared to nearby metropolitan areas) and the well-educated labor force should continue to promote economic growth over the long-term.

Regional Weaknesses: Although the Federal government provides a stable economic base and a steady supply of employment, its presence makes the Baltimore MSA vulnerable to the risks associated with federal budget cuts. The effects of Sequestration in 2013 underscore these risks as consumer services within the region are also susceptible to budget cuts, as government employees and government funding generate a significant portion of demand. The region’s moderate population and household growth could constrain economic growth over the long-term.

Summary: Baltimore’s mature economy continued to expand through mid-2017 as strong port activity, coupled with healthy wage gains, continue to spur economic growth. The region’s Gross Metro Product grew 1.2 percent in 2016, driving an overall employment growth rate of 1.4 percent. Overall, the Baltimore MSA’s Gross Metro Product is projected to increase at a compound annual growth rate of 1.6 percent over the next five years. Traditionally strong industries such as Professional and Business Services, Financial Activities, Transportation and Warehousing, and Education and Health Services will continue to drive growth in the private sector over the long-term. In addition, industries such as cybersecurity, medical research, and distribution have emerged as viable drivers of economic growth, and should support growth in the private sector.

Local Area Analysis

LOCAL AREA MAP



Location Area Overview

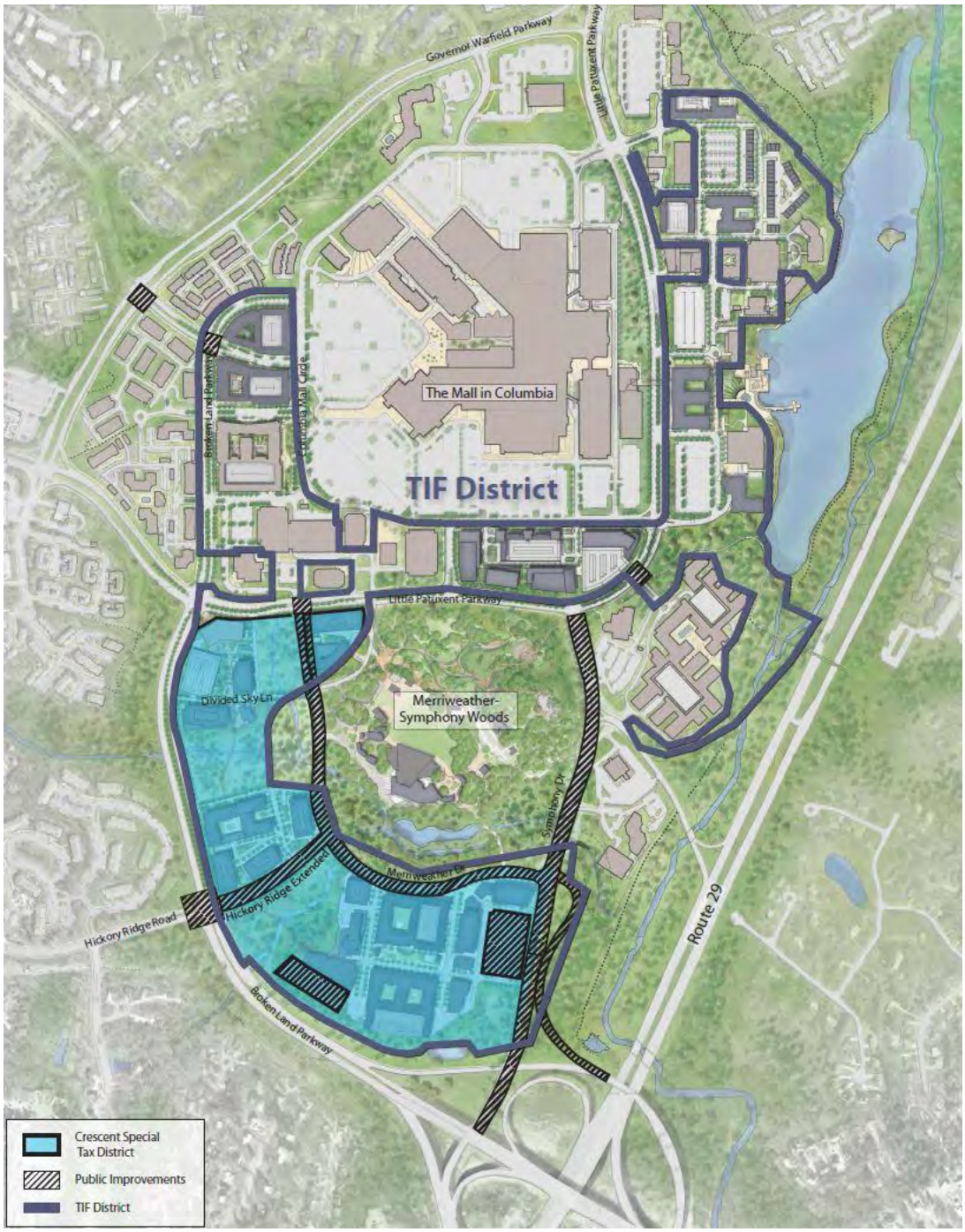
The subject property is located at the southeast quadrant of Little Patuxent Parkway and Broken Land Parkway within the community of Columbia in Howard County, Maryland. Columbia is centrally located within the Baltimore-Washington Corridor, about 15 miles southwest of downtown Baltimore City and 22 miles northeast of Washington, D.C. The Baltimore-Washington Corridor extends from the Baltimore Beltway (I-695) to the north to the Capital Beltway (I-495) to the south and is centered between and on either side of Interstate 95 and Maryland 295 (Baltimore-Washington Parkway). The location provides excellent accessibility to both the Baltimore and Washington, D.C. metropolitan areas. The National Security Agency (NSA) facility and Fort George G. Meade Military Reservation are located along Maryland Route 32 about nine miles southeast of the subject property, which are major demand generators for employment in the local area. The BWI Airport is located about 10 miles southeast of the subject. The local area boundaries are generally Maryland Route 100 to the north, Maryland Route 295 to the east, MD Route 108 to the west and Maryland Route 32 to the south.

Neighborhood Analysis

The subject is located within the community of Columbia within Howard County. Columbia is a 14,000-acre planned community centrally located midway between the cities of Baltimore and Washington, D.C. The planned community began in 1967 by The Rouse Company (acquired by GGP in 2004) and contains about 100,000 residents. Columbia is improved with nine residential communities (villages) surrounding a central town center and super-regional mall. Each village offers a mix of housing types including single-family homes, condominiums, apartments and senior housing. Most of the villages are anchored by a shopping center. The Columbia Town Center area is anchored by The Mall in Columbia. The Mall in Columbia is a ±1.4 million square foot super-regional mall that is the largest retail center in the State of Maryland and is the central commercial hub of downtown Columbia.

GGP originally submitted a 30-year master plan to redevelop downtown Columbia in October 2008, which was subsequently approved in 2010. The “2010 Downtown Columbia Plan”, and the amended Howard County General Plan entitled “Plan Howard 2030”, allows for up to 13 million square feet of new density in the Town Center area comprised of 5,500 housing units, about 4.3 million square feet of office space, 1.25 million square feet of retail space, and 640 hotel rooms. The plan also includes a new multi-model transportation system and the redevelopment of Merriweather Post Pavilion (19,300 seat +/- amphitheater).

The Crescent Neighborhood (Subject Property) - The plan envisions linking the Downtown area to a new mixed-use neighborhood referred to as The Crescent located adjacent to the Merriweather Post Pavilion just south of The Mall in Columbia. The Crescent is planned to be an urban, high-density mixed-use development. The Howard Hughes Corporation controls The Crescent and most of the remaining land components in downtown Columbia, which allows for development cost efficiencies and synergies in the planning and development process. The first phase of the Downtown Columbia Plan was recently approved by the local Planning Board. The plan proposes 2,300 residential units, 1.47 million square feet of office space, 313,500 square feet of retail space, 250 hotel rooms and year-round concert venue with 500 to 1,000-seats located near the Symphony Woods property along the south side of Little Patuxent Parkway. The plan also includes 225,000 square feet of civic and cultural uses, plus a new road connection throughout the project. The proposed buildings could be developed as high as 20 stories within The Crescent project. The first development within The Crescent project referred to as One Merriweather is a 195,937 square foot +/- office building and adjacent 1,127-space, 9 level parking garage. MedStar Health pre-leased about half of the building, which was completed in January 2017. The Howard Hughes Corporation is currently constructing the second office building within The Crescent project referred to as Two Merriweather. This 5-story, 123,604 square foot building is scheduled for shell completion in August 2017. Major tenant Connections Education LLC, a wholly-owned subsidiary of Pearson PLC (NYSE: PSO), has pre-leased 73,253 square feet of the building (59.3 percent). The lease is scheduled to commence upon completion of the building and tenant buildout by December 1, 2017.



Howard County has approved a TIF District, known as the Downtown Columbia Development District, to help fund future public improvements as recommended in the Downtown Columbia Plan. The TIF District as reflected by the exhibit above includes the subject property referred to as the Crescent Special Tax District. A summary of the planned uses within the Crescent Special Taxing District is presented on the following page. New major roadway collectors will provide direct access to the subject's planned development. The new roads will also provide alternative access to/from U.S. Route 29 facilitating access to The Crescent development and the rest of Downtown Columbia. The Crescent will be improved with two public parking garages supporting civic and cultural facilities in The Crescent neighborhood including a new public library containing 95,000 square feet, and a refurbished Merriweather Post Pavilion. The exhibit on the following page provides a rendering of the proposed project.

SUBJECT PROPERTY PROJECT SUMMARY - CRESCENT SPECIAL TAXING DISTRICT										
Parcel Description	Status	No. of Bldgs.	Office Sq. Ft. GBA	Retail Sq. Ft. GBA	Apartment Sq. Ft. GBA	Hotel Sq. Ft. GBA	Civic Sq. Ft. GBA	Total Building Sq. Ft. GBA	Apt. Units	Hotel Keys
Area 1										
Project 1OA: One Merriweather	Completed	1	208,034	9,749	-	-	-	217,783	-	-
Project 1OB: Two Merriweather	Under Construction	1	102,993	29,583	-	-	-	132,576	-	-
Parking Garage	Completed	1	-		-	-	-	-	-	-
Project 1OC	Proposed- Future	1	310,000	12,800	-	-	-	322,800	-	-
Area 1 Subtotal		**4**	**621,027**	**52,132**	**-**	**-**	**-**	**673,159**	**-**	**-**
Area 2										
Project 2MFA	Proposed- Future	1	-	-	456,987	-	-	456,987	375	-
Project 2OA	Proposed- Future	1	284,000	5,000	-	-	-	289,000	-	-
Project 2OB	Proposed- Future	1	279,000	10,000	-	-	-	289,000	-	-
Project 2OC	Proposed- Future	1	285,699	15,000	-	-	-	300,699	-	-
Area 2 Subtotal		**4**	**848,699**	**30,000**	**456,987**	**-**	**-**	**1,335,686**	**375**	**-**
Area 3										
Project 3MFB	Constr. Start 11/2017	1	-	71,333	452,095	-	-	523,428	382	-
Project 3MFC	Proposed- Future	1	-	38,195	452,897	-	-	491,092	423	-
Project 3OA	Constr. Start 11/2017	1	325,197	15,036	-	-	-	340,233	-	-
Project 3OB	Proposed- Future	1	374,803	19,570	-	-	-	394,373	-	-
Project 3RE	Proposed- Future	2	-	45,389	-	-	-	45,389	-	-
Project 3OC	Proposed- Future	1	375,000	14,880	-	-	-	389,880	-	-
Project 3LRA (Civic- Library)	Proposed- Future	1	-	20,000	138,060	-	95,000	253,060	117	-
Project 3HA	Proposed- Future	1	-	-	-	150,000	-	150,000	-	250
Parking Garage A	Proposed- Future	1	-	-	-	-	-	-	-	-
Area 3 Subtotal		**10**	**1,075,000**	**224,403**	**1,043,052**	**150,000**	**95,000**	**2,587,455**	**922**	**250**
Area 4										
Project 4OA	Proposed- Future	1	175,000	-	-	-	-	175,000	-	-
Project 4MFA	Proposed- Future	1	-	-	106,200	-	-	106,200	90	-
Area 4 Subtotal		**2**	**175,000**	**-**	**106,200**	**-**	**-**	**281,200**	**90**	**-**
Totals (Areas 1-2-3-4):		**20**	**2,719,726**	**306,535**	**1,606,239**	**150,000**	**95,000**	**4,877,500**	**1,387**	**250**



Nearby and Adjacent Land Uses

Low-rise, mid-rise and high-rise office buildings and apartment facilities encircle The Mall In Columbia along Little Patuxent Parkway, just north of the subject property. In November 2010, The Howard Hughes Corporation entered into development agreements with GGP related to the areas adjacent to The Mall in Columbia, which GGP owns. The Howard Hughes Corporation has a Preferred Residential and Office Development Covenant that provides it with the right of first offer for new development densities of residential and office uses within the Columbia Mall Ring Road through 2030. The Howard Hughes Corporation announced in May 2012 that the first planned residential development in downtown Columbia would be a 380 unit mid-rise apartment complex with 14,000 square feet of street level retail space and a controlled-access parking garage located adjacent to The Mall in Columbia. The $100 million project, known as The Metropolitan, was developed in partnership with Kettler and Orchard Development Corporation. Construction began in mid-2013 and was completed in early 2015. The Howard Hughes Corporation, in partnership with Kettler-Orchard, is currently completing a new two-building apartment complex located directly north of The Metropolitan to be known as “TEN.M/ m.flats”, which will contain a total of 437 units. This apartment project is expected to be completed by March 2018.



The Metropolitan



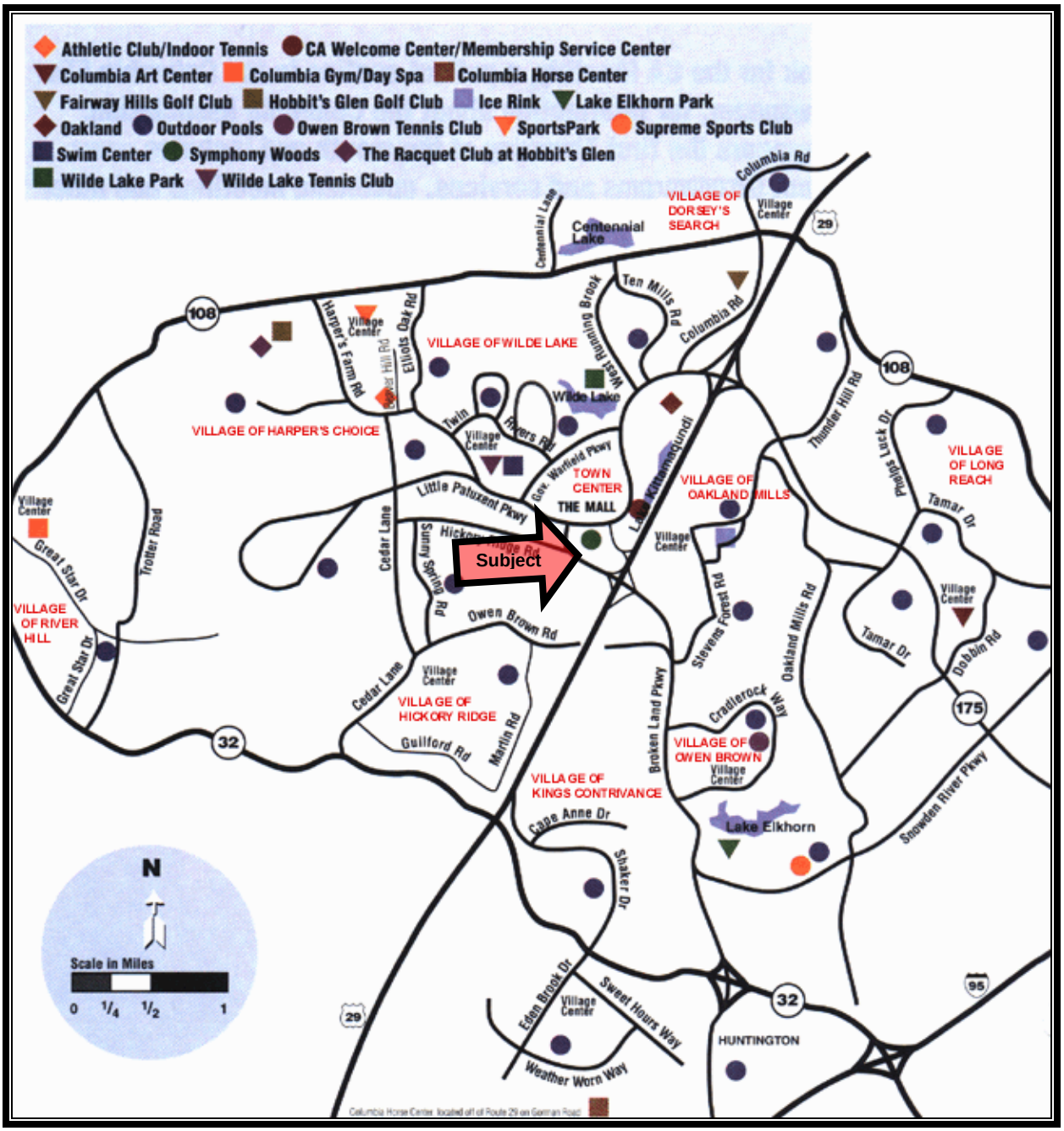
Columbia Corporate Center office buildings located directly north of subject along Little Patuxent Parkway

Along the northeast section of Downtown Columbia is The Lakefront neighborhood, which anchored by a 27-acre man-made lake known as Lake Kittamaqundi, which is American-Indian for “meeting place.” A public walkway and other community amenities encircles the lake. Adjacent to the lake are a number of commercial properties including a 288-room Sheraton hotel, a residential condominium building and a number of mixed-use buildings including the original headquarters of The Rouse Company. Designed by renowned architect Frank Gehry and completed in 1974, the 3-story building opened as the centerpiece of downtown Columbia, and served as The Rouse Company Headquarters until 2004. The Howard Hughes Corporation subsequently completed an adaptive re-use of the property (pictured below) as a mixed-use building anchored by a Whole Foods Market occupying 41,000 square feet on the main floor with direct surface parking. The Columbia Association’s high-end day spa facility known as the Haven on the Lake occupies 27,556 square feet on the lower level. The top floor will be occupied by an office tenant, for which there is a pending lease for 20,643 square feet.



Another project under construction in The Lakefront neighborhood is a mixed-use project to be known as Little Patuxent Square. This project will include two adjacent 11-story towers improved with 160 apartment units, 135,000 square feet of office space and 50,000 square feet of retail space. The office component was fully pre-leased by health tech firm Quality Software Services, Inc., and the retail space will be mostly leased by a fitness center user. This apartment building was completed in March 2017.

Columbia is improved with public recreational amenities and institutional facilities, which are considered demand generators attracting residents and workers to the community. The community of Columbia has 5,300 acres of open space, including 144 tot lots, 225 pedestrian bridges, three lakes, 19 ponds and natural open space areas, interlaced with more than 83 miles of pathways for walking, biking, and jogging. A public park known as Symphony Woods Park (including Meriwether Post Pavilion), is located just east of the subject along Little Patuxent Parkway. These public facilities are managed by the Columbia Association, which charges a local fee to all property owners within the community. A map of the Columbia Association controlled amenities and village centers is presented on the following page. Other public facilities in Columbia include two public golf courses, Howard County Community College, the Howard County Library and Howard County General Hospital.



Due in part to the excellent quality of life afforded by Columbia's community services and amenities, Money Magazine named of Columbia the #1 best place to live in America in 2016. According to the Money Magazine article (http://time.com/money/4480692/columbia-maryland/), the community ranks in the top five percent of 823 places for job growth and economic opportunity. "Columbia is a magnet in the Baltimore-Washington Corridor, attracting families in search of good schools and businesses hungry for educated employees."

The local area has a well-established inventory of commercial real estate with a wide range of uses including corporate headquarters, professional office, research and development, distribution operations and shopping centers. Many of Howard County's planned business and industrial parks are concentrated along major roadways including Interstate 95, U.S. Routes 1 and 29 and MD Routes 32 and 175. The following are a few notable business parks and employment centers located proximate to the subject property.

Columbia Gateway: Columbia Gateway is a master planned corporate business park containing ±630 acres at the southwest quadrant of MD Route 175 and Interstate 95, about four miles southeast of the subject. Columbia Gateway was originally part of a larger tract of land owned by General Electric Company. GE developed several appliance manufacturing facilities on the site but abandoned them in the 1970's. The site was subsequently purchased by the Rouse Company and developed by its subsidiary known as Howard Research & Development (HRD), now part of The Howard Hughes Corporation. Columbia Gateway was opened in 1986 and is home to over 50 companies employing more than 17,000 people and occupying over 4.4 million square feet of space (flex/industrial space- 1.34 million square feet, office space- 1.0 million square feet). Major tenants within the park include MICROS Systems, Honeywell International, Motorola, Science Application International Corporation (SAIC), AT&T and the Broadwing Corporation. The business park is also improved with a 20,000 square foot retail center, a 90-room extended stay hotel (Studio Plus) and a Lifetime Fitness Center.

Johns Hopkins University Applied Physics Laboratory (APL) Complex: Approximately three miles southwest of the subject property is the Johns Hopkins University Applied Physics complex, which contains nearly 400 acres and 20 buildings totaling more than two million square feet. The not-for-profit center for engineering, research and development employees about 4,700, of which nearly 3,200 are engineers and scientists. The APL complex is a primary employer in the local area and a primary demand generator for area housing, retail and public services. In 2015, JHU acquired about 54 acres of unimproved land located adjacent to the existing campus at the southwest quadrant of Johns Hopkins Road and Old Columbia Road, which will allow the university to expand its campus in the future with up to 825,000 square feet of additional facilities.

Maple Lawn: Maple Lawn is a planned mixed-use development located at the northwest quadrant of U.S. Route 29 and Maryland Route 216 (Scaggsville Road) within the community of Fulton, about 4.5 miles southwest of the subject. The ±605.3-acre development was originally approved for development in 2000 and subsequently expanded in 2005. The project is approved for development of 1,340 residential units (485 single-family detached dwellings, 619 townhouses and 236 apartment units), 1,678,433 square feet of office space, and 181,590 square feet of retail space and 200.8 acres of open space. The development has been designed to include six residential neighborhoods and three commercial districts. The Business District is approved for development of 11 office buildings totaling 1,012,289 square feet and 149,917 square feet of retail space, including a Harris Teeter grocery store, CVS, retail strip centers, two branch banks, two restaurants, a gas station and auto service facility. There are eight office buildings completed within the Maple Lawn Business District for a total of 680,080 square feet. Primary office tenants within Maple Lawn include Solipsys Corporation with 61,006 square feet (Maple Lawn Office II), New Day Financial with 128,422 square feet (Maple Lawn Office II, IV and VIII) and CISCO Systems with 97,128 square feet (Maple Lawn Office VI). Two retail strip buildings and a speculative restaurant building were completed in 2016 containing 24,663 square feet. The owner has also proposed development of one or two hotels within the project.

National Business Park (NBP): The NBP is a 285-acre property predominately improved with low-to-mid-rise office and tech buildings, which are occupied by federal government agencies and government contractors due to its location adjacent to the National Security Agency (NSA) and the Fort Meade military installation near the interchange of MD Route 295 and MD Route 32 within the Baltimore-Washington Corridor. Corporate Office Properties Trust (COPT) is developing NBP, which is located about 7.5 miles southeast of the subject. NBP is also improved with a hotel, day-care center and retail strip center. The business park has expanded with the growth of NSA and Fort Meade, which has continued due to the BRAC recommendations. The National Business Park was purchased as vacant land in the late 1980s, and subsequently master planned for development as a business park to include a mix of mid-rise and low-rise tech buildings. The property was subsequently marketed toward defense-related government contractors due to its immediate proximity to Fort Meade, easy access to Maryland Route 295 and its central location between Baltimore and Washington, D.C. COPT acquired 178 acres of adjacent land area in July 2006 to expand the park, which was approved for up to eight office buildings totaling ± 1.25 million square feet, accommodating 6,000 workers. Since 1990, development within the park has surged to include the construction of 28 office buildings containing ±3.7 million square feet.

Fort Meade/ NSA: A notable development and demand generator for employment in the area is the Fort Meade Military Base, which is a 13,000-acre Army post that is home to the National Security Agency (NSA). Fort Meade is located about nine miles southeast of the subject between MD Route 175 to the north and MD Route 32 to the south, just east of MD Route 295. Fort Meade has the 3rd largest workforce of Army installations in the United States and is one of the largest joint service centers in the U.S. In 2005, the Base Realignment and Closure (BRAC) process relocated about 5,400 military, DOD civilian, and contract employees to Fort Meade, as well as 4,900 family members. This coupled with the expansion of the NSA and the establishment of the United States Cyber Command has increased the military and civilian personnel from 34,000 in 2005 to 56,000 in 2013. Combined, Fort Meade and NSA contribute an estimated $5.0 billion annually to the state economy through salaries and activities on and around the installation. Due to the relocation and expansion of military facilities at Fort Meade, defense-related government contractors required to locate within 10 miles of the facility have expanded within the subject's local area. Companies expanding in the local area due to the new U.S. Cyber Command include CSC, Northrop Grumman, Booz Allen, Boeing, Harris Corporation, among others.

Housing

According to Experian, there are 29,342 housing units (single family houses, townhouses, condominiums and apartment units) within a three-mile radius of the subject property. The median year built of the existing housing stock is 1981. The median home value within a three-mile radius of the subject property is estimated at $410,882. Owner-occupied housing comprises about 63.8 percent of total occupied housing units within a three-mile radius of the subject. Additional housing statistics are presented in the following table for the subject's primary and secondary trade areas, as well as the Baltimore region, Maryland and the U.S. for comparative analysis. A market analysis presented in the following section provides additional information regarding subject's apartment market.

HOUSING SUMMARY

	1.0-mile Radius	3.0-mile Radius	5.0-mile Radius	Baltimore CBSA	State of Maryland	United States
HOUSING STATISTICS						
2016 Est. Total Housing Units	7,688	29,342	58,683	1,156,701	2,436,831	134,919,430
2016 Est. Median Housing Value	$329,919	$410,882	$435,218	$286,885	$306,979	$187,181
2016 Est. Median Year Built	1982	1981	1984	1972	1976	1977

SOURCE: © 2017 Experian Marketing Solutions, Inc. •All rights reserved

Access

Regional Access: The local area is centrally located between Baltimore and Washington, D.C., with easy access to major commuter highways between the two metropolitan areas including Interstate 95, U.S. Routes 29 and 1 and MD Route 295. MD Routes 175 and 32 within three miles of the subject. These highways provide excellent accessibility for local residents to area employment centers within the region. The location is also attractive to area employers, with the average worker commute under 30 minutes.

Local/Direct Access: Direct access to the subject property is provided by curb cuts along Little Patuxent Parkway and Broken Land Parkway. As previously noted, new roadways are currently being built within the subject's Crescent project that will provide direct linkage to each project component and primary thoroughfares in the local area. Little Patuxent Parkway is a four lane local area connector that becomes MD Route 175 northeast of the subject. This thoroughfare provides direct access to the Columbia Town Center and U.S. Route 29 located northeast of the subject. U.S. Route 29 is primary north-south connector thoroughfare through the local area, which is currently access by an interchange with Broken Land Parkway directly south of the site.

Public Transportation: Metro Transit Authority (MTA) buses provide public transportation throughout the local area and will service The Crescent neighborhood upon completion.

Employment

The local area's ideal geographic location midway between Washington, D.C. and Baltimore has resulted in the substantial growth of a wide variety of industries. Companies located within the local area include a wide range of industries including high-tech and life science businesses, federal government contractors and government agencies, telecommunications, multinational corporations, research and development firms and wholesale distributors. Howard County Economic Development reports that about 9,800 businesses employ ±147,400 workers within the county. The nation's capital can be reached in less than an hour from the local market area and several major agencies of the federal government are located in close proximity including the National Institute of Health, the National Security Agency (NSA), the Bureau of the Census, Goddard Space Center, and the Fort George Meade Military Reservation.

Local Area Conclusions

The subject property is centrally located within the Baltimore-Washington Corridor within the planned community of Columbia. The local area is attractive to businesses and residents due to its central location between the Baltimore and Washington, D.C. metropolitan area markets. The Columbia area benefits from good transportation linkages including major traffic arteries connecting the local area to surrounding metropolitan area bedroom communities and employment centers.

Primary office demand generators in the local area include professional and financial services and healthcare-related companies supported by the local area residential base. Additional office demand generators include government agencies and contractors associated with the nearby Fort Meade military installation and the NSA complex. A mix of professional office and research and development companies have been attracted to the local area due to its proximity to Interstate 95, the availability of a highly educated labor force and auxiliary retail and housing for its employees.

Primary retail demand generators include convenience retail, professional service and healthcare-related companies supported by the local area household base. The near and long term outlook for the local area appear stable and the subject's locale should remain desirable to most market participants. Overall, the local area is supportive of the subject's planned uses. Demographics analysis of the subject's trade area is presented in the following market analysis section.

Market Analysis

The subject property is proposed to be developed as a high-density mixed-use town center that will include office, apartment, retail and hotel uses. In this section, we provide a market analysis for each major project component including office, apartments, retail and hotel. Each section begins with a national and regional market overview, followed by an analysis of the subject's market. We also provide a demographic profile of the subject's market, which is presented at the end of the Apartment Market Analysis.

National Office Market Analysis

Overview

The U.S. economy's expansion cycle has now entered its ninth year and is not showing any signs of slowing down. The year began with sluggish economic growth, the period following the election of a new government is often slow and this administration was no exception. The real gross domestic product (GDP) was revised up to 1.2 percent annual growth for first quarter 2017, falling short of the targeted growth. In second quarter 2017, U.S. GDP rebounded, growing at an annual rate of 3.0 percent, according to the second estimate from the Bureau of Economic Analysis.

Most economic data released at the halfway point of 2017 was encouraging for the U.S. office market. Office-using employment added 162,000 jobs in second quarter 2017, following the 169,000 jobs that were added in the first quarter. Office-using employment has been one of the biggest gainers during this expansion cycle, now making up a record 21.8 percent of all nonfarm payroll jobs in the U.S. This is despite a degree of changes in the workplace environment, including denser, more "collaborative" office space usage and new technology platforms. Overall unemployment rates have tightened as the nation closes in on full employment, as of June 2017 the national unemployment rate was 4.4 percent, in line with the lows recorded in 2007.

The strong economic performance in second quarter 2017 was reflected in the U.S. office sector. Sales activity (amount of transactions) grew 33.0 percent year-over-year, according to Real Capital Analytics. The increase in activity at the halfway point of 2017 can be attributed to larger portfolio transactions in suburban office markets. Sales volume however, is below the volume recorded at the halfway point of 2015 and 2016. In the 87 office markets tracked by Cushman & Wakefield, net absorption more than doubled on a quarterly basis. The value of office properties remains above the 5-year average and cap rates are near record lows. Average asking rent reached a cyclical high at $30.35 per square foot, representing an increase of 0.9 percent on a quarterly basis and 4.3 percent growth year-over-year. Construction of office space experienced the largest gains, with 16.1 million square feet coming online in second quarter 2017, the largest amount since second quarter 2009.

The U.S. economy is at its strongest point in this cycle, and as a consequence, as are the fundamentals of U.S. office market. Such progress has incited continued interest rate hikes. In order to control inflation the Federal Reserve announced a 0.25 percent raise in March and June 2017, and expects to continue normalizing rates throughout the year. However, key economic indicators, including highest recorded stock indexes, accelerated wage growth and strong consumer and business confidence, should offset concerns surrounding anticipated interest rate increases.

National Office Market Statistics

Vacancy

At the halfway point in 2017, the national office market overall vacancy rate was 13.3 percent, 10 basis points above the vacancy rate recorded in second quarter 2016. The large amount of deliveries during the second quarter offset any progress made through leasing activity. Payroll employment, a key driver of the office market, expanded on a yearly and quarterly basis in second quarter 2017. Particularly the professional & business services sector, which added 624,000 jobs over the past twelve months, increasing the demand for office space. The U.S. economy is expected to continue to add jobs throughout 2017, influencing the demand for office space and combatting with increasing vacancy rates, generated by new supply.

Notable points for second quarter 2017 include:

- The CBD national office market's overall vacancy rate was 12.4 percent as of second quarter 2017, increasing 30 basis points year-over-year but in line with first quarter 2017. The Charleston, SC submarket recorded the lowest overall vacancy rate within the CBD markets, at 2.9 percent, 20 basis points under the vacancy rate recorded a year ago.
- The suburban national office market's overall vacancy rate, at 13.6 percent, fell 20 basis points year-over-year, but as was the case with the CBD market, did not change from the vacancy rate recorded in first quarter 2017. Within the suburban national office market, the El Paso submarket recorded the lowest vacancy rate, at 5.7 percent, a year-over-year decline of 1.3 percentage points.

Construction

In second quarter 2017, 16.1 million square feet of office space delivered. This is the largest amount since second quarter 2009 and follows a strong performance in first quarter 2017 when 12.3 million square feet came online. It is projected that more than 70.0 million square feet could deliver in 2017, this has not been the case since 2008. Despite increased construction activity, overall levels are 30.0 percent lower than peak level observed in the prior cycle and 60.0 percent lower than the levels observed during the dotcom boom. Construction activity has especially increased in tech cities as there is a strong tenant preference for new office space. At the halfway point in 2017, a further 109.1 million square feet of office space was under construction.

Notable construction information is as follows:

- The CBD office market that has experienced the largest amount of new space so far in 2017 was the Chicago submarket, 1.2 million square feet delivered in the first two quarters of 2017. The Midtown New York CBD market has the most office space under construction, a total of 9.5 million square feet.
- The Santa Clara County suburban market saw 5.1 million square feet of new office space come online at the halfway point in 2017. The Dallas/Fort Worth suburban office submarket had the largest amount of space under construction at the end of the second quarter, at 5.6 million square feet.

Asking Rents

Coinciding with the increased demand and somewhat low national vacancy rates, the national average asking rent has consistently climbed in value, reaching a new high at $30.35 per square foot (psf) in second quarter 2017. This marks an increase of 4.3 percent from second quarter 2016. In addition, major markets like Midtown Manhattan, San Francisco, Midtown South Manhattan, Downtown Manhattan and Washington D.C., continue to record asking rents above $50.00 psf, on an annual basis. As the national office market anticipates greater supply throughout 2017, it is expected that vacancy rates will experience a modest increase and the growth of average asking rent may decelerate.

Further considerations include:

- The region with the fastest rent growth was the Midwest, asking rents increased 6.1 percent year-over-year, growth can be attributed to the Chicago market which grew 6.8 percent in this period. Year-over-year gains were experienced in 74 of the 87 markets tracked by Cushman & Wakefield.
- The CBD office market continues to record higher asking rents than the suburban office market. The CBD national office overall average asking rent was $40.10 psf, a 5.7 percent increase from second quarter 2016. The suburban national office overall average asking rent, at $25.98 psf, grew 9.9 percent from the average asking rent recorded in second quarter 2016.
- Within the CBD national office market, the Midtown Manhattan submarket recorded the highest average asking rent of $81.80 psf. However, the Boston market experienced the largest average rental increase jumping 15.7 percent over first quarter 2017.
- The San Francisco submarket, within the suburban national office market, recorded the highest overall average asking rent of $65.69 psf in second quarter 2017. The Santa Clara County submarket increased 8.2 percent over first quarter 2017, the highest quarterly change in the suburban national office market.

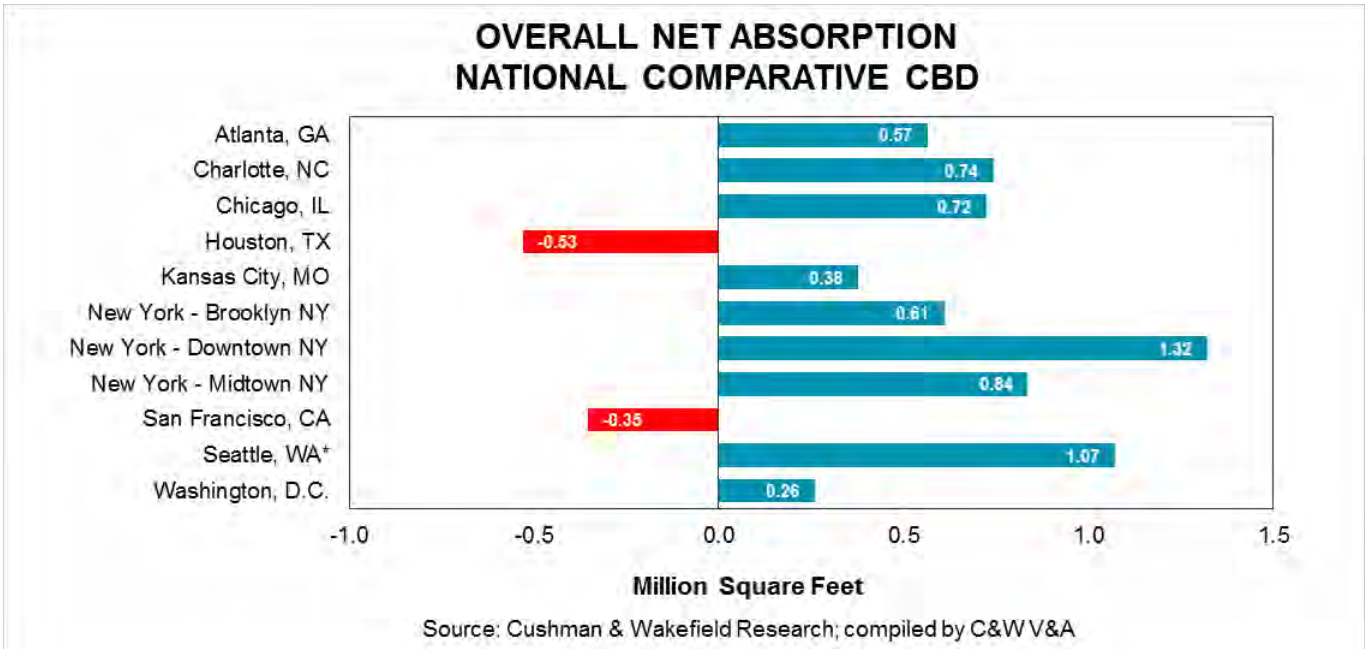
Absorption

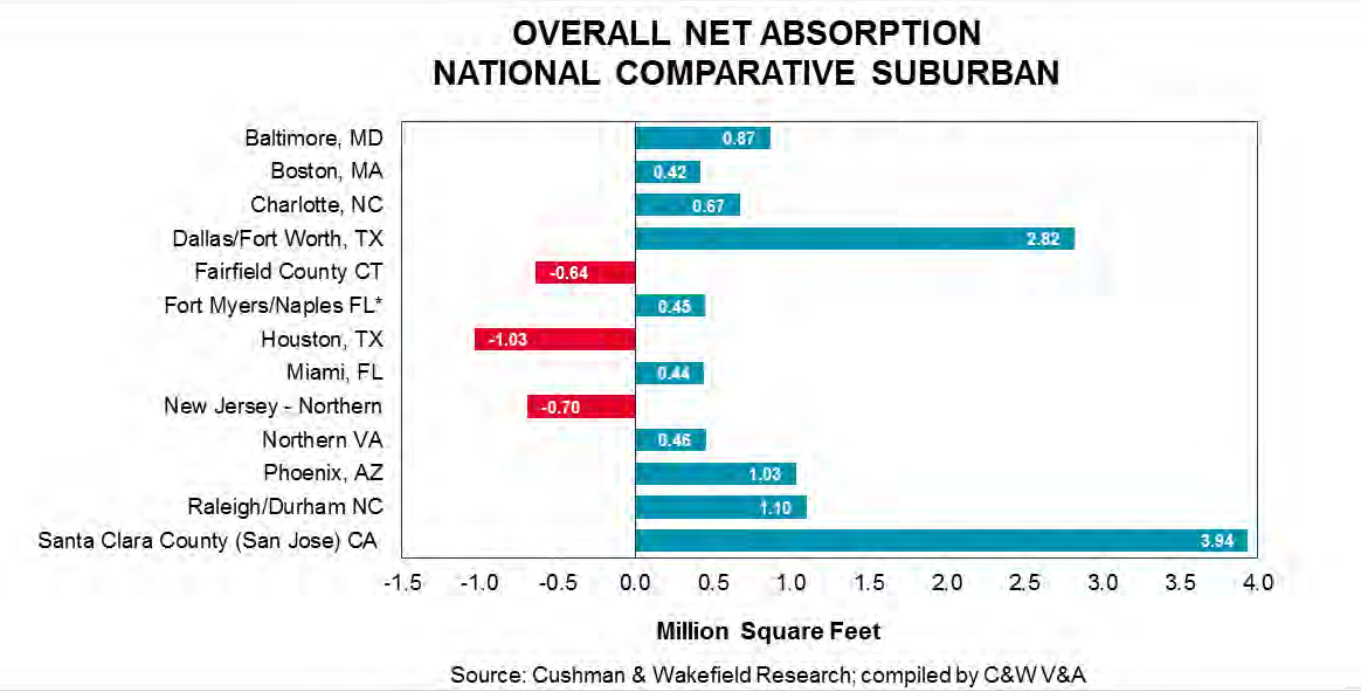
Net absorption is directly related to employment growth and leasing activity, both of which were strong in second quarter 2017, and as such net absorption more than doubled the absorption in first quarter 2017. Net absorption reached 15.6 million square feet in the second quarter, the highest level since third quarter 2016.

Further considerations for second quarter 2017 are as follows:

- The CBD national office market, registered 8.8 million square feet of net absorption through second quarter 2017. The largest positive absorption was recorded in the Downtown, NY submarket, absorbing 1.3 million square feet through second quarter. In addition, the Houston submarket gave back the most amount of space, returning 563,843 square feet to the market.
- The suburban national office market absorbed 14.0 million square feet through second quarter 2017. The Santa Clara County market absorbed the largest amount of space, at 3.9 million square feet, or 28.1 percent of total suburban market absorption through second quarter 2017.

The charts below highlight the national office absorption trends for the major markets in the United States through second quarter 2017, segmented between the CBD and suburban office markets:





National Office Investment Sales Market

As shown in the comparative absorption exhibits above, overall absorption in various U.S. markets has not been consistent, which impacts the selection of “preferred” investment markets for office building investors. Historically, investors targeted the best quality assets in “core” markets during a recovery phase, and have gradually shown an inclination to move “down the food chain” in terms of quality and market location. This shift occurs where there is less competition and better yield potential over the near-term. There is no doubt, however, that assets located outside of the major “core” markets are in less demand.

Sales Volume

Office transactions (total dollar volume) have exhibited an upward trend since the end of the most recent recession, which concluded in the middle of 2009. As the economy continued to improve over the years, investors gained confidence in the office market, and from 2009 to 2015, sales volume experienced consistent year-over-year growth. It is important to note that sales volume increased 154.0 percent from 2009 to 2010, due in large part to low interest rates and limited level of spending in 2009 as well as higher capitalization rates that followed the recession.

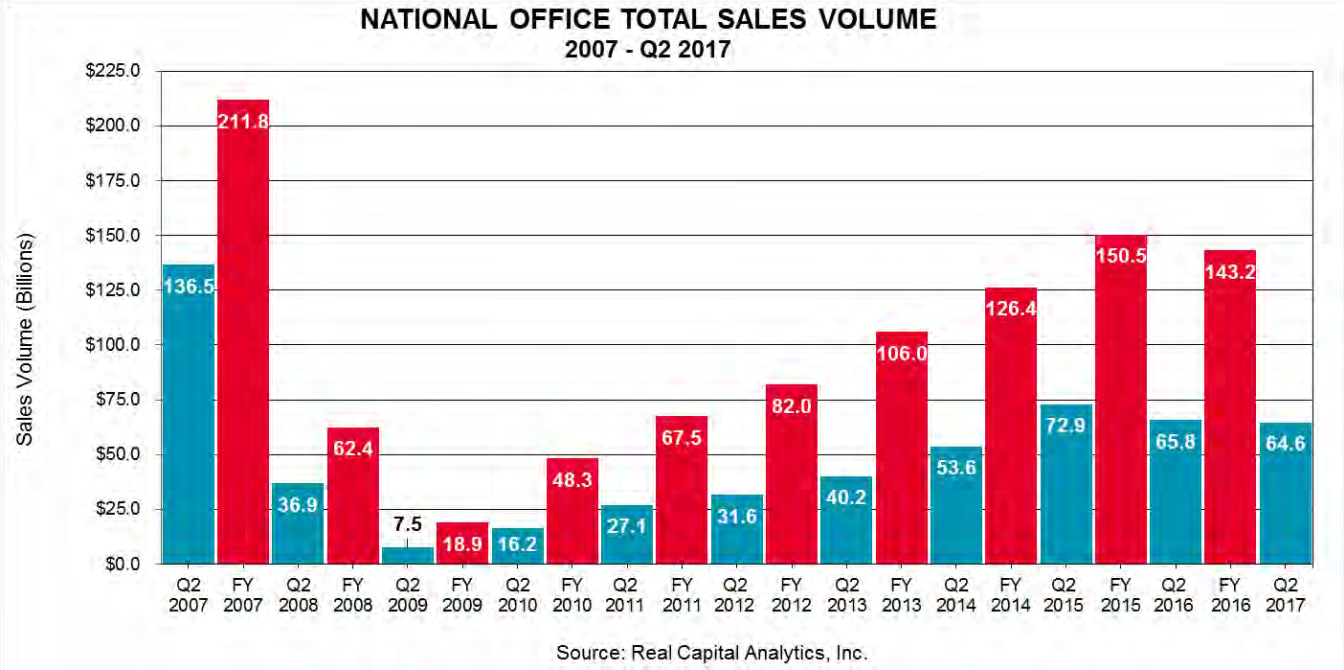
Sales volume reached $142.6 billion in 2016, a drop of 4.8 percent when compared with 2015. Sales volume through second quarter 2017, at $64.6 billion, is down 1.8 percent from the same period in 2016. The dip in sales volume can be attributed to the decline in CBD sales activity and single asset sales. The sales volume in the suburban markets performed well through second quarter 2017, portfolio deals improved 11.0 percent and single asset sales are up 15.0 percent, both on a year-over-year basis. Investors have turned to the suburban as of the uncertainty surrounding taxes and regulatory policy as well as higher cap rates and high price per square foot recorded in the CBD markets.

Further considerations are as follows:

- Sales volume through second quarter 2017, at $64.6 billion, was a slight dip compared with the same period in 2016. In comparison to the halfway point in 2015, office sales volume is 11.4 percent behind the $72.9 billion recorded two years ago.

The relatively lower sales volume exhibited through 2016 and mid-2017 can be in part explained by the unusual activity exhibited early in 2015, where falling cap rates and ease of finance from the commercial mortgage-backed securities (CMBS) market helped drive sales activity.

The following table provides an historical view of sales volume from 2007 through second quarter 2017 (second quarter volume in blue and full year volume total in red):



Overall Capitalization Rates

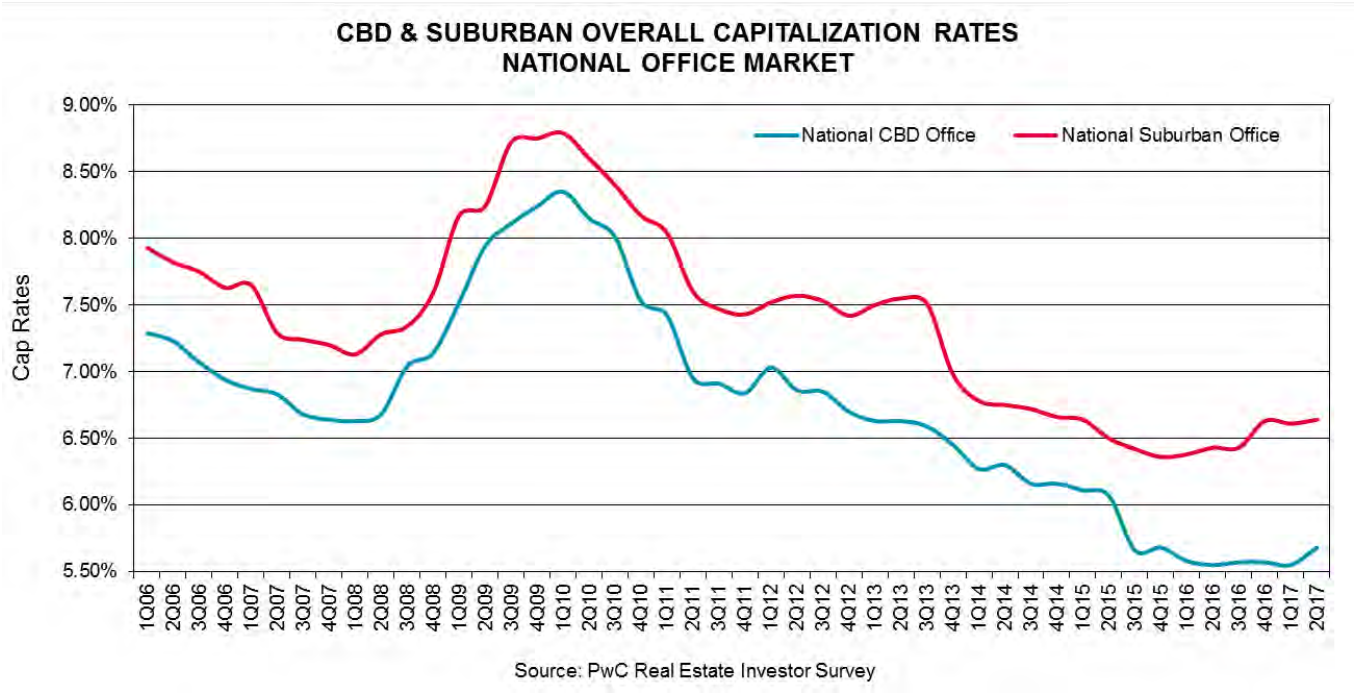
The office sector has generated and sustained investor demand over the past five years, driving down overall cap rates. Typically CBD properties in major markets have been the primary contributor to the office sector's momentum, suburban office markets have also exhibited a downward trend since 2009 due to increased investor interest. The performance of individual CBD office markets can be inconsistent, top-tier CBDs are outperforming the country while smaller downtown areas are struggling. Average overall cap rates remain lower for most CBD markets than for its suburban counterparts since higher barriers to entry and a lack of land for new development tend to keep supply and demand more balanced in a market's CBD. As a result, CBD assets typically achieve higher rental rates. Overall cap rates remain near record lows, however, rates could rise as interest rates continue their inevitable ascent.

The PwC Real Estate Investor Survey and the National Council of Real Estate Investment Fiduciaries (NCREIF) methodologies offer unique perspectives on capitalization rate trends. The PwC Real Estate Investor Survey calculates its data based on a personal survey of major institutional equity real estate market participants. In contrast, NCREIF looks at data from appraisals included in their benchmark property return index. The index contains quarterly performance data for unlevered investment-grade income-producing properties that are owned by, or on behalf of, exempt institutions.

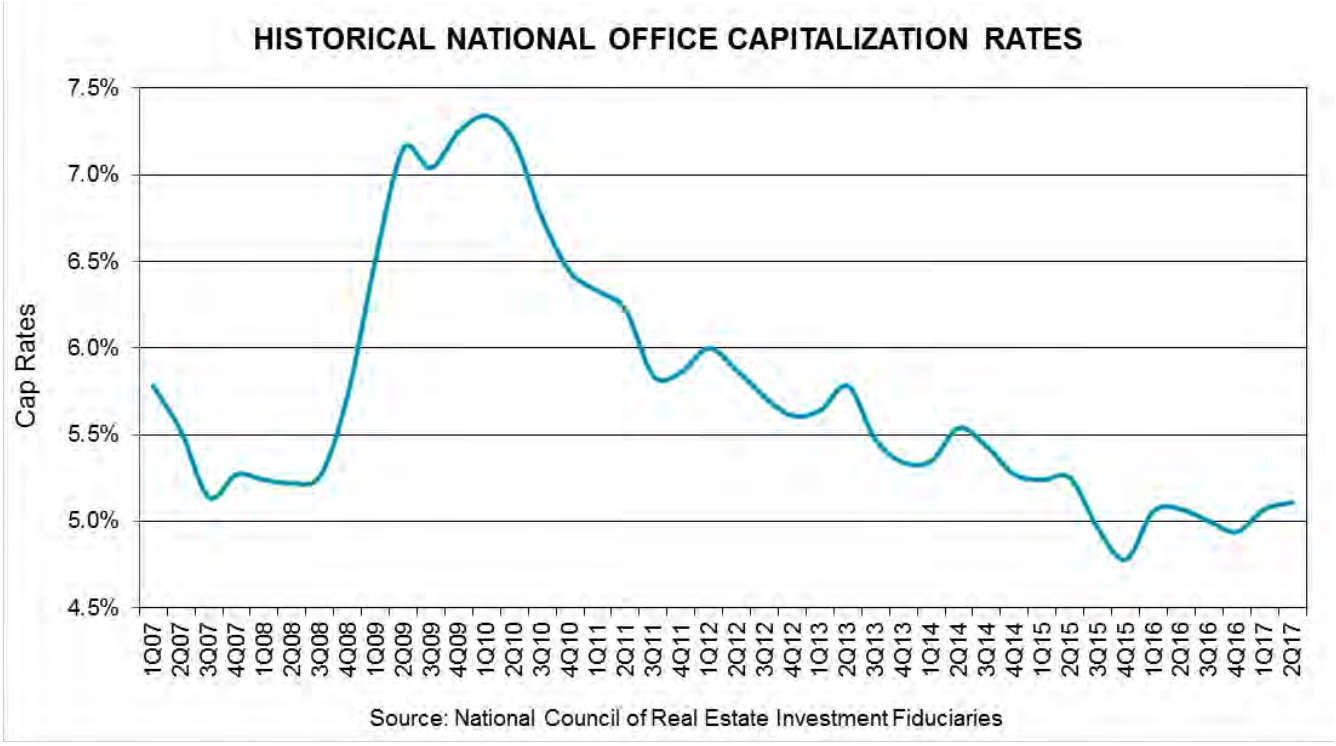
The following points detail the PwC Real Estate Investor Survey and NCREIF capitalization rate trends:

- The PwC Real Estate Investor Survey shows that as of second quarter 2017, the national CBD OAR grew 10 basis points to 5.7 percent, from the previous quarter. The suburban OAR, at 6.6 percent, did not change on a quarterly basis.
- According to NCREIF, negative spreads within larger gateway markets appeared as cap rate compression continued. In second quarter 2017, national office cap rates remained at 5.1 percent, representing no change on a quarterly or yearly basis.

The following graph reflects national trends for CBD and suburban overall capitalization rates as surveyed by the PwC Real Estate Investor Survey:



The following graph reflects national historical cap rate trends as reported by NCREIF:



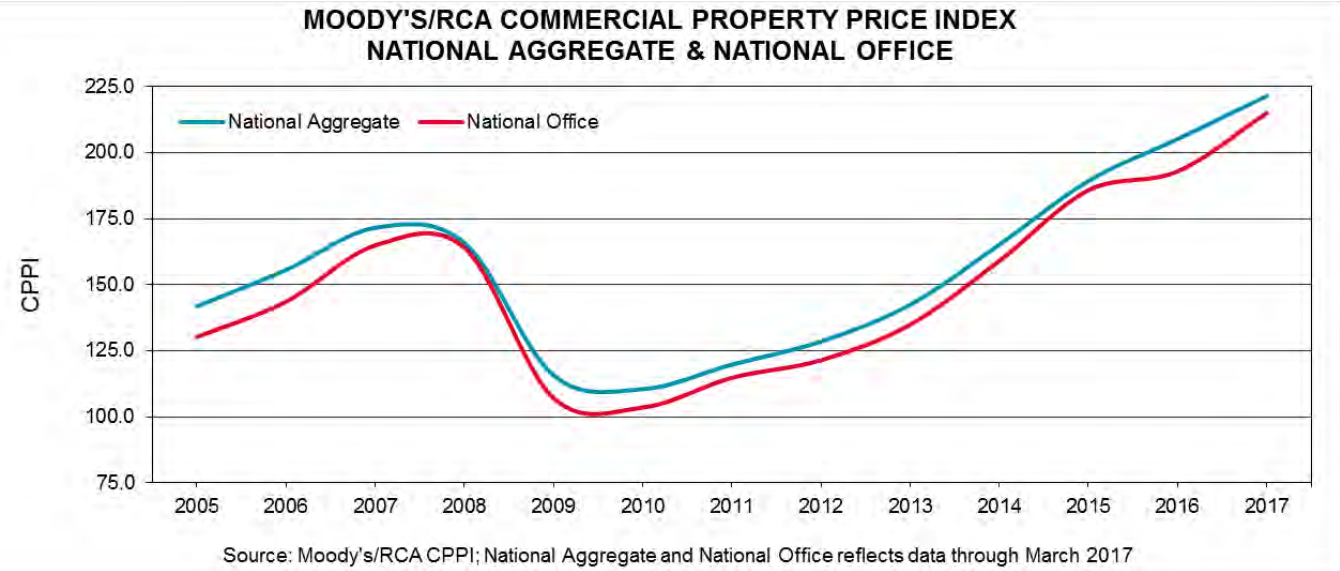
Moody's/RCA Commercial Property Price Index

The Moody's/RCA Commercial Property Price Index (CPPI) measures the change in price of commercial real estate and reflects the empirical results of direct investments over time. Developed by MIT's Center for Real Estate in conjunction with a consortium of firms including Moody's and RCA, the index tracks price changes based on closed transactions, and implements advanced repeat-sale regression (rsr) analytics to gauge performance in current and prior periods.

The following points are for consideration regarding the Moody's/RCA CPPI:

- As of June 2017, the national aggregate index was 221.4. The national aggregate index grew 7.9 percent from June 2016, and increased 4.0 percent on a quarterly basis.
- The national office index increased 11.4 percent from 192.9 in June 2016, to 215.0 in June 2017. Compared to the previous quarter (March 2017), the national office index increased 5.9 percent.
- Both the national office index and the national aggregate index have exhibited stable year-over-year growth. From June 2010 to June 2017, the national office index grew at an annual rate of 11.1 percent and the national aggregate index increased 10.5 percent on an annual basis.

The graph below displays the CPPI from June 2005 to June 2017:



Source: Moody's/RCA CPPI; National Aggregate and National Office reflects data through March 2017

Sale Price Per Square Foot

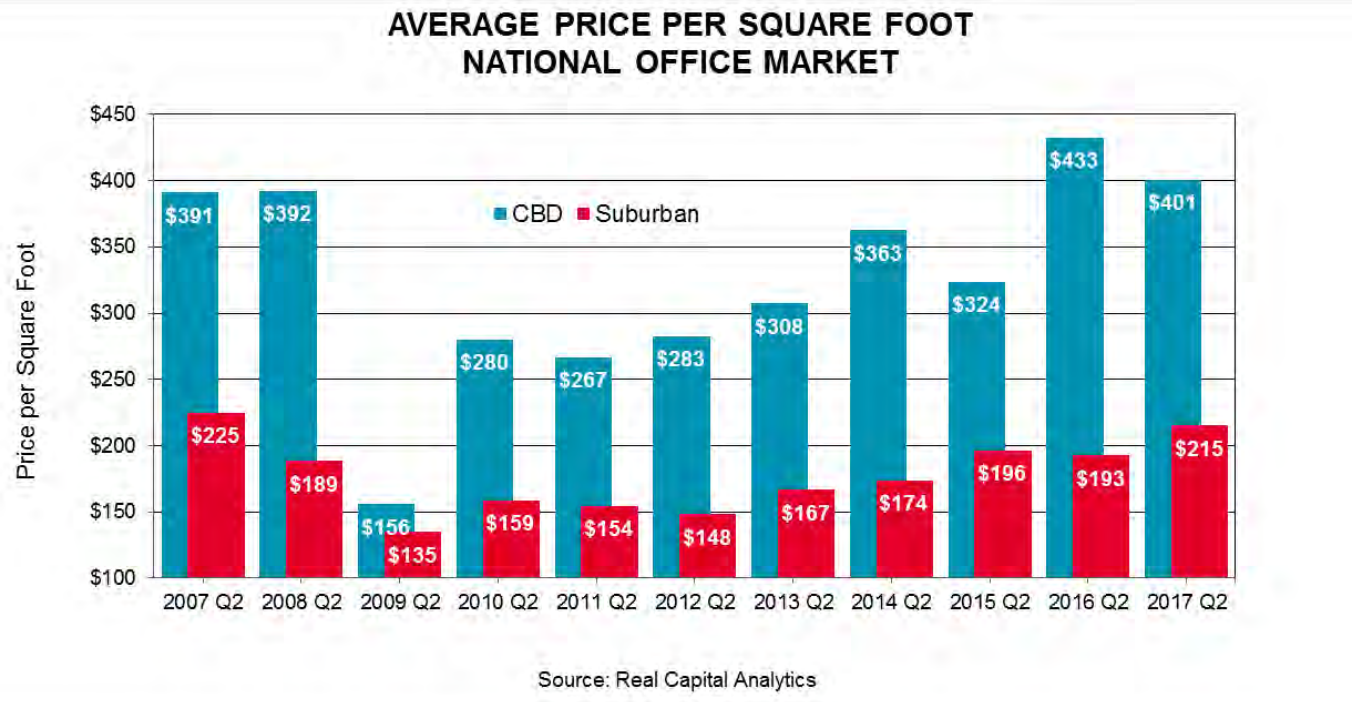
Historically, office pricing did not experience the same dramatic fluctuations as seen with sales volume trends. This was, in large part, due to sellers holding out and waiting for market fundamentals to improve. As the nation began to recover from the recent economic downturn in 2010, the annual average sales price per square foot exhibited a positive trend.

As of second quarter 2017, the suburban markets annual price per square foot continued to grow on a yearly basis, although the CBD markets are behind 2016 levels. The slowdown in sales volume in the CBD markets has had an effect on the value of office properties. Despite the slight decline, office property value remains healthy and the price per square foot registered for CBD and suburban properties are at their second-highest level at the halfway point over the last ten years.

The following points provide details regarding sale price per square foot:

- The CBD average price per square foot, at $401 as of second quarter 2017, decreased 7.3 percent from the same point in 2016 ($433), but did increase 1.5 percent when compared with first quarter 2017 ($395).
- The suburban average price per square foot, at $215 as of second quarter 2017, grew 11.7 percent from second quarter 2016 ($193). In addition, the suburban price per square foot increased11.8 percent from first quarter 2017.
- The 10-year period, from second quarter 2007 through second quarter 2017, compound annual growth rate (CAGR) for the CBD was 6.3 percent, which under the last 5-year compound annual growth rate at 8.4 percent. The suburban 10-year CAGR, however, is 0.6 percent while the 5-year CAGR is 7.9 percent.

The following graph reflects the national office average price per square foot from second quarter 2007 to second quarter 2017 (based on Real Capital Analytics data):



National Office Market Summary

The U.S. economy continued to advance through second quarter 2017; growth has contributed to further tightening in office markets across the United States (although we recognize the national market performance is “average” and does not apply to all markets across the board). The suburban markets experienced noticeable gains on an overall basis in the second quarter. Sales volume increased markedly in the suburban markets as of improving market conditions, the CBD markets experienced declines in growth after reaching what may be a cyclical peak in 2015. Overall, in second quarter 2017 capitalization rates stay near record lows, asking rents reached a new high, sales activity grew substantially, and sales volume as well as price per square foot remain above the five-year averages recorded at this stage. Leasing activity and net absorption performed well despite the high levels of construction.

Following are notes regarding the outlook for the U.S. national office market in 2017 and beyond:

- The U.S. economy will face a number of upcoming challenges, none more so than continued interest rate increases. Political uncertainty will surround the ongoing efforts to cut taxes and regulations, along with the current efforts to repeal and replace the current health care system, all of which were not resolved at the halfway point in 2017. It has been reported that the U.S. will implement a 20.0 percent tariff on steel from China, most likely escalating future construction costs. However, potential increases infrastructure spending would provide general a boost to the U.S. real estate market.
- Construction levels may reach a ten-year high in 2017. The office pipeline varies depending on the market, with some large metros experiencing a surge in deliveries, occupants will have more options, and this will possibly cause vacancy rates to rise.
- Average asking rents will be affected by the burst of new supply, however rent is still expected to grow at a moderate pace as demand for newly constructed or refurbished space, which offers modern amenities and layouts, remain strong.
- Steady confidence in the economy will likely lead to stronger economic growth, providing more jobs and more demand for office space. Office-using employment is at a record high in terms of the overall percentage of all nonfarm payroll jobs in the U.S. and is expected to increase over the next 12 to 18 months.

The availability of capital will continue to support the expansion of the U.S. real estate market and the U.S. economy, further reaffirming the positive outlook for the national office market.

Baltimore Regional Office Market Analysis

Current Trends

The Baltimore area's office market demonstrated strong market fundamentals in the second quarter of 2017 with an overall vacancy rate of 12.8 percent and nearly 620,959 square feet in positive net absorption. Baltimore's regional economy is driven by its office-using industries including federal government, defense, logistics and medical services payrolls, which have supplied substantial demand for office availability in 2016. Through second quarter 2017, Baltimore's office market maintained almost 9.3 million square feet of availability, but the number has continually shrunk in response to limited speculative construction and strong performance in the suburban markets. The "flight-to-quality" by office tenants has increased demand for new office construction, which hit the post-recession high of 1.8 million square feet delivered in 2016. Thus far in 2017, 572,580 square feet has delivered. The majority of construction underway in the Baltimore market is build-to-suit or preleased, limiting its impact on vacancy while inviting top companies to the area and increasing the quality of office space within the market. The Baltimore office market's fundamentals are projected to continue trending positively over the next 12 months behind a continually dropping vacancy rate as preleased spaces come online and rumored lease transactions come to fruition.

Listed below are highlights of the Baltimore office market at the close of second quarter 2017:

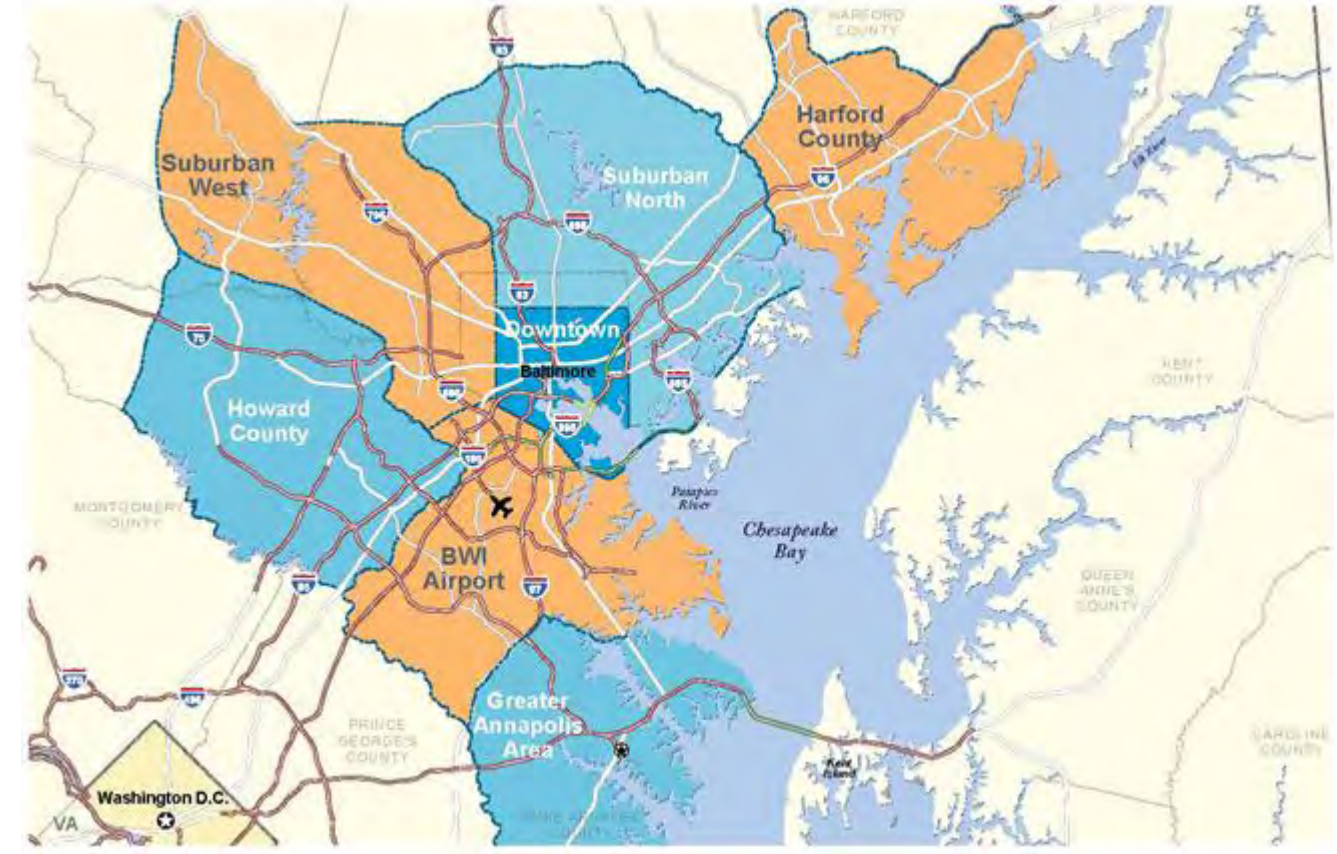
- At the close of second quarter, the Baltimore office market netted ±972,719 square feet of positive absorption. Appetite for Class-A space continued to be strong with the "flight-to-quality" trend of tenants upgrading to Class-A space and generating demand for existing availability.
- The Baltimore office market reported an overall average asking rate of $23.36 per square foot in the second quarter, increasing $0.07 per square foot since first quarter 2017. The Baltimore region remains competitive with nearby metro areas, including Washington D.C., due to competitive rents, which has aided the drop in overall vacancy. As premium Class-A construction comes online and demand for existing inventory continues to increase, overall asking rents are expected to climb.
- Construction activity is regaining momentum in the Baltimore MSA, with ±1,770,246 square feet of new inventory completed in 2016, 572,580 square feet was added through second quarter 2017 and an additional ±1.1 million square feet remains under construction. Construction completions in 2016 were up 1,291,942 square feet compared to the same time in 2015, with especially strong activity in Baltimore City where demand for a 24/7 live, work, play environment has grown substantially.
- The Exelon Corporation relocated to their new corporate headquarters in the Harbor Point project in downtown Baltimore City, which contains 443,820 square feet of office space within the mixed-use development. The 21-story mixed-use tower includes office space, street-level retail space, 103 apartment units and a 750-space above-grade parking garage improved on five levels of the building. Exelon relocated from the Candler Building at 111 Market Place in downtown Baltimore.
- Notable investment sales activity during the second quarter of 2017 included Grander Capital Partners LLC's purchase of 359,254 square feet at 25 S. Charles Street in the CBD submarket from Equity Commonwealth for $24.5 million, or $68.20 per square foot. Another notable sale was Continental Realty's purchase of 104,204 square feet at 1615-1637 Thames Street, located in the Southeast submarket, from Hunt Investment for approximately $21.0 million.

- In September 2016, the Baltimore City Council approved a $660 million public financing package for the Port Covington redevelopment, the largest tax-increment-financing deal in the city's history, led by Under Armour CEO Kevin Plank. The $5.5 billion development will be anchored by Under Armour's new 50-acre, 3.9 million square foot global headquarters and will build out shops, restaurants, housing, offices and manufacturing space on the surrounding acreage. The 260-acre former industrial area is located approximately two miles south of downtown Baltimore and is expected to serve as a catalyst for the city's development, create 26,500 permanent jobs and will have a $4.3 billion annual impact upon completion.
- Baltimore's Stadium Square development topped out its first building in October 2016 when it placed the final beam in its six-story, 72,000 square foot Class-A office building. The building includes ground-level retail and on-site parking and is one of seven buildings planned for the Sharp-Leadenhall project in South Baltimore. Upon its completion in late 2019, Stadium Square will be home to 650 luxury apartments, 300,000 square feet of office space, ±70,000 square feet of retail and ±2,000 parking spaces.

Market Characteristics

The Baltimore MSA office market is comprised of seven submarkets: BWI Airport, Baltimore City, Greater Annapolis, Harford County, Howard County, Suburban North and Suburban West. These submarkets are further segmented into 27 smaller submarkets. The Baltimore MSA holds a total of ±74.9 million square feet of office inventory, ±20.9 million square feet of which is contained within the Baltimore City submarket. Baltimore City, the largest submarket, encompasses downtown Baltimore and the northwestern terminus of Baltimore Harbor, commonly known as the "Inner Harbor." The following map illustrates the locations of the office markets within the Baltimore region:

BALTIMORE OFFICE SUBMARKET MAP



The following table represents the office market statistics for the Baltimore MSA submarkets at the end of the second quarter 2017. The subject is located within the Columbia Town Center submarket.

Office Market Statistics by Submarket
Baltimore
Second Quarter 2017

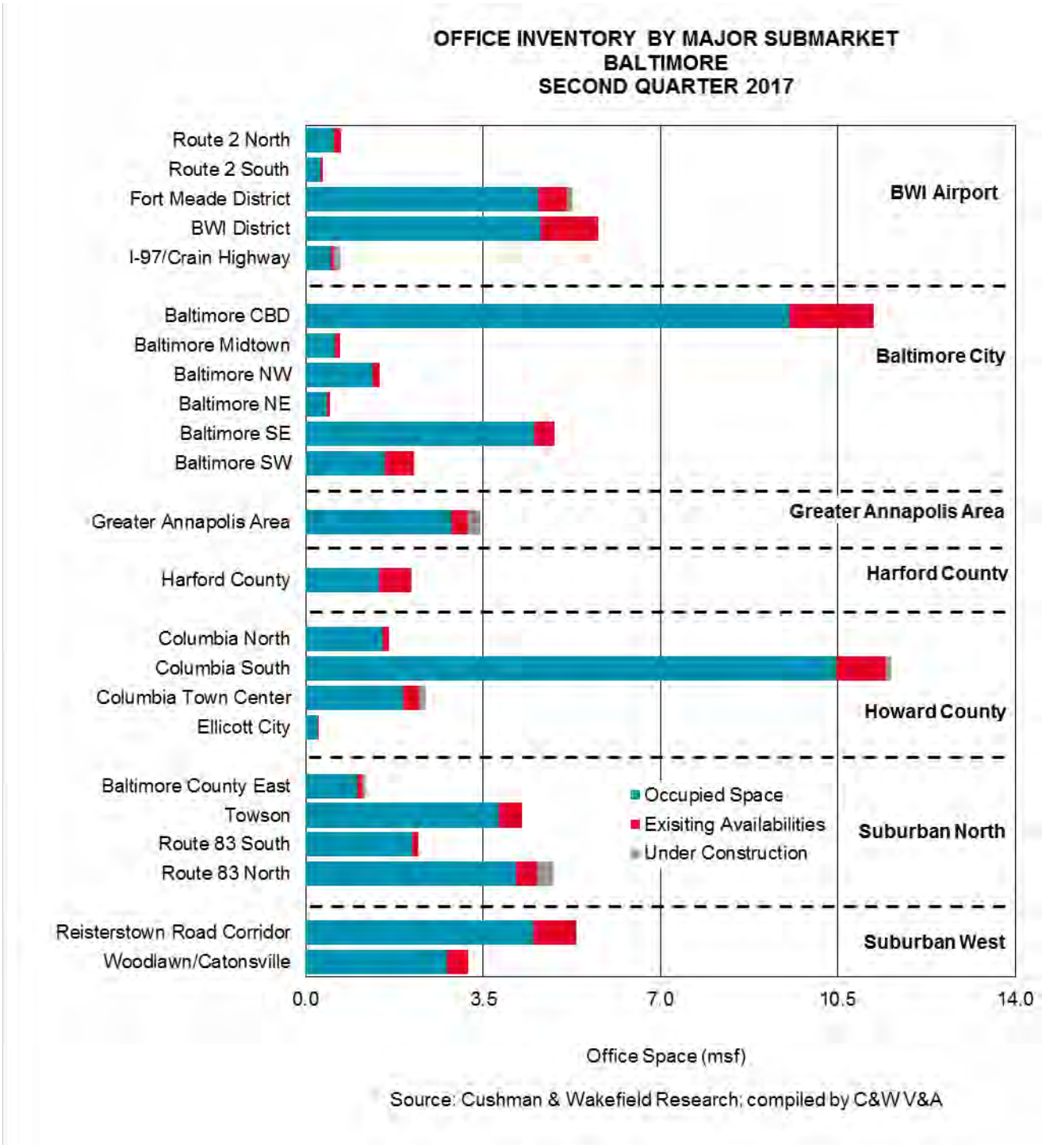
Market/Submarket	Inventory	Overall Vacancy	Direct Vacancy	YTD Construction Completions	YTD Overall Net Absorption	Under Construction	Direct Wtd Avg Class A Rent	Overall Avg Rent
BWI AIRPORT								
Route 2 North	690,128	17.7%	17.7%	0	8,119	0	N/A	$21.16
Route 2 South	340,644	12.8%	12.8%	0	(6,867)	0	N/A	$24.68
Fort Meade District	5,144,179	10.6%	9.0%	144,000	74,190	125,000	$35.00	$33.24
BWI District	5,767,255	19.6%	1.9%	0	121,110	0	$24.38	$22.67
I-97/Crain Highway	559,023	11.8%	11.8%	0	12,123	126,500	$22.29	$19.41
BWI AIRPORT TOTAL	**12,501,229**	**15.3%**	**6.4%**	**144,000**	**208,675**	**251,500**	**$27.22**	**$25.54**
BALTIMORE CITY								
Baltimore CBD	11,218,802	15.0%	15.0%	0	103,571	0	$24.87	$22.66
Baltimore Midtown	677,882	15.9%	15.8%	0	18,165	0	N/A	$15.46
Baltimore NW	1,462,608	10.0%	10.0%	0	28,526	0	N/A	$23.70
Baltimore NE	474,643	10.8%	10.8%	0	2,478	0	N/A	N/A
Baltimore SE	4,911,488	8.2%	8.1%	0	(4,313)	0	$31.50	$20.83
Baltimore SW	2,134,232	26.9%	26.9%	112,500	17,864	0	N/A	$16.50
BALTIMORE CITY TOTAL	**20,879,655**	**14.2%**	**14.1%**	**112,500**	**166,291**	**0**	**$25.28**	**$22.16**
GREATER ANNAPOLIS AREA								
Greater Annapolis Area	3,212,440	10.0%	9.9%	0	147,202	229,800	$28.68	$27.40
GREATER ANNAPOLIS AREA TOTAL	**3,212,440**	**10.0%**	**9.9%**	**0**	**147,202**	**229,800**	**$28.68**	**$27.40**
HARFORD COUNTY								
Harford County	2,075,926	30.1%	30.1%	48,080	40,624	0	$26.50	$25.14
HARFORD COUNTY TOTAL	**2,075,926**	**30.1%**	**30.1%**	**48,080**	**40,624**	**0**	**$26.50**	**$25.14**
HOWARD COUNTY								
Columbia North	1,632,693	6.9%	6.1%	0	54,319	0	$23.59	$23.59
Columbia South	11,455,084	8.7%	8.4%	0	(124,096)	99,360	$28.62	$21.91
Columbia Town Center	2,241,592	13.8%	13.6%	135,000	139,787	122,989	$25.70	$24.32
Ellicott City	239,480	4.2%	4.2%	0	3,134	0	$22.62	$22.40
HOWARD COUNTY TOTAL	**15,568,849**	**9.2%**	**8.8%**	**135,000**	**73,144**	**222,349**	**$27.12**	**$22.40**
SUBURBAN NORTH								
Baltimore County East	1,112,544	8.4%	8.0%	0	(10,452)	76,980	$25.52	$23.79
Towson	4,277,818	10.9%	10.8%	0	91,240	0	$22.41	$19.76
Route 83 South	2,215,639	4.9%	4.9%	0	73,941	0	$29.79	$23.23
Route 83 North	4,562,278	9.2%	8.6%	133,000	59,130	320,000	$24.03	$21.01
SUBURBAN NORTH TOTAL	**12,168,279**	**8.9%**	**8.6%**	**133,000**	**213,859**	**396,980**	**$25.44**	**$20.93**
SUBURBAN WEST								
Reisterstown Road Corridor	5,326,375	15.6%	15.1%	0	49,145	30,000	$21.37	$19.31
Woodlawn/Catonsville	3,201,176	13.1%	13.1%	0	73,779	0	$18.35	$17.51
SUBURBAN WEST TOTAL	**8,527,551**	**14.7%**	**14.3%**	**0**	**122,924**	**30,000**	**$19.86**	**$18.71**
BALTIMORE TOTAL	**74,933,929**	**12.8%**	**11.1%**	**572,580**	**972,719**	**1,130,629**	**$27.08**	**$23.36**

Source: Cushman & Wakefield Research; compiled by C&W V&A

Supply Analysis

Inventory

The following graph depicts the Baltimore regional office market inventory by submarket at the end of the second quarter 2017:



The following points describe the current inventory of the Baltimore regional office market:

- Baltimore City holds the largest office inventory in the Baltimore MSA within its smaller submarkets of the CBD, Baltimore City Midtown, Baltimore City North/East, Baltimore City North/West, Baltimore City South/East, and Baltimore City South/West. With a total of ±20.9 million square feet of space, Baltimore City also boasts the most new construction underway. Baltimore's central business district (CBD) holds 54.0 percent of Baltimore City's total inventory, with ±11.2 million square feet of office space.
- Howard County's submarkets, including Columbia North, Columbia South, Ellicott City and Columbia Town Center, hold a total office inventory of ±15.7 million square feet of space. The Columbia South submarket is the largest of the five with approximately ±11.5 million square feet of office space.
- The Suburban North submarket is segmented into four smaller submarkets which together account for ±12.2 million square feet of the Baltimore MSA's total inventory.
- With approximately 12.5 million square feet of office space, the BWI Airport submarket holds the fourth largest inventory in the Baltimore MSA. The area contains five submarkets: Route 2 North, Route 2 South, Fort Meade District, BWI District and I-97/Crain Highway.
- Greater Annapolis Area is the region's southernmost market and is solely comprised of the Greater Annapolis Area holding ±3.2 million square feet of office space.
- The Suburban West market contains roughly ±8.5 million square feet of office space. The Suburban West market encompasses Catonsville/Woodlawn and the Reisterstown Road Corridor.
- With just ±2.1 million square feet of office product, Harford County is the smallest market in the region. The county is located on the northeastern periphery of the Baltimore MSA, near Aberdeen Proving Ground. Government agencies, government contractors and companies that support the military base generate significant demand for office space in the county. In addition, healthcare and professional service companies, supported by the local household base, are substantial demand generators for office space within the county.

Vacancy

The overall vacancy rate of the Baltimore MSA office market improved 20 basis points since first quarter 2017 dropping to 12.8 percent. In second quarter 2017, the office market's overall vacancy rate fell below prerecession levels as a result of few relocations and office consolidations, low speculative construction activity and increased demand for Class-A office space. The office market is becoming increasingly dependent on premium office space and amenities as a means of attracting talent and, as such, demand for Class-A space has risen. The number of small-scale leases has kept the Baltimore MSA's office market absorption positive through mid-year 2017 and should continue to drive down the overall vacancy rate as preleased space comes online and build-to-suit buildings reach completion. Additional vacancy trends are as follows:

- The overall vacancy rate for the Baltimore City market was 14.2 percent at the close of first quarter 2017, a 1.2 percentage point improvement quarter-over-quarter. The Baltimore SE submarket boasted the lowest vacancy rate of the submarket, with an overall rate of 8.2 percent. Low Class-B overall vacancy rates across the greater Baltimore market have been aided by success in submarkets comprised solely by Class-B space, including the Baltimore NW submarket. Demand for downtown office space is rapidly expanding alongside the growing emphasis on live, work, play environments and the use of office amenities to attract young, highly-skilled professionals.
- A clear "flight-to-quality" has swept the Baltimore metro as tenants continue their relocation into higher quality assets. This is evidenced by the wide vacancy gap between Class-A and Class-B assets. The overall vacancy rate for Class-B assets was 15.4 percent, compared to 10.9 percent for Class-A inventory.

- The Suburban North submarket has the lowest vacancy rate of any submarket in the Baltimore region at 8.9 percent.

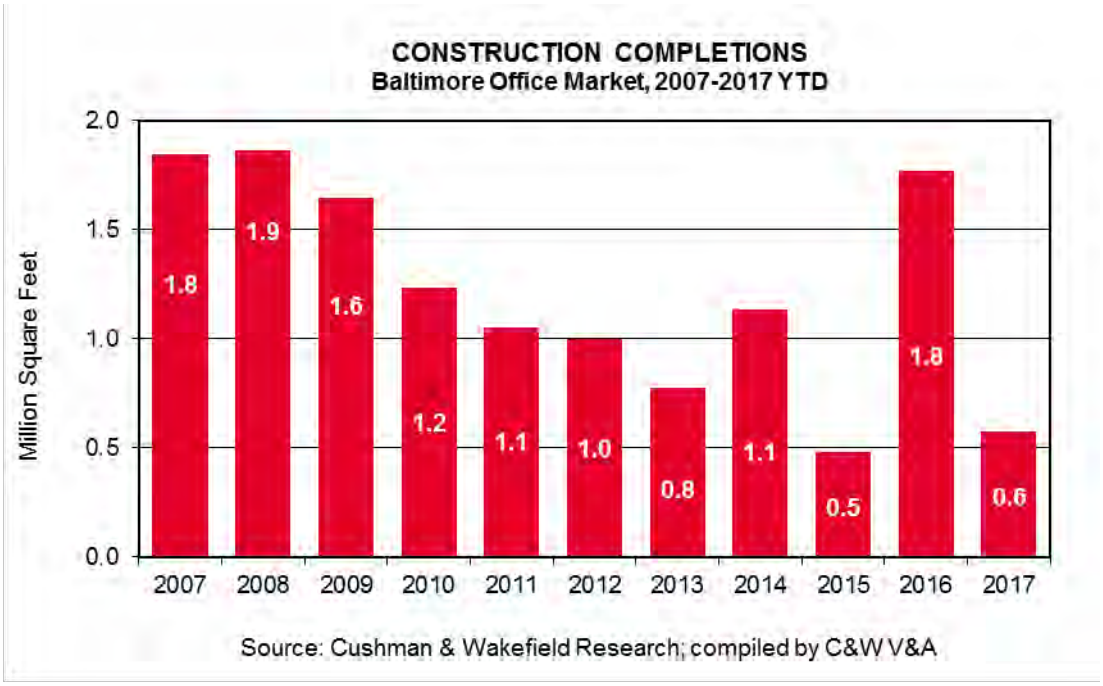
Construction

Construction activity in the Baltimore MSA office market has steadily declined in the past decade, with only 478,304 square feet of new inventory delivered in 2015 in stark contrast to the ±2.3 million square feet of projects completed in 2006. In 2016, the construction market regained momentum behind demand and tenants looking for custom space. The Baltimore MSA reported approximately 1.8 million square feet of construction completions in 2016, nearly three times the total delivery of construction in 2015. As of second quarter 2017, delivery momentum slowed down with approximately 572,580 square feet of new office construction however, there remains nearly 1.1 million square feet of new office space under construction. The majority of new construction is build-to-suit or has been preleased. The nation's recovery from the recession has changed the average office space requirements of tenants as they opt for collaborative spaces over big box and the volume of large single-tenant facilities being constructed has dropped in response.

The following points highlight construction activity in the Baltimore office market:

- Through second quarter 2017, a total of 572,580 square feet of new office space was delivered to the market, a decrease of approximately 24,190 square feet when compared to second quarter 2016. Construction was limited to 133,000 square feet in Suburban North submarket, 112,500 square feet in the Baltimore City submarket, 144,000 square feet in the BWI submarket, 135,000 square feet in the Howard County submarket and 48,080 square feet in the Harford County submarket.
- Going forward, new construction activity is expected to increase. There is 1.1 million square feet of office space under construction, almost 581,000 square feet of which are expected to be delivered before year-end 2017. This, coupled with improving market fundamentals, is expected to transition the Baltimore office market into a landlord's market. Of the 1.0 million square feet delivered in 2016, approximately 65.0 percent was preleased. Going forward, of the 1.1 million square feet under construction, 28.3 percent is build-to-suit and 13.3 percent of the speculative space under construction has been preleased.
- In November 2016, Exelon Corporation occupied its tower at Harbor Point where more than 1,500 employees, including 650 oil and energy traders relocated. The $160 million, 21-story building counted as a fourth quarter completion, but indicates the volume of build-to-suit construction to come online in the near term. The presence of the Fortune 100 Company, in addition to the $107 million tax-increment-financing package for the development of the Harbor Point site, demonstrate the push for the migration of large corporate offices into the region. The Baltimore region's commitment to converting vacant sites, including Harbor Point, Owings Mills and Port Covington, into business hubs is expected to be a catalyst for the region's economic development for years to come.

The following graph summarizes historical construction completions within the Baltimore office market from 2007 through mid-year 2017:



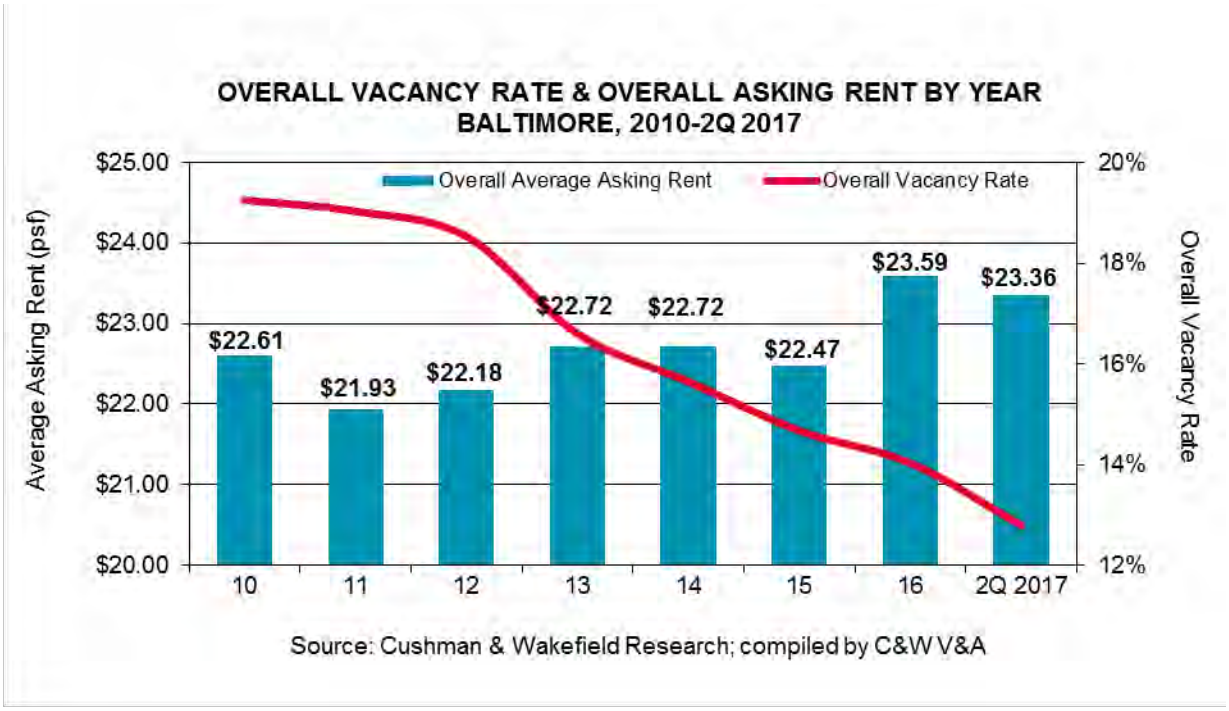
Asking Rents

In recent years, tenant demand for premiere Class-A space and the flight-to-quality rush for amenities have driven up rents across the Baltimore MSA. After a slight drop in average asking rates between 2010 and 2011, a consequence of high vacancy rates in the wake of the recession, asking rents have steadily increased to a post-recessional high of $23.59 per square foot in 2016. Alongside continued demand for high quality space and new construction coming online, average asking rents are projected to rise through the near term.

The following points summarize rental rate activity in the Baltimore office market as of second quarter 2017:

- The overall average asking rent of the Baltimore MSA office market was $23.36 per square foot at the close of second quarter 2017, up $0.07 per square foot from first quarter 2017. Rents are projected to continue increasing as newer construction, which commands higher rent, delivers.
- Historically, Harford County posted the highest overall average asking rent in the Baltimore region of $26.50 per square foot, as the concentration of Class-A inventory significantly outweighs the amount of Class-B office space. However, the Greater Annapolis Area reported the highest overall average asking rent of $28.68 per square foot in the second quarter of 2017, as a result of a lower vacancy rate and only 170,655 square feet of Class-A inventory available.

The following graph summarizes overall vacancy rates and overall average asking rents in the Baltimore office market since 2010:



The following table summarizes overall average asking rents and overall average Class-A rents by submarket for the Baltimore MSA. It should be noted that only Class-A space was surveyed in Harford County.

Baltimore Region Rents
Second Quarter 2017

Market/Submarket	Overall Average Rent	Direct Class A Rent
BWI Airport	$25.54	$27.22
Baltimore City	$22.16	$25.28
Greater Annapolis Area	$27.40	$28.68
Harford County	$25.14	$26.50
Howard County	$22.40	$27.12
Suburban North	$20.93	$25.44
Suburban West	$18.71	$19.86
Baltimore Region	$23.36	$27.08

Source: Cushman & Wakefield Research; compiled by C&W V&A

Demand Analysis

Leasing Activity

The largest lease transaction of second quarter 2017 was a renewal signed by Bank of America for 377,332 square feet in the Route 83 North submarket. In the near term, leasing volume is projected to increase as construction projects reach completion and valuable space becomes available. Large transactions can occur at any time and should a large-scale tenant sign for the Sylvan Learning center, one of the few contiguous big-block spaces on the market totaling 100,000 square feet, leasing activity should accelerate substantially.

The following table highlights significant lease transactions that occurred in the Baltimore MSA during second quarter 2017:

Significant Office Market Lease Transactions
Baltimore Office Market
Second Quarter 2017

Building Address	Submarket	Tenant	Size (sf)
11333 McCormick Road *	Route 83 North	Bank of America	377,332
100 S. Charles Street	Baltimore City	GSA Internal Revenue Service	43,121
100 E. Pratt Street*	Baltimore City	PwC, LLP	36,626
6711 Columbia Gateway Drive*	Howard County	Konica Minolta Business Solutions	19,344

Source: Cushman & Wakefield Research; compiled by C&W V&A
*Renewal: Not included in leasing activity statistics

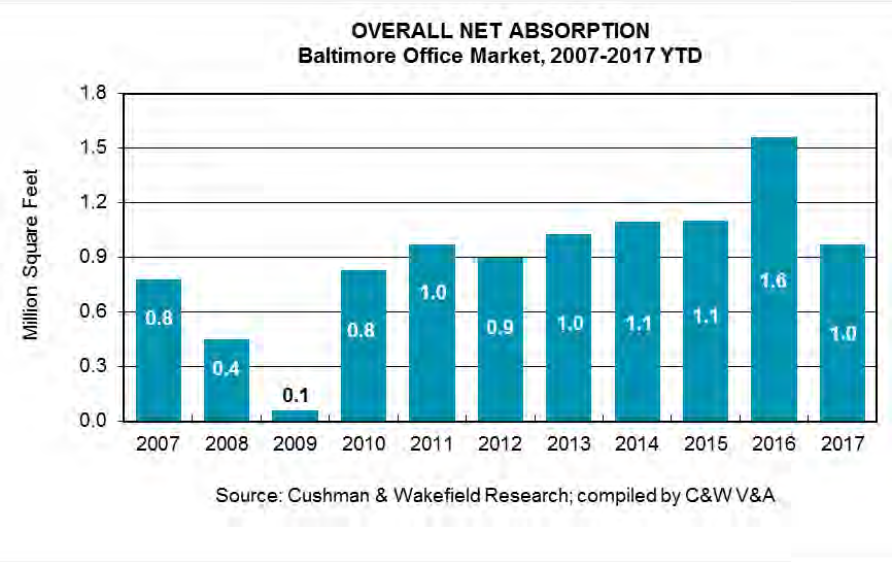
Historical Net Absorption

Overall absorption measures the net change in occupied leased space over a given time and offers a good indication of market health. The number of small-scale lease transactions and the limited returns of space to the market allowed the market to maintain positive net absorption through second quarter 2017. In 2016, the Baltimore Office Market reported overall absorption of 1,557,907 square feet, up 458,669 square feet from year end 2015. Mid-year 2017 is off to a healthy start with net positive absorption of 972,719 square feet as the market currently demonstrates stable fundamentals, but concern about future growth exists due to fiscal, monetary, and political uncertainty.

Further considerations are as follows:

- The Suburban North submarket reported the largest absorption in the Baltimore MSA of 213,859 square feet of positive absorption. Additionally, the BWI Airport submarket performed well through the second quarter of 2017 primarily with positive absorption of 208,675 square feet. The popularity of the BWI Airport submarket is due in large part to its central location proximate to downtown Baltimore City and Washington, D.C., and accessibility via railways, commercial airports and interstate connectors.
- The market currently demonstrates stable fundamentals, but concern about future growth exists due to federal government fiscal, monetary and political uncertainties. Federal government spending impacts the Baltimore region due to its proximity to Washington, D.C. and significant number of federal government agencies and government contractors located within the region. Over the coming quarters we may see slower but steady growth, allowing for the current real estate cycle to extend its historical run.

The following graph illustrates the Baltimore MSA office market's overall net absorption since 2007:



Baltimore Regional Office Market Conclusions

Through mid-year 2017, the Baltimore office market demonstrated improving market fundamentals behind record low vacancy rates, rising average asking rents and consistently positive net absorption. Demand for premiere office space, particularly in and around the Baltimore CBD, has validated the continued trend of seeking quality office space in live-work-play urban environments to attract young, highly skilled professionals. The evolution of office space, with a renewed emphasis on collaborative workspaces, has incited a surge of build-to-suit construction and updated amenities. Strengthening market demand, particularly among Class-A assets, drove the overall vacancy rate down to 12.8 percent. Baltimore's transportation network, key economic drivers, projected payroll growth and rising income levels are expected to support expansion of the office market throughout the near term.

The following points highlight the outlook for the Baltimore MSA office market:

- Construction activity in the Baltimore office market continued to do well, with 2016 construction completions totaling more than triple the competitions of 2015. The Baltimore MSA reported 572,580 square feet of construction completions through second quarter 2017, with ±1.1 million square feet under construction. With the majority of new inventory in 2016 preleased, inventory levels should grow without negatively impacting vacancy rates. The region has begun to see a rise in speculative construction as developers recognize continually improving market fundamentals. Going forward, 28.3 percent of the construction is build-to-suit and 13.3 percent of the speculative space under construction has been preleased.
- Vacancies are expected fall over the next twelve months as demand is strong enough to offset the office additions due to come online over the same time. Nonetheless, there may be slight quarterly fluctuations as there can be considerable lag time between when a building delivers and a tenant takes occupancy. Additionally, as vacancy rates continue their downward trend, asking rents are anticipated to rise.
- Average rents are expected to continue to rise modestly. Stronger demand for Class-A office space, coupled with dwindling supplies of quality office inventory, are expected to transition the region into a landlord's market. We can also expect to see less aggressive tenant concessions at that time. The market's rental growth has been driven by the BWI Airport market, which posted the strongest rental growth year-over-year, up 15.8 percent and quarter-over-quarter up 10.4 percent.

Competitive Office Survey

The following table reflects competitive office buildings in the subject's submarket as surveyed by Cushman & Wakefield of Maryland, Inc. and CoStar Group.

MICRO MARKET SURVEY- COMPETITIVE OFFICE SUPPLY

Property Name	Building Address	Rentable Building Area SF	Vacant Available Office SF	% Vacant Available	Average Weighted Asking Rental Rate ($/SF)
6700 Alexander Bell Dr	6700 Alexander Bell Dr	76,400	0	0.0	Withheld
6708 Alexander Bell Dr	6708 Alexander Bell Dr	52,000	21,745	41.8	$29.00
Gateway Crossing 95 M	6740 Alexander Bell Dr	61,957	0	0.0	-
6750 Alexander Bell Dr	6750 Alexander Bell Dr	78,460	14,187	18.1	$29.00
Lakeview II	9861 Broken Land Pky	125,144	17,204	13.7	$24.50
Woodmere I	9881 Broken Land Pky	62,843	0	0.0	-
Woodmere 2	9891 Broken Land Pky	63,942	3,550	5.6	$25.00
70 Columbia Corporate Center	11000 Broken Land Pky	168,647	2,098	1.2	Withheld
Charter Professional Center	10700 Charter Dr	56,103	0	0.0	$36.00
6711 Columbia Gateway Dr	6711 Columbia Gateway Dr	125,000	4,688	3.8	$30.00
Gateway Exchange III	6721 Columbia Gateway Dr	131,451	0	0.0	-
6731 Columbia Gateway Dr	6731 Columbia Gateway Dr	123,600	3,720	3.0	-
6940 Columbia Gateway Dr	6940 Columbia Gateway Dr	108,737	0	0.0	$29.00
Woodlands One	6950 Columbia Gateway Dr	110,000	0	0.0	-
Merkle	7001 Columbia Gateway Dr	119,912	0	0.0	-
-	7021 Columbia Gateway Dr	105,250	13,460	12.8	$26.75
7067 Columbia Gateway Dr	7067 Columbia Gateway Dr	85,400	0	0.0	-
Two Merriweather (under construction)	10960 Grantchester Way	123,604	23,809	19.3	Negotiable
One Merriweather	10980 Grantchester Way	208,181	86,359	41.5	Negotiable
Little Patuxent Square	10175 Little Patuxent Pkwy	155,900	27,000	17.3	Withheld
TenThreeTwenty	10320 Little Patuxent Pky	141,558	4,510	3.2	$27.50
30 Columbia Corporate Center	10440 Little Patuxent Pky	143,386	16,497	11.5	$25.50
40 Columbia Corporate Center	10480 Little Patuxent Pky	137,653	7,575	5.5	$27.50
60 Columbia Corporate Center	10490 Little Patuxent Pky	102,013	7,038	6.9	$28.50
50 Columbia Corporate Center	10500 Little Patuxent Pky	119,121	3,892	3.3	$28.00
Maple Lawn Office IX	8110 Maple Lawn Blvd	104,412	0	0.0	Withheld
Maple Lawn Office VIII	8115 Maple Lawn Blvd	138,900	4,311	3.1	Withheld
Maple Lawn Office V	8120 Maple Lawn Blvd	125,260	0	0.0	Withheld
Maple Lawn Office VI	8135 Maple Lawn Blvd	138,900	0	0.0	-
Maple Lawn Office IV	8160 Maple Lawn Blvd	110,000	0	0.0	-
Maple Lawn Office III	8161 Maple Lawn Blvd	110,996	0	0.0	Withheld
Lyndwood Executive Bldg 1	6085 Marshalee Dr	81,728	0	0.0	-
Lyndwood Executive Bldg 2	6095 Marshalee Dr	81,728	11,640	14.2	Withheld
Columbia Corporate Park 5	8890 McGaw Rd	79,000	0	0.0	Withheld
Arbitron Bldg	9705 Patuxent Woods Dr	115,273	0	0.0	-
-	8601 Robert Fulton Dr	54,020	2,182	4.0	$28.50
Crestpointe Corporate Ctr - Bldg F	7110 Samuel Morse Dr	100,113	0	0.0	-
Crestpointe Corporate Ctr - Bldg E	7120 Samuel Morse Dr	100,113	0	0.0	-
Columbia Corporate Park 4	8825 Stanford Blvd	77,939	0	0.0	Withheld
Columbia Corporate Park 3	8830 Stanford Blvd	136,559	1,360	1.0	Withheld
Columbia Corporate Park 2	8840 Stanford Blvd	93,903	3,735	4.0	Withheld
Columbia Corporate Park	8850 Stanford Blvd	94,273	3,066	3.3	$24.00
-	5565 Sterrett Pl	119,070	88,449	74.3	$24.48
Stevens Forest Green	6350 Stevens Forest Rd	84,600	14,144	16.7	$24.50
Symphony Woods Office Ctr	5950 Symphony Woods Rd	98,528	12,300	12.5	$26.25
Columbia Corporate Park 100 Building II	6011 University Blvd	95,560	0	0.0	Withheld
Columbia Corporate Park 100 Building III	6021 University Blvd	107,300	0	0.0	Withheld
Columbia Corporate Park 100 Building IV	6031 University Blvd	76,996	11,167	14.5	Withheld
Columbia Lakeside	10211 Wincopin Cir	70,962	0	0.0	-
Teacher's Building	10221 Wincopin Cir	56,500	0	0.0	-
Total/Average (50 Buildings):		**5,238,895**	**409,686**	**7.8**	**$27.50 fs**

Source: CoStar Group,. Cushman & Wakefield of Maryland, Inc. (fs- equivalent Full Service Rental Rate)

As reflected by the prior table, there are 50 competitive office buildings within the subject's submarket containing ±5.2 million square feet. The survey reflects total vacant available space of 409,686 square feet, or 7.8 percent. Excluding the subject properties' vacancy, the vacant rate is 6.1 percent. Average asking rates for competitive office space range from $24.00 to $36.00 per square foot, with a weighted average of $27.50 per square foot on an equivalent full service basis (fs). A "full service" lease is defined by market participants as tenants responsible for any increases in real estate taxes, insurance and operating expense over their base year. Lease rates include a tenant improvement package ranging from $4.00 to $7.00 per square foot per year of the lease term for new leases (relet space), and $1.00 to $3.00 per square foot per year of the lease term for renewal leases. Tenant improvement packages for new Class-A construction over shell range from $6.00 to $10.00 per square foot of the lease term. Full service rental terms typically reflect annual escalations of 2.0 to 3.0 percent. Office leases structured on a gross rental basis (no reimbursements) typically reflect annual escalations of 3.5 to 4.5 percent. Office space leased on a full service- net of utilities basis typically reflects a rental rate of $2.00 to $3.00 per square foot less than the equivalent full service rate. This lease structure is typical for single-tenant office buildings. Primary office demand generators include professional service firms, educational and medical-related companies, government agencies, government contractors and financial service firms.

Subject's Competitive Office Market Position

The subject's existing and planned office buildings are considered Class-A space by market participants based on building quality, amenities and tenancy. The subject benefits from being located within a well-established submarket centrally located within the Baltimore-Washington Corridor, proximate to primary demand generators including the National Security Agency and Fort Meade military installation. In addition, the subject is located within the community of Columbia, which has a significant household base that supports professional service and healthcare-related office tenancy. The subject also benefits from being located near major thoroughfares with good accessibility from surrounding markets. The subject's immediate market reflects a competitive supply of available space with stable rental rates. The subject offers good amenities that are attractive to prospective tenants as evidenced by its current tenancy. Thus, based on the subject's locational characteristics, project quality and current tenancy, the subject has a good competitive position in comparison to other office buildings within the immediate market.

Office Market Outlook and Conclusions

The Baltimore regional office market has reflected improved market fundamentals over the past year. Speculative office construction in the region has been limited, which has constrained vacancy. Vacancy within the Baltimore regional office market is forecast to reflect improvement over the next 12 months. The competitive office inventory in the subject's submarket reflects stabilized occupancy. Average asking rental rates are forecast to reflect increases over the next 12 months. Based on the subject's competitive position, it could be inferred that the subject would be able to capture its fair share of tenant demand to support the planned office use and achieve stabilized occupancy with aggressive marketing and professional management of the properties as local office market fundamentals continue to improve.

Apartment Market Analysis

Introduction

The subject's Crescent development is proposed to be developed with 1,387 apartment units improved within five mid-rise apartment buildings. The development is proposed to include 1,236 market rate units, 105 moderate income units and 46 low-income units. The total designated affordable housing units will represent about 11 percent of the total apartment development at the subject property.

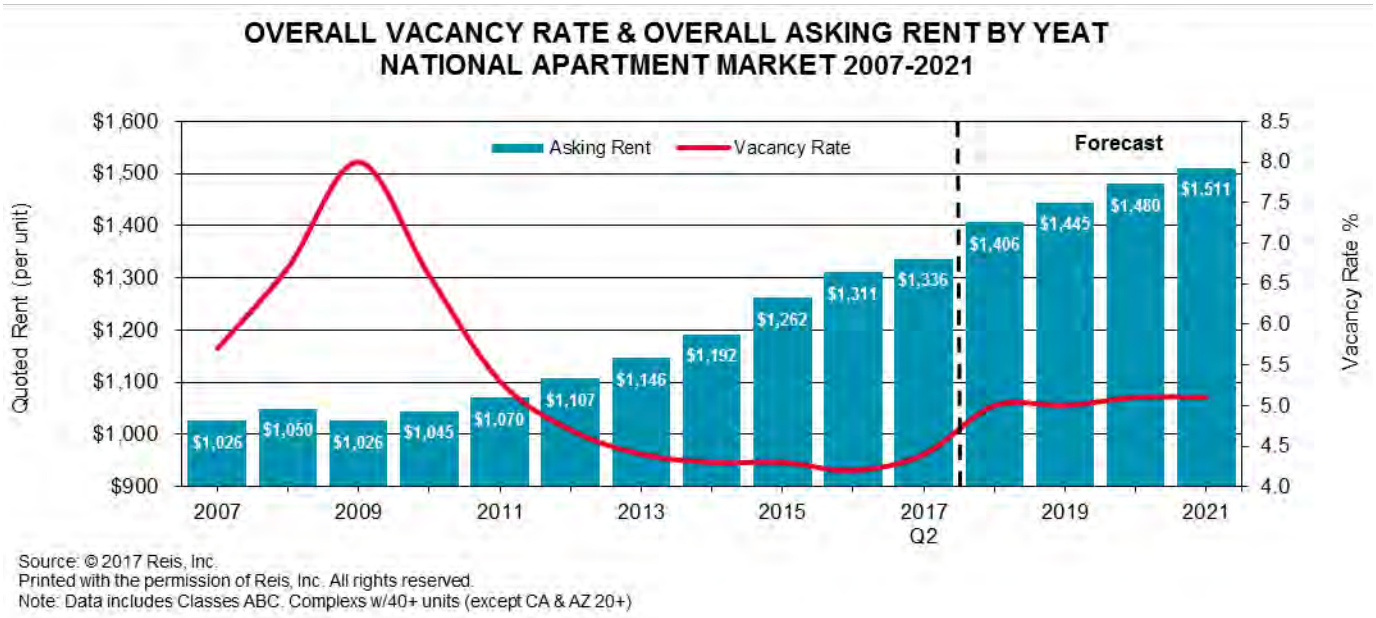
National Apartment Market Statistics
Vacancy and Asking Rent

The overall vacancy rate for the U.S. apartment market has stabilized in recent years following its 8.0 percent peak in 2009. Strong absorption levels since 2010 have resulted in a drop in overall vacancy rates. In 2016, approximately 207,000 units were absorbed and vacancy rates were as low as 4.2 percent. The rise in occupancy has caused developers to add large quantities of supply to the market over the last five years. Many feared that rent growth would suffer as a consequence of apartment volume. This was not the case, from 2009 through 2016, asking rent grew at an annual rate of 3.6 percent.

The following points include information regarding vacancy rates and asking rent for 2017 and beyond:

- At the mid-way point of 2017, absorption, at almost 65,000 units, dipped 39.6 percent when compared to the same period last year.
- Reis, Inc. had forecasted absorption to increase throughout the year and reach approximately 211,000 units for 2017. After a poor display in the first half of 2017, absorption is now expected to fall behind the 5-year average.
- Through second quarter 2017, asking rent has continued its upward ascent, ending second quarter at $1,336 per unit.
- Going forward, Reis, Inc. anticipates that rent growth will continue to rise, although new supply will push growth downward as it outpaces demand. However, Reis, Inc. projects the average asking rent will reach to $1,511 per unit by the end of 2021, representing an increase of nearly 18.7 percent from 2016.

The following graph displays historical and projected vacancy and asking rent between 2007 and 2021 (2017 figure represents second quarter figures):



National Apartment Investment Sales Market
Overall Capitalization Rates

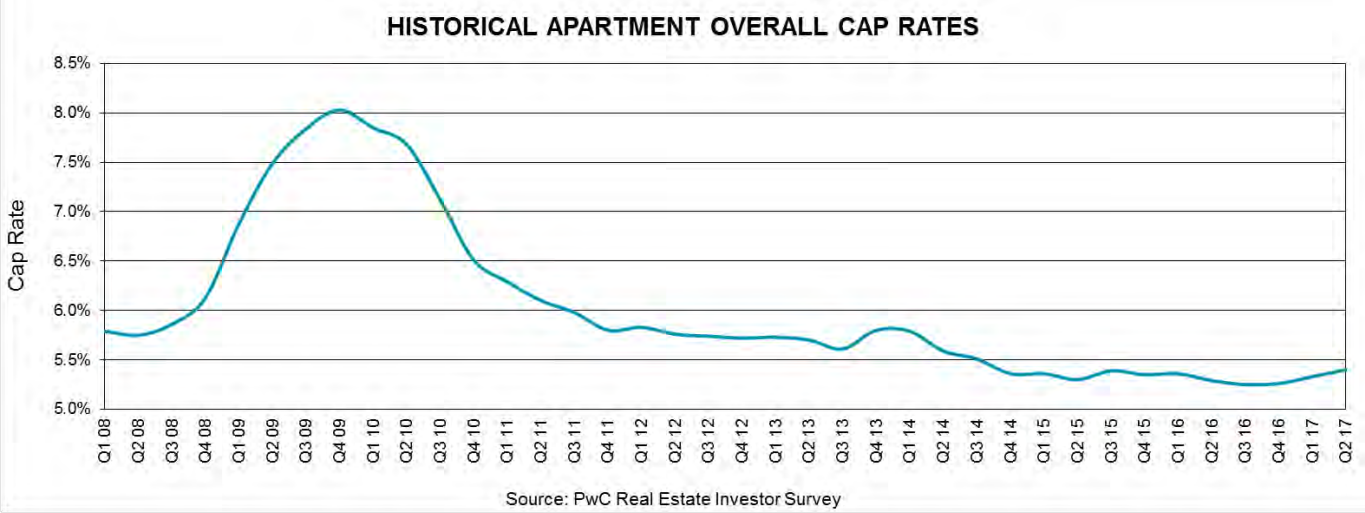
Both the PwC Real Estate Investor Survey and the National Council of Real Estate Investment Fiduciaries (NCREIF) methodologies offer unique perspectives on capitalization rate trends. The PwC Real Estate Investor Survey calculates its data based on a personal survey of major institutional equity real estate market participants. In contrast, NCREIF looks at data from appraisals included in their benchmark property return index. The index contains quarterly performance data for unlevered investment-grade income-producing properties, which are owned by, or on behalf of, exempt institutions.

The PwC Real Estate Investor Survey and NCREIF data demonstrates how capitalization rates (OAR) soar during an economic downturn. The risk associated with apartment buildings in 2009 pushed the OAR to 8.0 percent, according to PwC. OAR has dropped as the economy has stabilized, at the end of the second quarter 2017, the average capitalization rate fell to 5.4 percent. Given the historically low average capitalization rates, it is no surprise that the majority of surveyed investors believe that current market conditions favor sellers.

The following points detail the PwC Real Estate Investor Survey and NCREIF capitalization rate trends:

- At the end of second quarter 2017, the PwC investor survey reported the average capitalization rate for apartment properties grew 10 basis points on a quarterly and yearly basis.
- According to NCREIF, the overall capitalization rates at 4.6 percent in second quarter 2017, did not change on a quarterly basis but has fallen 20 basis points since second quarter 2016.
- Despite displaying distinct rates, similar trends are usually evident in both the PwC Real Estate Investor Survey and NCREIF data. Even with the difference in the quarterly data, both surveys suggest that capitalization rates are well below what they were seven years ago. This emphasizes investors' positive sentiment toward the apartment market.

The following graph reflects historical trends for national apartment market OARs, per PriceWaterhouse Coopers:

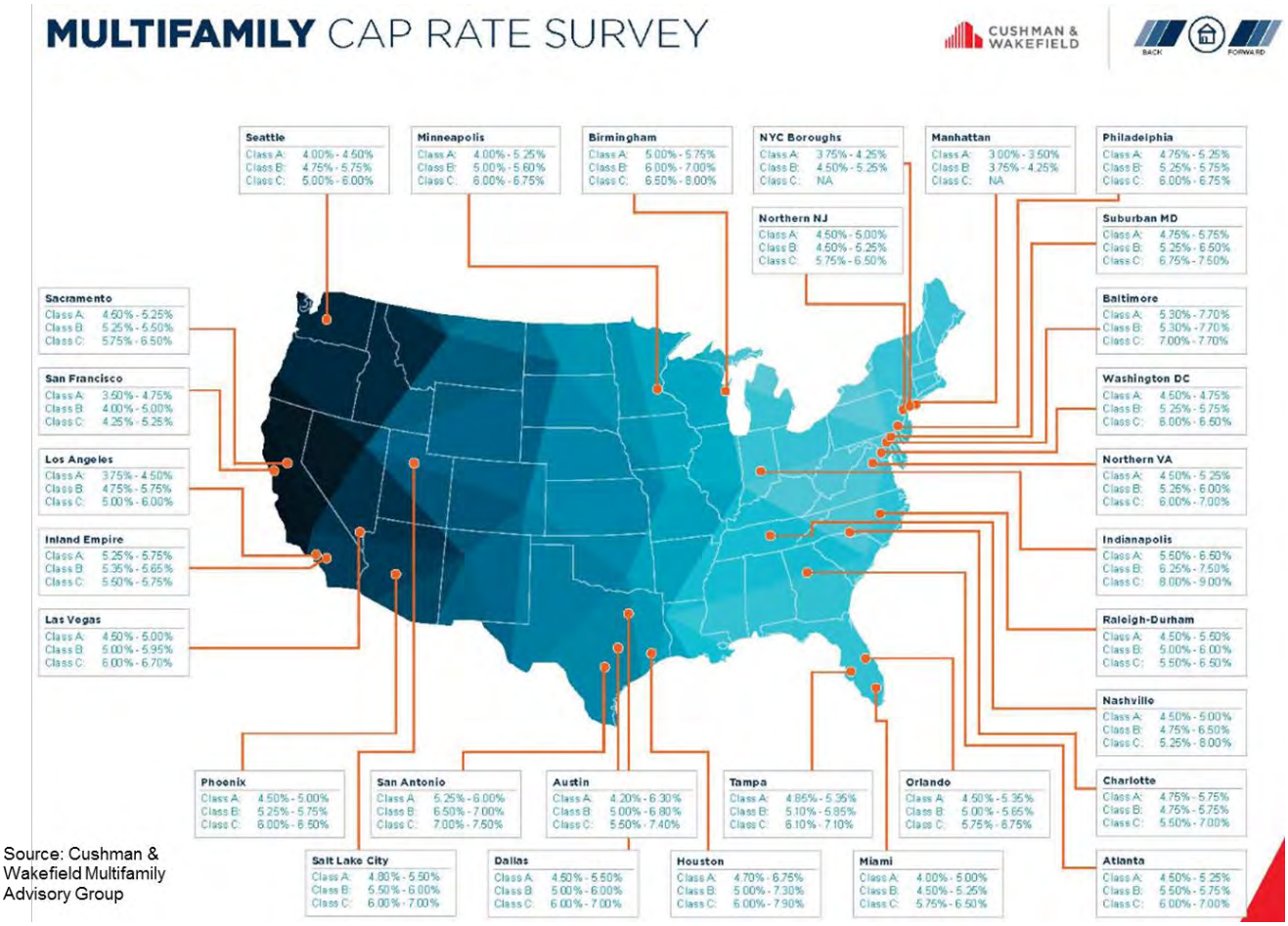


The following graph reflects national historical cap rate trends as reported by NCREIF:



In July 2017, brokers from Cushman & Wakefield's Multifamily Advisory Group surveyed market participants about prevailing capitalization rates in their respective markets.

Over the next six months, as noted in the graphic, cap rates in most markets are expected to remain flat, with cap rates in a few markets expected to show some upward movement, while others show some additional compression.



Source: Cushman & Wakefield Multifamily Advisory Group

Sales Volume

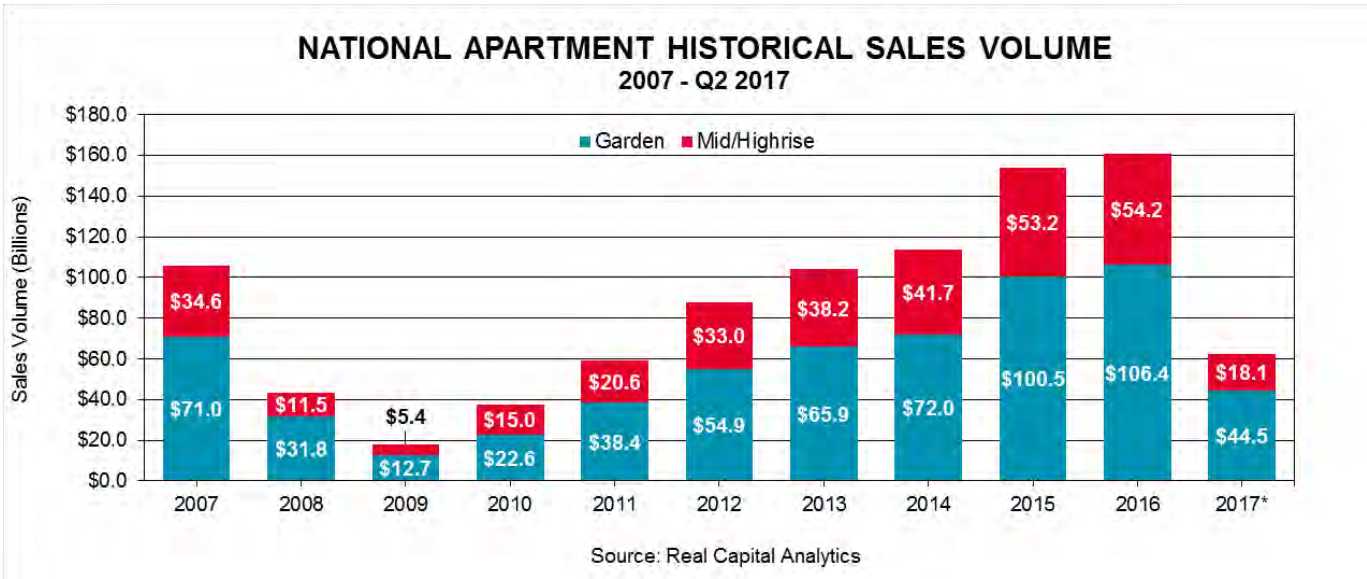
Robust market fundamentals and low capitalization rates drove a sharp increase in investment sales over the last five years. According to Real Capital Analytics, investors' appetite for garden style communities increased further in the last two and a half years. At the midway point of 2017, 2,741 garden-style apartment communities traded for $44.5 billion, while 782 mid/high-rise properties exchanged for approximately $18.1 billion.

Total apartment sales volume set a new record in 2014, this peak was outperformed in the following year. In 2016, total sales grew by 4.5 percent, and again set a new high. So far in 2017 sales volume has not experienced the same level of growth. At the mid-way point, a total of 3,523 properties transferred totaling $62.6 billion in volume, representing a drop from the 3,890 properties that traded for $75.7 billion through second quarter 2016. Investors have taken into account the recent interest rate increases and are aware of further potential hikes throughout the year. This has worked in culmination with apartment prices being near all-time highs, therefore, many have taken a tentative approach to multifamily investment so far in 2017. Further considerations are as follows:

- In second quarter 2017, sales activity (amount of transactions) grew 16.9 percent on a quarterly basis and 1.6 percent year-over-year.
- Sales volume grew 28.7 percent over first quarter's total but fell 0.9 percent from the same period in 2016. However, one major transaction was responsible for pushing total volume higher than the previous quarter and therefore this improvement is a bit of an illusion. Sales volume in the first quarter was the lowest since mid-2014 and therefore overall volume so far in 2017 is behind the previous two years.

- The Dallas market remains as the leading market in terms of sales volume through second quarter 2017, sales totaled $4.1 billion and represented 11.0 percent year-over-year growth. Atlanta ticked up to second place, at $3.1 billion, and Los Angeles was third, with sales volume of $3.0 billion invested.
- Although sales volume remained high in traditionally strong markets, low capitalization rates and low financing costs resulted in more opportunistic investing in the past year, as investors focused on many markets that were previously overlooked. As investors enter new markets in search of yield, Baltimore increased 80.0 percent and San Antonio grew 68.0 percent for the rolling 12-month sales volume ending second quarter 2017. Many buyers are looking to make value-added deals, such as assets in secondary markets, as well as older properties in good locations with renovation potential.

The following graph reflects national apartment historical sales volume for both garden and mid/high-rise properties from 2007 through second quarter 2017, as surveyed by RCA:



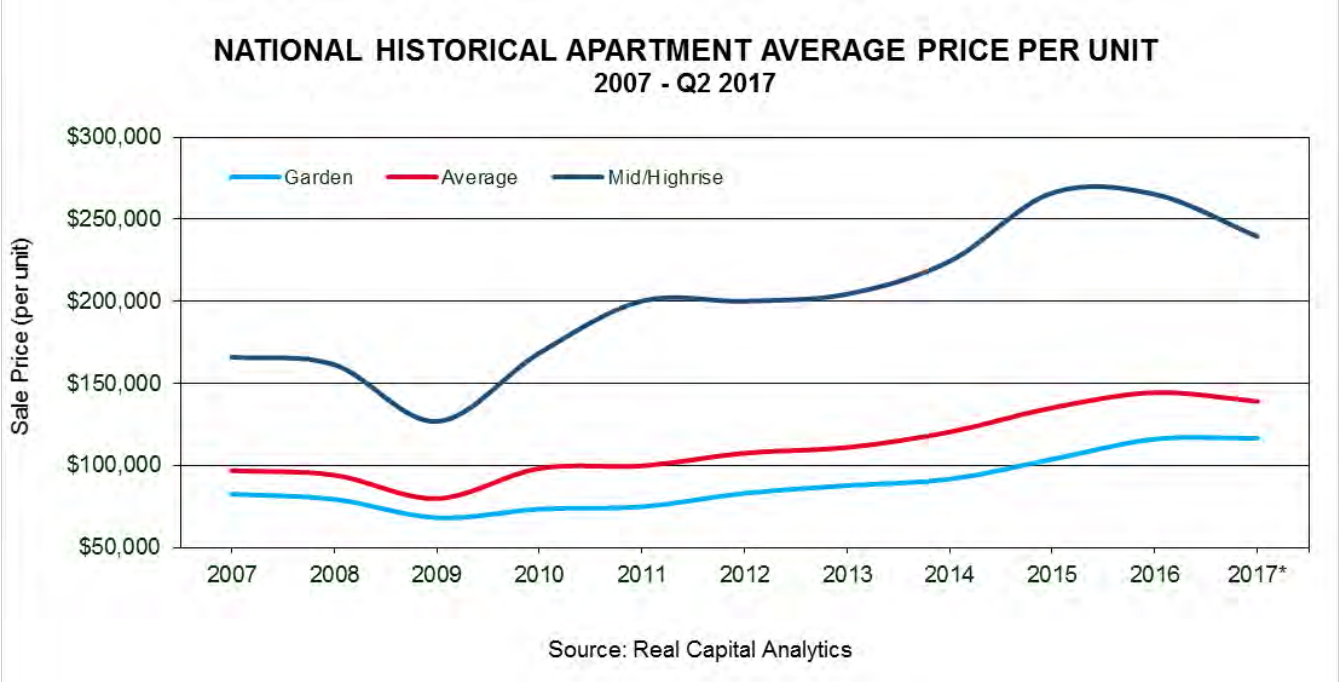
Average Sales Price per Unit

The average price per unit has steadily increased over the past few years. As the market recovered, apartment value appreciated, however a portion of apartment units that were sold following the financial crash were distressed assets, limiting price growth. In the last three years there has been a decline in distressed assets that are available for purchase and the uptick in the price per unit is demonstrated with a 12.2 percent price per unit increase in 2015. In 2016, the price per unit has continued to climb, increasing 6.8 percent to an average of $144,477. This escalation was driven primarily by strong appreciation for mid- and high-rise properties in primary and secondary markets.

The following points are concerning price per unit through second quarter 2017:

- There has been no consistency in terms of price growth at the mid-way point of 2017, the price per unit for garden properties grew 4.2 percent year-over-year, ending second quarter 2017 at $117,172. The mid/high-rise price per unit, at $239,761 at second quarter 2017, continues to lose steam, dropping 14.1 percent from second quarter 2016.
- The average price per unit as of second quarter 2017 was $141,637, in line with the average recorded in 2016. The price per unit remains comparatively high and is expected to escalate throughout the second half of 2017.

The following graph reflects the national apartment historical average price per unit as surveyed by RCA:



The Moody's/RCA Commercial Property Index

The Moody's/RCA Commercial Property Price Index (CPPI) is an advanced repeat-sale regression analytic used to measure price changes in U.S. commercial real estate. The analysis allows for a timely and accurate picture of U.S. commercial property price trends. The Index uses transaction data sourced from Real Capital Analytics (RCA) and a methodology developed by a team headed by MIT Professor David Geltner working in conjunction with Moody's and RCA.

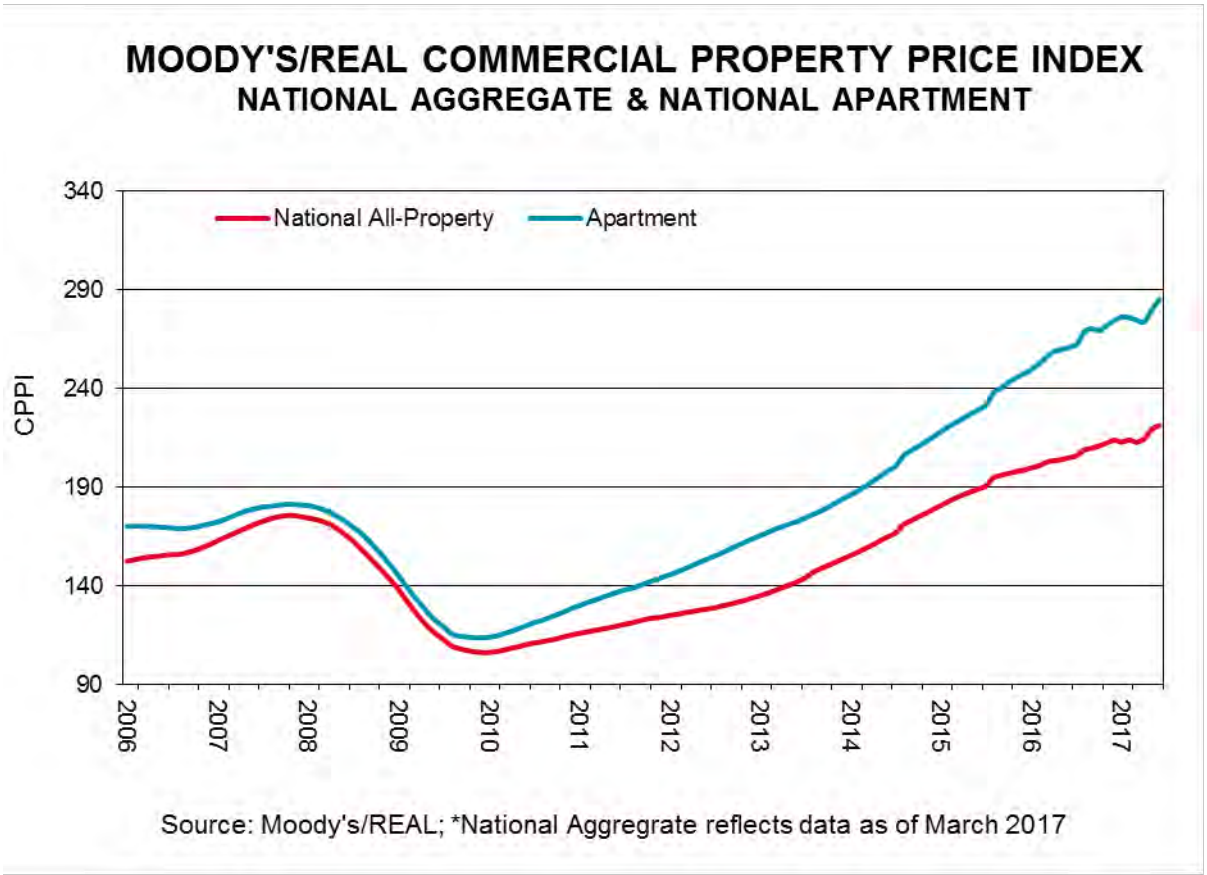
Several characteristics qualify property sales data for inclusion in the CPPI:

- The minimum value of a sale for inclusion is $2.5 million.
- Each sale must be a valid arms-length transaction. Foreclosures and other non-market transactions are excluded.
- A minimum of 12 months between sales is necessary to control against "flips."
- Neither of the sales in a pair can represent a material change in property use or size.

A transaction is excluded if the annualized return is less than negative 50.0 percent or greater than 50.0 percent. This restricts the inclusion of erroneous reports, major rehab projects, and partial sales or otherwise flawed data.

The national index for all properties in June 2017 was 221.4, an increase of 7.9 percent from June 2016. All but two of the segments that contribute to the national all-property index have exceeded their previous peak levels. The apartment sector has fully recovered its peak-to-trough loss. As of June 2017, the index for all apartment properties was 285.3, which is 57.2 percent higher than its previous cyclical peak in 2007.

The following graph displays the Commercial Property Price Index from January 2006 to June 2017:



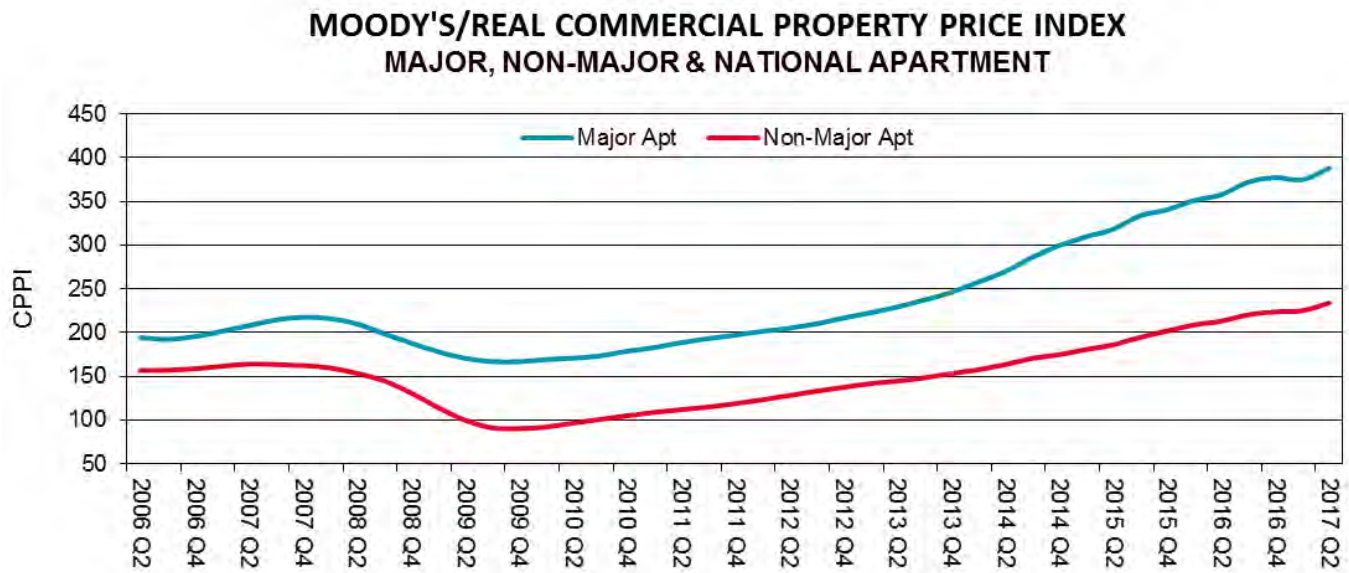
Major and Non Major Apartment Property Index

Moody's major markets include the six metropolitan areas of Boston, Chicago, Los Angeles, New York, San Francisco and Washington DC, which are often referred to as gateway markets. These markets reflect significant differences in liquidity, when compared to other markets in the United States, as they attract capital from global investors and account for more than half of the U.S. total sales volume. Therefore, apartment properties located in one of the six major markets usually have a higher CPPI value than that of non-major markets.

Following are notes regarding CPPI value for major and non-major apartment markets:

- The CPPI value for apartment properties in major markets reached its previous cyclical peak, at 217.4, in December of 2007, and only declined 23.4 percent to its trough of 166.6 in December 2009. Since then, the CPPI value for major market apartment buildings has not only recovered, but also significantly surpassed the value lost during the economic recession. As of second quarter 2017, the CPPI value for apartment buildings in major markets reached 388.0 or 78.5 percent higher than its previous cyclical peak.
- The CPPI value for non-major apartment complexes reached its peak of 163.9 in June 2007, only to decline 45.1 percent to a trough of 90.0 at the end of 2009. Naturally, price appreciation started off slow in non-major markets as investors focused on the aforementioned gateway markets. However, apartment properties in non-major markets have surpassed their previous high value by 42.7 percent, with an index value of 233.9 as of second quarter 2017.

The following graph displays the Commercial Property Price Index for major and non-major markets from second quarter 2006 through second quarter 2017:



Source: Moody's/REAL; *National Aggregrate reflects data from Q2 2006 through Q2 2017

National Apartment Market Summary

At the halfway point in 2017, the U.S. apartment market continues to benefit from the U.S. economic expansion. Wage growth appears to be trending higher and layoffs have fallen to the lowest levels since the 1970s. Job openings are near record highs, and more companies are having difficulty finding workers qualified to fill these positions. This development points to stronger wage growth in the coming years as companies compete to hire the most talented employees. Strong job growth combined with income gains typically leads to greater consumer spending, as well as changes in household formations as younger workers leave home or transition from roommate situations into their own households.

Further, household debt burdens continue to decline, effectively increasing after-tax income. This will benefit the apartment market as an increase in income and employment will allow more people to “uncouple,” or live independently. This, tied with the continued shift of the millennial generation’s preference for living in a walkable, urban area as well as other groups seeking convenience or see rent as their only financial option, will continue to drive the demand for apartments, especially in urban areas.

Following are notes regarding the outlook for the U.S. national apartment market in 2017 and beyond:

- Construction levels poses localized risk in several markets that have ramped up development. The number of new developments breaking ground and coming to market will increase in the next year and likely surpass the rate at which units can be absorbed, particularly in metros with a high concentration of new, expensive infill product.
- Home ownership levels are at lows only matched in the 1960s and it is anticipated that will be the case for the foreseeable future. Concerns could arise if the millennial generation start to trend toward houses in the suburbs rather than walkable urban areas. It is worth noting that this generation grew up in the middle of the housing bust, and may have affected a general view of home ownership.

- The overall capitalization rates have remained steady over the last five years and the market has experienced a positive response to the recent interest rate hikes. Accordingly, investors' appetite for value-add opportunities and properties in secondary and tertiary markets should escalate, as they continue to search for higher yields.
- The price per unit has not performed consistently in both the garden and mid/high-rise apartment markets. The garden market unit prices continue to climb, aided by sustained income growth. However, the mid/high-rise market may have reached its cyclical peak in 2015 as prices begin to descend.

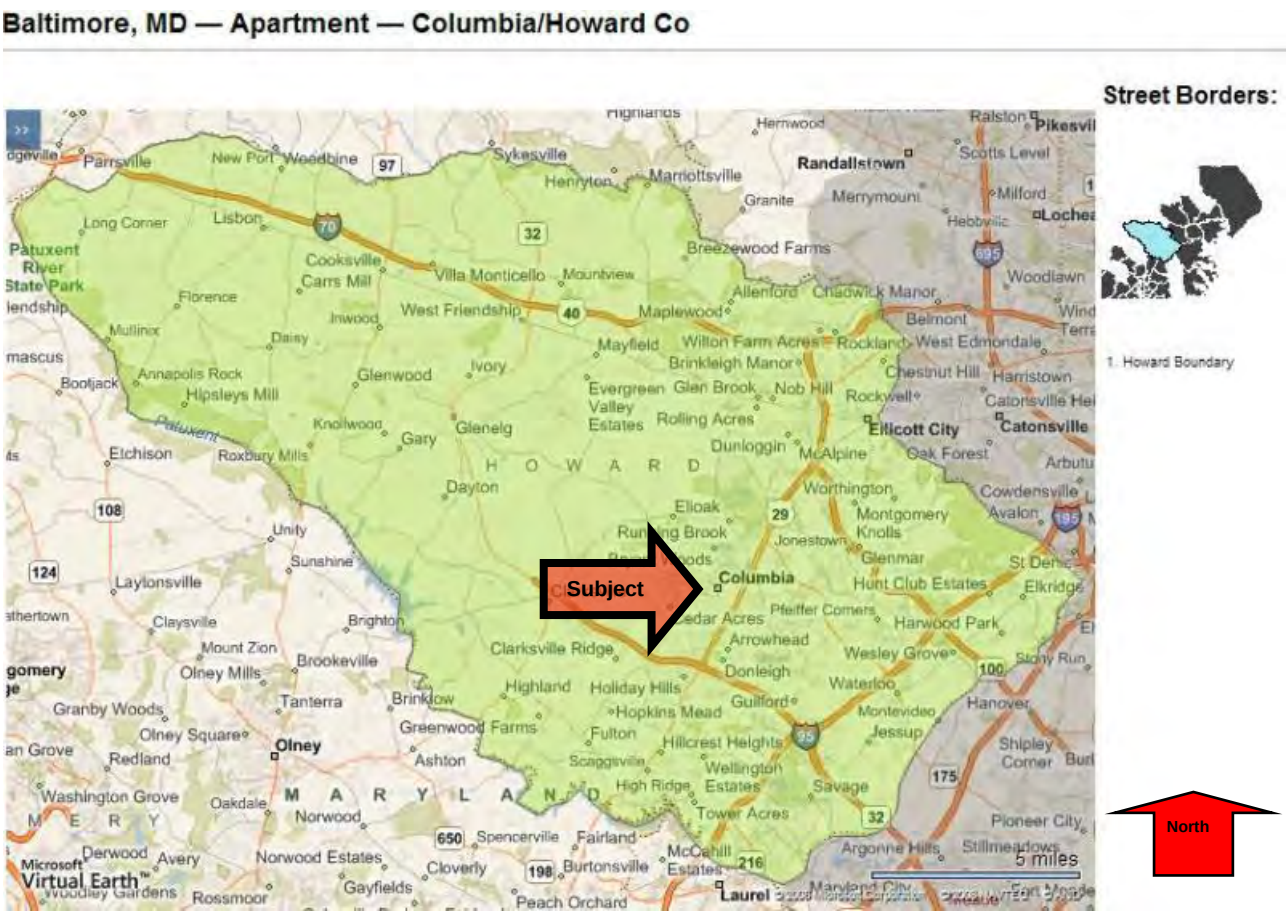
Overall, the national apartment market remains healthy, underscored by steady absorption and stabilized rent growth. Oversupply could result in slower rent growth beyond 2017, however demand will continue and rent is expected to increase 2.4 percent on an annual basis from 2018 through 2021, according to Reis, Inc. The apartment market should remain one of the top choices for investors.

Baltimore Apartment Market Overview

Introduction

The following section is a summary of the Baltimore regional apartment market and the subject's submarket based on REIS statistics as of first quarter 2017 (most recent data available). The subject is located within the Columbia/Howard County submarket as defined by REIS as reflected by the following map:

APARTMENT SUBMARKET MAP



Submarket Snapshot

As of first quarter 2017 (most recent data available) the Baltimore Apartment market contains 156,192 rental units in 629 apartment complexes located in ten submarkets. Pikesville/Randallstown/Owings Mills is the largest submarket, with 16.7 percent of the region's total inventory. Annapolis/Crofton is the smallest submarket, comprising 3.5 percent of total inventory.

The following table presents the geographic distribution of inventory in the area, along with other statistical information for the most recent quarter.

Geographic Distribution of Apartment Inventory

Submarket	No. Bldgs	Inventory (Units)	% Total	Vacancy Rate (%)	Free Rent (Months)	Asking Rent ($/Month)
Central Baltimore City	102	16,926	10.8%	7.8	0.3	$1,381
Dundalk/Essex/Rosedale	56	18,007	11.5%	2.8	0.2	$850
Parkville/Carney/White Marsh	51	15,671	10.0%	1.7	0.1	$1,027
Towson/Timonium/Hunt Valley	56	13,663	8.7%	2.9	0.2	$1,250
Harford County	28	6,531	4.2%	4.1	0.3	$1,029
Pikesville/Randallstown/Owings Mills	106	26,114	16.7%	2.7	0.0	$1,225
Woodlawn/Catonsville	64	16,441	10.5%	2.3	0.3	$1,040
Columbia/Howard County	77	18,426	11.8%	4.8	0.2	$1,460
Glen Burnie/Harundale/Odenton	62	18,182	11.6%	5.2	0.4	$1,225
Annapolis/Crofton	27	6,231	4.0%	3.5	0.5	$1,593
Market Total	**629**	**156,192**	**100.0%**	**3.8**	**0.2**	**$1,196**

Source:
© Reis, Inc. 2017
Reprinted with the permission of Reis, Inc.
All Rights reserved.

As of first quarter 2017, the overall vacancy rate for the region was 3.8 percent. Central Baltimore City has the highest vacancy rate of 7.8 percent, while Parkville/Carney/White Marsh has the lowest vacancy rate of 1.7 percent. The subject's Columbia/Howard County submarket vacancy rate is 4.8 percent.

The average quoted rental rate for all types of units within the region is $1,196 per month. Annapolis/Crofton has the highest average rent of $1,593 per month. Conversely, the lowest rents are achieved in Dundalk/Essex/Rosedale at $850 per month. The subject's Columbia/Howard County submarket has an average asking rental rate of $1,460 per month. In addition, free rent concessions are limited within the market and range from 0.0 to 0.5 months.

Apartment Supply Analysis

Vacancy Rates

As reflected by the table on the following page, the vacancy rate for the Baltimore region was 3.8 percent at the end of the first quarter 2017. Reis projects that vacancy rates will increase modestly over the next five years to 4.6 percent in 2021. The subject's submarket is slightly underperforming the market as a whole, with a current vacancy rate of 4.8 percent, but Class-A properties are slightly overperforming the market. Apartment vacancy rates for the region and the subject's submarket are forecast to increase modestly over the next five years as new construction is delivered; however, vacancy rates are forecast to remain within stabilized levels, with typical frictional vacancy (tenant turnover) of 1.0 to 2.0 percent.

The following table presents historical and projected vacancy for the region and subject submarket.

Historical and Projected Vacancy Apartment Rates

	Baltimore			Columbia/Howard County		
Year	Class A	Class B/C	Total	Class A	Class B/C	Total
2012	4.4	4.3	4.3	3.2	4.8	3.7
2013	5.1	3.8	4.4	3.1	4.9	3.7
2014	5.9	3.3	4.5	6.2	7.4	6.5
2015	5.5	3.2	4.2	6.0	5.8	5.9
2016	5.3	2.7	3.9	4.7	4.1	4.5
1Q17	5.1	2.7	3.8	4.7	5.1	4.8
2017	---	---	4.4	---	---	7.5
2018	---	---	4.8	---	---	7.4
2019	---	---	4.5	---	---	6.7
2020	---	---	4.4	---	---	6.6
2021	---	---	4.6	---	---	6.8

Source: Reis, Inc.
Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown by the prior exhibit, Class-A properties within the region and the subject's submarket are experiencing higher vacancies than Class-B/C properties, which is reflective of lease-up of newly delivered apartment projects.

Apartment Construction Completions

The Baltimore Apartment market experienced new construction of 13,519 units between 2012 and 2016 or an average of 2,704 units per year. Over the next five years, Reis projects that an additional 9,208 units will be added to the Baltimore market.

Between 2012 and 2016, the Columbia/Howard County submarket experienced new construction of 2,653 units, or an average of 531 units per year. This accounts for approximately 19.6 percent of the region's total completions. Over the next five years, Reis projects that an additional 2,724 units will be added to the submarket.

The following table presents historical inventory for the region and subject submarket, as well as future projections.

Historical & Projected Inventory (Apartment Units)

	Baltimore		Columbia/Howard County		
Year	Inventory	Completions	Inventory	Completions	% Total
2012	145,497	2,760	16,321	548	19.9%
2013	148,283	2,850	16,398	77	2.7%
2014	152,155	3,872	18,149	1,751	45.2%
2015	154,084	1,929	18,426	277	14.4%
2016	156,192	2,108	18,426	0	0.0%
1Q17	156,192	0	18,426	0	0.0%
2017	159,249	3,057	19,916	1,490	48.7%
2018	162,193	2,944	20,353	437	14.8%
2019	163,375	1,182	20,525	172	14.6%
2020	164,174	799	20,804	279	34.9%
2021	165,400	1,226	21,150	346	28.2%
2012-2016					
Total Completions		**13,519**		**2,653**	**19.6%**
Annual Average		**2,704**		**531**	

Source: Reis, Inc.

Apartment Demand Analysis

Rental Rates

As shown in the following chart, average asking rents for the region have been trending upward, from an average of $1,070 per month in 2012 to an average of $1,196 per month in 2016, indicating a compound average growth rate (CAGR) of 2.71 percent. Over the past few years, concessions have been declining and currently stand at 1.9 percent of face rents. Over the next five years, average asking rents are expected to increase from $1,196 per month in as of first quarter 2017 to $1,322 per month in 2021.

Average asking rental rates in the Columbia/Howard County submarket ranged from an average of $1,320 per month in 2012 to an average of $1,442 per month in 2016, demonstrating a CAGR of 2.23 percent. As of first quarter 2017, average rents increased to $1,460 per month. Over the next five years, average asking rents are projected to increase to $1,671 per month in 2021. Concessions currently stand at 1.9 percent of face rents.

The following table presents historical and projected average asking rental rates for the region and submarket.

Historical and Projected Average Asking Apartment Rental Rates

	Baltimore						Columbia/Howard County					
	Asking Rent $/Month				%	Concessions	Asking Rent $/Month				%	Concessions
Year	Class A	Class B/C	Total	Eff Rent	Change	% Face Rent	Class A	Class B/C	Total	Eff Rent	Change	% Face Rent
2012	$1,276	$924	$1,070	$1,044	5.2	2.4	$1,410	$1,135	$1,320	$1,286	4.6	2.6
2013	$1,314	$943	$1,100	$1,076	3.1	2.2	$1,403	$1,133	$1,315	$1,281	-0.4	2.6
2014	$1,356	$961	$1,135	$1,112	3.3	2.0	$1,464	$1,170	$1,377	$1,342	4.8	2.5
2015	$1,382	$991	$1,166	$1,144	2.9	1.9	$1,522	$1,200	$1,429	$1,399	4.2	2.1
2016	$1,409	$1,009	$1,191	$1,170	2.3	1.8	$1,546	$1,186	$1,442	$1,415	1.2	1.9
1Q17	$1,410	$1,018	$1,196	$1,174	0.3	1.8	$1,560	$1,217	$1,460	$1,432	1.2	1.9
2017	---	---	$1,224	$1,199	2.5	2.0	---	---	$1,515	$1,480	4.6	2.3
2018	---	---	$1,251	$1,224	2.1	2.2	---	---	$1,565	$1,523	2.9	2.7
2019	---	---	$1,275	$1,246	1.8	2.3	---	---	$1,599	$1,554	2.0	2.8
2020	---	---	$1,297	$1,266	1.6	2.4	---	---	$1,637	$1,587	2.2	3.1
2021	---	---	$1,322	$1,289	1.8	2.5	---	---	$1,671	$1,614	1.7	3.4
CAGR	**2.51%**	**2.22%**	**2.71%**	**2.89%**			**2.33%**	**1.10%**	**2.23%**	**2.42%**		

Absorption

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction within the region has trailed absorption levels. As shown in the following table, 13,241 new units were completed in the Baltimore region between 2012 and 2016, while 13,519 new units were absorbed. During 2016, 2,108 new units were completed, while 2,562 new units were absorbed. Over the next five years, Reis projects that construction figures will outpace absorption (new construction will total 9,208 units, and absorption will total 7,676 units).

New construction within the Columbia/Howard County submarket has outpaced absorption levels, resulting in increased vacancy rates. Between 2012 and 2016, 2,653 new units were completed, while 2,321 new units were absorbed. Over the next five years, Reis projects that 2,724 new units will be added to the market, while 2,123 units will be absorbed.

The following table presents historical and projected absorption levels for the region and subject submarket.

Historical and Projected Net Absorption (Apartment Units)

	Baltimore				Columbia/Howard County			
Year	Class A	Class B/C	Total	Completions	Class A	Class B/C	Total	Completions
2012	2,264	50	2,314	2,760	431	18	449	548
2013	2,255	336	2,591	2,850	81	(7)	74	77
2014	3,150	397	3,547	3,872	1,302	(132)	1,170	1,751
2015	2,024	203	2,227	1,929	285	85	370	277
2016	2,118	444	2,562	2,108	168	90	258	0
1Q17	127	35	162	0	7	(54)	(47)	0
2017	---	---	2,085	3,057	---	---	833	1,490
2018	---	---	2,250	2,944	---	---	425	437
2019	---	---	1,499	1,182	---	---	303	172
2020	---	---	904	799	---	---	281	279
2021	---	---	938	1,226	---	---	281	346
2012-2016 Total Absorption	**11,811**	**1,430**	**13,241**	**13,519**	**2,267**	**54**	**2,321**	**2,653**
Annual Average	**2,362**	**286**	**2,648**	**2,704**	**453**	**11**	**464**	**531**

Source: Reis, Inc.

According to various regional market studies, the average monthly lease-up pace for new market-rate apartment projects throughout the Baltimore region have ranged widely. Absorption ranged based on the property location, unit pricing and project amenities. Over the past five years, the net average lease-up pace for new construction has averaged 15 units per month for garden and mid-rise style projects and 10 units per month for high-rise projects within the Baltimore region. The range varies depending on the property location, pricing and amenities. The following tables reflect absorption rate trends for active apartment projects currently under lease-up within the Baltimore region, including projects in downtown Baltimore City and suburban submarkets as of First Quarter 2017 (most recent data available).

ABSORPTION RATE TRENDS - ACTIVE BALTIMORE CITY APARTMENT PROJECTS

Apartment Project/ Location	Submarket	Project Type	Total Market Rate Units	Date Marketing Began	Date First Occupancy	Date Constr. Complete	Units Absorbed	Monthly Lease-up Pace	Percent Leased
Active Projects (As of 1Q Quarter 2017)									
Icon Residences at the Rotunda, Baltimore	North Baltimore	Mid-Rise	379	3/16	3/16	3/16	303	25	79.9%
10 Light Street, Baltimore	Downtown	High-Rise	419	6/15	10/15	2Q16	313	17	74.7%
Total:			**798**				**616**	**21**	**77.2%**

ABSORPTION RATE TRENDS - ACTIVE BALTIMORE REGIONAL SUBURBAN APARTMENT PROJECTS

Apartment Project/ Location	Submarket	Project Type	Total Market Rate Units	Date Marketing Began	Date First Occupancy	Date Constr. Complete	Units Absorbed	Monthly Lease-up Pace	Percent Leased
Active Projects (As of 1Q Quarter 2017)									
500 Park Avenue	Towson	Mid-Rise	153	2/17	6/17	6/17	4	4	2.6%
Elms at Shannon	Jessup	Mid-Rise	364	11/16	11/16	11/16	61	15	16.8%
Alta Wilde Lake	Columbia	Mid-Rise	230	8/16	10/16	10/16	73	10	31.7%
Alexan Concorde - Ph. I	Pasadena	Garden	310	8/16	8/16	8/16	120	17	38.7%
Avalon Hunt Valley	Hunt Valley	Mid-Rise	332	7/16	8/16	8/16	179	22	53.9%
The James	Annapolis	Mid-Rise	236	7/16	8/16	8/16	149	19	63.1%
Creekstone Village - Phase II	Pasadena	Garden	112	7/16	7/16	7/16	91	11	81.3%
Winter's Run, Bel Air	Harford County	Garden	288	1/16	4/16	4/16	246	18	85.4%
Total:			**2,025**				**923**	**15**	**45.6%**

There are two recently completed apartment projects undergoing lease-up in Baltimore City, which contain 798 units. Approximately 616 units had been leased as of the end of the first quarter 2017 indicating an average absorption pace of 21 units per month. In addition, there are eight recently completed projects in the Baltimore suburban markets totaling 2,025 units with an average monthly lease-up pace of 15 units.

The absorption levels of apartment projects in downtown Baltimore City and other urban centers in the region are indicative of the renewed demand for urban living by millennials, empty nesters, young professionals and college students. These primary apartment demand generators prefer the work-live-play urban experience with walkability and access to public transportation. The absorption levels in suburban markets range based primarily on location and project amenities. Projects located proximate to major thoroughfares, public transportation and area amenities, such has shopping and recreational facilities, have reflected the highest absorption rates.

The Metropolitan in Downtown Columbia delivered during the first quarter of 2015 and achieved stabilization with an average lease-up pace of about 26 units per month. Additional details regarding this project are presented later in this section. The following table reflects absorption trends of stabilized suburban projects within Baltimore region.

ABSORPTION RATE TRENDS - STABILIZED SUBURBAN PROJECTS

Apartment Project/ Location	Submarket	Project Type	Total Market Rate Units	Date Marketing Began	Date Stabilized	Monthly Lease-up Pace
Stabilized Projects						
The Metropolitan Downtown Columbia	Columbia	Mid-Rise	364	9/14	11/16	26
West 32, Odenton	Odenton	Garden	212	8/15	11/17	12
Enclave at Box Hill, Abingdon	Harford County	Garden	240	8/15	8/16	19
Woodfield Oxford Square, Hanover	Glen Burnie	Garden	210	6/15	8/16	16
Metro Crossing Apartments (RA-1/2)	Owings Mills	Mid-Rise	232	1/14	3/15	13
The Winthrop, Towson	Towson	Mid-Rise	295	10/14	8/16	13
Novus Residences, Odenton	Odenton	Mid-Rise	238	7/15	2/17	13
The Riverside Apartments II, Aberdeen	Harford County	Garden	188	4/14	2/16	8
Verde at Howard Square, Elkridge	Elkridge	Mid-Rise	300	8/13	11/15	11
Paragon at Columbia Overlook, Elkridge	Elkridge	Garden	320	1/14	8/15	16
Creekside Village, Glen Burnie	Glen Burnie	Garden	208	3/14	2/15	19
Flats 170 at Academy Yard, Odenton	Odenton	Garden	369	4/13	2/15	17
Beacon at Waugh Chapel, Gambrills	Gambrills	Mid-Rise	298	1/13	2/15	12
Crosswinds at Annapolis Town Center, Annapolis	Annapolis	Mid-Rise	215	4/13	12/14	11
Brompton House, Elkridge	Howard- Jessup	Mid-Rise	254	5/13	8/14	15
The Palisades at Arundel Preserve, Hanover	West Anne Arundel	High-Rise	330	2/13	8/14	18
Arbors at Baltimore Crossroads, Baltimore	White Marsh	Mid-Rise	365	8/11	5/14	11
The View at Mill Run, Owings Mills	Owings Mills	Mid-Rise	375	6/11	12/13	13
Village at Odenton Station, Odenton	Odenton	Low-Rise	235	2/12	11/13	11
Haven at Odenton Gateway, Odenton	Odenton	Low-Rise	252	4/12	6/13	18
Groveton Green, Owings Mills	Owings Mills	Mid-Rise	226	9/12	9/13	25
Orchard Meadows at North Ridge, Columbia	Columbia	Low-Rise	144	7/12	6/13	11
The Riverside Apartments, Aberdeen	Aberdeen	Mid-Rise	212	4/12	2/13	21
Palisades of Towson, Towson	Towson	High-Rise	357	8/10	12/12	13
Residences at Arundel Preserve, Hanover	West Anne Arundel	Mid-Rise	242	6/11	2/12	27
Towson Promenade, Towson	Towson	Mid-Rise	379	7/09	9/11	14
The Renaissance & Jazz at the Quarter, Towson	Towson	Mid-Rise	432	3/09	3/11	18
Oella Mill, Ellicott City	Ellicott City	Mid-Rise	147	4/08	11/09	7
Greenwich Place at Town Center, Owings Mills	Owings Mills	Mid-Rise	332	6/06	6/09	9
Arbors at Arundel Preserve, Hanover	West Anne Arundel	Mid-Rise	496	4/07	5/08	35
The Excalibur, Owings Mills	Owings Mills	Mid-Rise	147	3/07	6/09	5
Brookside Commons-Ph.2, Owings Mills	Owings Mills	Garden	48	4/05	8/06	3
The Reserve at Stonegate, Woodlawn	Woodlawn	Mid-Rise	219	7/04	8/06	9
Brookside Commons-Ph.1, Owings Mills	Owings Mills	Mid-Rise	126	9/02	12/04	5
Red Run- Phase II, Owings Mills	Owings Mills	Mid-Rise	216	4/03	9/04	13
Riverstone, Owings Mills	Owings Mills	Garden	324	9/02	3/04	18
Dulaney Crescent, Towson	Towson	Mid-Rise	250	5/02	3/04	11
Briarwood at Owings Mills, Owings Mills	Owings Mills	Mid-Rise	356	7/99	12/00	27
Total:			**10,153**		**Average:**	**15**

**Survey includes Market-Rate Units Only*

Apartment Construction Activity

According to Reis, there are currently 11,794 units under construction within 47 projects. An additional 11,885 units are planned within 53 projects for potential delivery in the next few years, along with 64 proposed projects that would add another 13,021 units in the region. The following tables present a summary of apartment projects under construction, recently completed, planned and proposed in the region.

New Construction Activity - Under Construction

Name	Location	Submarket	No. Units	Status	Completion	
225 N Calvert St	225 N Calvert St	Central Baltimore City	350	Under Constr.	---	---
Madison Park North Redevelopment	738 W North Ave	Central Baltimore City	200	Under Constr.	---	---
Alta 47 Phase I	1520 Beason St	Central Baltimore City	12	Under Constr.	---	---
Alta 47 Phase II	1520 Beason St	Central Baltimore City	24	Under Constr.	---	---
Downtown Columbia Parcel C2	Twin Rivers Rd & Village Green	Columbia/Howard County	437	Under Constr.	---	---
Morris Place	7804 Taggart Ct	Columbia/Howard County	184	Under Constr.	---	---
Shipley'S Grant Townhomes	5780 Richars Valley Rd	Columbia/Howard County	400	Under Constr.	---	---
Oxford Square Stage I	Coca Cola Dr @ Rte 100	Columbia/Howard County	477	Under Constr.	---	---
Dorcherter View Phase II	Wright Rd @ Rte 100	Glen Burnie/Harundale/Odenton	247	Under Constr.	---	---
Dorchester View	Wright Rd @ Rte 100	Glen Burnie/Harundale/Odenton	117	Under Constr.	---	---
Soha Union	4800 Harford Rd	Parkville/Carney/White Marsh	16	Under Constr.	---	---
Uplands Redevelopment-Townhomes	4520 Scarlet Oak Ln	Woodlawn/Catonsville	550	Under Constr.	---	---
Preston Place	W Preston St & Pennsylvania Ave	Central Baltimore City	40	Under Constr.	May	2017
816 Calvert	816 N Calvert St	Central Baltimore City	50	Under Constr.	May	2017
The National	3610 Dillon St	Central Baltimore City	60	Under Constr.	May	2017
Buckingham	7580 -7601 Buckingham Blvd	Glen Burnie/Harundale/Odenton	106	Under Constr.	May	2017
Avalon Hunt Valley	100 Shawn Rd	Towson/Timonium/Hunt Valley	332	Under Constr.	May	2017
500 Park Ave	500 Park Ave	Central Baltimore City	153	Under Constr.	June	2017
Stadium Square Apartments Ph I	W Cross St @ Creek St	Central Baltimore City	299	Under Constr.	June	2017
Little Patuxent Square Apartments	Little Patuxent Pkwy @ Wincopin Cir	Columbia/Howard County	160	Under Constr.	June	2017
M. Flats	Broken Land Pkwy & Twin Rivers Rd	Columbia/Howard County	437	Under Constr.	June	2017
The Arundel	7787 Arundel Mills Blvd	Glen Burnie/Harundale/Odenton	233	Under Constr.	June	2017
Avanti Luxury Apts	321 Russo Way	Harford County	198	Under Constr.	June	2017
O'Donnell Square Ph II	755 S Macon St	Central Baltimore City	171	Under Constr.	July	2017
Anthem House I	900 E. Fort Ave	Central Baltimore City	292	Under Constr.	July	2017
The Residences At Annapolis Junction	Rte 32 @ Dorsey Run Rd	Columbia/Howard County	416	Under Constr.	July	2017
Howard Square Townhomes Ph VI	Washington Blvd @ Port Capital Dr	Columbia/Howard County	84	Under Constr.	August	2017
Magness Overlook Ph II	667 N Tollgate Rd	Harford County	73	Under Constr.	September	2017
Banner Hill Apartments	611 S Charles St	Central Baltimore City	349	Under Constr.	October	2017
Hunt Valley Overlook @ Sparks	6 Fila Way	Towson/Timonium/Hunt Valley	73	Under Constr.	October	2017
Haussner'S Building Redevelopment	3244 Eastern Ave	Central Baltimore City	65	Under Constr.	November	2017
Flats@703	703 Washington Ave	Towson/Timonium/Hunt Valley	105	Under Constr.	November	2017
Holabird Manor Redevelopment	6613-6625 Hartwait St	Central Baltimore City	310	Under Constr.	December	2017
Nelson Kohl	20 E Lanvale St	Central Baltimore City	103	Under Constr.	December	2017
West Baltimore St. Tower	325 W Baltimore St	Central Baltimore City	239	Under Constr.	December	2017
Four Seasons Condos	300 International Dr	Central Baltimore City	62	Under Constr.	December	2017
Reece Crossings	Mapes Rd @ Cooper Ave	Glen Burnie/Harundale/Odenton	428	Under Constr.	December	2017
Beechtree Estates	Old Philadelphia Rd @ Stepney Rd	Harford County	768	Under Constr.	December	2017
1405 Point	1405 Point Blvd	Dundalk/Essex/Rosedale	289	Under Constr.	January	2018
The Fred	Waverley Dr @ Ayleshire Rd	Parkville/Carney/White Marsh	240	Under Constr.	February	2018
Hunt Valley Overlook At Sparks	5 Fila Way	Towson/Timonium/Hunt Valley	73	Under Constr.	February	2018
Mccormick Spice Plant Site Redevelopment	414 Light St	Central Baltimore City	394	Under Constr.	March	2018
Liberty Harbor East	711 S Central Ave	Central Baltimore City	317	Under Constr.	October	2018
The Metropolitan Downtown Columbia Phii	Broken Land Pkwy @ Twin Rivers Rd	Columbia/Howard County	267	Under Constr.	November	2018
The Metropolitan Downtown Columbia Phiii	Broken Land Pkwy @ Twin Rivers Rd	Columbia/Howard County	170	Under Constr.	November	2018
One Light Street	1 Light St	Central Baltimore City	280	Under Constr.	December	2018
Park Side Townhomes	7429 Matapan Dr	Glen Burnie/Harundale/Odenton	1,144	Under Constr.	July	2019
Total Under Construction			**11,794**			

New Construction Activity - Planned

Name	Location	Submarket	No. Units	Status	Completion	
Eastport Sail Loft	400 Chesapeake Ave	Annapolis/Crofton	6	Planned	---	---
Crystal Spring Retirement Community Ph I	Forest Dr @ Spa Dr	Annapolis/Crofton	130	Planned	---	---
Eastport Plaza Mixed-Use Development	Bay Ridge Ave & Chesapeake Ave	Annapolis/Crofton	130	Planned	---	---
Old Solomon Island Rd Townhomes	Old Solomon Island Rd @ Forest Dr/Dorsey Dr	Annapolis/Crofton	58	Planned	---	---
311 W Baltimore St	311 W Baltimore St	Central Baltimore City	20	Planned	---	---
The Pinnacle	Key Hwy @ E Cross St	Central Baltimore City	47	Planned	---	---
Crittenton Hill Multi-Residential Development	3110 Crittenton Pl	Central Baltimore City	33	Planned	---	---
109 Park Avenue Apartments	109 Park Ave	Central Baltimore City	83	Planned	---	---
Brewers Green	1207 S Highland Ave	Central Baltimore City	12	Planned	---	---
Stadium Square Apartments Ph II	W Cross St @ Creek St	Central Baltimore City	350	Planned	---	---
Riverside Avenue Multi-Residential Complex	Riverside Ave & E Hamburg St	Central Baltimore City	100	Planned	---	---
3400 Boston Street	3400 Boston St	Central Baltimore City	244	Planned	---	---
Old Town Redevelopment	400 Mott St	Central Baltimore City	104	Planned	---	---
Inn At The Black Olive Redevelopment	803 S Caroline St	Central Baltimore City	12	Planned	---	---
9 & 11 East Mount Royal Ave	11 E Mt Royal Ave	Central Baltimore City	70	Planned	---	---
State Center Redevelopment Apartments	1007 N Martin Luther King Jr Blvd	Central Baltimore City	1,500	Planned	---	---
Alta 47 Phase III	1520 Beason St	Central Baltimore City	11	Planned	---	---
Pemco Site Mixed-Use (Apartments)	5601 Eastern Ave	Central Baltimore City	250	Planned	---	---
801 Eastern Ave Apartments	801 Eastern Ave	Central Baltimore City	284	Planned	---	---
Franklin Lofts And Flats	20 E Franklin St	Central Baltimore City	41	Planned	---	---
House Of Art At Marble Hill	1313 Druid Hill Ave	Central Baltimore City	19	Planned	---	---
Preston Street Lofts	2 E Preston St	Central Baltimore City	12	Planned	---	---
701 E Baltimore St	701 E Baltimore St	Central Baltimore City	226	Planned	---	---
Totman Bldg Apt Redevelopment	208 E Redwood St	Central Baltimore City	20	Planned	---	---
Mulberry Street Lofts	422 W Mulberry St	Central Baltimore City	63	Planned	---	---
Uplands Apartments Ph II	Old Frederick Rd @ Edmondson Ave	Columbia/Howard County	104	Planned	---	---
Vantage Condominiums At Turf Valley	Resort Rd @ Turf Valley Rd	Columbia/Howard County	60	Planned	---	---
Burgess Mill	Ellicott Mills Dr @ Mount Ida Dr	Columbia/Howard County	53	Planned	---	---
Harriet Tubman Ln Apartments	Harriet Tubman Ln @ Freetown Rd	Columbia/Howard County	24	Planned	---	---
The Gathering At Ellicott'S Retreat	Carl'S Ct @ N Ridge Rd	Columbia/Howard County	160	Planned	---	---
Beechcrest Apartments	9700 Washington Blvd	Columbia/Howard County	64	Planned	---	---
Warfield'S Woods	10501 Maryland 99	Columbia/Howard County	30	Planned	---	---
Greenleigh At Baltimore Crossroads Apartments	White Marsh Blvd & Pocomoke Ct	Dundalk/Essex/Rosedale	1,500	Planned	---	---
Sparrows Point Country Club Apartments	North Point Blvd @ Wise Ave	Dundalk/Essex/Rosedale	600	Planned	---	---
Lynnview Terrace	6960 Baltimore Annapolis Blvd	Glen Burnie/Harundale/Odenton	11	Planned	---	---
Heritage Overlook Apartments	Shelly Rd & W Ordnance Rd	Glen Burnie/Harundale/Odenton	100	Planned	---	---
Dorchester Cove Townhomes	Wright Rd & Dorchester Blvd	Glen Burnie/Harundale/Odenton	16	Planned	---	---
Laurel Park Station	Laurel Racetrack Rd @ Hwy 198	Glen Burnie/Harundale/Odenton	1,000	Planned	---	---
The Townes At Park West	7861 Quarterfield Rd	Glen Burnie/Harundale/Odenton	46	Planned	---	---
The Residences At Bulle Rock	1250 Bulle Rock Pkwy	Harford County	107	Planned	---	---
Metro Centre At Owings Mills Bldg 8	Painters Mill Rd @ I-795	Pikesville/Randallstown/Owings Mills	184	Planned	---	---
Metro Centre At Owings Mills Bldg 9	Painters Mill Rd @ I-795	Pikesville/Randallstown/Owings Mills	186	Planned	---	---
Owings Mills New Town	Dolfield Rd S @ I 795	Pikesville/Randallstown/Owings Mills	392	Planned	---	---
Metro Centre At Owings Mills Bldg 3	Painters Mill Rd @ I-795	Pikesville/Randallstown/Owings Mills	96	Planned	---	---
Metro Centre At Owings Mills Bldg 4	Painters Mill Rd @ I-795	Pikesville/Randallstown/Owings Mills	166	Planned	---	---
Metro Centre At Owings Mills Bldg 5	Painters Mill Rd @ I-795	Pikesville/Randallstown/Owings Mills	184	Planned	---	---
Metro Centre At Owings Mills Bldg 6	Painters Mill Rd @ I-795	Pikesville/Randallstown/Owings Mills	320	Planned	---	---
Metro Centre At Owings Mills Bldg 7	Painters Mill Rd @ I-795	Pikesville/Randallstown/Owings Mills	320	Planned	---	---
The Overlook At Roland Park	Falls Rd & W Northern Pkwy	Towson/Timonium/Hunt Valley	157	Planned	---	---
Towson Row - Apartments	York Rd @ Towsontown Blvd	Towson/Timonium/Hunt Valley	350	Planned	---	---

New Construction Activity - Complete

Name	Location	Submarket	No. Units	Status	Completion	
Ten Light Street Apartments	10 Light St	Central Baltimore City	419	Complete	January	2016
Shipley'S Grant Condos	Snowden River Pkwy @ Rte 108	Columbia/Howard County	40	Complete	March	2016
The Reserve At Stoney Creek Ph II	8009 Cameryn Pl	Glen Burnie/Harundale/Odenton	76	Complete	March	2016
The Yards At Fieldside Village	816 Long Dr	Harford County	201	Complete	March	2016
Whitehall Mill	3300 Clipper Mill Rd	Central Baltimore City	26	Complete	April	2016
26 Calvert	26 S Calvert St	Central Baltimore City	168	Complete	April	2016
Enclave At Box Hill Ph I	3405 Mccurley Dr	Harford County	240	Complete	April	2016
Cardinal Gibbons Redevelopment	3225 Wilkens Ave	Central Baltimore City	80	Complete	June	2016
1305 Dock Street Apartments	1305 Dock Street	Central Baltimore City	103	Complete	July	2016
Broadstone West 32	322 Baldwin Rd	Glen Burnie/Harundale/Odenton	212	Complete	July	2016
Townes At North Point	4001 North Point Blvd @ Old Battle Grove Rd	Dundalk/Essex/Rosedale	108	Complete	August	2016
Alexan Concorde	811 Concorde Circle	Glen Burnie/Harundale/Odenton	310	Complete	August	2016
Prospect Green	1402 Sherman Ct	Harford County	96	Complete	September	2016
Silo Point Townhomes	1307 Stewart St	Central Baltimore City	54	Complete	October	2016
The Enclave At Park Forest	6420 Park Forest Circle	Columbia/Howard County	45	Complete	November	2016
Riverwatch Apartments	5673 Furnace Ave	Columbia/Howard County	42	Complete	November	2016
The Park At Winters Run	110 Old Joppa Court	Harford County	288	Complete	November	2016
Residences At Buckingham	1117 Bayberry Ave	Glen Burnie/Harundale/Odenton	110	Complete	February	2017
Total Complete			**2,618**			

New Construction Activity - Proposed

Name	Location	Submarket	No. Units	Status	Completion	
Bembe Beach Rd Residential	Bembe Beach Rd @ Edgewood Rd	Annapolis/Crofton	42	Proposed	---	---
Admiral Cochrane Dr Apartments	Admiral Cochrane Dr @ Womack Dr	Annapolis/Crofton	240	Proposed	---	---
Primrose Hill Townhomes	1 & 3 Milkshake Ln	Annapolis/Crofton	20	Proposed	---	---
Waugh Chapel Village Ph II	1417 Jackson Rd	Annapolis/Crofton	298	Proposed	---	---
300 St Paul Place Apartment Conversion	300 St Paul Pl	Central Baltimore City	280	Proposed	---	---
Canton Crossing	Cardiff St @ Highland St	Central Baltimore City	350	Proposed	---	---
Eager Place Apts	E Eager St @ N Wolfe St	Central Baltimore City	82	Proposed	---	---
Lexington & Fayette St Mixed-Use	Lexington St @ Fayette St	Central Baltimore City	225	Proposed	---	---
502 Albemarle St	502 Albemarle St	Central Baltimore City	284	Proposed	---	---
Former U.S Appraisers Stores Office Building	103 S Gay St	Central Baltimore City	135	Proposed	---	---
Keys Pointe Phase II	2700-2712 Odonell St	Central Baltimore City	250	Proposed	---	---
Howard Station (Apartments)	300 N Howard St	Central Baltimore City	300	Proposed	---	---
Anthem House II	Fort Ave @ Key Hwy	Central Baltimore City	52	Proposed	---	---
1516 S Baylis St	1516 S Baylis St	Central Baltimore City	500	Proposed	---	---
The Flats At Eutaw Place	1517 Eutaw Pl	Central Baltimore City	62	Proposed	---	---
Poppleton Center/West Future Phase Townhomes	201 N Schroeder St	Central Baltimore City	321	Proposed	---	---
Avalonbay	800 Fleet St	Central Baltimore City	380	Proposed	---	---
Former News American Building	300 E Pratt St	Central Baltimore City	300	Proposed	---	---
Park Ave Multi-Residential Bldgs	815 Park Ave	Central Baltimore City	16	Proposed	---	---
Light Street Mixed-Use Project	1238-1242 Light St	Central Baltimore City	21	Proposed	---	---
Mechanic Theatre Redevelopment	1 N Charles St	Central Baltimore City	600	Proposed	---	---
2030 Aliceanna Apartments	2030 Aliceanna St	Central Baltimore City	87	Proposed	---	---
Leadenhall Street Mixed-Use Development	Cross St @ Leadenhall St	Central Baltimore City	28	Proposed	---	---
Liberty Park Apartments	Liberty St @ Fayette St	Central Baltimore City	92	Proposed	---	---
Crown Cork Apartments	1501 Guilford Ave	Central Baltimore City	213	Proposed	---	---
3600 Dillon St	3600 Dillon St	Central Baltimore City	76	Proposed	---	---
Flour House	211 E Pleasant St	Central Baltimore City	202	Proposed	---	---
Jefferson Square At Washington Hill Ph II	N Wolf St @ E Fayette St	Central Baltimore City	210	Proposed	---	---
Hendler Creamery Apartments	1100 E Baltimore St	Central Baltimore City	276	Proposed	---	---
Old Town Center Phase I	500 N Gay St	Central Baltimore City	237	Proposed	---	---
Jonestown Redevelopment	110 S Central St	Central Baltimore City	107	Proposed	---	---
814 N Charles St	814 N Charles St	Central Baltimore City	150	Proposed	---	---
Jonestown Mews Apts	921 E Baltimore St	Central Baltimore City	21	Proposed	---	---
Mechanic Theatre Apartments Ph I	E Baltimore St @ S Charles St	Central Baltimore City	306	Proposed	---	---
Mechanic Theatre Apartments Ph II	E Baltimore St @ S Charles St	Central Baltimore City	170	Proposed	---	---
Woodlawn	Burnt Hill Trail @ Philadelphia Rd	Central Baltimore City	175	Proposed	---	---
Merriweather Post Pavilion Apartments Crescent Area 2	10616-10670 Little Patuxent Pkwy	Columbia/Howard County	490	Proposed	---	---
Merriweather Post Pavilion Crescent Area 3	10616-10670 Little Patuxent Pkwy	Columbia/Howard County	865	Proposed	---	---
Hickory Ridge Village Center Redevelopment - Apartments	6420 Freetown Rd	Columbia/Howard County	230	Proposed	---	---
Former Normandy Shopping Center	Rte 40 @ Normandy Center Dr	Columbia/Howard County	400	Proposed	---	---
The Settlement At Savage Mill	8400 Fair Street	Columbia/Howard County	35	Proposed	---	---
Foundry Station	2929 Sollers Point Rd	Dundalk/Essex/Rosedale	185	Proposed	---	---
Franklin Square Ph I	7000 Rossville Rd	Dundalk/Essex/Rosedale	178	Proposed	---	---
Franklin Square Ph II	7000 Rossville Blvd	Dundalk/Essex/Rosedale	178	Proposed	---	---
Sandy Farms Rd Subdivision	Sandy Farms Rd @ Wieker Rd	Glen Burnie/Harundale/Odenton	300	Proposed	---	---
Oakwood Road Townhomes	8114 Oakwood Rd	Glen Burnie/Harundale/Odenton	54	Proposed	---	---
Oxford Square Stage II	Coca Cola Dr @ Rte 100	Glen Burnie/Harundale/Odenton	206	Proposed	---	---
Oxford Square Stage III	Coca Cola Dr @ Rte 100	Glen Burnie/Harundale/Odenton	271	Proposed	---	---
Summerlin	Beards Hill Rd @ Maxa Rd	Harford County	192	Proposed	---	---
Enclave At Box Hill Ph II	3405 Mccurley Dr	Harford County	149	Proposed	---	---

New Construction Activity - Proposed (Continued)

Name	Location	Submarket	No. Units	Status	Completion	
East Churchville Road Townhomes	1200 E Churchville Rd	Harford County	71	Proposed	---	---
East Gordon St School Redevelopment	45 E Gordon Rd	Harford County	32	Proposed	---	---
Greenbrier Hills	Nancy Crt @ Knollcrest Dr	Harford County	71	Proposed	---	---
Verdant Estates	Laurel Brook Rd @ Gunpowder Farms Rd	Harford County	25	Proposed	---	---
Shamrock Road Apartments	109 Shamrock Rd	Non-Submarketed Areas	44	Proposed	---	---
Whitemarsh Apartments	White Marsh Blvd @ I-95	Parkville/Carney/White Marsh	250	Proposed	---	---
2001 Cold Spring Ln	2001 W Cold Spring Ln	Pikesville/Randallstown/Owings Mills	200	Proposed	---	---
Residences At Soldiers Delight	Dolfield Blvd @ Easter Ct	Pikesville/Randallstown/Owings Mills	312	Proposed	---	---
Village Of Lake Roland	6241 Falls Rd	Towson/Timonium/Hunt Valley	140	Proposed	---	---
Towson Circle Apartments	1 E Joppa Rd	Towson/Timonium/Hunt Valley	371	Proposed	---	---
Loch Raven Commons	1300 E Joppa Rd	Towson/Timonium/Hunt Valley	208	Proposed	---	---
Virginia Commons	500 Virginia Ave	Towson/Timonium/Hunt Valley	328	Proposed	---	---
Bristol Green	Old Frederick Rd @ Academy Rd	Woodlawn/Catonsville	68	Proposed	---	---
Mulberry Street Apartments	1611 W Mulberry St	Central Baltimore City	60	Proposed	February	2019
Total Proposed			**13,021**			

Competitive Apartment Properties Overview

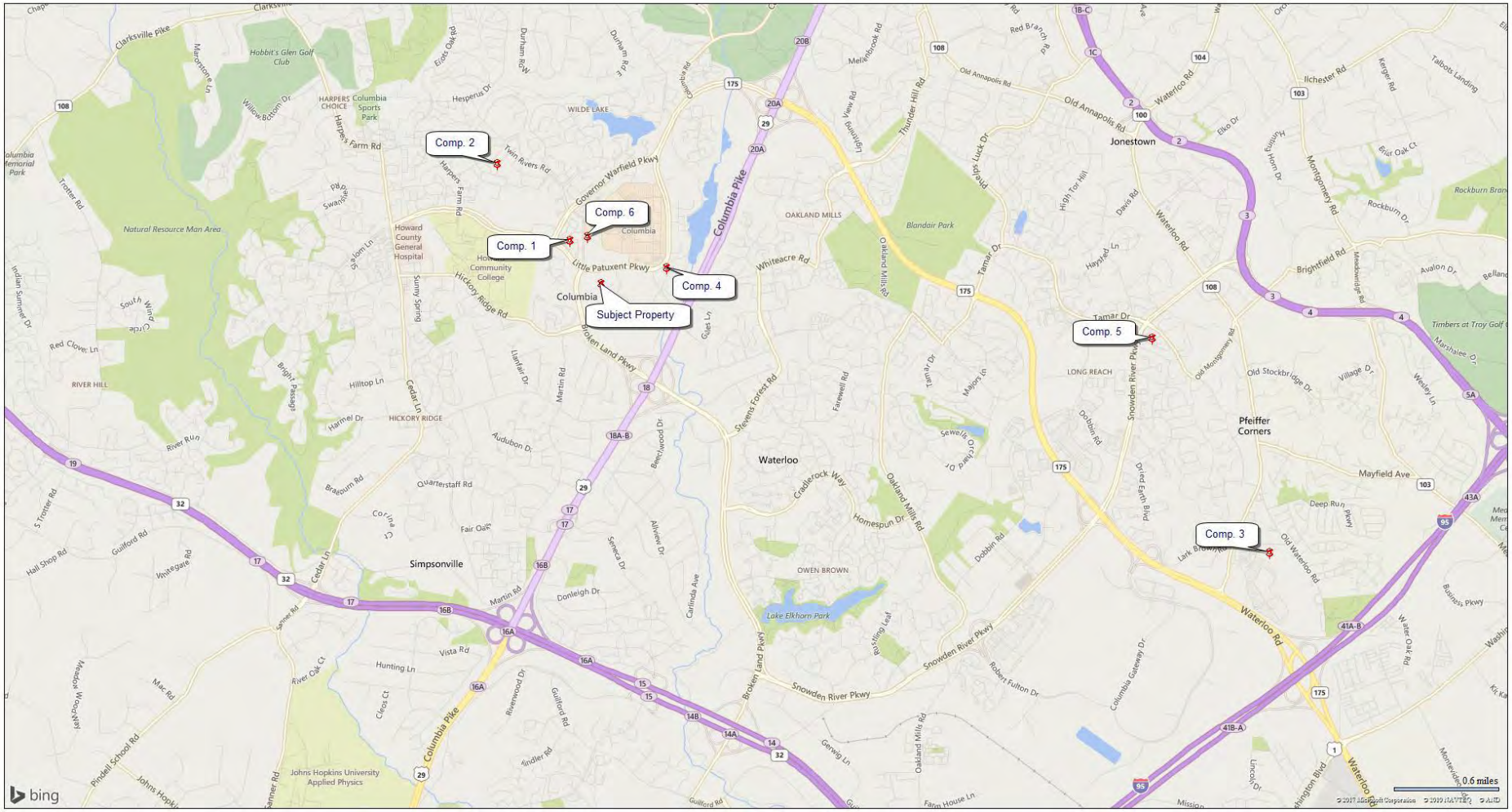
The following section provides a snapshot of competitive apartment projects within the subject's market.

COMPETITIVE APARTMENT PROJECTS

PROPERTY INFORMATION									QUOTED MONTHLY RENT & CONCESSIONS					
No.	PROPERTY NAME ADDRESS, CITY, STATE	NUMBER OF UNITS	NET BUILDING AREA	AVERAGE UNIT SIZE	YEAR BUILT	NUMBER OF BUILDINGS	NUMBER OF STORIES	OCCUPANCY RATE (%)	BEDS/ BATHS	UNIT SIZE (SF) Average	QUOTED RENT PER MONTH Average	QUOTED RENT $/SF/ MONTH Average	RENT INCLUSIONS	CONCESSIONS
S	**Subject Property**	382	340,386	891	2019	1	7							
1	The Gramercy At Town Center 10601 Gramercy Place Columbia, MD	210	211,386	1,007	1997	8	4	90.5%	1BR/1BA 2BR/2BA 3BR/2BA	808 1,049 1,401	$1,781 $1,862 $2,229	$2.20 $1.78 $1.59	Residents pay electricity, gas, water and sewer. Property pays trash removal.	No concessions
2	Alta Wilde Lake 5421 Lynx Lane Columbia, MD	230	227,150	988	2017	1	5	86.1%	1BR/1BA 2BR/2BA 3BR/2BA	765 1,145 1,439	$1,687 $2,321 $3,040	$2.21 $2.03 $2.11	Residents pay electricity, gas, water and sewer. Property pays trash removal.	Limited concessions on select units
3	Paragon At Columbia Overlook 8151 Robinson Jefferson Drive Elkridge, MD	320	306,525	958	2014	6	4	99.0%	1BR/1BA 2BR/2BA 3BR/2BA	813 1,094	$1,487 $1,859	$1.83 $1.70	Residents pay electricity, water, sewer and trash removal.	No concessions
4	Columbia Town Center 10360 Swift Stream Place Columbia, MD	531	548,635	1,033	2001	14	4	93.0%	1BR/1BA 2BR/2BA 3BR/2BA	809 1,107 1,403	$1,453 $1,711 $2,033	$1.80 $1.55 $1.45	Residents pay electricity, water, sewer and trash removal.	No concessions
5	The Elms At Kendall Ridge 8399 Tamar Drive Columbia, MD	184	173,854	945	1990	7	3	96.2%	1BR/1BA 2BR/2BA 3BR/2BA	750 1,043 1,250	$1,295 $1,478 $1,795	$1.73 $1.42 $1.44	Resident pays electricity, gas, water and sewer. Property pays trash removal.	No concessions
6	The Metropolitan Downtown Columbia 10000 Town Center Avenue Columbia, MD	380	387,834	1,021	2015	1	6	95.3%	1BR/1BA 2BR/2BA 3BR/2BA	819 1,129 1,388	$1,786 $2,231 $2,794	$2.18 $1.98 $2.01	Residents pay electricity, water, sewer and trash removal.	Limited concessions on select units
STATISTICS (Excluding Subject)														
	Low:	184	173,854	945	1990	1	3	86.1%						
	High:	531	548,635	1,033	2017	14	7	99.0%						
	Average:	309	309,231	992	2006	5	5	93.4%						
	Totals:	1,855	1,855,384											

Compiled by Cushman & Wakefield of Maryland, Inc.

COMPARABLE APARTMENT RENTAL LOCATION MAP



COMPARABLE RENT NO. 1



Property:	The Gramercy at Town Center
Address:	10601 Gramercy Place
City, State:	Columbia, MD
Management:	Bozzuto Management

PROPERTY INFORMATION

Property Sub-Type:	Mid/High-Rise	Number of Buildings:	8
Number of Units:	210	Number of Stories:	4
Net Building Area:	211,386	Land Area (Acres):	9.05
Average Unit Size:	1,007	Density (Units/Acre):	23.20
Year Built:	1997	Occupancy Rate:	90.5%

PROPERTY AMENITIES

Project amenities include swimming poll, fitness center, gated entry, guest suite rental, business center, clubhouse house, private garages, storage rooms and car care area.

UNIT AMENITIES

Unit amenities include balcony/patio, walk-in closets, washer/dryers and high-speed internet access.

QUOTED MONTHLY RENT & CONCESSIONS

BEDS/ BATHS	SIZE (SF) Average	RENT Average	RENT Average
1BR/1BA	808	$1,781	$2.20
2BR/2BA	1,049	$1,862	$1.78
3BR/2BA	1,401	$2,229	$1.59

Rent Inclusions: Residents pay electricity, gas, water and sewer. Property pays trash removal.

Concessions: No concessions.

COMPARABLE RENT NO. 2



Property:	Alta Wilde Lake
Address:	5421 Lynx Lane
City, State:	Columbia, MD
Management:	Wood Residential

PROPERTY INFORMATION

Property Sub-Type:	Mid-Rise	Number of Buildings:	1
Number of Units:	230	Number of Stories:	5
Net Building Area:	227,150	Land Area (Acres):	2.88
Average Unit Size:	988	Density (Units/Acre):	79.86
Year Built:	2017	Occupancy Rate:	86.1% (initial lease-up)

PROPERTY AMENITIES

Project amenities include bike storage, business center, conference room, fitness center, game room, grilling area, swimming pool with sundeck, lounge, pet care and on-site management. The property is improved within the Wilde Lake Village Center with retail space improved on the ground level and adjacent structured parking.

UNIT AMENITIES

Unit amenities include balcony/patio, hardwood floors, stainless steel appliances kitchens walk-in closets, washer/dryers, and Wi-Fi internet access.

QUOTED MONTHLY RENT & CONCESSIONS

BEDS/ BATHS	SIZE (SF) Average	RENT Average	RENT Average
1BR/1BA	765	$1,687	$2.21
2BR/2BA	1,145	$2,321	$2.03
3BR/2BA	1,439	$3,040	$2.11

Rent Inclusions: Residents pay electricity, gas, water and sewer. Property pays trash removal.

Concessions: Limited concessions on select units.

COMPARABLE RENT NO. 3



Property:	Paragon at Columbia Overlook
Address:	8151 Robinson Jefferson Drive
City, State:	Elkridge, MD
Management:	Greystar

PROPERTY INFORMATION

Property Sub-Type:	Mid-rise	Number of Buildings:	6
Number of Units:	320	Number of Stories:	4
Net Building Area:	306,525	Land Area (Acres):	18.68
Average Unit Size:	958	Density (Units/Acre):	17.13
Year Built:	2014	Occupancy Rate:	99.0%

PROPERTY AMENITIES

Project amenities includes a freestanding clubhouse with swimming pool and fitness center and 60 detached covered parking spaces.

UNIT AMENITIES

Unit amenities include fully-equipped kitchens with stainless steel appliances, microwave, dishwasher, stacked washer and dryer, walk-in closets, mini-blinds, fireplaces, private balcony and patio with storage.

QUOTED MONTHLY RENT & CONCESSIONS

BEDS/ BATHS	SIZE (SF) Average	RENT Average	RENT Average
1BR/1BA	813	$1,487	$1.83
2BR/2BA	1,094	$1,859	$1.70
3BR/2BA			

Rent Inclusions: Residents pay electricity, gas and water/sewer.

Concessions: No concessions.

COMPARABLE RENT NO. 4



Property:	Columbia Town Center
Address:	10360 Swift Stream Place
City, State:	Columbia, MD
Management:	Gables Residential

PROPERTY INFORMATION

Property Sub-Type:	Mid/High-Rise	Number of Buildings:	14
Number of Units:	531	Number of Stories:	4
Net Building Area:	548,635	Land Area (Acres):	11.76
Average Unit Size:	1,033	Density (Units/Acre):	45.15
Year Built:	2001	Occupancy Rate:	93.0%

PROPERTY AMENITIES

Project amenities include swimming pool, fitness center, parking garage, elevators, playground, clubhouse, tennis courts, business center, multimedia room, gated community and storage rooms.

UNIT AMENITIES

Unit amenities include balcony/patio, walk-in closets, washer/dryers, fireplaces in all units except one-bedrooms, high-speed internet access (Comcast) and vaulted ceilings in select units.

QUOTED MONTHLY RENT & CONCESSIONS

BEDS/ BATHS	SIZE (SF) Average	RENT Average	RENT Average
1BR/1BA	809	$1,453	$1.80
2BR/2BA	1,107	$1,711	$1.55
3BR/2BA	1,403	$2,033	$1.45

Rent Inclusions: Residents pay electricity, water, sewer and trash removal.

Concessions: No concessions.

COMPARABLE RENT NO. 5



Property:	The Elms at Kendall Ridge
Address:	8399 Tamar Drive
City, State:	Columbia, MD
Management:	Legend Management Group

PROPERTY INFORMATION

Property Sub-Type:	Garden/Low Rise	Number of Buildings:	7
Number of Units:	184	Number of Stories:	3
Net Building Area:	173,854	Land Area (Acres):	12.02
Average Unit Size:	945	Density (Units/Acre):	15.31
Year Built:	1990	Occupancy Rate:	96.2%

PROPERTY AMENITIES

Project amenities include an outdoor swimming pool with sunning deck, fitness center, lighted tennis court, clubhouse, tot lot playground facilities, three picnic areas with grills and free on-site surface parking.

UNIT AMENITIES

Unit amenities include fully-equipped modern kitchens with a range/oven, microwave, frost-free refrigerator, dishwasher, full size washer and dryer, walk-in closets, mini-blinds, ceiling fans, high-speed internet access, wood-burning fireplaces (122 units), vaulted ceilings on top floors and balconies or patios.

QUOTED MONTHLY RENT & CONCESSIONS

BEDS/ BATHS	SIZE (SF) Average	RENT Average	RENT Average
1BR/1BA	750	$1,295	$1.73
2BR/2BA	1,043	$1,478	$1.42
3BR/2BA	1,250	$1,795	$1.44

Rent Inclusions: Resident pays electricity, gas, water and sewer. Property pays trash removal.

Concessions: No concessions.

COMPARABLE RENT NO. 6



Property:	The Metropolitan Downtown Columbia
Address:	10000 Town Center Avenue
City, State:	Columbia, MD
Management:	Kettler

PROPERTY INFORMATION

Property Sub-Type:	Mid/High-Rise	Number of Buildings:	1
Number of Units:	380	Number of Stories:	6
Net Building Area:	387,834	Land Area (Acres):	4.77
Average Unit Size:	1,021	Density (Units/Acre):	79.73
Year Built:	2015	Occupancy Rate:	95.3%

PROPERTY AMENITIES

Project amenities include business center, clubhouse, controlled access, courtyard, elevator, fitness center, game room, lounge, playground, pool and on-site manager office.

UNIT AMENITIES

Unit amenities include stainless steel kitchen appliances including dishwasher, microwave, frost-free refrigerator, washer and dryer, walk-in closets, mini-blinds, high-speed internet access and balconies or patios.

QUOTED MONTHLY RENT & CONCESSIONS

BEDS/ BATHS	SIZE (SF) Average	RENT Average	RENT Average
1BR/1BA	819	$1,786	$2.18
2BR/2BA	1,129	$2,231	$1.98
3BR/2BA	1,388	$2,794	$2.01

Rent Inclusions: Residents pay electricity, water, sewer and trash removal.

Concessions: Limited concessions on select units

Our survey of apartment properties in the subject's market represents 1,855 units. The apartment projects were constructed between 1990 and 2017 and range in size from 184 to 531 units. Individual unit sizes range from 945 to 1,033 square feet. The apartment projects revealed occupancy levels ranging from 86.1 percent to 99.0 percent, with an average of 93.4 percent. Comparable Six, The Metropolitan Downtown Columbia, was delivered during the first quarter of 2015 and recently achieved stabilization. This project, as well as the adjacent TEN.M / m.flats project under construction, are considered most comparable to the subject's proposed apartment development based on project design, and project and unit amenities.

Interviews with on-site managers indicate rental rate increases have been occurring at most complexes over the past twelve months. Presently, limited rent concessions are offered at competitive projects. In addition, most competitive properties utilize a rent management system including Yieldstar, Lease Rent Optimizer (LRO) or other system, which updates asking market rents daily resulting in limited concessions. Most of the comparables require residents to pay utilities including electric, water/sewer and trash removal.

Other Apartment Competition

As previously noted, Kettler in partnership with The Howard Hughes Corporation, is building a new apartment complex located directly north of The Metropolitan, which will be referred to as TEN.M / m.flats. This mid-rise complex will include two 6-story buildings containing a total of 437 units with an average unit size of 911 square feet. The project is scheduled to complete within the early 2018. The following aerial reflects TEN.M / m.flats currently under construction and The Metropolitan and The Mall In Columbia located adjacent to the property.



Subject Competitive Position

In terms of competitive position, it is assumed that the subject's future apartment developments will represent Class-A mid-rise apartments with typical high-end interior finishes and amenities. The subject's future apartment projects will benefit from the community design with linkages to office, retail, entertainment and community amenities provided by its location in Downtown Columbia. The subject's developer reports future apartment complexes will be marketed to various demand generators such as young workers, empty nesters and millennials that are attracted to the 24/7 live-work-play urban environment being created in Downtown Columbia as evidenced by the strong lease-up by similar tenants at The Metropolitan, which was recently stabilized.

Demographic Profile

Understanding the demographics of a region helps to ascertain the underlying fundamentals of real estate supply and demand. The foundation of our analysis in the delineation of the subject's profile area may be summarized as follows:

- Highway accessibility, including area traffic patterns, and geographical constraints;
- The position and nature of the area's residential and retail structures, including its location within a heavily developed apartment area or retail corridor or urban center, which adds competition for the subject and at the same time adds strength and composition to the appeal for tenants; and
- The project and unit amenity composition of the subject property as compared to its competition

Given all of the above, we believe that a primary market for the subject property would likely span an area encompassing about a three-mile radius. The subject's secondary market might span up to five miles from the site given its regional accessibility and location of competitive properties.

Based on these observations, we analyzed a primary demographic profile for the subject based upon a radius of approximately three miles from the property. To add perspective to this analysis, we segregated our survey into one, three, and five mile concentric circles with a comparison to the CBSA, state, and the United States. The report on the following page presents this data.

Population

Having established the subject’s trade area, our analysis focuses on the trade area's population. Experian Marketing Solutions, Inc., provides historical, current and forecasted population estimates for the total area. Patterns of development density and migration are reflected in the current levels of population estimates.

Between 2000 and 2016, Experian Marketing Solutions, Inc., reports that the population within the primary trade area (3-mile radius) increased at a compound annual rate of 0.81 percent. This is characteristic of suburban areas in this market. This trend is expected to continue into the near future albeit at a slightly slower pace. Expanding to the total trade area (5-mile radius), population is expected to increase 0.75 percent per annum over the next five years.

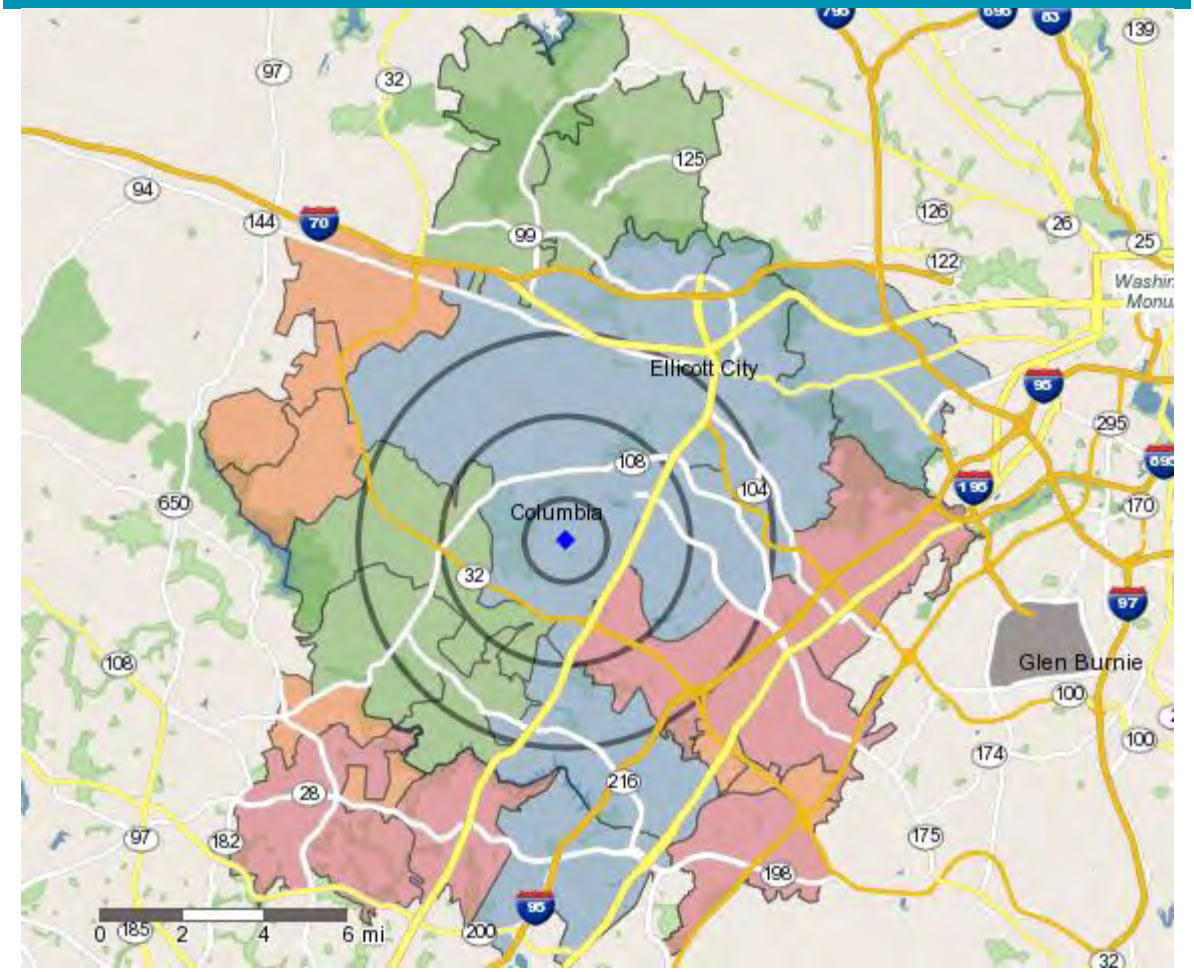
The following page contains a graphic representation of the current population distribution within the subject’s region. The graphic on the second following page illustrates projected population growth within the trade area over the next five years (2016 - 2021). The trade area is clearly characterized by various levels of growth.

DEMOGRAPHIC SUMMARY

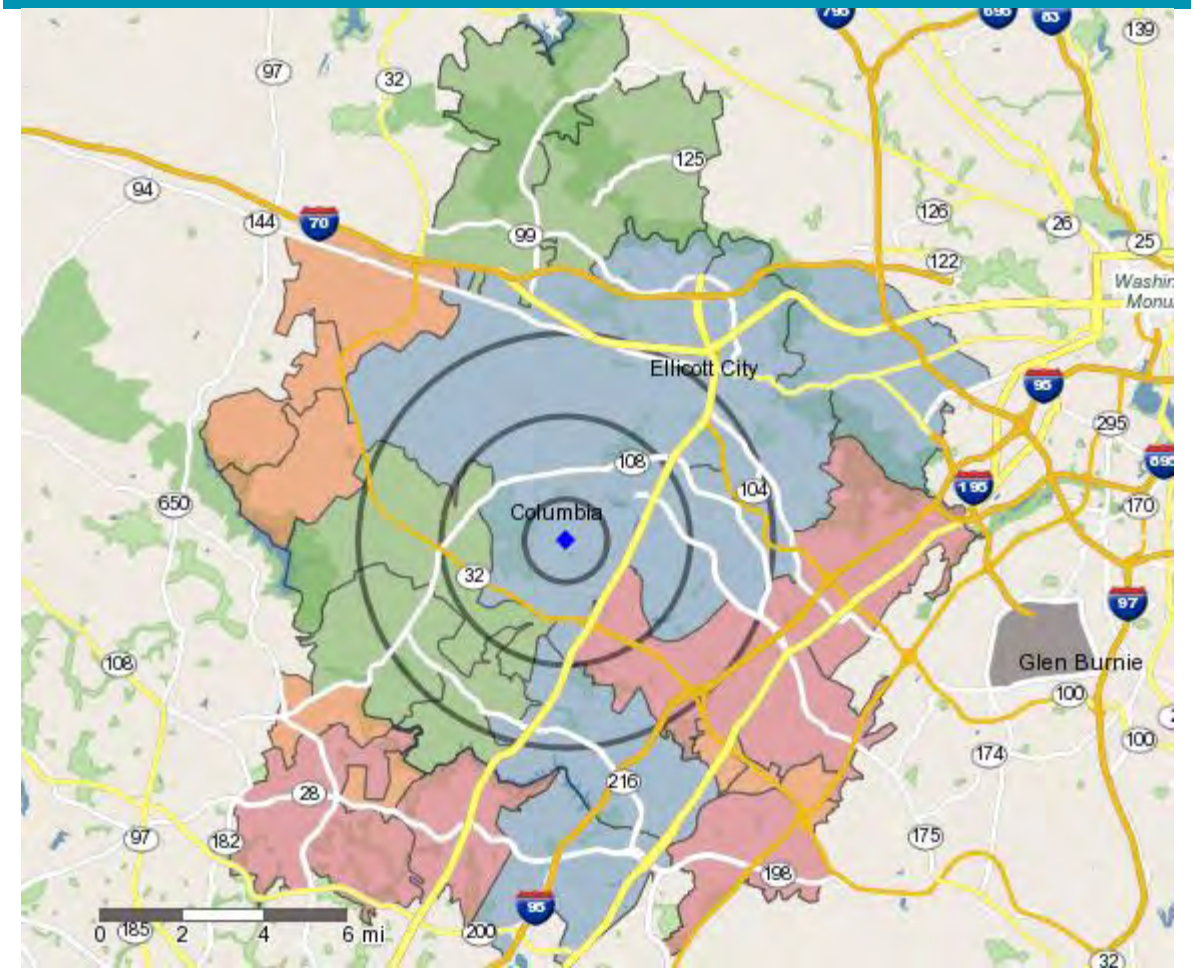
	1.0-mile Radius	3.0-mile Radius	5.0-mile Radius	Baltimore CBSA	State of Maryland	United States
POPULATION STATISTICS						
2000	16,220	64,627	129,600	2,552,453	5,295,307	281,422,025
2016	17,253	73,490	151,459	2,811,065	6,041,727	322,423,419
2021	17,865	76,427	157,241	2,885,012	6,245,186	335,582,492
Compound Annual Change						
2000 - 2016	0.39%	0.81%	0.98%	0.61%	0.83%	0.85%
2016 - 2021	0.70%	0.79%	0.75%	0.52%	0.66%	0.80%
HOUSEHOLD STATISTICS						
2000	6,837	24,849	48,310	973,873	1,980,431	105,480,443
2016	7,579	29,003	58,080	1,078,655	2,255,088	121,805,543
2021	7,869	30,282	60,550	1,113,496	2,344,881	127,388,836
Compound Annual Change						
2000 - 2016	0.65%	0.97%	1.16%	0.64%	0.82%	0.90%
2016 - 2021	0.75%	0.87%	0.84%	0.64%	0.78%	0.90%
AVERAGE HOUSEHOLD INCOME						
2000	$75,894	$85,702	$90,062	$63,059	$67,484	$56,675
2016	$115,877	$139,611	$148,238	$98,655	$104,974	$78,425
2021	$146,258	$171,869	$181,981	$117,861	$122,982	$91,392
Compound Annual Change						
2000 - 2016	2.68%	3.10%	3.16%	2.84%	2.80%	2.05%
2016 - 2021	4.77%	4.25%	4.19%	3.62%	3.22%	3.11%
OCCUPANCY						
Owner Occupied	52.46%	63.83%	70.66%	65.12%	65.80%	63.78%
Renter Occupied	47.54%	36.17%	29.34%	34.88%	34.20%	36.22%

SOURCE: © 2017 Experian Marketing Solutions, Inc. •All rights reserved

CURRENT POPULATION MAP



POPULATION GROWTH MAP



Households

A household consists of a person or group of people occupying a single housing unit, and is not necessarily a family unit. When an individual purchases goods and services, these purchases are a reflection of the entire household's needs and decisions, making the household a critical unit to be considered when reviewing market data and forming conclusions about the trade area as it impacts the subject property.

Figures provided by Experian Marketing Solutions, Inc., indicate that the number of households in the nation is increasing at a faster rate than the growth of the population. Several changes in the way households are being formed have caused this acceleration, specifically:

- The population is living longer on average. This results in an increase of single- and two-person households;
- Higher divorce rates have resulted in an increase in single-person households; and
- Many individuals have postponed marriage, also resulting in more single-person households.

According to Experian Marketing Solutions, Inc., the Primary Trade Area grew at a compound annual rate of 0.97 percent between 2000 and 2016. Consistent with national trends the trade area is experiencing household changes at a rate that varies from population changes. That pace is expected to continue through 2021, and is estimated at 0.87 percent.

Correspondingly, a greater number of smaller households with fewer children generally indicates more disposable income. In 2000, there was an average of 2.56 persons per household in the Primary Trade Area and by 2016, this number is estimated to have decreased to 2.50 persons. Through 2021, the average number of persons per household is forecasted to decline slightly to 2.49 persons.

Average Household Income

A significant statistic driving the success of an apartment market is the income potential of the area's population. Trade area income figures for the subject support the profile of a broad middle-income market. According to Experian Marketing Solutions, Inc., average household income within the primary trade area in 2016 was approximately $139,611, 141.51 percent of the CBSA average ($98,655) and 133.00 percent of the state average ($104,974).

Further analysis shows a relatively broad-based distribution of income, although skewed toward the middle-to-upper income brackets similar to the distribution within the larger CBSA. This information is summarized as follows:

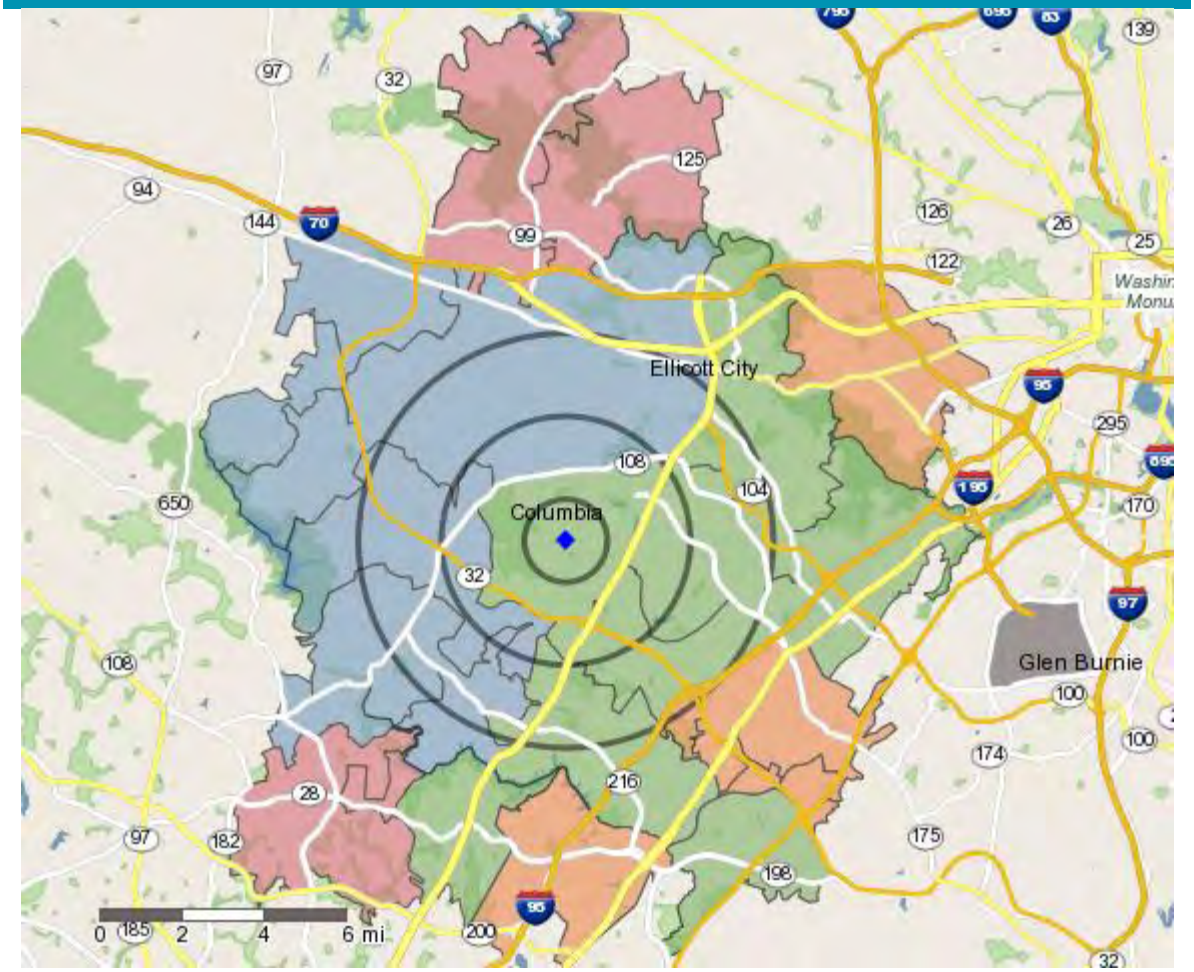
DISTRIBUTION OF HOUSEHOLD INCOME

Category	1.0-mile Radius	3.0-mile Radius	5.0-mile Radius	Baltimore CBSA	State of Maryland	United States
$150,000 or more	20.74%	29.69%	32.51%	15.75%	17.57%	9.80%
$125,000 to $149,999	9.00%	10.52%	11.36%	7.14%	7.71%	4.81%
$100,000 to $124,999	11.87%	12.86%	13.28%	10.75%	11.35%	8.35%
$75,000 to $99,999	12.03%	11.80%	11.55%	13.59%	13.64%	12.41%
$50,000 to $74,999	18.89%	13.77%	13.05%	17.34%	17.05%	18.30%
$35,000 to $49,999	9.55%	7.27%	6.42%	11.07%	10.67%	13.38%
$25,000 to $34,999	5.07%	4.11%	3.76%	7.43%	7.05%	9.97%
$15,000 to $24,999	4.83%	4.09%	3.53%	7.30%	6.68%	10.50%
Under $15,000	8.03%	5.89%	4.54%	9.64%	8.29%	12.47%

SOURCE: © 2017 Experian Marketing Solutions, Inc. •All rights reserved

The following is a graphic presentation of the household income distribution throughout the trade area that clearly shows the area surrounding the subject to be characterized by middle-to-upper income households. Higher income areas are located in surrounding suburban communities.

HOUSEHOLD INCOME MAP



Housing Occupancy

As illustrated on the Demographic Summary Table presented earlier, there are 7,579 occupied housing units in the subject's one-mile radius, 29,003 occupied housing units in the primary trade area (3-mile), and 58,080 in the total five-mile trade area. The depth of the rental housing market can be measured by these demographic statistics. The percentage of occupied housing units that are renter-occupied is an indicator of demand within an area. Markets that have a high percentage of renter units are indicative of a more transient population. For reference, we note that the United States has 36.22 percent of its occupied housing stock occupied by renters, while the subject's State and CBSA have 34.20 and 34.88 percent of this same stock occupied by renters. This compares to the local statistics, which reflect renter occupied ratios of 47.54 percent, 36.17 percent and 29.34 percent in the 1-, 3- and 5-mile trade areas, respectively.

Apartment Market Analysis Conclusions

We analyzed the profile of the region in order to make reasonable assumptions as to the prospective demand for future apartment development at the subject property. A regional and local overview was presented which highlighted important points about the study area. Demographic and economic data specific to the residential market were also presented. Demographic information relating to these sectors was presented and analyzed in order to determine patterns of change and growth as it impacts the subject property. The data quantifies the dimensions of the total trade area, while our comments provide qualitative insight into this market. The following are our key conclusions.

- Vacancy levels for the Baltimore region have remained generally stable over last year and are forecast to remaining within stabilized levels over the next five years (4.6 percent in 2021). Reis forecasts that construction will outpace absorption in the near future, and that rental rates should increase over the same period. Vacancy levels in the Columbia/Howard County market are forecast to be within stabilized levels over the next five years (6.8 percent in 2021), and rental rates are forecast to increase from $1,515 per month in 2017 to $1,671 per month during the same period.
- The subject property will most directly compete with the other apartment complexes in the vicinity. These properties are generally well-maintained and have stabilized occupancy rates and limited rent concessions.
- The subject property is located within a well-established housing market that has a significant, stable population and household base with middle-to-upper level household incomes. The near-term outlook for the local area is for continued stability with moderate increases in population and households and employment growth.
- The subject has very good accessibility via the regional Interstate network and local arterials that provide linkages throughout the Baltimore CBSA.

Based on our analysis we concluded that the subject is well positioned within its market area and the prospect for net appreciation in real estate values is expected to be good. The subject should be able to capture its fair share of market demand to support its future apartment uses and achieve stabilized occupancy with aggressive marketing and management similar to recently completed projects in the market.

Retail Market Analysis

Introduction

The subject's Crescent project is proposed to be improved with 314,681 square feet of retail space, which will be mostly located within street-level space of mixed-use office/retail, apartment/retail and hotel buildings. The development also includes two smaller retail buildings totaling 27,760 square feet. Tenancy is expected to be mostly restaurants and service-oriented tenants supported by office workers and apartment residents located within The Crescent development.

Retail Sales

Retail and food service sales have grown at a compound average rate of 2.8 percent over the last 10 years. Sales for 2016 increased 3.5 percent to $5.5 trillion vs. a 2.1 percent increase in 2015. Non-store retailers emerged the clear winners as more and more consumers turned online to shop. Online retailers, including online marketplaces such as Amazon and Etsy, plus retailers with e-commerce sites—Walmart, Target and others—posted a strong 14.0+ percent gain over the same month a year ago. Holiday retail sales during the crucial November and December period increased 4.0 percent over 2015 to $658.3 billion, as a strengthening economy encouraged consumers to spend even more freely than expected according to the National Retail Federation. The figure includes $122.9 billion in non-store sales, which were up 12.6 percent over the same time period last year. The last couple years, retail industry sales have grown at a rate faster than many other industries. Retail sales growth has been driven by rising employment, advancing wealth created by a rising stock market and real home appreciation, all of which free up income for spending on other goods and services. The National Retail Federation predicts steady growth for 2017 projecting that sales will rise between 3.7 and 4.2 percent over 2016, bolstered by growth in the non-store/online sales, which are forecasted to increase between 8.0 and 12.0 percent.

Annual retail sales for the period 2001-2016 are as follows:



Source: U.S. Department of Commerce

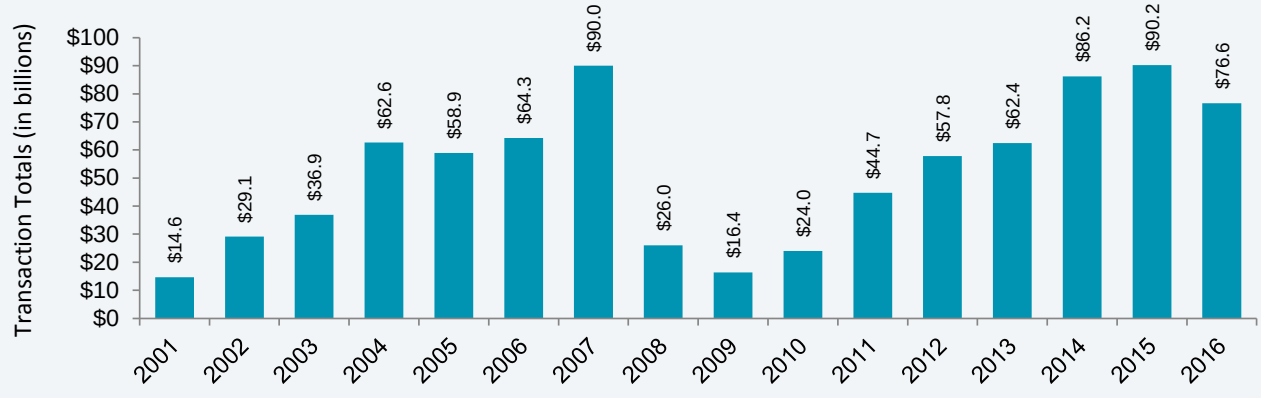
National Retail Investment Sales Market

Retail Transaction Activity

Despite improving economy, the retail sector in the U.S. has faced an uphill battle in recent years. While existing tenant bases face fierce competition from online sales, suburban areas are falling out of favor with key younger consumers. In 2016, retail sale transactions, for properties and portfolios $2.5 million or greater, decreased 16.0 percent year-over-year to $76.6 billion, primarily due to the decline in deal volume in single asset deals and portfolio and entity-level transactions. The pullback of single asset deal volume was not as severe as for portfolio and entity-level sales. In 2016, sales of single asset properties fell 10.0 percent year-over-year to $55.0 billion, exceeding the volume seen in 2014 and marks 2016 as the second strongest year for activity historically. By comparison, portfolio and entity-level sales fell 30.0 percent year-over-year in 2016 to $20.7 billion, falling just shy of 2013 levels and below some previous peak years. This should not be seen as cause for concern, however, as the pace of activity in 2016 was really more in line with long run trends and is considered an average year. Overall, deal volume for the retail market in 2016 was elevated, marking the fourth strongest year for activity historically. So far in 2017, the national retail investment sales market has been off to a slow start. The market recorded sales of $7.3 billion through February 2017, down 41.1 percent compared to the $12.4 billion of sales recorded in the first two months of 2016.

In an environment sensitive to rising interest rates, buyers are concerned about future cap rate movements. These concerns translate to significantly lower deal volume as sellers are not willing to match the concerns of these buyers when they bring assets to market, preferring instead to hold the assets longer. In addition, retail faces challenges from the real side of the economy as well. Major retailers continue to battle issues of attracting foot traffic in a world where consumer search is increasingly online.

The following graph displays annual retail transaction volume since 2001:



Source: Real Capital Analytics, Inc.
Note: Data excludes transactions less than $2.5 million,

Retail Capitalization Rates

Since the debt crisis, transaction activity had been on a steady rise driven by improving economic fundamentals and the ability to obtain relatively cheap financing. During this time, investors have increasingly focused on real assets, such as commercial real estate, as a hedge against inflation in the wake of previous economic uncertainty. Even with the recent moderate rise in rates, the average retail cap rate spread to Treasuries as reported by NCREIF remains slightly above the long term average of 373 basis points. During 2016 capitalization rates (OARs) continued to compress as demand increased. Real Capital Analytics reported the average cap rate for primary assets in 2016

was 6.5 percent, down 10 basis points from 6.6 percent in 2015. Power center OARs averaged 6.7 percent, regional mall OARs averaged 6.3 percent, and strip shopping center OARs averaged 6.9 percent.

By comparison, the *PwC Real Estate Investor Survey* reports that national power center and strip shopping center OARs are now below pre-recession levels. Through fourth quarter 2016, latest figures available, power center OARs averaged 6.37 percent, up 2 basis points from last quarter and 6 basis points from a year ago. Strip shopping center OARs averaged 6.18 percent, down 6 basis points from last quarter and 20 basis points from one year ago. Regional mall OARs averaged 6.10 percent, up 5 basis points from the third quarter of 2016 and 7 basis points from last year. Cap rates for Class A+ regional malls averaged 4.65 percent, while Class A and B+ malls averaged 5.30 and 6.35 percent, respectively. In the current market, investors are viewing higher-quality assets in primary urban and first-tier suburban markets most favorably.

It is important to note that these cap rates are quoted averages by investors and they do not represent actual deals. Given the bifurcation of the current market, rates vary vastly based on the quality of the centers. Cap rates average as low as sub 4.0 percent for the best regional shopping centers, but rates exceed 20.0 percent for centers struggling with vacancy and other performance issues.

The following table details realized capitalization rate ranges identified by Cushman & Wakefield Retail Valuation Group by property type and asset class:

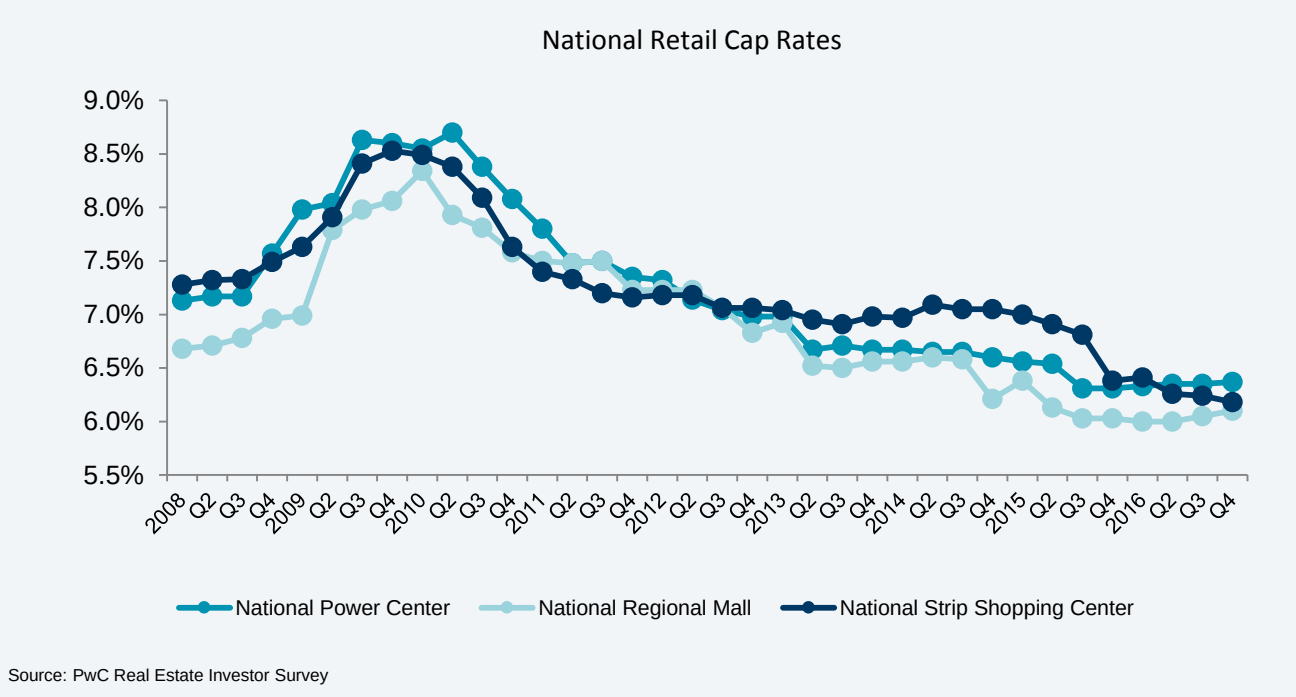
Capitalization Rates by Property Type and Asset Class

Property Type	Asset Class	Cap Rate Range
Mall	A+	3.50% - 4.00%
	A	4.00% - 5.00%
	A-	5.00% - 6.00%
	B	6.00% - 12.00%
	C	12.00% - 20.00%
Neighborhood/Community Center	A	5.50% - 6.50%
	B	6.50% - 8.50%
	C	8.5%+
Power Center		6.00% - 8.00%
Outlet Center		6.00% - 9.00%
Lifestyle Center		5.50% - 7.50%

Source: Cushman & Wakefield Retail Valuation Group

With significant investor interest in the most dominate markets, capitalization rates have compressed notably among much of the most desirable product. As such, secondary markets are gathering more attention as sources of opportunity. It should also be noted that the combination of low interest rates and increasing loan-to-value ratios are driving many investors to turn to real estate as an alternative investment vehicle. However, we would note that as we move through first quarter 2017, despite strong market fundamentals there is a growing consensus that with the exception of trophy and distressed assets, cap rates have stabilized and may actually begin to slowly rise for most other retail asset classes. C&W's Capital Markets sales brokers reported that many deals that had yet to close at year end were being re-traded by buyers who have become skittish about weakening fundamentals and high debt costs.

The following graph depicts quarterly national retail capitalization rates as reported by PwC by property type since 2008:



Source: PwC Real Estate Investor Survey

CMBS Market

The availability of debt including the resurgence of Commercial Mortgage Backed Securities (CMBS) had contributed to increases in transaction activity through 2015. CMBS issuance saw notable growth for six straight years while commercial real estate prices continued to increase in nearly all sectors, even during periods of economic volatility.

At the end of 2015, it had been expected that the CMBS market would continue to see record-breaking issuance in 2016. With risk retention looming in December 2016 and a wave of 2006 and 2007 10-year loans coming due, the CMBS market was projected to have over $100 billion in issuance during the year (the highest since 2007). However, the first half of the year saw substantial volatility in CMBS spreads. This volatility resulted in some of the biggest losses since the sector's revival in 2010. The uncertainty prompted conduit programs to significantly scale back lending as the market adjusts. In 2016, U.S. CMBS issuance totaled just $75.9 billion, down 24.8 percent from the $100.9 billion reported in 2015. Life Companies and other balance sheet lenders have taken up some of the slack, capitalizing on this market volatility.

Banks of all types represented 51.0 percent of retail property lending 2016. This has been quite a reversal of fortune between the bank sector and the CMBS market since 2012. Back in 2012, the CMBS lenders captured 47.0 percent of the market compared to 27.0 percent of the market captured by banks of all types. Into 2016, the CMBS lenders captured only 24.0 percent of the market. One area where CMBS lenders remain dominant is malls, where these lenders captured 38.0 percent of the market. Competition in this area comes from insurance companies rather than banks. Insurance companies captured a 26.0 percent share of the mall loan market in 2016, whereas national banks captured 18.0 of this market.

The following table compares annual CMBS volume over the last ten years:

U.S. CMBS ISSUANCE (IN BILLIONS)											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Mar-17
TOTALS	**$228.6**	**$12.1**	**$2.7**	**$11.6**	**$32.7**	**$48.2**	**$86.1**	**$94.1**	**$100.9**	**$75.9**	**$12.0**

Source: Commercial Mortgage Alert

The prominent concern remains the amount of CMBS loans that are set to mature in the near future. According to Trepp LLC, $105.8 billion of conduit loans come due in 2017. Approximately $169 billion of CMBS loans were issued in 2005; in 2007, that number reached $229 billion. With issuance averaging less than $100 billion over the past 4 years, there is a vast gap between issuance and maturities. Further, current capital is subject to underwriting standards that are more stringent than those that were used at the time of origination.

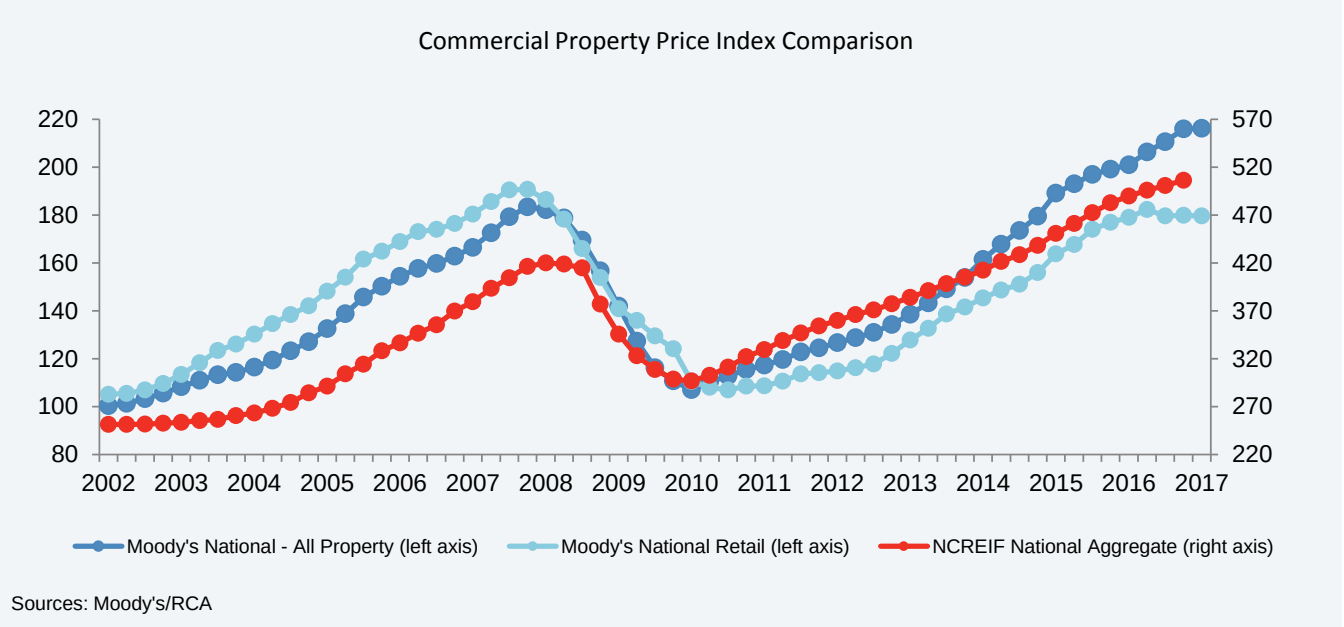
The volume of loans coming due in the next two years remains daunting. However, healthy real estate market fundamentals have enabled many owners to increase rents and income, which has contributed to an increase in property values and made refinancing easier than it otherwise would be. Nonetheless, there are signs this may be changing. According to the latest from Trepp LLC, the delinquency rate has been inching steadily higher over the last 12 months and has continued to climb in February 2017. The delinquency rate for US commercial real estate loans in CMBS reached 5.31 percent in February 2017, an increase of 13 basis points from January 2017 and its highest level since August 2015, according to new data from Trepp LLP. One year ago, the delinquency rate commercial real estate loans in commercial mortgage-backed securities (CMBS) was 4.15 percent, while six months ago it registered at 4.86 percent. The all-time high was 10.34 percent in July 2012. The report also notes that it is unlikely that the delinquency rate will go down anytime in the near future as the “wall of maturities” runs its course.

Commercial Property Price Index

The Moody’s/RCA Commercial Property Price Index (CPPI) is a periodic same price change index of U.S. commercial investment properties. The Moody’s/RCA CPPI uses advanced repeat-sale regression analytics to measure price changes in U.S. commercial real estate.

As of January 2017, the most recent figures published, Moody’s/RCA CPPI for all properties measured an increase of 8.1 percent year-over-year. Currently at 216.19, the index has surpassed its previous peak of 186.06 measured in December 2007. For retail properties, CPPI figures reported by Moody’s/RCA have indicated year-over-year growth of 1.1 percent in January 2017. The current Moody’s/RCA CPPI figure for retail properties is 179.57, shy of the index peak of 183.30 witnessed in September 2007.

The following graph displays the CPPI Index between January 2002 and January 2017:



Sources: Moody's/RCA

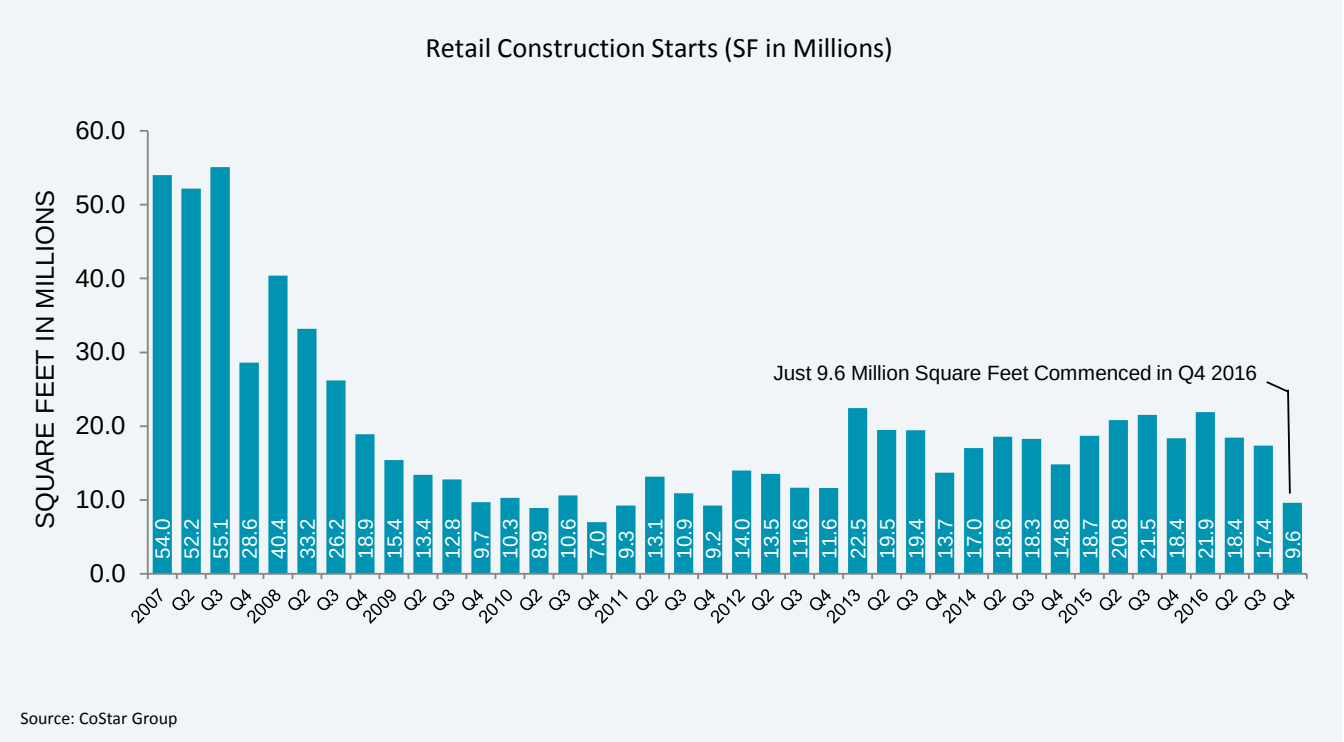
Similarly, the National Council of Real Estate Investment Fiduciaries (NCREIF) also compiles a property price index based on a large pool of individual commercial real estate properties. The NCREIF Property Price Index is a quarterly time series composite total rate of return measure of investment performance of said commercial real estate properties acquired in the private market for investment purposes only. Based on data from NCREIF, the property price index peaked in the first quarter of 2008 at 419.88 before falling 29.3 percent to 296.81 in the first quarter of 2010. Since bottoming, the NCREIF Property Price Index has surpassed its pre-recession levels by 15.0 percent, standing at 506.16 as of fourth quarter 2016, reflecting an increase in commercial real estate values over recent quarters.

Retail Market Conditions

Retail Construction Activity

Despite improving fundamentals in the retail real estate market, developers and lenders are still cautious about investing in new construction projects. The exception being outlet center development and projects located in the highest-performing markets with strong tenant mixes possibly including grocery retailers, drug stores or similar net leased properties that have shown notable strength in the current market. In addition, mall owners are finding accretive opportunities to take back vacant department stores boxes and either re-tenanting or repurposing them, or in more extreme cases, demolishing them for other uses. According to data from the CoStar Group, retail construction starts averaged 79.2 million square feet during the nine-year period between 2007 and 2015, peaking at 55.1 million square feet in the third quarter of 2007 when 189.9 million square feet were started for all of that year. Immediately following the recession, construction starts fell significantly in the ensuing years and continues to show only modest improvement. This has been a good thing for property fundamentals as vacancy rates have declined. Recently, retail construction starts totaled just 67.3 million square feet in 2016, a 64.6 percent drop from the 2007 peak. Comparatively, construction starts fell 15.2 percent from year-end 2015. Over the last 22 quarters, new development has averaged just 0.6 percent per year.

The following graph shows retail construction starts from first quarter 2007 through fourth quarter 2016:



Source: CoStar Group

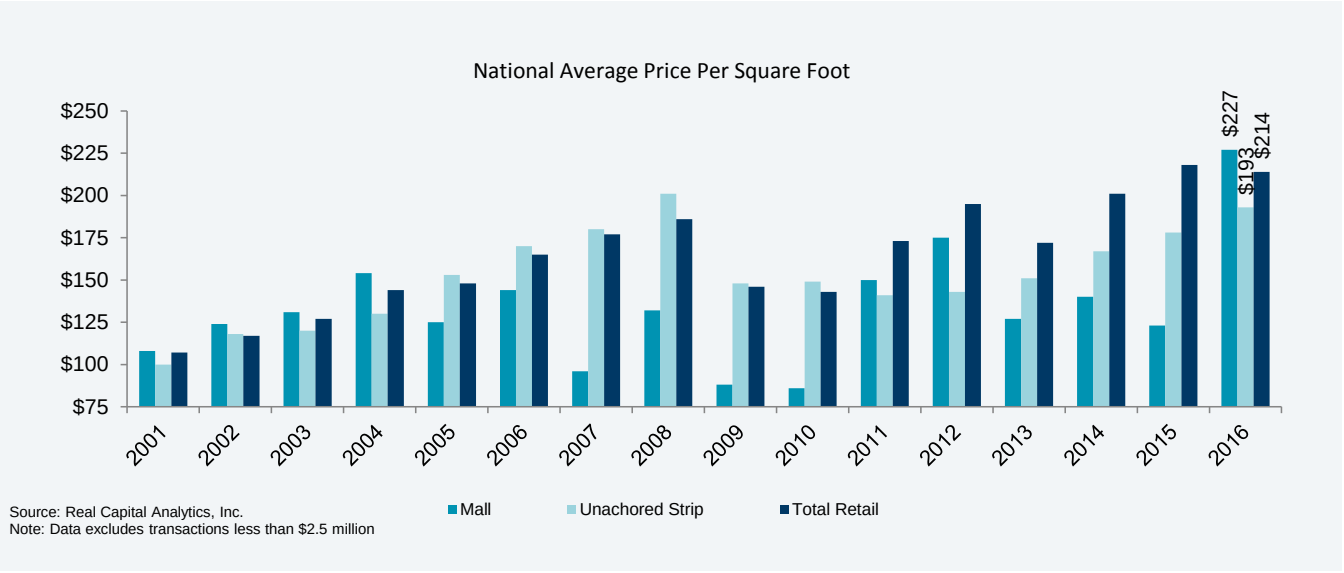
Vacancy amongst top-tier product across the country's primary markets continues to tighten. In fact, the national vacancy rate as reported by CoStar was 4.9 percent in 2016. Vacancy has averaged 6.6 percent during the period between 2007 and 2015, peaking at 7.4 percent in 2009 in the midst of the national recession. As the national recession ended, the market began to see its vacancy rates gradually decline each year since 2009. The current vacancy rate of 4.9 percent is 1.7 percentage points lower than the historical average of 6.6 percent, as well as 60 basis points lower than the 2015 rate of 5.5 percent. Green Street Advisors notes that the occupancy gap between high-quality and average-quality centers is the widest it has been in recent years. High-quality centers are seeing occupancy rates in the mid- to high- 90.0 percent range while average-quality centers struggle to reach the high-80.0 percent range. Significant blocks of space remain available within secondary and tertiary markets. This space can be increasingly difficult to fill as many national retailers reevaluate their real estate positions with a focus on efficiency across their current holdings and strengthening of their online presence. The current state of low vacancy rate in the retail market could lead to an increase in new construction activity in the near future, as space becomes scarce.

Retail Price Per Square Foot

Unit pricing levels achieved by shopping centers has generally followed broader economic patterns. Between 2003 and 2008, the average price per square foot for retail assets increased by 50.8 percent to a peak of $187 per square foot. However, in 2010, the average price per square foot for all retail property would sharply decline to a low of $143 per square foot. Not until late 2010/early 2011 did the price per square foot begin to recover, and in 2012 it jumped to $195 per square foot, a 36.4 percent increase over 2010.

Year-end 2016 data continued to indicate strength. Total retail property sales averaged $214 per square foot in 2016. Despite dropping 2.0 percent from the 2015 average of $218 per square foot, the 2016 average price per square foot remained 33.2 percent higher than the 15-year historical average of $161 per square foot. So far in 2017, the average sales price for retail properties averaged $178 per square foot through February 2016, 10.6 percent lower than the 2015 average sales price of $199 per square foot over the corresponding time period. Given the shifting fundamentals in the market, it is unlikely that the average retail price per square foot will surpass the record-high set in 2015.

The following graph depicts the historical average price per square foot for retail assets as surveyed by RCA through year-end 2016:

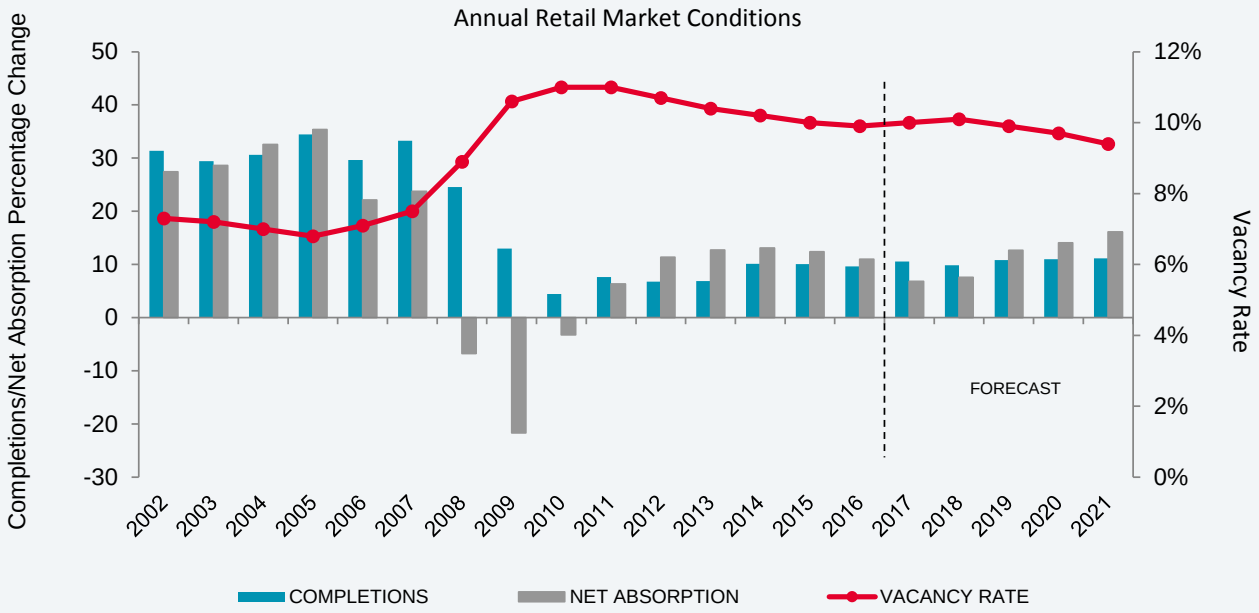


Vacancy and Rental Rates

The graph below shows the severity of the last recession in terms of declining absorption and rising vacancy rates. In 2008, retail absorption was negative for the first time since Reis began collecting data in 1986. Mirroring the rebound in other commercial property sectors, leasing and occupancy of U.S. malls and shopping centers saw improved fundamentals through 2016. According to Reis, the low amount of new supply of retail space should reflect as a decline in retail vacancy rates through 2021. Between 2017 and 2021, Reis data forecasts absorption in the retail market to average approximately 11.5 million square feet per year while construction completions average approximately 10.7 million square feet per year. Given this forecast, overall vacancy rates in the national retail market are projected to fall approximately 50 basis points to 9.4 percent from their current reading near 9.9 percent.

It should be noted that Reis data differ from Costar data, as the two companies use different methodologies to measure and calculate retail statistics. Whereas Costar statistics include all retail building types across 41 markets, Reis statistics only include Community and Neighborhood Centers in complexes with 10,000 or more square feet.

The subsequent graph depicts annual market conditions within retail markets across the U.S.:

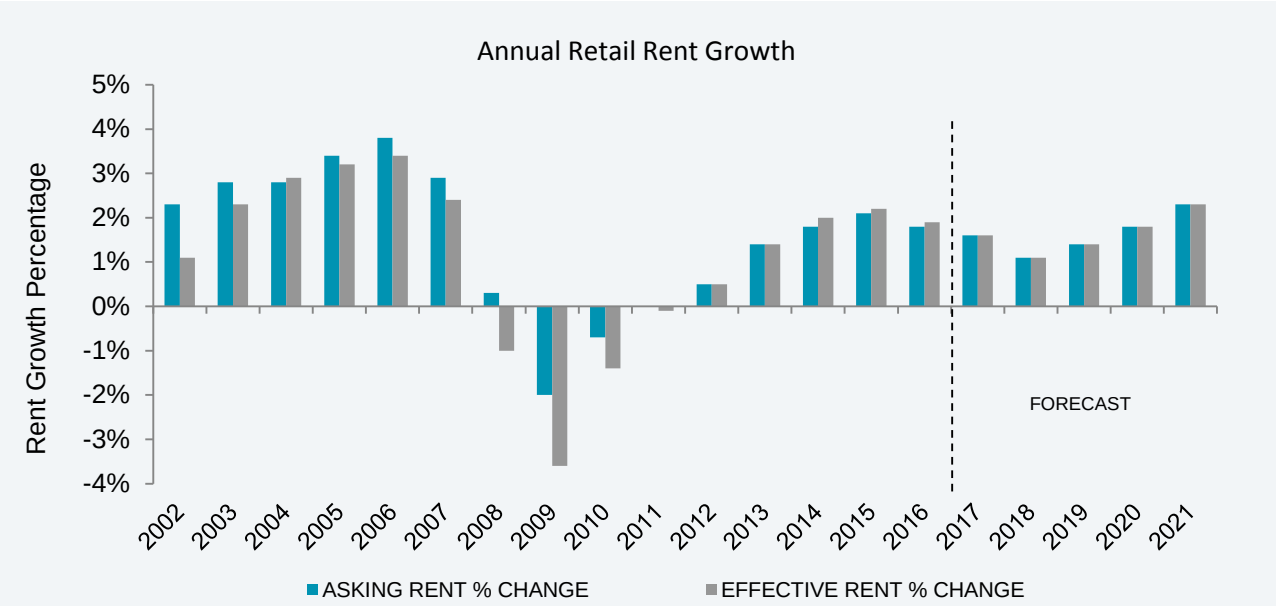


Note: Data only include Community and Neighborhood Centers

Source: Reis, Inc.

The U.S. retail market had enjoyed a period of sustained rental growth during the period between 2002 and 2007, averaging 2.6 percent of annual effective retail rent growth over this time period, according to Reis data. Following nearly four years of negative rent growth during the economic fallout from 2008 to 2011, the retail market has begun to see meaningful rent growth as a result of falling vacancy rates and rising demand. Nonetheless, the current effective rent growth of 1.9 percent in 2016 remains below the pre-recession levels as tenants continue to resist large rent increase. Reis forecasts effective rent growth to average 1.6 percent annually over the next five years, peaking at 2.3 percent in 2021.

The following graph shows a composite of asking and effective annual rent growth within retail markets across the U.S.:



Note: Data only inlcude Community and Neighborhood Centers

Source: Reis, Inc.

Store Closings

Store closings are a natural part of the retail real estate industry cycle and in any given year, there will be a number of shuttered stores. Over the past 10 years, national chain store closings have ranged between 3,900 and 7,900 stores. In 2015, national store closings increased to a 10-year high, as retailers were hampered by an anemic consumer and macro shifts in the retail world. These shifts included increasing trends to value retailers, the emergence of fast fashion merchants and the growing e-commerce business. Also in the past, the shopping center space was benefitting from the increased pace of restaurant openings during the period between 2011 and 2014. More recently, however, restaurants have joined in culling their portfolios.

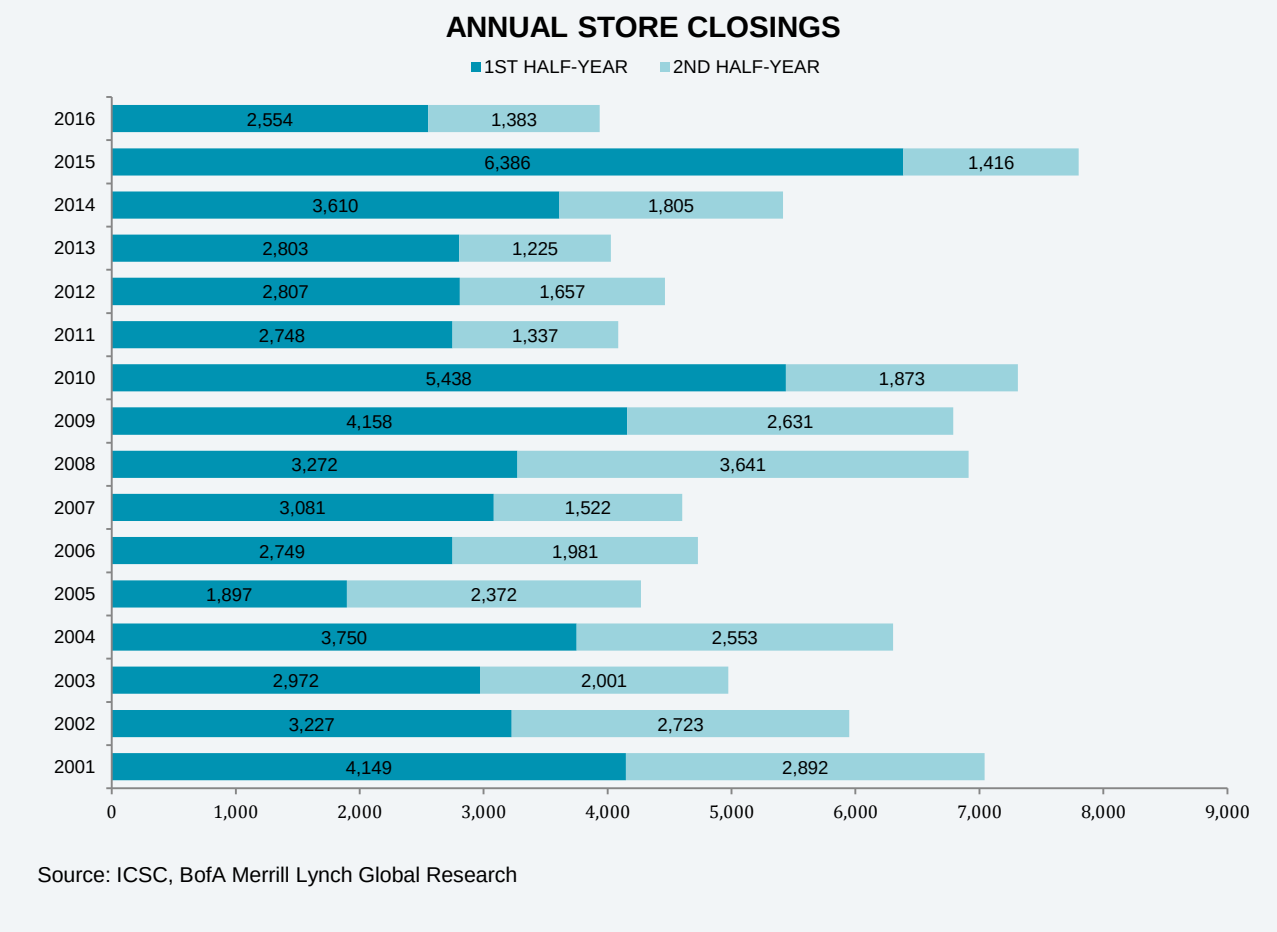
The table below lists the major announced store closings in 2016:

MAJOR ANNOUNCED STORE CLOSINGS - 2016	
Store	**Number of Closing**
Sports Authority	464
Aeropostale	300
Hancock Fabrics	255
Tailored Brands	250
Walgreens	200

Source: ICSC; Bank of America Merrill Lynch Global Research

According to the most recent annual data collected by the International Council of Shopping Centers (ICSC), retailers and restaurateurs announced that approximately 3,937 national chains closed in 2016. The majority of establishments announcing store closings were non-mall-based tenants. These open-air formatted stores accounted for 65.5 percent of all closings in 2016 compared to 27.5 percent by mall-based stores, according to Bank of America Merrill Lynch Global Research. Compared to 2015 where 7,802 national chains were closed, store closings in 2016 were not as aggressive. This is because in 2016 store closings were centered on the big box and department store categories (such as Sears, J.C. Penney, Sports Authority, Hancock Fabrics and Office Depot). In addition, fewer retailers were liquidating their entire portfolio in 2016. Retailers frequently elected to re-organize their businesses with selective store closings.

The following is a list of annual store closings from 2001 through 2016:



Source: ICSC, BofA Merrill Lynch Global Research

The pace of national store closings has already picked up in 2017, with 3,349 announced closings during the first quarter. Bank of America Merrill Lynch Global Research expects a total national store closing number to be between 6,300 and 6,800 by year-end. Major apparel and department stores, such as Sears, Macy's, and J.C. Penney, have already announced major closings this year. Sears has admitted doubt about its ability to survive, as the retailer undergoes efforts to cut costs, sell property, tap new funding sources and make other moves to lessen the continuing flow of red ink. However, with revenue in a steep decline, the company said it had to use money from its investments and other activities to fund operations.

In addition to store closings, bankruptcy filings have elevated through first quarter 2017, with 13 major retailers filing for bankruptcy protection, well above the five sought through the first three months of 2016. RadioShack has sought bankruptcy protection for the second time in two years, as the 1,500-store chain looks to further shrink to survive. Parent company General Wireless Operations Inc. announced it will close 552 retail outlets, accounting for 36.0 percent of its remaining store base. RadioShack operated more than 5,000 locations as late as 2013, but closed more than half when it filed for bankruptcy protection in 2015 in an attempt to pay off more than $1.0 billion debt. Meanwhile, struggling discount shoe chain Payless Inc. has filed for bankruptcy in April, aiming to close 378 stores across the U.S. These bankruptcy filings are just another blow to the retail world. The Sports Authority, American Apparel, Aéropostale, Wet Seal and PacSun had all filed for bankruptcy protection over the past two years, with some liquidating altogether.

While declining sales have forced many retailer chains to pare down their number of outlets, other retailers are closing due to shifts in the marketplace. As such, many struggling retailers have been forced to reinvent how they reach customers.

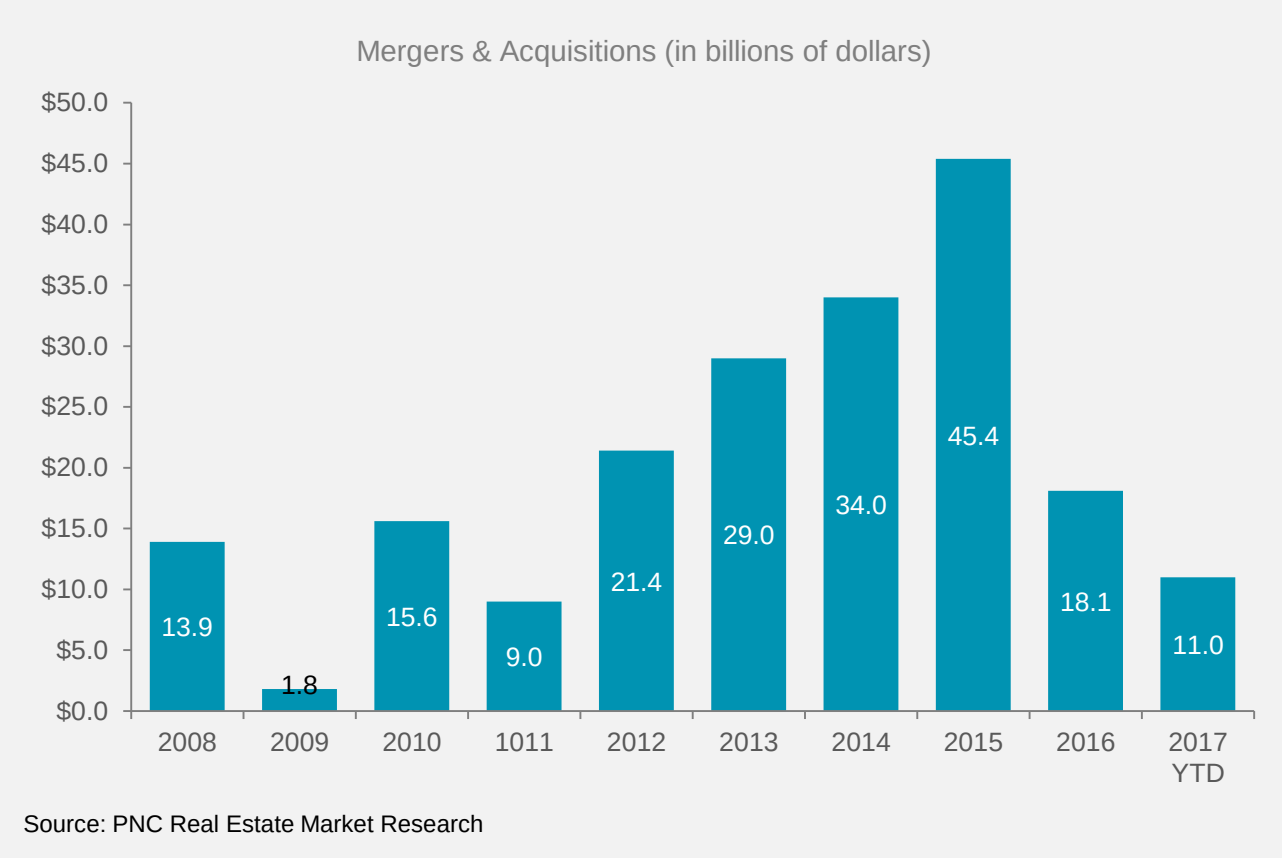
Mergers and Acquisitions

2016 was a banner year for retail mergers and acquisitions as an estimated 3,253 deals were struck worldwide, compared to 3,008 transactions recorded in 2015, according to the Institute for Mergers Acquisitions & Alliances. Despite reporting a record number of M&A transactions, deal volume in 2016 was less impressive, reporting $127 billion, down 42.3 percent from $220 billion of deal volume reported in 2015. Alternate data from PNC Bank indicates that mergers and acquisitions in the U.S. reached $18.1 billion in 2016, 60.1 percent below the $45.4 billion announced in 2015.

Other notable points on mergers and acquisitions include:

- Less than two years after the merger of Office Depot and OfficeMax, Staples has offered to buy the combined entity for $6.3 billion. However, the FTC has rejected the combined entity. The companies said they would not appeal the decision and would instead abandon the deal.
- In November 2015, Walgreens announced that it will acquire rival Rite Aid for $17.2 billion dollars. The acquisition will create the largest pharmacy chain in the U.S. with almost 13,000 stores across the country, leaving rival CVS Health behind, which has about 10,000 stores (including the recently acquired Target pharmacies). However, given the size of the resulting entity, the transaction has drawn scrutiny from antitrust regulators. To address these concerns, Walgreens and Rite Aid will divest 865 Rite Aid stores to Fred's Pharmacy for $950.0 million. The transaction, if approved, would make Fred's Pharmacy one of the largest drugstore chains in the U.S. with significant presence in the South and on the East and West Coasts.
- Aeropostale Inc has been negotiating a potential sale to private equity firm Versa Capital Management LLC that would save thousands of jobs at the bankrupt U.S. retail chain and keep many of its stores open, according to a court filing. Versa, which specializes in distressed investments, would pay cash for Aeropostale's inventory and take on over 500 of the chain's leases, located mostly in malls across the United States.
- Ascena Retail Group Inc. purchased Ann Inc. in August 2015 for roughly $2.16 billion, adding the Ann Taylor and Ann Taylor Loft chains to its collection of women's apparel brands. The combined company has approximately $7.3 billion in annual sales and operates more than 4,900 stores focused exclusively on women's clothing and accessories.
- In the grocery segment, Royal Ahold and Delhaize Group combined their business as Ahold Delhaize, which created one of the largest supermarket chains in the U.S. The merger, valued at $29.11 billion, results in roughly 2,000 U.S. stores and 6,500 locations worldwide, with sales of more than $60.0 million.
- Additionally, Kroger purchased Roundy's Supermarkets for approximately $800.0 million. The deal provides Kroger with 151 new stores and 101 pharmacies in new geographies including Milwaukee, Madison, and Northern Wisconsin, which are served under the Pick 'n Save, Copps, and Metro Market banners. The merger also expands Kroger's presence in the Chicagoland area, where Roundy's operates 34 stores under the Mariano's banner.

The following chart outlines the historical mergers and acquisition volume in the U.S.:



Source: PNC Real Estate Market Research

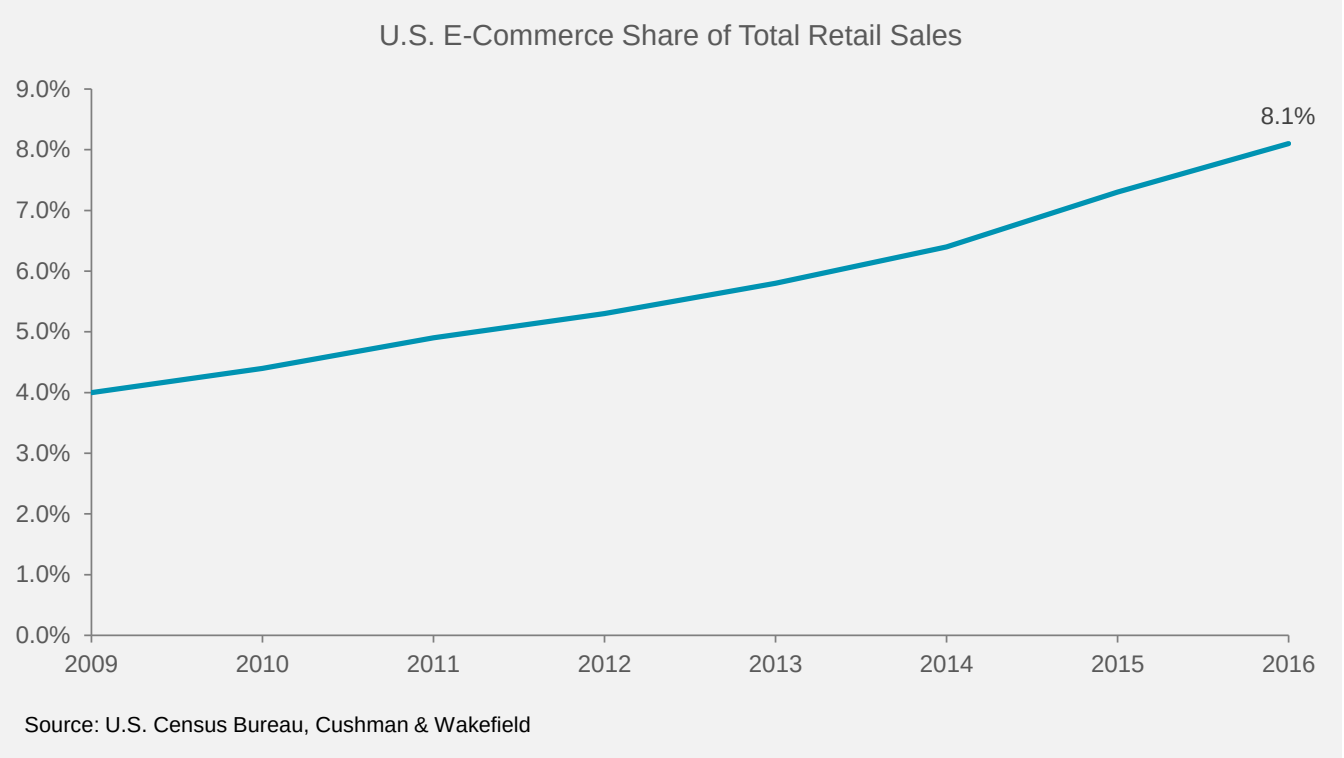
E-Commerce

In the age of Amazon.com, stores are trying to reinvent themselves, generally using one of two strategies: deliver products more quickly than and nearly as inexpensively as online sellers, or offer shopping experiences that entice people to visit their establishment and buy something. With the rise of online purchasing and increased price-sensitivity from consumers, retailers without a notable e-commerce platform will suffer while online-sales and sales from smartphones continue to grow at a quicker pace than brick-and-mortar sales.

The Census Bureau of the Department of Commerce announced in February 2017 that the estimate of U.S. retail e-commerce sales for 2016, not adjusted for seasonal variation, was $394.9 billion, an increase of 15.1 percent from year-end 2015. Total retail sales (excluding food services) for year-end 2016 were estimated at $4,845.3 billion, an increase of 2.9 percent from year-end 2015. E-commerce sales in 2016 accounted for 8.1 percent of total sales, as compared to 7.3 percent in 2015.

Online sales in the United States are expected to reach $530.0 billion in the next four years, up 57.0 percent from $338.0 billion in 2016, and mobile devices are expected to be a key driver in that growth. Forrester Research Inc. says E-commerce now represents 11.2 percent of total retail sales in the U.S. This is the highest e-commerce penetration in history.

The following graph depicts the annual e-commerce share of total retail sales in the U.S. since 2009:



Source: U.S. Census Bureau, Cushman & Wakefield

The following chart tracks annual e-commerce sales from 2012 to 2016 with forecasts thru 2020, as reported by InternetRetailer.com and Forrester Inc.:



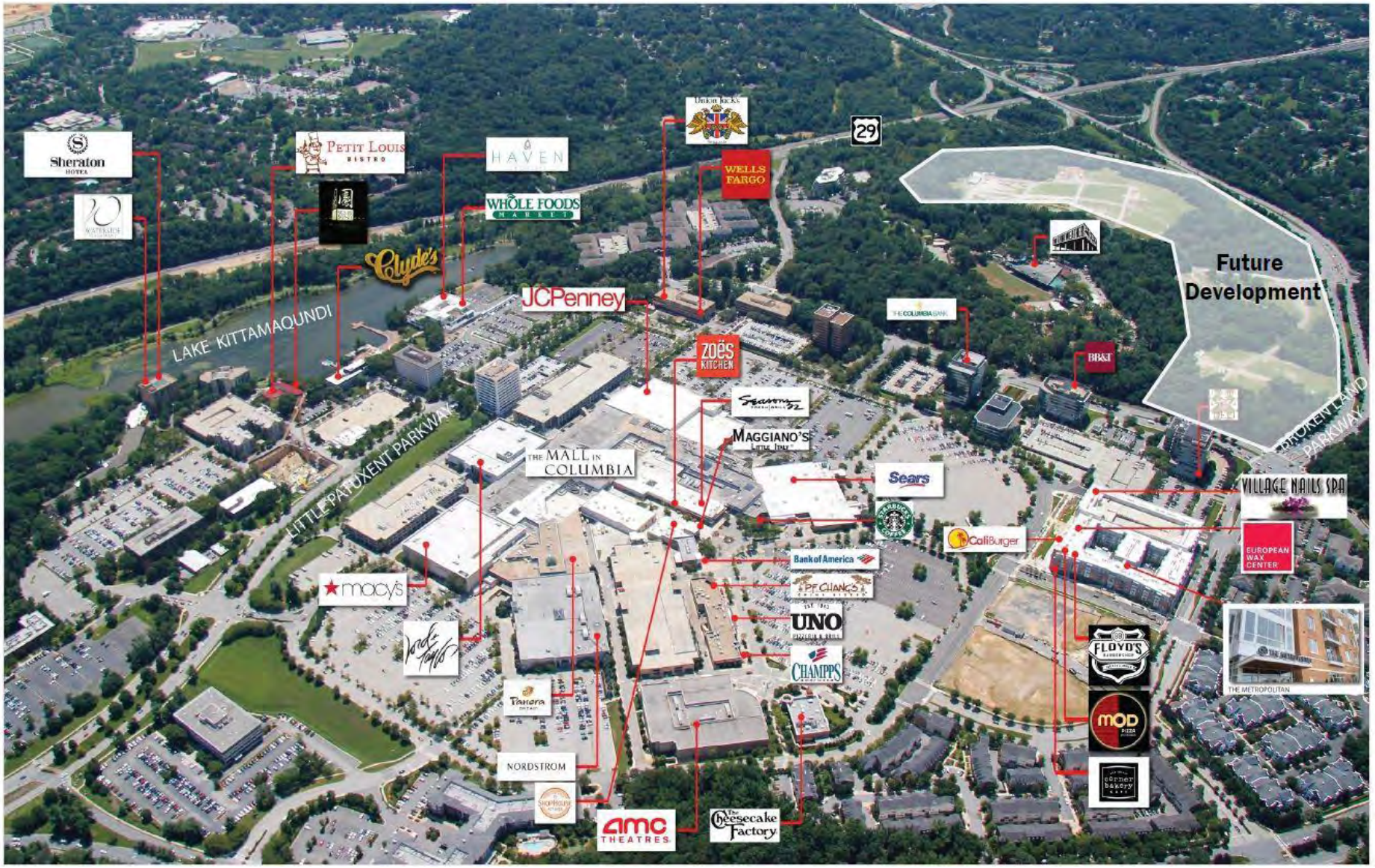
Source: InternetRetailer.com, Forrester Inc.

Additionally, many retailers are beginning to realize that rather than close stores, they can sustain them by giving them a much-needed facelift. Reinventing the store involves a thorough rework that often includes creating a "brand story" to engage and involve a consumer in the shopping experience. In a recent study conducted by Westfield, the five trends that point toward a new era in retail include; Rental Retail, Enhanced Realty Retail, Classroom Retail, Sensory Retail and Loyalty programs that recognize good choices. While it's not the topic of this overview to address the specifics of these trends, the point here is that the Evolution of Retail will continue to result in engaging and experiential venues that will entice and stimulate consumer behavior.

National Retail Market Summary

Between the ascent of Amazon and the encroachment of discounters, the apparel and department store sectors are in a state of disarray and contraction, leading some pundits to question the fate of American bricks-and-mortar retail. Despite another year of increasing e-commerce sales, the retail landscape is experiencing seismic troubles, as the growing market share of e-commerce puts a damper on many brick-and-mortar owners. Shopping Center owners are bracing for more downsizing as they prepare to rationalize store space in the U.S. in order to reverse the trend in declining sales per square foot. This could take form of store closures, which is already evidenced by an outsized number of national store closings and rising bankruptcy filings during the first quarter of 2017. Given the bifurcation in the market between A, B and C centers, landlords will need to adapt accordingly in order to turn a profit. The store rationalization process, while painful, will likely have different impacts on different centers, with trophy, higher-quality centers, and centers in prime urban locations continuing to attract top retailers, achieving rent growth and accelerating productivity. At the same time, the process should expedite the sale of underperforming centers to new investors capable of converting the properties to more profitable uses.

RETAIL TENANTS IN DOWNTOWN COLUMBIA – SUBJECT HIGHLIGHTED AS "FUTURE DEVELOPMENT"



Local Retail Market Overview

Introduction

As previously discussed, the subject's planned retail space will be mostly improved on the street level of mixed-use office, apartment and hotel buildings to be constructed within the Crescent Special Taxing District. There are a couple small freestanding retail buildings proposed for Area 3 of the project that total about 28,000 square feet of space. Likely retail tenants will include a mix of national and regional restaurants, banks and other services supporting apartment residents and office workers occupying space within the mixed-use development. The owner reports they are in discussions with multiple retail tenants for space within the first two office buildings currently under construction. As will be reflected by comparable rental data presented later in this report, all of the retail space within recently completed inline space at The Metropolitan and The Mall In Columbia was leased upon completion of the project at rental rates ranging from the low $40s to low $50s per square foot on a net rental basis.

The entire Downtown Columbia area is anchored by The Mall In Columbia, which is a 1.4 million square foot super-regional mall. An exhibit on the prior page highlights the retail tenants within the mall and street level retail tenants within surrounding mixed-use buildings in Downtown Columbia. As previously noted, Whole Foods Market recently located within the market providing the first grocer to service the immediate Downtown Columbia trade area.

Local Retail Market Statistics

Data for the analysis of the Baltimore Retail market was provided by Reis, Inc., a leading provider of multifamily and commercial real estate performance information since 1980. Their proprietary database includes trends, forecasts, news and analyses for approximately 200,000 multifamily and commercial properties in 232 metropolitan markets (4 property types multiplied by 58 metropolitan areas) and roughly 2,500 submarkets. Current and historical figures are compiled by highly qualified industry analysts. Reis' data are released on a quarterly basis, and are widely recognized as a fundamental tool for appraisers throughout the country.

Baltimore Retail Market

Reis, Inc. classifies the Baltimore Retail market into six submarkets, and segregates inventory by type of space (community – "C" versus neighborhood – "N" shopping centers). The subject lies in the Howard/Carroll Counties submarket of Baltimore.

Submarket Snapshot

The Baltimore Retail market contains 36,990,000 square feet of space. Anne Arundel County is the largest submarket, comprising 25.8 percent of the area's total inventory. Central Harford County is the smallest submarket with 6.6 percent of total inventory. The subject's Howard/Carroll Counties submarket contains 5,424,000 square feet, or 14.7 percent of the region's inventory.

The following table presents the geographic distribution of inventory, along with other statistical information for the most recent quarter available as of the effective date of value.

GEOGRAPHIC DISTRIBUTION OF RETAIL INVENTORY

Submarket	Community Neighborhood	Inventory (SF)	% Total	Vacancy Rate (%)	Net Absorption	Asking Rent ($/SF)
Anne Arundel County	C	5,650,000	15.3	4.9	11,000	$25.23
Anne Arundel County	N	3,908,000	10.6	3.5	22,000	$20.87
Anne Arundel County	**NC**	**9,558,000**	**25.8**	**4.3**	**33,000**	**$23.45**
Central Harford County	C	1,413,000	3.8	4.9	23,000	$21.94
Central Harford County	N	1,024,000	2.8	15.2	-3,000	$21.60
Central Harford County	**NC**	**2,437,000**	**6.6**	**9.2**	**20,000**	**$21.80**
Central/Eastern Baltimore County	C	4,299,000	11.6	13.7	-9,000	$22.52
Central/Eastern Baltimore County	N	3,090,000	8.4	6.7	-9,000	$15.72
Central/Eastern Baltimore County	**NC**	**7,389,000**	**20.0**	**10.8**	**-18,000**	**$19.68**
Howard/Carroll Counties	C	2,221,000	6.0	3.2	-29,000	$29.01
Howard/Carroll Counties	N	3,203,000	8.7	7.3	0	$26.07
Howard/Carroll Counties	**NC**	**5,424,000**	**14.7**	**5.6**	**-29,000**	**$27.27**
Northern Baltimore County	C	1,812,000	4.9	10.0	0	$28.69
Northern Baltimore County	N	2,258,000	6.1	3.3	6,000	$26.02
Northern Baltimore County	**NC**	**4,070,000**	**11.0**	**6.3**	**6,000**	**$27.21**
West/Southwest Baltimore County	C	4,165,000	11.3	11.3	-13,000	$23.01
West/Southwest Baltimore County	N	3,947,000	10.7	6.7	16,000	$22.27
West/Southwest Baltimore County	**NC**	**8,112,000**	**21.9**	**9.1**	**3,000**	**$22.65**
Total Community	C	19,560,000	52.9	8.5	-17,000	$24.67
Total Neighborhood	N	17,430,000	47.1	6.2	32,000	$21.94
Total/Average	**NC**	**36,990,000**	**100.0**	**7.4**	**15,000**	**$23.39**

Source:
© Reis, Inc. 2017
Reprinted with the permission of Reis, Inc.
All Rights reserved.

As of first quarter 2017, the overall vacancy rate for the region was 7.4 percent. The Central/Eastern Baltimore County has the highest overall vacancy rate of 10.8 percent, while the Anne Arundel County submarket has the lowest vacancy of 4.3 percent. The subject's Howard/Carroll Counties submarket was 5.6 percent.

The average asking rental rate for all types of space in the region is $23.39 per square foot on a net rental basis. The highest average asking rent of $27.27 per square foot is being achieved in the subject's Howard/Carroll Counties submarket. Conversely, the lowest rent is being achieved in the Central/Eastern Baltimore County at $19.68 per square foot. Community shopping centers constitute 52.9 percent of existing inventory and are exhibiting a higher vacancy rate (8.5 percent) than Neighborhood centers (6.2 percent) and higher average asking rents of $24.67 versus $21.94 per square foot.

Supply Analysis

Vacancy Rates

The first quarter 2017 overall vacancy rate for the Baltimore region is 7.4 percent. As shown in the chart below, vacancy rates increased from 7.1 percent in 2012 to 7.4 percent in 2016. Over the near term, Reis projects a decline in vacancy levels for Baltimore, with vacancy varying between 7.6 percent in 2017 and 6.7 percent in 2021.

The First Quarter 2017 overall vacancy for the Howard/Carroll Counties submarket is lower than the region at 5.6 percent. Between 2012 and first quarter 2017, vacancy rates decreased from 6.4 percent to 5.1 percent. Over the near term, Reis is projecting a rise in vacancy for the subject submarket, with vacancy levels ranging from 6.4 percent in 2017 to 9.4 percent in 2021.

The following table presents historical and projected vacancy for the region and subject submarket.

HISTORICAL AND PROJECTED VACANCY RATES (%) - RETAIL

	Baltimore			Howard/Carroll Counties		
Year	Community	Neighborhood	Total	Community	Neighborhood	Total
2012	8.2	5.9	7.1	5.7	6.8	6.4
2013	8.4	5.0	6.8	5.0	5.7	5.4
2014	8.4	4.3	6.5	4.1	5.1	4.7
2015	8.1	4.9	6.6	2.3	5.3	4.2
2016	8.4	6.2	7.4	1.9	7.3	5.1
1Q17	8.5	6.2	7.4	3.2	7.3	5.6
2017	---	---	7.6	---	---	6.4
2018	---	---	7.4	---	---	7.2
2019	---	---	7.4	---	---	7.9
2020	---	---	7.0	---	---	8.7
2021	---	---	6.7	---	---	9.4

Source: Reis, Inc.
Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, community shopping centers within the region are exhibiting a higher vacancy rate (8.5 percent) than neighborhood centers (6.2 percent). Within the subject submarket, community centers are exhibiting lower vacancies than neighborhood centers (3.2 percent versus 7.3 percent).

Construction Completions

Between 2012 and 2016 a total of 1,015,000 square feet of space was completed, or an average of 203,000 square feet per year. Over the next five years, Reis projects that an additional 1,499,000 square feet of new space will be completed in the Baltimore market.

In the Howard/Carroll Counties submarket, a total of 408,000 square feet of space was completed between 2012 and 2016, or an average of 81,600 square feet per year. This equates to 40.2 percent of new construction for the region. Over the next five years, Reis projects that an additional 142,000 square feet of new space will be completed in the Howard/Carroll Counties submarket.

The following table presents historical inventory and projected completions for the region and subject submarket.

HISTORICAL AND PROJECTED INVENTORY & COMPLETIONS - RETAIL (SF)

	Baltimore					Howard/Carroll Counties					
Year	Inventory Community	Completions	Inventory Neighborhood	Completions	Total Completions	Inventory Community	Completions	Inventory Neighborhood	Completions	Total Completions	% of Region
2012	18,825,000	0	17,370,000	239,000	239,000	1,921,000	0	3,203,000	108,000	108,000	45.2%
2013	19,150,000	325,000	17,370,000	0	325,000	1,921,000	0	3,203,000	0	0	0.0%
2014	19,150,000	0	17,396,000	26,000	26,000	1,921,000	0	3,203,000	0	0	0.0%
2015	19,150,000	0	17,396,000	0	0	1,921,000	0	3,203,000	0	0	0.0%
2016	19,560,000	410,000	17,411,000	15,000	425,000	2,221,000	300,000	3,203,000	0	300,000	70.6%
1Q17	19,560,000	0	17,430,000	19,000	19,000	2,221,000	0	3,203,000	0	0	0.0%
2017	---	---	---	---	548,000	---	---	---	---	29,000	5.3%
2018	---	---	---	---	169,000	---	---	---	---	22,000	13.0%
2019	---	---	---	---	451,000	---	---	---	---	28,000	6.2%
2020	---	---	---	---	206,000	---	---	---	---	31,000	15.0%
2021	---	---	---	---	125,000	---	---	---	---	32,000	25.6%
2012-2016											
Total Completions		**735,000**		**280,000**	**1,015,000**		**300,000**		**108,000**	**408,000**	
Annual Average		**147,000**		**56,000**	**203,000**		**60,000**		**21,600**	**81,600**	**40.2%**

Source: Reis, Inc.

Demand Analysis

Rental Rates

As shown in the following chart, average asking rents in the region have increased from $19.11 per square foot in 2012 to $20.88 per square foot in 2016, indicating a compound annual growth rate (CAGR) of 2.2 percent. Over the next five years, average asking rents are expected to increase between $21.34 per square foot in 2017 and $22.99 per square foot in 2021.

Average asking rental rates in the Howard/Carroll Counties submarket have increased, ranging from $22.22 per square foot in 2012 to $24.74 per square foot on a net rental basis in 2016, demonstrating a CAGR of 2.7 percent. Currently, the average rent in the subject submarket is $24.51 per square foot on a net rental basis. Over the next five years, average asking rents are expected to increase between $25.15 per square foot in 2017 to $26.03 per square foot in 2021.

The following table presents historical and projected average asking rental rates for the region and subject submarket.

Historical and Projected Average Asking Rental Rates ($/SF) - RETAIL

	Baltimore					Howard/Carroll Counties				
Year	Community	Neighborhood	Total	% Change	Effective Rent	Community	Neighborhood	Total	% Change	Effective Rent
2012	$22.48	$20.22	$21.40	0.2	$19.11	$26.38	$23.85	$24.80	0.7	$22.22
2013	$22.78	$20.51	$21.70	1.4	$19.40	$27.11	$24.43	$25.43	2.5	$22.78
2014	$23.19	$20.82	$22.06	1.7	$19.76	$26.79	$24.08	$25.10	-1.3	$22.51
2015	$23.88	$21.24	$22.62	2.5	$20.29	$27.78	$24.80	$25.92	3.3	$23.28
2016	$24.52	$21.86	$23.26	2.8	$20.88	$29.20	$26.38	$27.53	6.2	$24.74
1Q17	$24.67	$21.94	$23.39	0.6	$21.01	$29.01	$26.07	$27.27	-0.9	$24.51
2017	---	---	$23.77	2.2	$21.34	---	---	$28.00	1.7	$25.15
2018	---	---	$24.13	1.5	$21.68	---	---	$28.29	1.0	$25.39
2019	---	---	$24.53	1.7	$22.05	---	---	$28.56	1.0	$25.62
2020	---	---	$25.00	1.9	$22.47	---	---	$28.83	0.9	$25.83
2021	---	---	$25.60	2.4	$22.99	---	---	$29.12	1.0	$26.03
2012-2016 CAGR	**2.20%**	**1.97%**	**2.11%**		**2.24%**	**2.57%**	**2.55%**	**2.65%**		**2.72%**

Source: Reis, Inc.
Notes: CAGR stands for Compound Annual Growth Rate. Asking rents cited by Reis reflect the advertised rental rates for actively marketed space. Effective rents net of any rental concessions, expressed over the life of the lease term. Reis quotes Retail rents on a Triple Net (NNN) basis.

As shown, community shopping centers in the region are exhibiting higher average asking rents ($24.67 per square foot) than neighborhood centers ($21.94 per square foot). Within the subject submarket, neighborhood centers have lower asking rents than community centers ($26.07 per square foot versus $29.01 per square foot).

Absorption

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction activity in the Baltimore region has trailed absorption. As shown below, an annual average of 203,000 square feet of space was completed in the region between 2012 and 2016, while 212,400 square feet was absorbed. Over the next five years, Reis projects that construction will trail absorption with new construction totaling 1,499,000 square feet, and absorption totaling 1,663,000 square feet.

Between 2012 and 2016, new construction in the Howard/Carroll Counties submarket outpaced absorption, with an annual average of 81,600 square feet completed and 77,800 square feet absorbed. Over the next five years, Reis projects that new construction will surpass absorption (new construction will total 142,000 square feet, and -102,000 square feet is expected to be absorbed).

The following table presents historical absorption levels and completions for the region and the subject submarket.

HISTORIC AND PROJECTED NET ABSORPTION (SF) - RETAIL

	Baltimore				Howard/Carroll Counties			
Year	Community	Neighborhood	Total Absorption	Total Completions	Community	Neighborhood	Total Absorption	Total Completions
2012	115,000	339,000	454,000	239,000	-44,000	82,000	38,000	108,000
2013	257,000	148,000	405,000	325,000	13,000	35,000	48,000	0
2014	-8,000	150,000	142,000	26,000	17,000	20,000	37,000	0
2015	64,000	-101,000	-37,000	0	35,000	-7,000	28,000	0
2016	316,000	-218,000	98,000	425,000	302,000	-64,000	238,000	300,000
1Q17	-17,000	32,000	15,000	19,000	-29,000	0	-29,000	0
2017	---	---	415,000	548,000	---	---	-44,000	29,000
2018	---	---	229,000	169,000	---	---	-23,000	22,000
2019	---	---	431,000	451,000	---	---	-13,000	28,000
2020	---	---	339,000	206,000	---	---	-13,000	31,000
2021	---	---	249,000	125,000	---	---	-9,000	32,000
2012-2016 Total Absorption	**744,000**	**318,000**	**1,062,000**	**1,015,000**	**323,000**	**66,000**	**389,000**	**408,000**
Annual Average	**148,800**	**63,600**	**212,400**	**203,000**	**64,600**	**13,200**	**77,800**	**81,600**

Source: Reis, Inc.

New Construction Activity

According to Reis, there was 828,183 square feet of space recently completed in the Baltimore market. There are currently 498,334 square feet under construction within four projects and 4,661,570 square feet planned/proposed in 43 projects in the region.

The following tables present current and proposed construction activity for the region.

New Construction Activity - Completed					Est. Completion		
Name	Type	Location	City	Submarket	Year	Month	Size (SF)
North Point Crossing	Neighborhood	4009 N Point Blvd	Dundalk	Central/Eastern Baltimore County	2016	February	8,125
Eldersburg Commons	Community	6400 Ridge Rd	Sykesville	Howard/Carroll Counties	2016	March	300,000
The Shops At Riviera Beach	Neighborhood	8482 Fort Smallwood	Pasadena	Anne Arundel County	2016	May	7,000
Nottingham Commons	Community	5201 Campbell Blvd	Nottingham	Central/Eastern Baltimore County	2016	July	110,179
Minstrel Crossing	Neighborhood	Minstrel Way @ Snowden River Pkwy	Columbia	Howard/Carroll Counties	2016	July	10,000
3200 St Paul - Retail	Mixed Use	3200 St Paul St	Baltimore	Northern Baltimore County	2016	August	31,500
Nursery Landing Retail	Neighborhood	1622 W Nursery Rd	Linthicum Heights	Anne Arundel County	2017	January	19,232
Foundry Row	Community	10100 Reisterstown Rd	Owings Mills	West/Southwest Baltimore County	2017	April	342,147
Total Complete							**828,183**

New Construction Activity - Under Construction					Est. Completion		
Name	Type	Location	City	Submarket	Year	Month	Size (SF)
The Rotunda (Retail)	Mixed Use	711 W 40Th St	Baltimore	Northern Baltimore County	2017	May	239,000
Magothy Gateway	Neighborhood	157 Ritchie Hwy	Severna Park	Anne Arundel County	2017	June	140,000
Annapolis Junction Town Center	Neighborhood	Rte 32 @ Dorsey Run Rd	Annapolis Junction	Howard/Carroll Counties	2017	July	19,334
Glen Burnie Crossing Ph I	Neighborhood	77-83 Dover NE Rd @ Ritchie NE Hwy	Glen Burnie	Anne Arundel County	2018	March	100,000
Total Under Construction							**498,334**

New Construction Activity - Planned//Proposed					Est. Completion		
Name	Type	Location	City	Submarket	Year	Month	Size (SF)
Bell Gate Center	Neighborhood	1215 Baltimore Pike	Baltimore	Central Harford County	---	---	22,371
Pemco Site Mixed Use (Retail Anchor)	Freestanding	Eastern Ave @ Umba St	Baltimore	Central/Eastern Baltimore County	---	---	85,000
Pier One Road Mixed-Use Building	Mixed Use	214 Pier One Rd	Stevensville	Non-Submarketed Areas	---	---	22,000
Watson'S Garden Center Redevelopment	Neighborhood	1620 York Rd	Lutherville	Northern Baltimore County	---	---	16,000
Owings Mills New Town	Neighborhood	Dolfield Rd S @ I 795	Owings Mills	West/Southwest Baltimore County	---	---	75,000
BWI Hilton Park	Mixed Use	Nursery Rd @ Elkridge Landing	Linthicum Heights	Anne Arundel County	---	---	100,000
Baltimore Pike Shopping Center	Neighborhood	331 Baltimore Pike	Bel Air	Central Harford County	---	---	31,500
Freedom Shopping Center Ph II	Neighborhood	4500 Block Erdman Ave	Clifton	Central/Eastern Baltimore County	---	---	25,000
Glen Burnie Crossing Ph II	Neighborhood	Dover Rd @ Ritchie Hwy	Glen Burnie	Anne Arundel County	---	---	50,000
White Marsh Outlet Mall Ph I	Outlet Center	White Marsh Blvd @ I-95	Nottingham	Central/Eastern Baltimore County	---	---	300,000
Crystal Spring Retail	Neighborhood	Forest Dr @ Spa Dr	Annapolis	Anne Arundel County	---	---	87,500
Towson Row - Retail	Mixed Use	York Rd @ Towsontown Blvd	Towson	Northern Baltimore County	---	---	85,000
Howard Station (Retail)	Mixed Use	300 N Howard St	Baltimore	Central/Eastern Baltimore County	---	---	15,000
Main Street Eldersburg	Neighborhood	Bevard Rd @ Londontown Blvd	Sykesville	Howard/Carroll Counties	---	---	90,000
Monument Street Marketplace	Community	Monument St @ Edison Hwy	Baltimore	Central/Eastern Baltimore County	---	---	250,000
Mechanic Theatre Retail	Mixed Use	E Baltimore St @ S Charles St	Baltimore	Central/Eastern Baltimore County	---	---	110,000
Owings Mill Mall	Freestanding	10300 Mill Run Cir	Owings Mills	West/Southwest Baltimore County	---	---	1,200,000
White Marsh Outlet Mall Ph II	Outlet Center	White Marsh Blvd @ I-95	Nottingham	Central/Eastern Baltimore County	---	---	200,000
Arbutus Station	Mixed Use	Sulphur Spring Rd @ Waelchi Ave	Halethorpe	West/Southwest Baltimore County	---	---	10,000
Runway At Martin'S Landing	Neighborhood	3000 Eastern Blvd	Middle River	Central/Eastern Baltimore County	---	---	74,894
Wye Mills	Neighborhood	Rte 213 @ Grange Hall Rd	Queenstown	Non-Submarketed Areas	---	---	64,000
Stadium Square (Retail)	Mixed Use	W Cross St @ Creek St	Baltimore	Central/Eastern Baltimore County	---	---	70,000
North Gate Retail Center	Neighborhood	212 Research Blvd	Aberdeen	Central Harford County	---	---	19,880
Hickory Commercial	Mixed Use	Bynum Rd @ Dove Ct	Bel Air	Central Harford County	---	---	18,600
Pratt St And Charles St Retail	Community	West Pratt Street	Baltimore	Central/Eastern Baltimore County	---	---	27,500
Campbell Village Retail Development	Neighborhood	Bird River Rd @ Campbell Blvd	Middle River	Central/Eastern Baltimore County	---	---	100,000
The Shoppes At Tradepoint Atlantic	Neighborhood	Peninsula Expwy @ I 695	Baltimore	Central/Eastern Baltimore County	---	---	150,000
Delight Quarry	Neighborhood	Franklin Blvd @ Nicodemus Rd	Owings Mills	West/Southwest Baltimore County	---	---	70,000
Hickory Crossing	Neighborhood	605 Hoagie Dr	Bel Air	Central Harford County	---	---	8,160
The Village Center At The Gate	Neighborhood	Rte 715 @ Old Philadelphia Rd	Aberdeen	Central Harford County	---	---	78,000
Red Run Station	Neighborhood	11050 Red Run Blvd	Owings Mills	West/Southwest Baltimore County	---	---	10,368
Liberty Crossing Shopping Ctr	Neighborhood	2515 W Liberty Rd	Westminster	Howard/Carroll Counties	---	---	50,000
Greenleigh At Baltimore Crossroads - Grocery	Freestanding	6100 Greenleigh Ave	Middle River	Central/Eastern Baltimore County	---	---	55,000
Greenleigh At Baltimore Crossroads - Future Pads & Inline	Neighborhood	Swc Crossroads Circle & Concourse Circle	Middle River	Central/Eastern Baltimore County	---	---	37,125
Greenleigh At Baltimore Crossroads - 760 Concourse	Neighborhood	760 Concourse Circle	Middle River	Central/Eastern Baltimore County	---	---	9,000
The Shops At Canton Crossing Expansion	Community	3501 Boston St	Baltimore	Central/Eastern Baltimore County	---	---	90,000
Box Hill South Parkway Mixed-Use	Neighborhood	90-98 Box Hill S	Abingdon	Central Harford County	---	---	11,962
Troy Hill Square	Neighborhood	7190 Troy Hill Dr	Elkridge	Howard/Carroll Counties	---	---	15,923
Hickory Ridge Village Center Redevelopment - Retail	Community	6420 Freetown Rd	Columbia	Howard/Carroll Counties	---	---	24,000
Arundel Plaza Redevelopment	Community	6620 Governor Ritchie Hwy	Glen Burnie	Anne Arundel County	---	---	94,987
Fort Howard Redevelopment-Retail	Mixed Use	9600 N Point Rd	Sparrows Point	Anne Arundel County	---	---	10,000
Transform Lexington Market	Community	400 W Lexington St	Baltimore	Central/Eastern Baltimore County	2020	March	97,000
Port Covington Retail Phase 1	Community	E Cromwell St & Sun Park Dr	Baltimore	West/Southwest Baltimore County	2020	December	700,800
Total Planned/Proposed							**4,661,570**

Retail Sales

Perhaps an even more important measure of area income is the amount spent on retail purchases. At the end of last year, the Baltimore CBSA had an aggregate retail sales level of $70.68 billion, with average retail sales per household of $65,523. By comparison, Maryland had average sales per household of $67,786, while the U.S. was $56,338. Experian Marketing Solutions, Inc., projects retail sales in the subject's primary trade area and CBSA will grow at a pace generally in line with of both the State and nation as reflected by the following exhibit.

CONSUMER EXPENDITURES IN 000s			
Area	2016	2021	CAGR 2016-21
1-mile radius	$498,838	$597,518	3.7%
3-mile radius	$2,128,714	$2,514,171	3.4%
5-mile radius	$4,439,243	$5,220,486	3.3%
Baltimore CBSA	$70,677,025	$84,440,396	3.6%
State of Maryland	$152,863,579	$181,601,554	3.5%
United States	$6,862,277,665	$8,278,019,841	3.8%

SOURCE: © 2017 Experian Marketing Solutions, Inc. •All rights reserved

Baltimore Regional and Local Retail Market Conclusions

Market fundamentals have improved in the Baltimore regional retail market since 2012, and are forecast for continued improvement over the next 24 months including increased rental rates and decreased vacancy rates. The Baltimore regional retail market has experienced increased vacancy levels since 2012. Over the near term, new construction activity is expected to trail absorption. However, in the next five years vacancy should decline from 7.6 to 6.7 percent, while average asking rental rates are expected to increase from $21.34 per square foot to $22.99 per square foot.

Despite recent improvement in market fundamentals in the Baltimore region, there is limited new retail competitive construction in the pipeline due in part to barriers to entry with the lack of available entitled development sites. Nonetheless, national retailers and developers are currently in the market looking for available shopping center sites within the greater Baltimore-Washington, D.C. region, which is the nation's fourth largest marketplace.

The subject has good accessibility via the regional Interstate network and local arterials that provide linkages throughout the trade area. The subject's average annual traffic count along its fronting roadways are good. The property is also shadow anchored by the Mall In Columbia, which is a super-regional mall with heavy customer traffic and good sales levels.

Based on our analysis we concluded that the subject is well positioned within its market area and the prospect for net appreciation in retail real estate values is expected to be good. The area will continue to be a viable retail location and desirable to market participants.

U.S. Lodging Industry Overview

Introduction- Half Empty or Half Full – Is This What Stable Looks Like?

The US lodging market recorded another record year in 2016. And while moderating national performance, increasing supply, and inconsistent local trends were of concern for industry participants, the US hotel industry maintained its positive results. The results of 2016 marked another year of high points for national occupancy (65.5 percent) and average daily rate ($124); the resulting RevPAR of $83.00 was an increase of 3.3 percent over 2015.

For the first time in seven years, however, demand growth in 2017 is expected to lag supply increases. We have been watching an accelerating pipeline which is increasingly coming to fruition. In 2017, STR is forecasting a supply increase of 2.0 percent and a demand increase of 1.7 percent resulting in a national occupancy level of 65.3 percent, a decline of 0.3 percent compared to 2016. STR is cautioning that the holiday schedule in 2017 is also anticipated to slightly affect national performance in 2017 as these days will fall on certain peak days or weekend days. A further occupancy decrease is anticipated in 2018 due to similar supply and demand trends. Average rate growth in 2017 is forecast to be 2.8 percent, well below the average rate growth ranges of 3.3 to 4.6 of the last six years. Although the moderating trends were expected by the end of 2016, the overall results are still positive, supporting continued investor interest in hotel assets.

National Historical Analysis

Still on a positive trajectory, U.S. hotel industry expansion currently sits at 82 months; the national average RevPAR increased 44 percent since 2010. Occupancy peaked in 2015 with a modest drop of (0.1) percent in 2016 while average room rate increased 3.3 percent. The following chart depicts operating performance for the U.S. Lodging Industry from 1995 through 2015.

U.S. Historical Operating Statistics; 1995 - 2016; & Quarterly Comparisons

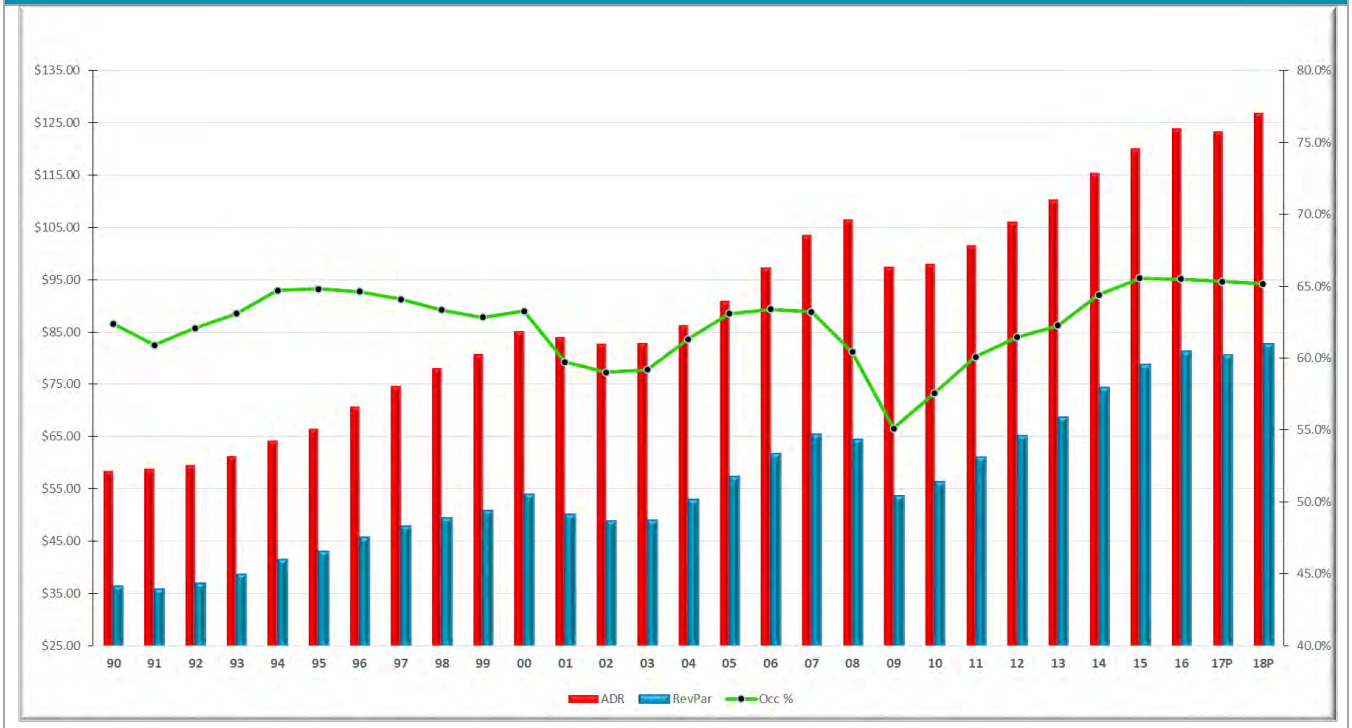
Year	Room Nights	Supply	% Change	Demand	% Change	Eq. Index	Occ	% Change	ADR	% Change	RevPAR	% Change
1995	1,296,206,105	3,551,250	---	840,198,343	---	---	64.8 %	---	$66.51	---	$43.11	---
1996	1,327,378,229	3,636,653	2.4 %	857,953,667	2.1 %	(0.3) %	64.6	(0.3) %	70.77	6.4 %	45.74	6.1 %
1997	1,373,655,064	3,763,439	3.5	880,383,612	2.6	(0.9)	64.1	(0.8)	74.75	5.6	47.91	4.7
1998	1,428,239,890	3,912,986	4.0	904,625,348	2.8	(1.2)	63.3	(1.2)	78.12	4.5	49.48	3.3
1999	1,482,967,994	4,062,926	3.8	931,878,372	3.0	(0.8)	62.8	(0.8)	80.84	3.5	50.80	2.7
2000	1,525,108,531	4,178,380	2.8	965,098,664	3.6	0.7	63.3	0.7	85.19	5.4	53.91	6.1
2001	1,561,252,452	4,277,404	2.4	932,657,287	(3.4)	(5.7)	59.7	(5.6)	83.96	(1.4)	50.16	(7.0)
2002	1,585,818,384	4,344,708	1.6	935,753,763	0.3	(1.2)	59.0	(1.2)	82.71	(1.5)	48.80	(2.7)
2003	1,602,339,641	4,389,972	1.0	948,463,191	1.4	0.3	59.2	0.3	82.83	0.1	49.03	0.5
2004	1,609,856,123	4,410,565	0.5	987,155,136	4.1	3.6	61.3	3.6	86.26	4.1	52.90	7.9
2005	1,611,095,859	4,413,961	0.1	1,016,609,518	3.0	2.9	63.1	2.9	90.95	5.4	57.39	8.5
2006	1,620,521,609	4,439,785	0.6	1,027,327,729	1.1	0.5	63.4	0.5	97.31	7.0	61.69	7.5
2007	1,630,881,234	4,468,168	0.6	1,030,858,746	0.3	(0.3)	63.2	(0.3)	103.55	6.4	65.46	6.1
2008	1,673,991,040	4,586,277	2.6	1,011,561,443	(1.9)	(4.5)	60.4	(4.4)	106.48	2.8	64.34	(1.7)
2009	1,728,062,260	4,734,417	3.2	952,266,656	(5.9)	(9.1)	55.1	(8.8)	97.47	(8.5)	53.71	(16.5)
2010	1,762,020,903	4,827,455	2.0	1,014,568,881	6.5	4.6	57.6	4.5	97.95	0.5	56.40	5.0
2011	1,767,355,160	4,842,069	0.3	1,062,135,606	4.7	4.4	60.1	4.4	101.57	3.7	61.04	8.2
2012	1,769,610,554	4,848,248	0.1	1,087,435,148	2.4	2.3	61.5	2.3	106.05	4.4	65.17	6.8
2013	1,783,137,587	4,885,308	0.8	1,110,527,243	2.1	1.4	62.3	1.3	110.31	4.0	68.70	5.4
2014	1,796,907,059	4,923,033	0.8	1,157,230,900	4.2	3.4	64.4	3.4	115.39	4.6	74.32	8.2
2015	1,814,674,194	4,971,710	1.0	1,189,614,896	2.8	1.8	65.6	1.8	119.97	4.0	78.65	5.8
2016	1,839,582,345	5,039,952	1.4	1,205,133,146	1.3	(0.1)	65.5	(0.1)	123.90	3.3	81.17	3.2
Avg Annual % Change			1.7 %		1.7 %	0.1 %		0.1 %		3.0 %		3.1 %
1Q - 2015	442,368,154	4,915,202	---	270,334,373	---	---	61.1 %	---	$117.09	---	$71.56	---
1Q - 2016	447,869,137	4,976,324	1.2 %	271,649,810	0.5 %	(0.8) %	60.7	(0.7) %	120.92	3.3 %	73.34	2.5 %
2Q - 2015	453,035,319	4,978,410	---	313,198,214	---	---	69.1 %	---	$120.60	---	$83.37	---
2Q - 2016	459,387,085	5,048,210	1.4 %	318,615,084	1.7 %	0.3 %	69.4	0.3 %	124.47	3.2 %	86.33	3.5 %
3Q - 2015	460,932,054	5,010,131	---	328,673,263	---	---	71.3 %	---	$122.66	---	$87.47	---
3Q - 2016	467,300,820	5,079,357	1.4 %	332,431,368	1.1 %	(0.2) %	71.1	(0.2) %	127.19	3.7 %	90.48	3.4 %
4Q-2015	458,338,667	5,036,689	---	277,409,046	---	---	60.5 %	---	$118.88	---	$71.95	---
4Q-2016	465,025,303	5,110,168	1.5 %	282,436,884	1.8 %	0.4 %	60.7	0.3 %	122.25	2.8 %	74.25	3.2 %

Source: STR

REPUBLICATION OR OTHER RE-USE OF THIS DATA WITHOUT THE EXPERSS WRITTEN PERMISSION OF STR IS STRICTLY PROHIBITED

The graph on the following page illustrates trends in occupancy, average rate and RevPAR from 1990 through 2016, as well as the 2017 and 2018 projections.

U.S. Occupancy, ADR and RevPAR – 1990-2018P

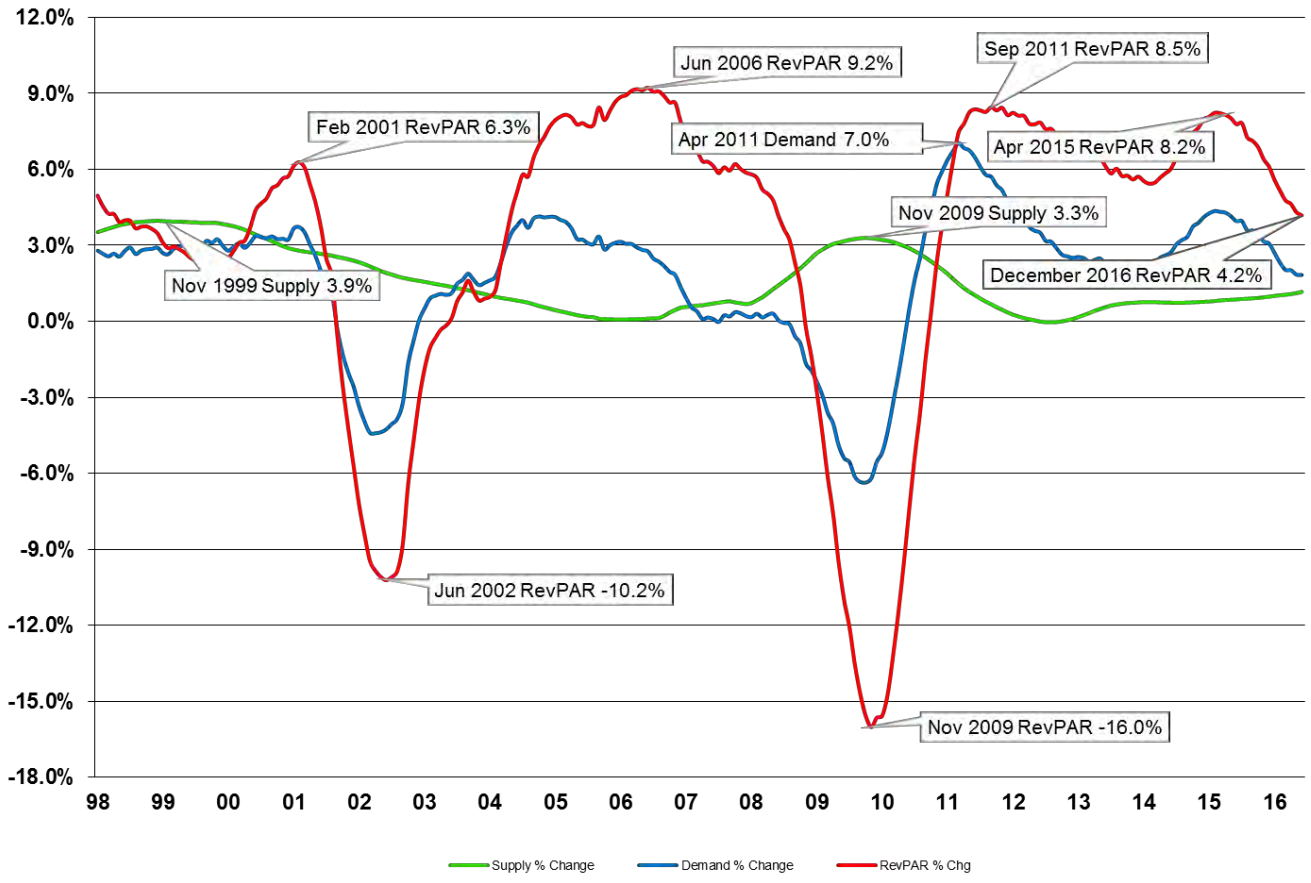


Source: STR
Republication or Other Re-Use of this Data Without the Express Written Permission of STR is Strictly Prohibited

In 2016, forecasts for the year were regularly revised downward as the year progressed, nevertheless the year marks seven years of positive growth in comparison with the recovery beginning in 1992 which lasted eight years and the post 2001s six-year expansion. The shift in both prior hotel cycles were marked by “events” resulting in regional, national, and global economic shift which were largely unexpected and resulted in swift downturns. Compared to the prior cycles, the forecasts for 2017 and 2018 are unusual in their “soft landing” nature. The new US administration’s actions and policies appear to be in a period of rapid shifts, providing the market with some continued uncertainty. Some industry participants are looking for a loosening of regulations and revised tax policies to have a positive impact on the industry. Other investors and operators are concerned about possible effects on travel and the availability of labor. Cautious optimism is the most common characterization we hear about the current state of the industry.

The growing increase in supply, the slower demand growth and a less robust average rate are moderating the national RevPAR growth. The following chart shows a 12-month moving average of supply, demand and RevPAR since 1989. This chart is an effective tool for measuring the current, “real-time” performance for the industry and provides a good indication of the industry’s recovery and sustainability.

Supply, Demand and RevPAR – 12-Month Moving Average Jan '98 - Dec '16



Source STR/Cushman & Wakefield

Republication or Other Re-Use of this Data Without the Express Written Permission of STR is Strictly Prohibited

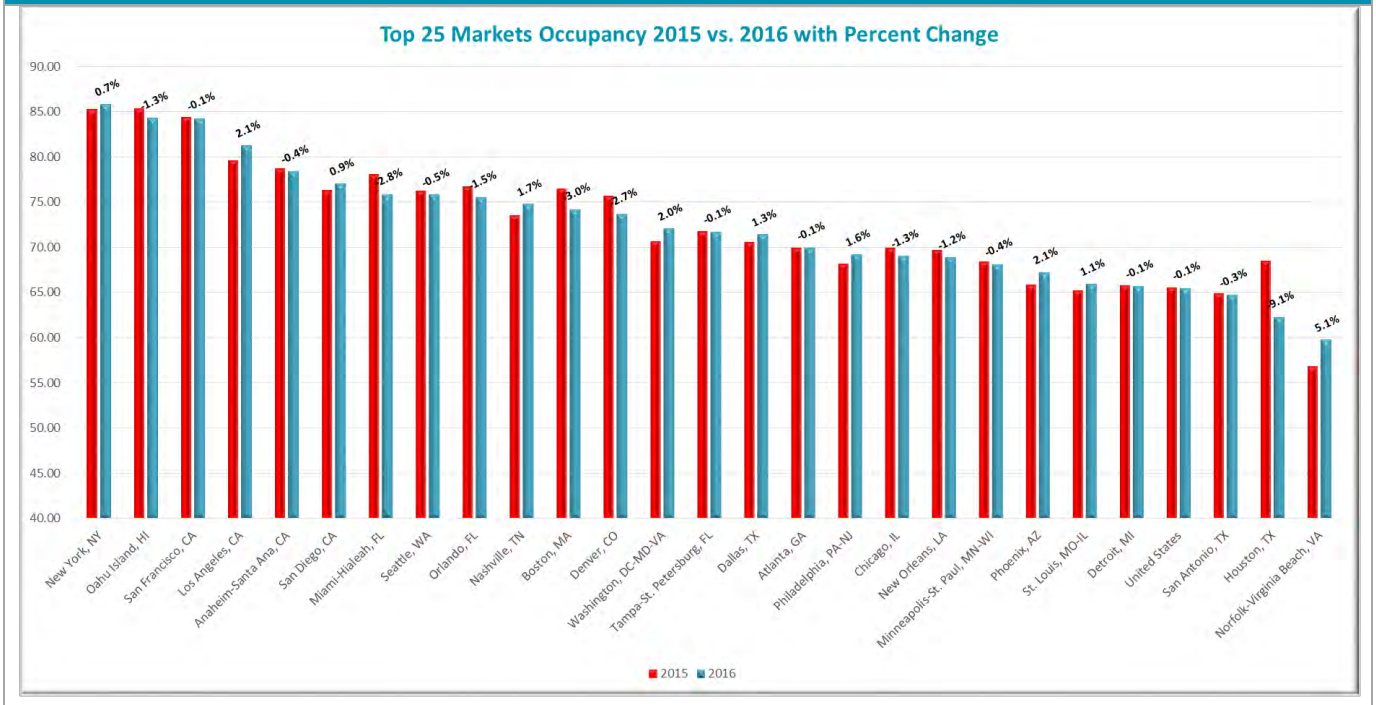
The chart illustrates the recent deceleration of the hotel market performance. Supply growth has been steadily increasing in the last few years while demand has been more erratic from month to month. In the current cycle, RevPAR has generally trended with demand as many markets were experiencing peak capacity and operators were able to command strong rate growth. STR is forecasting supply growth to be somewhat stronger than demand growth in the next two years and occupancy is projected to contract with less robust average rate growth.

STR Top 25 Markets

The changing trends in hotel fundamentals have affected the top 25 markets unevenly. Some markets are continuing to support occupancy growth in the face of new supply while others are being more directly affected.

Occupancy levels remained strong for most markets in 2017 as new supply was being absorbed. Of the 25 major markets, 22 of the top 25 markets exceed the national occupancy average, however, 16 markets experienced a decline in occupancy. While most of the percentage decline in those markets ranged from less than one percent to three percent; Houston remains an anomaly with an occupancy decline of 9.1 percent, owing to the challenges in the energy sector and high volumes of new supply.

Top 25 Markets Occupancy Percent Change – Year-End 2016



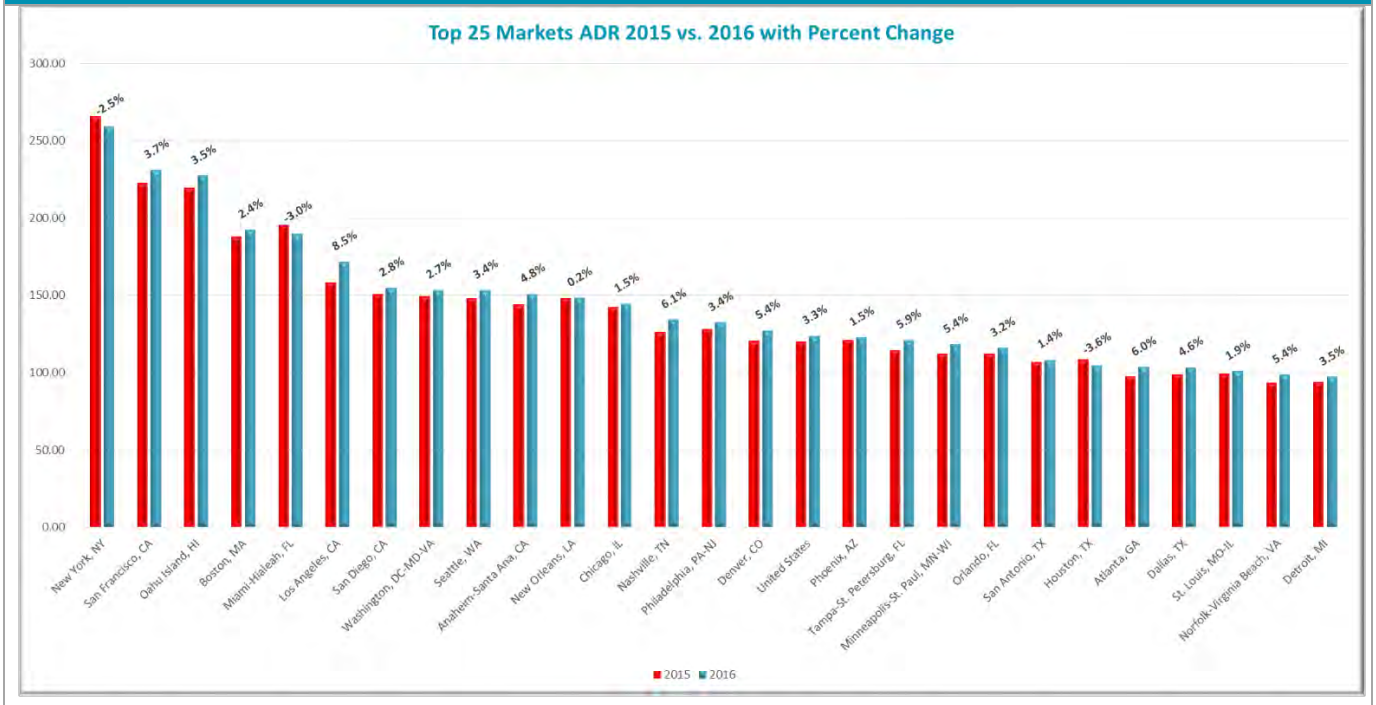
Source STR/Cushman & Wakefield

Republication or Other Re-Use of this Data Without the Express Written Permission of STR is Strictly Prohibited

The gap in average rates among the highest and lowest performers remains substantial. New York's average rate is almost 2.7 times that of Detroit. Despite a 2.5 percent decline in 2016 from 2015, the New York market continues to dominate the US with an average rate that is $28.00 and $30.00 higher than the next two markets, San Francisco and Oahu.

National average rate growth was still above inflation with some markets showing continued strong growth while others continue to moderate. Los Angeles, Nashville, Atlanta, and Tampa-St. Petersburg led the nation in rate gain, even as new hotels opened. Many hotel markets at the lower end of the rate range experienced some of the highest gains in in 2016. The average rate gain in the five lowest rate markets (Detroit, Norfolk-Virginia Beach, St. Louis, Dallas, and Atlanta) had an average rate growth of 4.3 percent. For most of the markets, average rate growth is anticipated to decelerate in 2017.

Top 25 Markets Average Rate Percent Change – Year-End 2016

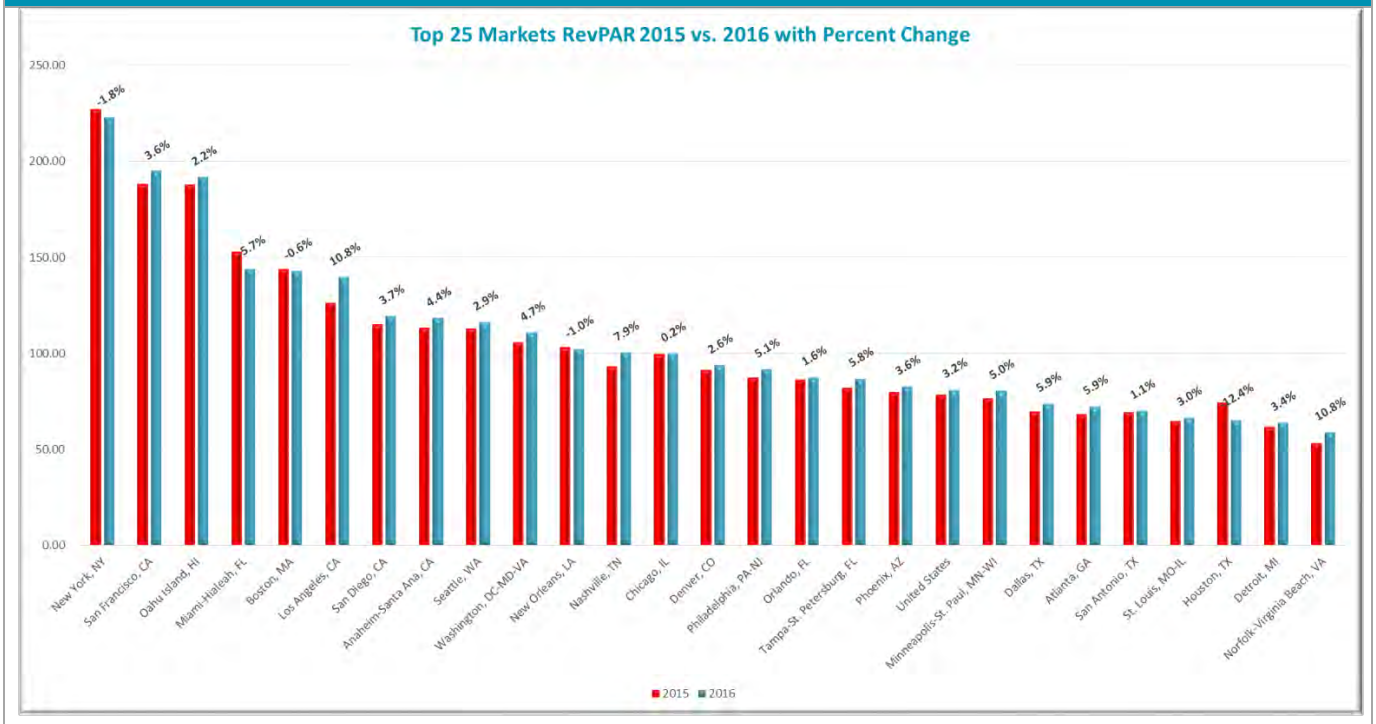


Source STR/Cushman & Wakefield

Republication or Other Re-Use of this Data Without the Express Written Permission of STR is Strictly Prohibited

Changes to the top 25 markets' mid-year RevPAR results were largely driven by average rate shifts as seen by the exhibit on the following page.

Top 25 Markets RevPAR Percent Change – Year-End 2016



Source: STR/Cushman & Wakefield

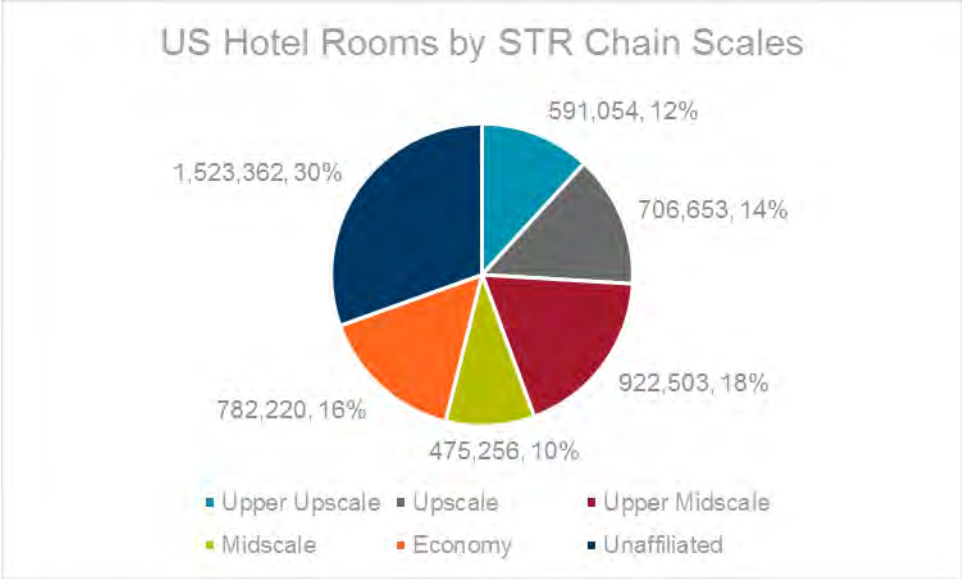
Republication or Other Re-Use of this Data Without the Express Written Permission of STR is Strictly Prohibited

With sustaining occupancy levels nationally, only four markets experienced RevPAR declines in 2016. Despite the fact that all but one of the top 25 markets gained new hotel rooms in 2016, 17 of the 25 hotel markets experienced occupancy gains, contributing to the overall resilience of the industry. On a national level, in the 21 years since 1995, occupancy levels have contracted ten times, average rate has contracted three times, and RevPAR has only contracted four times. It remains important to consider each market on its own merits as few mirror the national composite trends.

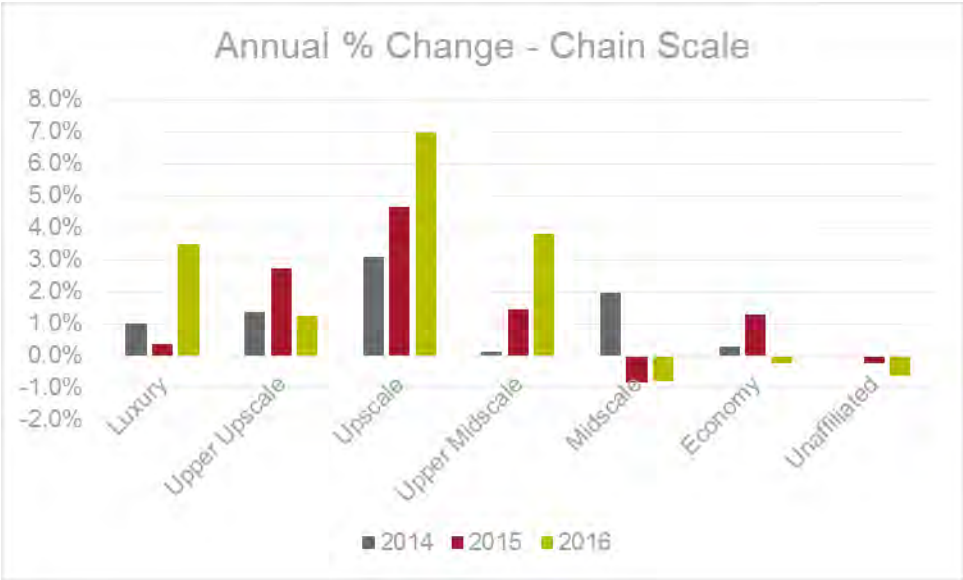
Supply

Of greatest concern to investors and analysts for 2017 is the acceleration of new supply. Supply has been steadily growing as a percentage of existing supply and substantial new hotel properties continue to be proposed for many markets across the US. The growth in brands, hotel company consolidations, and design shifts provides developers

with more choices than ever for new hotel products. The current inventory of hotel rooms in the US based on the STR Chain Scale distribution is categorized in the following chart.



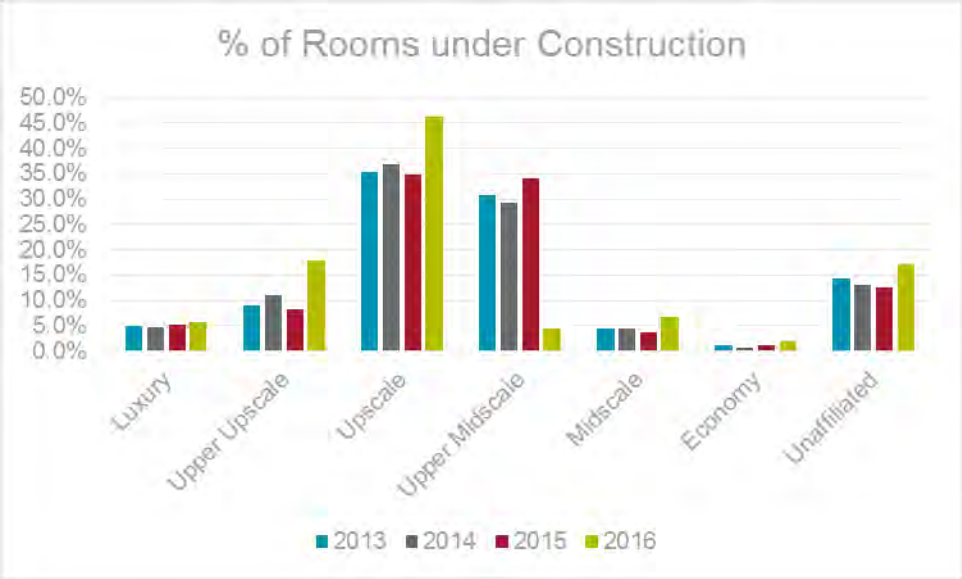
The pipeline has indeed accelerated but not uniformly across the STR Chain Scales. Some products have shown higher rates of growth while the pipeline for other segments have contracted. The following chart shows the annual rate of change of hotel rooms as a percentage of all new supply since December 2013.



As a percentage of the existing supply, luxury, upscale and upper midscale segments have shown the strongest growth while lower-rated properties have contracted. Note that some of the unaffiliated properties may have rebranded.

As some pundits have expressed, the US hotel inventory is not oversupplied but under demolished and the reduction of older lower rated or obsolete hotels can be considered part of this development cycle. Nevertheless, over 173,000 hotel rooms have opened since December 2013 with another 133,000 rooms under construction and

expected to open in the next 12 to 24 months. The annual shift in distribution of rooms under construction in the last four years is shown below.



As has been anticipated for the last few years, the supply pipeline in the near term continues to grow with new hotel room openings gaining momentum. While more rooms than ever are in the construction and planning process, it is interesting to note that the proposed property type is shifting from higher-rated to lower-rated product. Many more hotels are in contract or planned and the STR data show that future hotel projects are filling in the lower-rated segments. The charts below illustrates that a larger proportion of “in-contract” and “planned” hotels are Upper Midscale and Midscale while other segments such as Upscale and Unaffiliated are decelerating.

	Proposed Hotel Rooms In Contract				Proposed Hotel Rooms Planned			
	Dec-13	Dec-14	Dec-15	Dec-16	Dec-13	Dec-14	Dec-15	Dec-16
Luxury	2.1%	2.4%	2.5%	2.3%	1.1%	1.5%	1.3%	1.2%
Upper Upscale	6.9%	7.8%	8.3%	9.4%	6.1%	6.4%	8.3%	6.7%
Upscale	27.1%	28.5%	28.9%	27.5%	24.3%	24.9%	26.3%	21.6%
Upper Midscale	28.8%	31.5%	33.5%	32.8%	28.1%	32.4%	33.2%	41.6%
Midscale	6.4%	6.3%	6.3%	9.1%	7.0%	7.1%	7.4%	9.9%
Economy	1.3%	1.0%	1.4%	2.0%	1.3%	1.2%	1.6%	2.0%
Unaffiliated	27.6%	22.5%	19.1%	16.9%	32.1%	26.5%	21.9%	16.9%
Total Rooms	**361,084**	**402,700**	**469,139**	**560,199**	**269,745**	**282,637**	**328,436**	**427,234**

Source: STR Republication or Other Re-Use of this Data Without the Express Written Permission of STR is Strictly Prohibited

With reduced opportunities and increasing construction costs in many urban and resort markets that had been supporting luxury and upscale hotel projects, expansion of the hotel development cycle to the more feasible Upper Midscale, Midscale, and Economy sectors is anticipated to continue. Developers are also attracted by the proliferation of brands with franchisor incentives in these segments. Hotel development is becoming more of a niche proposition. Developers are identifying growing secondary and tertiary markets which can support new, often branded products and are also pursuing very specific new hotel projects in mature markets.

In urban areas, developers continue to work on micro-room projects. Typically planned as part of adaptive reuse plans for existing structures or as new constructions, these micro hotels with their small rooms, communal public space, and proximity to public transportation and ridesharing, can be developed on sites that would not attract

traditional hotel products. With a price point attracting more value oriented business and leisure travelers, micro hotels can be built in what could be characterized as “B” and sometimes “C” locations in major cities. The development costs of these projects are often more favorable than for traditional hotel products.

The related rise in the development of hostel projects also targets non-traditional sites and rehab locations. The new hostels are being designed with a variety of bedroom/bed options with cutting-edge design. Configured with a variety of room types from bedrooms that include multiple bunk beds in one room with a share bathroom to self-contained family suites, hostels also are providing their guests with full concierge services and the traditional communal kitchen. In the age of millennials, experience based travel, and the sharing economy, hostels are providing an economic proposition that is supportable for some projects.

We are also seeing the successful launch of new midscale and upscale branded hotels in suburban, highway, and community locations which have not had new supply for at least 10 years. Carefully planned for size and brand, “Suban” hotel development offers many developers projects outside of city and suburban centers, in areas with established demand generators such as colleges, prisons, corporate campuses, major medical centers and a surrounding residential population base.

On a regional level, New York City remains the top new supply location with an estimated 15,333 new rooms under construction complemented by Dallas (7,101), Los Angeles/Long Beach (6,069 rooms), Seattle (5,219 rooms), Houston (4,664 rooms), and Denver (5,496 rooms). Of the top 25 markets, 23 have new supply under construction, which, as a percentage of existing supply, is greater than 2.0 percent. These are led by New York, Seattle, and Denver.

Financing for hotel construction continues to be challenging to source and execute. While much of the construction underway was financed by commercial banks, large and small, industry participants are noting that these lenders are more selective about funding new hotel projects, particularly in the light of slowing RevPAR growth and louder discourse about decelerating hotel industry growth. Developers are increasingly seeking private debt, which can also be more expensive. According to the most recent STR Hotel Lender Survey, while less than one-third of all lenders surveyed will consider any kind of construction financing, among those that will finance construction, no lender indicated they would accept less than 50 percent repayment recourse. Nevertheless, we are hearing of more challenging projects being funded for established sponsors, albeit at higher interest rates.

The expansion of Airbnb is also influencing hotel dynamics in some markets although the impact is difficult to quantify empirically. Anecdotal reports indicate the availability of non-traditional lodging may be constraining occupancy and rate growth in gateway cities, particularly during peak periods and seasonal leisure travel seasons. Airbnb is aggressively expanding globally providing more than just short-term rentals and now offering “immersions” complete local experiences including lodging, restaurant reservations, and activities.

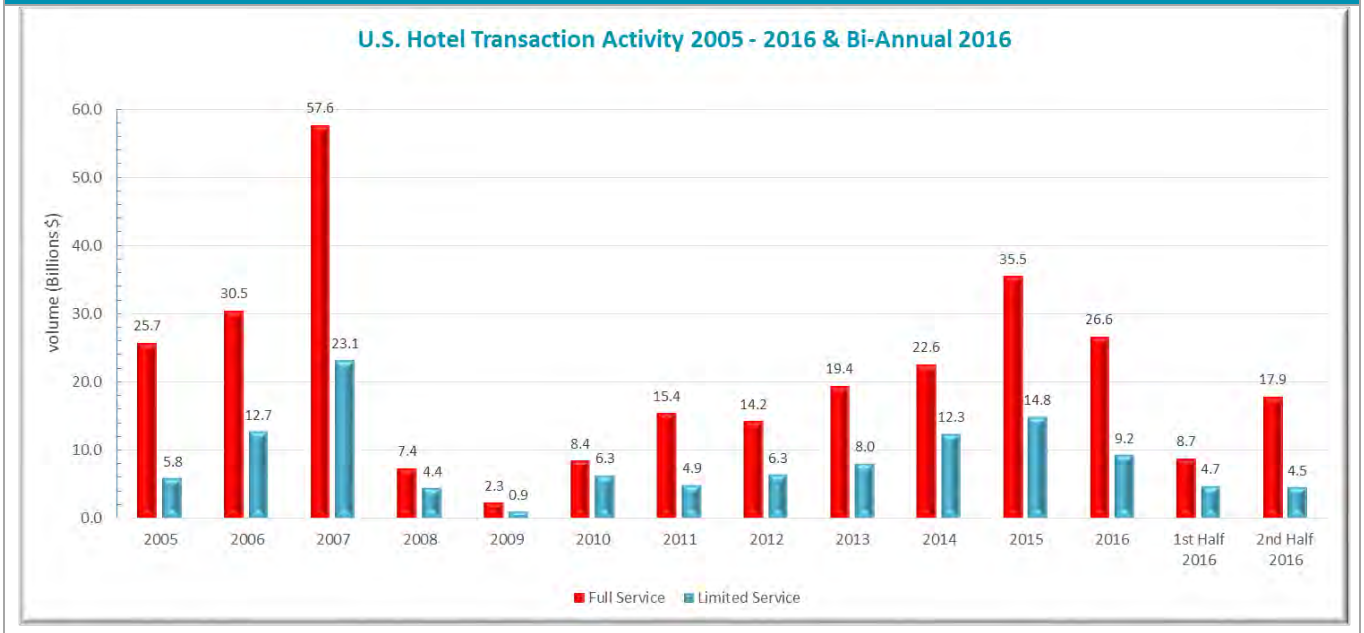
STR reports that worldwide Airbnb has over 3 million listings with one-third of these being more similar to hotel facilities. The 1 million listings are comparable to the approximately 1.1 million Marriott rooms and the 774,000 Hilton rooms. Airbnb offerings continue to be concentrated in major urban markets and guests are primarily leisure oriented. Reportedly only 10 percent of Airbnb stays are from business travelers. The data about the direct effect of Airbnb on hotel performance is still a gray area. In recent years, both Airbnb supply and hotel supply have increased concurrently. The hotel industry remains very concerned about the impact of Airbnb and continues to support initiatives to regulate the short-term rental market.

Influencing all the different hotel products in the pipeline is construction cost. Hotel construction costs continue to escalate, particularly in urban environments. Developers are looking at the emerging concepts, brands, and location opportunities as alternatives to more expensive projects.

Transactions Market

Data from Real Capital Analytics (RCA) indicates that transaction volume in 2016 slowed considerably compared to 2015. Full service and limited service transactions were down 25 and 38 percent respectively. It is worth noting that the total volume of sales for limited service properties was roughly equivalent in both halves of the year while full service transaction volume doubled driven by the completion of the Blackstone/Anbang 15 luxury hotel and resort portfolio sale (former Strategic Hotel Assets). The other major portfolio transaction was the purchase of a 280 property select service hotel portfolio by China Life Insurance (CN) from Starwood Capital. Overall hotel transaction volume declined 29 percent with single asset sales down 22 percent and portfolio and entity level transactions off by 39 percent. Despite the low volume of hotel sales, the Moody's/RCA Commercial Property Price Index (CPPI) shows hotel prices were up 4.0 percent, a notable decline from the 16 percent increase in 2015. A summary of the RCA transaction data is shown below.

U.S. Hotel Transaction Volume – 2005 to 2016



Source: RCA/Cushman & Wakefield

As was expected, hotel transaction volume in 2016 declined precipitously from 2015 as hotel market performance moderated and the REITS remained largely sidelined. Real Capital Analytics (RCA) data for 2016 indicates a total sales volume of $35.8 billion, a decline of 29 percent over the $50.3 billion dollars of hotel sales in 2015. After a slow first half of the year, the last six months of 2016 proved to be more robust with 66 percent of the year's transactions occurring in that period.

In 2016, only two major portfolio transactions closed, the previously mentioned Blackstone/Anbang portfolio and the 280 property purchase by China Life Insurance from Starwood Capital Group. The remaining major portfolio transactions ranged from 2 to 23 properties with total volumes of $161.2 to $405.0 million.

Key Findings Include:

- Throughout 2016, the public markets caused REITS to be net sellers given their low stock prices; the primary purchasers were institutional buyers and private equity firms. In 2017 REITs are expected to be more active with higher market valuations and lower capital costs. A predicted increase in mergers and acquisitions throughout the industry is also anticipated to include the consolidation of existing REITs.
- In 2016, institutional investors were more dominant buyers supplanting private equity and investment funds who had been the primary purchasers in 2015. All of these groups are expected to be more active in 2017. Off-shore investment, according to JLL, accounted for $14 billion of investment in 2016. Middle East investment was less visible with lower oil prices. Overseas investors in US hotels continue to seek opportunities in the primary gateway markets and REITs are expected to be more active.
- The impact of the new administration in the US on the hotel investment market is unknown at this time. While the president is an established presence in the hotel industry, the impact of policy actions affecting travel, imports, business regulations, tax reform, immigration, healthcare, and other domestic and global economic and social behavior on hotel operations and investments remains to be seen. Developers, investors, and operators are currently optimistic that the travel industry will continue to be a growing sector of the national and global economies.
- CMBS lenders expect their overall commercial real estate lending volume in 2017 to be near or slightly below 2016. With risk retention rules now fully in effect, CMBS lending is anticipated to be more expensive. Other bank and private debt is reported to be available with more stringent credit requirement. New supply and moderating hotel performance are expected to make some projects more challenging to finance. Well located performing properties with strong sponsorship are likely to continue to attract financing; although loan to value ratios and interest rates may constrain the available leverage for individual properties.
- In 2016, RCA reports overall capitalization rates for all hotels averaged 8.5 percent with full-service hotels averaging 7.9 percent and limited-service hotels averaging 8.8 percent. The almost 100 basis point difference has been relatively consistent for the last few years. Full-service hotel capitalization rates were flat compared to 2015 while limited-service hotel capitalization rates increased 14 basis points. Capitalization rates for both full-service and limited-service hotels are expected to continue to increase modestly. With less net income upside, and higher financing costs, higher capitalization rates are forecast with some industry pundits predicting a 30 to 50 basis points range and other market participants are expecting little capitalization rate movement.

Hotel brokers are anticipating 2017 hotel transaction volume to be similar to that of 2016. REITS are expected to continue to sell assets at the end of their hold periods. Other investors are anticipated to market properties that may be due for capital expenditures; with many “value-add” buyers seeking deals, these types of transactions may accelerate. Institutional and off-shore investors are expected to continue to be the active buyers of hotels as are some private equity buyers.

Capital Expenditures

While much of the focus of hotel construction is on new supply, hotel renovations and refurbishments have also continued to escalate. Data compiled by NYU as of October 2016, estimates that the amount spent on capital expenditures in 2016 will be $6.6 billion or approximately $1,350 per room. Many of the projects are brand mandated upgrades including lobby redesigns, technology improvements, and RIFD card systems. With every guest being a potential reviewer with images on social media, the pressure to maintain and improve hotels is as great as ever.

Hotel buyers continue to seek out value add upgrades to existing properties. Reconfigurations of food and beverage outlets and lobbies are larger projects that often yield more revenue and greater operating efficiencies. With the growing popularity of ride-sharing services, garages are expected to be another hotel area with potential to be reimagined. For many properties guest parking had been a steady source of reliable revenue. More recently, parking usage by guests has been declining in favor of ride sharing services and public transportation. Just as the adoption of cell phones rendered telephone revenue obsolete for hotels, the use of ride sharing is challenging

another source of hotel revenue but unlike telephone systems, parking areas are real estate. We will be tracking how these areas are being reconceived.

Outlook for 2017 and Other Considerations:

In 2016, major hotel consultancies and data sources revised their forecasts downwards several times during the year. Most of the anticipated shift in performance was expected to be due to average rates. By the third quarter, STR had revised their forecast of nationwide average rate growth downward from an initial 4.0 to 3.2 percent with no change in the national occupancy level from 2015. The actual full year occupancy for 2016 was 65.5 percent (a .01 percent variance to the forecast) with an average rate growth of 3.3 percent, just slightly above the revised forecast. RevPAR growth, largely due to average rate increases, was 3.2 percent.

For 2017 and 2018, RevPAR growth is forecast to soften as new supply hits many of the major markets. STR is forecasting national occupancy to decline from 65.5 percent in 2016 to 65.3 percent in 2017 and 65.2 percent in 2018. Average rate growth is forecast in both years to increase 2.8 percent. The projected lower occupancy levels result in overall ADR forecast of 2.5 percent in 2017 and 2.6 percent in 2018. Industry pundits are characterizing this moderation as a soft landing, with the hope that slower growth will be the worst that the industry experiences. Given the robust hotel performance growth from 2010 to 2015 when the compound annual ADR and RevPAR growth rates were 4.1 percent and 6.9 percent, the next few years appear lackluster. This soft landing perspective, however, is in contrast to the downward trends of prior hotel industry cycles when peak occupancy and rate levels quickly went negative. Remembering the RevPAR change from 6.1 percent in 2000 to negative 7.0 percent in 2001 and the RevPAR drop of 16.5 percent in 2009, helps to put modest growth into perspective. The industry is anticipated to continue to set record performance levels in 2017 and 2018, albeit at what feels like a reset from the upside trends from 2010 to 2015.

Conclusions

Despite the uneven monthly performance of the US hotel industry in 2016, cautious optimism seems consistent among owners, lenders, and operators as the expected tempering of hotel performance comes to reality. Some hotel industry leaders expect a more challenging business travel environment but continued rate growth. Others are looking for a Trump effect with positive impacts on business travel from the sought after tax reforms, the reduction in government regulations and infrastructure investment.

Room rate negotiations and the RFP process for business becomes more fluid every year. Going forward, more travel buyers are adopting a year-round approach to manage hotel performance rather than limit travel management to the traditional RFP season.

Group and meeting demand is expected to hold steady in 2017 though some meeting planners are citing more budget constraints for the number and size of corporate meetings. Issues including cost and security are driving many group planning decisions. Some groups are willing to pay more for a more secure environment which may benefit the luxury hotel segment. Other groups are more focused on budget and continue to contract with fewer breaks and other amenities. According to the 2017 American Express Global Meetings and Events Forecast, in North America, Mid-tier properties are in the highest demand by meeting planners (48.5 percent) followed by resort properties (17.8 percent), and luxury hotels (17.3 percent). Group room rates are the first item negotiated by meeting planners and in North America, the survey shows an expected group room rate increase of 3.7 percent. Overall, the recent consolidations in the industry are seen as beneficial to meeting planners seeking out more efficient relationships and planning processes with preferred brands.

The impact of the new US administration on the travel industry remains to be seen. Hoteliers continue to monitor immigration, safety concerns, visa policies, minimum wage and health care costs as these impact operating costs and discretionary income in this labor-intensive industry. Global group demand may be more muted.

Another record breaking year in 2016 was also a period of transition. Changes in the financing market, the make-up of buyers and sellers and the shifts in supply, demand, and pricing have tempered but not discouraged market participants. We are in a period of uncertain and potential change. The new administration's policies and impact on the hotel industry are a work in progress. With the recent mergers and acquisitions, ample sourced capital, and a constant search for yield, the industry is anticipating modest continued growth in transactions in 2017.

Columbia Hotel Market

As previously discussed, the subject's development is proposed to include a 250-room hotel property to be located in Area 3 of the project. According to a market study report by RCL Company, the Columbia hotel competitive market now totals approximately 4,700 keys, the vast majority of which were delivered in two building booms in the late 1980s and the early 2000s. The Columbia competitive market has seen relatively high but flat occupancy rates since 2010, with rates hovering between 66% and 71% for Upscale hotels and higher. At year-end 2015, the occupancy rate was 69%. Economy to Upper Midscale hotels have also seen static occupancy levels over the long term, but have experienced a jump in occupancies beginning in 2014, increasing from 60% in 2010 to 68% at year-end 2015, according to the aforementioned study.

After peaking at $132 in 2007, average daily rates (ADR) for full- service hotels gradually declined and stabilized from 2009 to 2013, before rising again to their current level of $122 per night at year-end 2015. Revenue per Available Room (RevPAR) for full-service properties peaked in 2006, and saw its largest year-over-year decrease from 2008 to 2009 when it dropped 11%. After bottoming out in 2013 at $75, RevPAR for year-end 2015 reached its highest level since 2007 at nearly $84.

The planned 250-key hotel, either limited or full-service, should be supportable for the subject development. Increasing ADR, RevPAR, and occupancy rates indicate room for an additional hotel. Furthermore, Downtown Columbia's plans for office development and residential development will further drive expected demand for hotel keys. Given the age of the existing hotel stock, a new hotel would likely siphon demand from the older product, including the nearby Sheraton Hotel.

Property Analysis

Site Description

Location:	Southeast quadrant of Little Patuxent Parkway and Broken Land Parkway Columbia, Howard County, Maryland 21044 The subject property is located at the southeast quadrant of Little Patuxent Parkway and Broken Land Parkway within the community of Columbia in Howard County, Maryland. Columbia is centrally located within the Baltimore-Washington Corridor, about 15 miles southwest of downtown Baltimore City and 22 miles northeast of Washington, D.C.
Shape / Topography:	The subject site is generally crescent shaped, with gently rolling topography.
Land Area:	65.28 acres / 2,843,633 square feet (per survey copied in the Addenda) – A summary of land area per planned project parcel is presented at the end of this section.
Frontage, Access and Visibility:	The subject's project has good frontage, good access and good visibility from its adjacent roadways including Little Patuxent Parkway and Broken Land Parkway. New public roadways are currently under construction that will transverse The Crescent project and provide direct roadway linkage to each development parcel. A road segments map is presented at the end of this section, which highlights the roads under construction.
Soil Conditions:	We were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structures. We did not observe any evidence to the contrary during our physical inspection of the property.
Utilities:	Utility providers for the subject property are as follows: Water – Municipal- Howard County Sewer – Municipal- Howard County Electricity – BGE Gas – BGE Telephone – Multiple providers
Site Condition:	Parts of the Crescent Special Tax District are heavily wooded, but most of the site is currently being used and open-field parking for Merriweather Post Pavilion.
Site Improvements:	Approximately 4.1 acres of the site comprising a portion of Area 1 has been improved for the development of One Merriweather, Two Merriweather and the parking garage. Site improvements include asphalt paved parking areas, curbing, signage, landscaping, yard lighting and drainage.
Land Use Restrictions:	We were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.

Flood Zone Description:	The subject property is located in flood zone X and AE as indicated by FEMA Map 240044 - 24027C0155D, dated November 06, 2013. A majority of the subject site is located within designated Flood Zone X (areas determined to be outside the 500 year flood plain). Some portions of the site are located within designated Flood Zone AE (Special flood hazard areas subject to inundation by the 100-year flood determined in a Flood Insurance Study by detailed methods. Base flood elevations are shown within these zones. Mandatory flood insurance purchase requirements apply.). Designated flood plain areas will remain as unimproved open space within the proposed project.) The flood zone determination and other related data are provided by a third party vendor deemed to be reliable. If further details are required, additional research is required that is beyond the scope of this analysis. A flood plain map is presented at the end of this section.
Wetlands / Drainage:	According to Daft, McCune & Walker, Inc., a Baltimore area firm providing environmental and engineering services, and findings of both the Maryland Department of the Environment (MDE) and Corp of Engineers, there are floodplains, wetlands and regulated streams within the Crescent Special Taxing District. Other than several roads and utility crossings of these regulated areas, the environmentally sensitive areas have all been protected within the project's open space parcels, which are listed at the end of this section. The open space land areas total approximately 31.7 acres of the site. According to the engineer's report provided for our review, the subject's parcels identified for development do not contain any environmentally protected features that would restrict development as proposed. The property generally drains to the stream that enters the site from Broken Land Parkway along the west side of the site, which flows east between Areas 1 and 2, and then along the common boundary of the Special Taxing District and Merriweather Post Pavilion/ Symphony Woods properties. The tributary drains into the Little Patuxent River located just southeast of the site. Drainage appears to be adequate.
Phase I Environmental Site Assessment Report:	A Phase 1 Environmental Site Assessment report produced by Robert B. Balter Company dated September 2, 2016 revealed no evidence of recognized environmental conditions with the Area 1 land areas being developed with the two office buildings and parking garage.
Hazardous Substances:	We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
Overall Site Utility:	The subject site is functional for its current and proposed uses.

FLOOD MAP

Flood Map Report

For Property Located At

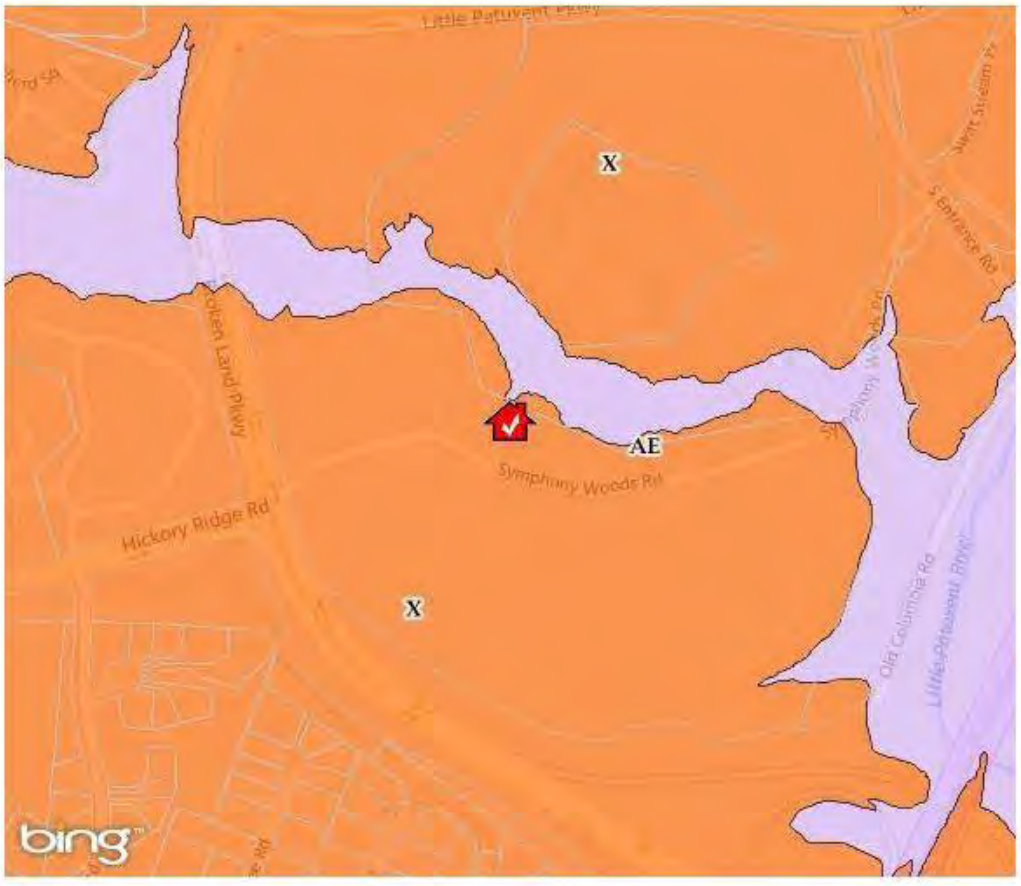
BROKEN LAND PKWY, COLUMBIA, MD 21044

Report Date: **01/05/2017** County: **HOWARD, MD**

Flood Zone Code	Flood Zone Panel	Panel Date
X	240044 - 24027C0155D	11/06/2013
Special Flood Hazard Area (SFHA)	**Within 250 ft. of multiple flood zones?**	**Community Name**
Out	Yes (X,AE)	HOWARD COUNTY

Flood Zone Description:

Zone X-An area that is determined to be outside the 100- and 500-year floodplains.

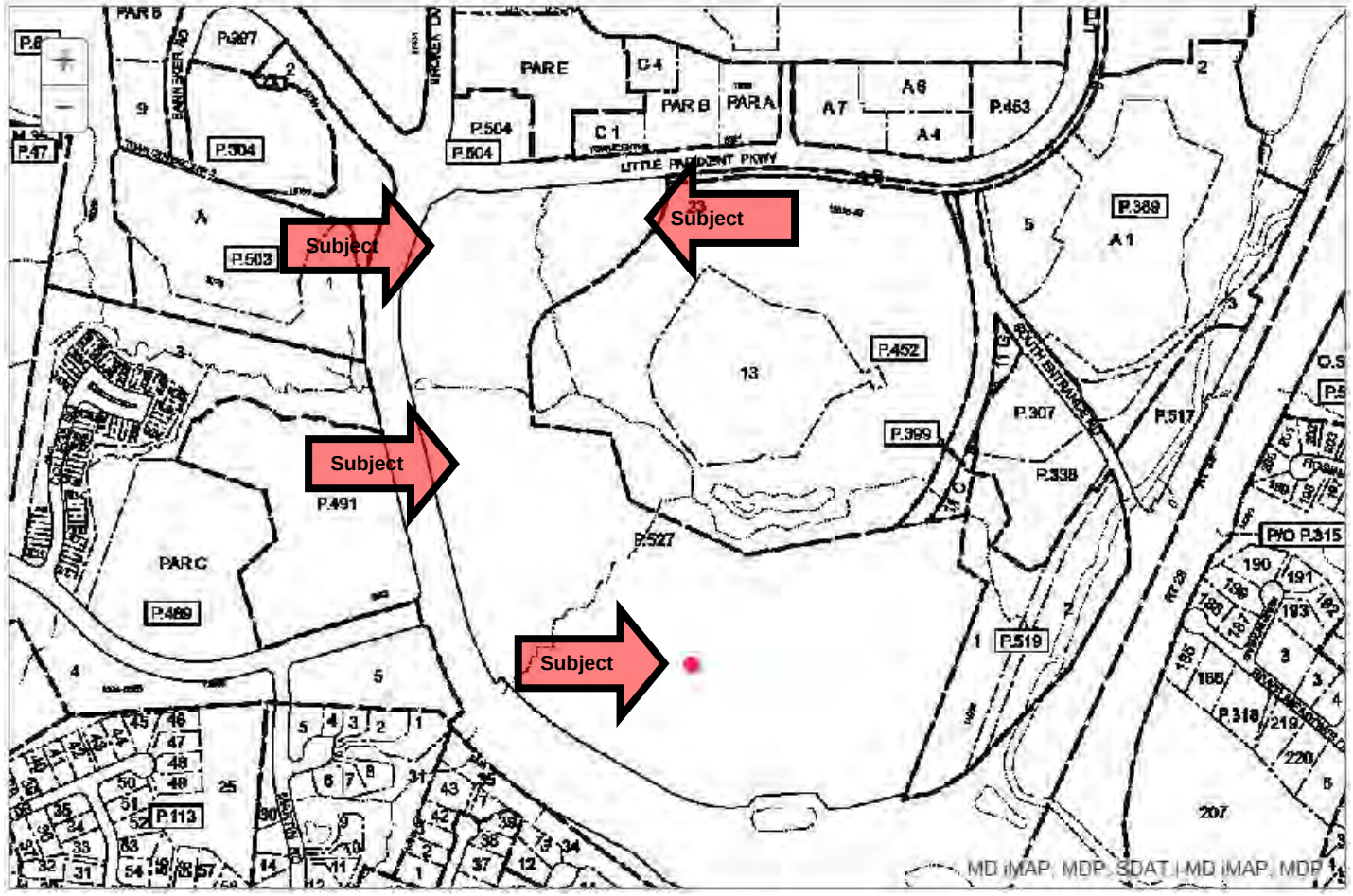


SUBJECT PROPERTY PROJECT SUMMARY - CRESCENT SPECIAL TAXING DISTRICT				
Parcel Description	**Parcel Reference**	**Assessor Parcel Number**	**Land Area Sq. Ft.**	**Land Area Acres**
Area 1				
Project 1OA: One Merriweather	Parcel A-1	15-598795	57,843	1.328
Project 1OB: Two Merriweather	Parcel A-2	15-598796	51,157	1.174
Parking Garage	Parcel A-3	15-598797	69,334	1.592
Project 1OC	Parcel B	15-019921 (part of)	86,684	1.990
Area 1 Subtotal			**265,019**	**6.084**
Area 2				
Project 2MFA	Parcel C (part of)	15-019921 (part of)	282,704	6.490
Project 2OA	Parcel C (part of)	15-019921 (part of)	-	-
Project 2OB	Parcel C (part of)	15-019921 (part of)	-	-
Project 2OC	Parcel C (part of)	15-019921 (part of)	-	-
Area 2 Subtotal			**282,704**	**6.490**
Area 3				
Project 3MFB	Parcel D2	15-019921 (part of)	146,362	3.360
Project 3MFC	Parcel D8	15-019921 (part of)	175,111	4.020
Project 3OA	Parcel D3	15-019921 (part of)	72,745	1.670
Project 3OB	Parcel D5	15-019921 (part of)	64,904	1.490
Project 3RE	Parcels D6-D7	15-019921 (part of)	71,874	1.650
Project 3OC	Parcel D1 (part of)	15-019921 (part of)	89,298	2.050
Project 3LRA (Civic- Library)	Parcel D1 (part of)	15-019921 (part of)	-	-
Project 3HA	Parcel D9	15-019921 (part of)	115,434	2.650
Parking Garage A	Parcel D4	15-019921 (part of)	87,991	2.020
Area 3 Subtotal			**823,720**	**18.910**
Area 4				
Project 4OA	Parcel E (part of)	15-019921 (part of)	90,169	2.070
Project 4MFA	Parcel E (part of)	15-019921 (part of)	-	-
Area 4 Subtotal			**90,169**	**2.070**
Totals (Areas 1-2-3-4):			**1,461,612**	**33.554**
Open Space - Public Improvements				
Lot 1 (Open Space)	Lot 1	15-019921 (part of)	99,317	2.280
Lot 2 (Open Space)	Lot 2	15-019921 (part of)	176,854	4.060
Lot 6 (Open Space)	Lot 6	15-019921 (part of)	16,988	0.390
Lot 7 (Open Space)	Lot 7	15-019921 (part of)	18,295	0.420
Lot 9 (Open Space)	Lot 9	15-019921 (part of)	83,200	1.910
Lot 10 (Open Space)	Lot 10	15-019921 (part of)	270,072	6.200
Lot 11 (Open Space)	Lot 11	15-019921 (part of)	162,043	3.720
Parcel D10 (Private Park & Plaza)	Parcel D10	15-019921 (part of)	47,045	1.080
Parcel F (Open Space)	Parcel F	15-019921 (part of)	1,742	0.040
Parcel G (Open Space)	Parcel G	15-019921 (part of)	436	0.010
Parcel H (Open Space)	Parcel H	15-019921 (part of)	12,197	0.280
Parcel L (Open Space)	Parcel L	15-019921 (part of)	6,970	0.160
Parcel M-1 (Open Space)	Parcel M-1	15-019921 (part of)	28,314	0.650
Parcel N-1 (Open Space)	Parcel N-1	15-019921 (part of)	146,362	3.360
Parcel P (Open Space)	Parcel P	15-019921 (part of)	6,534	0.150
Parcel Q (Open Space)	Parcel Q	15-019921 (part of)	1,307	0.030
Parcel R (Open Space)	Parcel R	15-019921 (part of)	6,534	0.150
Public Areas (Roads, Pathways)	Future Dedicated	15-019921 (part of)	297,812	6.837
Open Space Subtotal	Multiple Parcels	15-019921 (part of)	**1,382,020**	**31.727**
Total Project:			**2,843,633**	**65.2808**

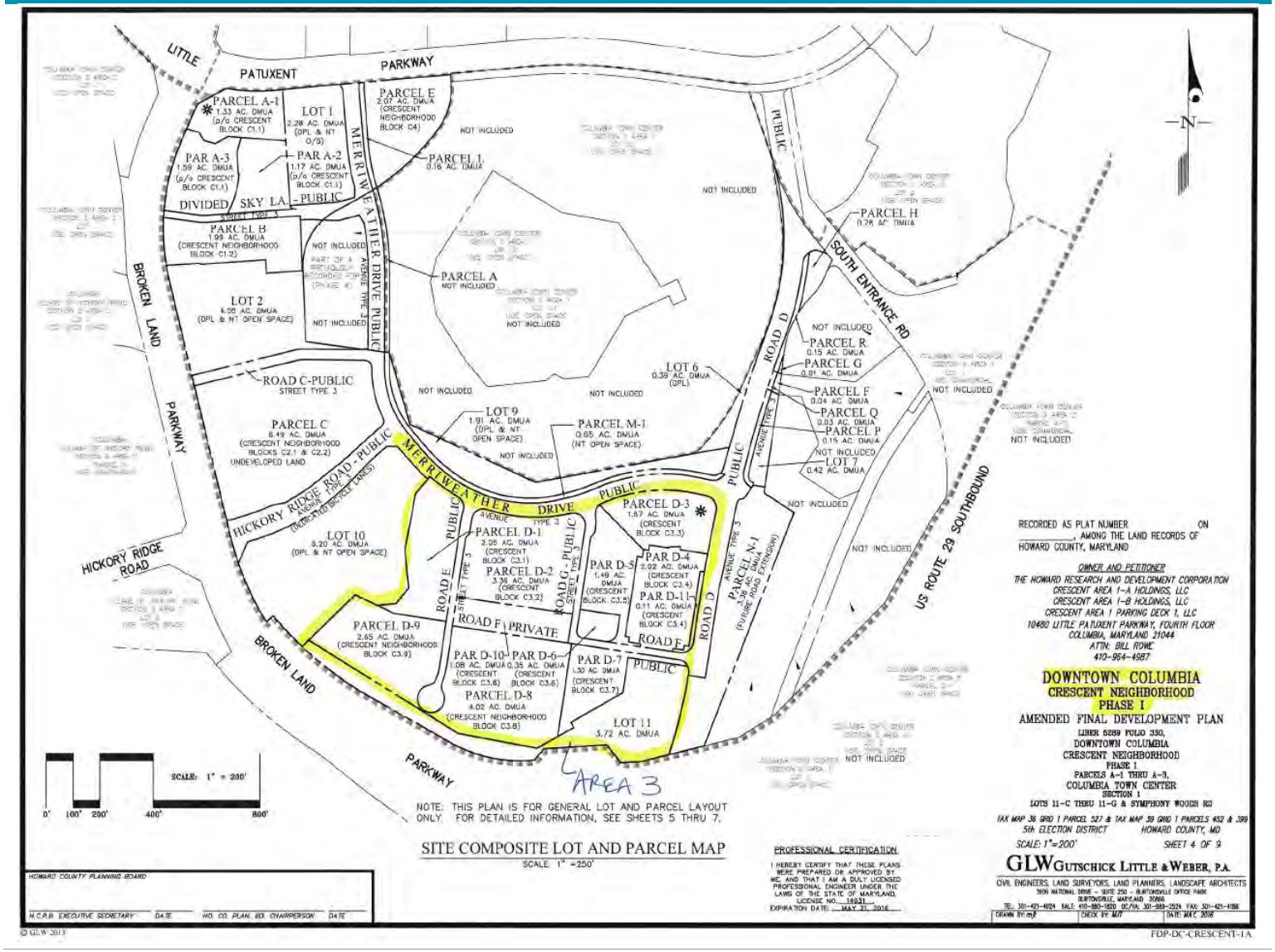
TAX MAP

Howard County

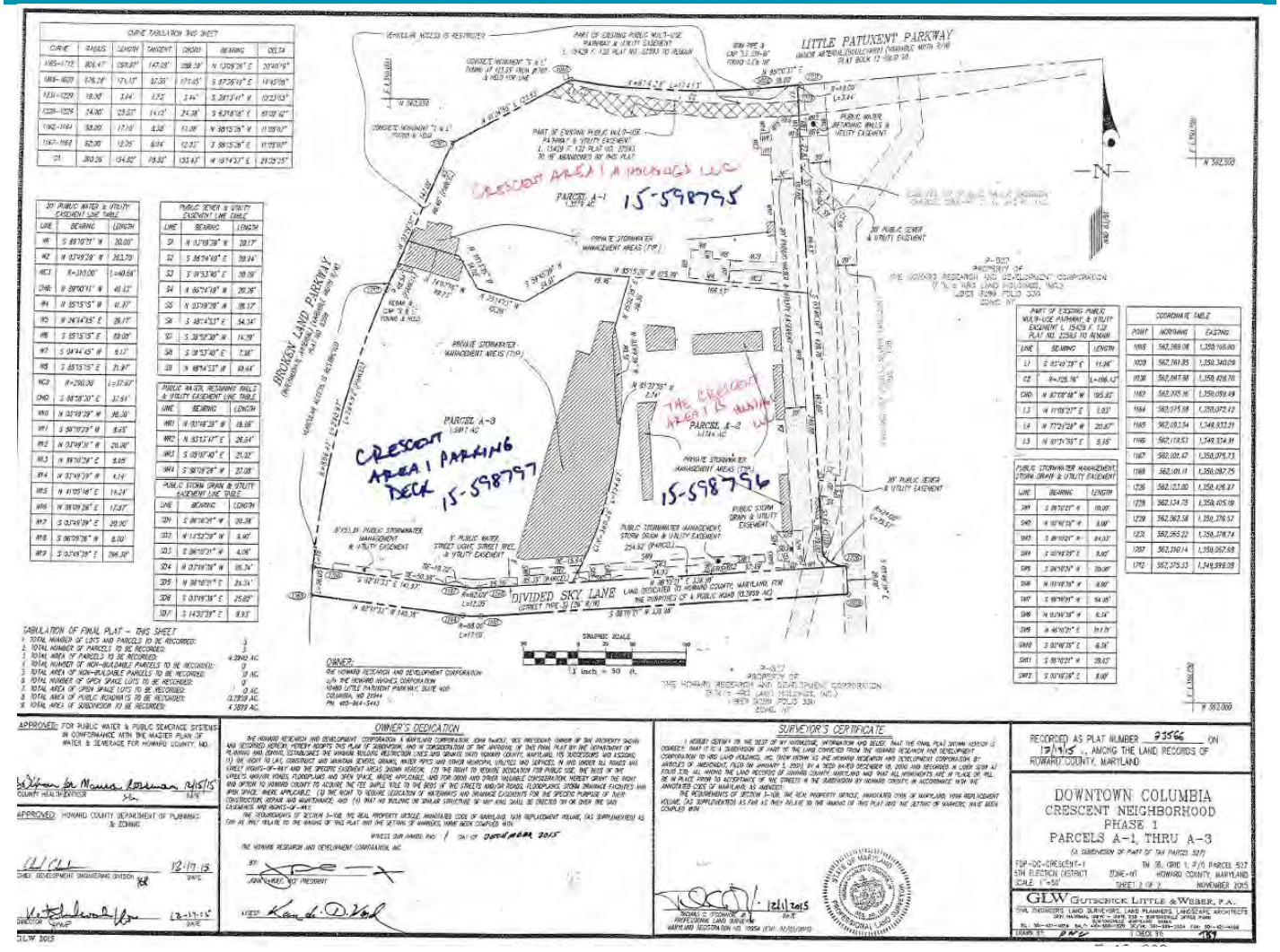
District: **15** Account Number: **019921**



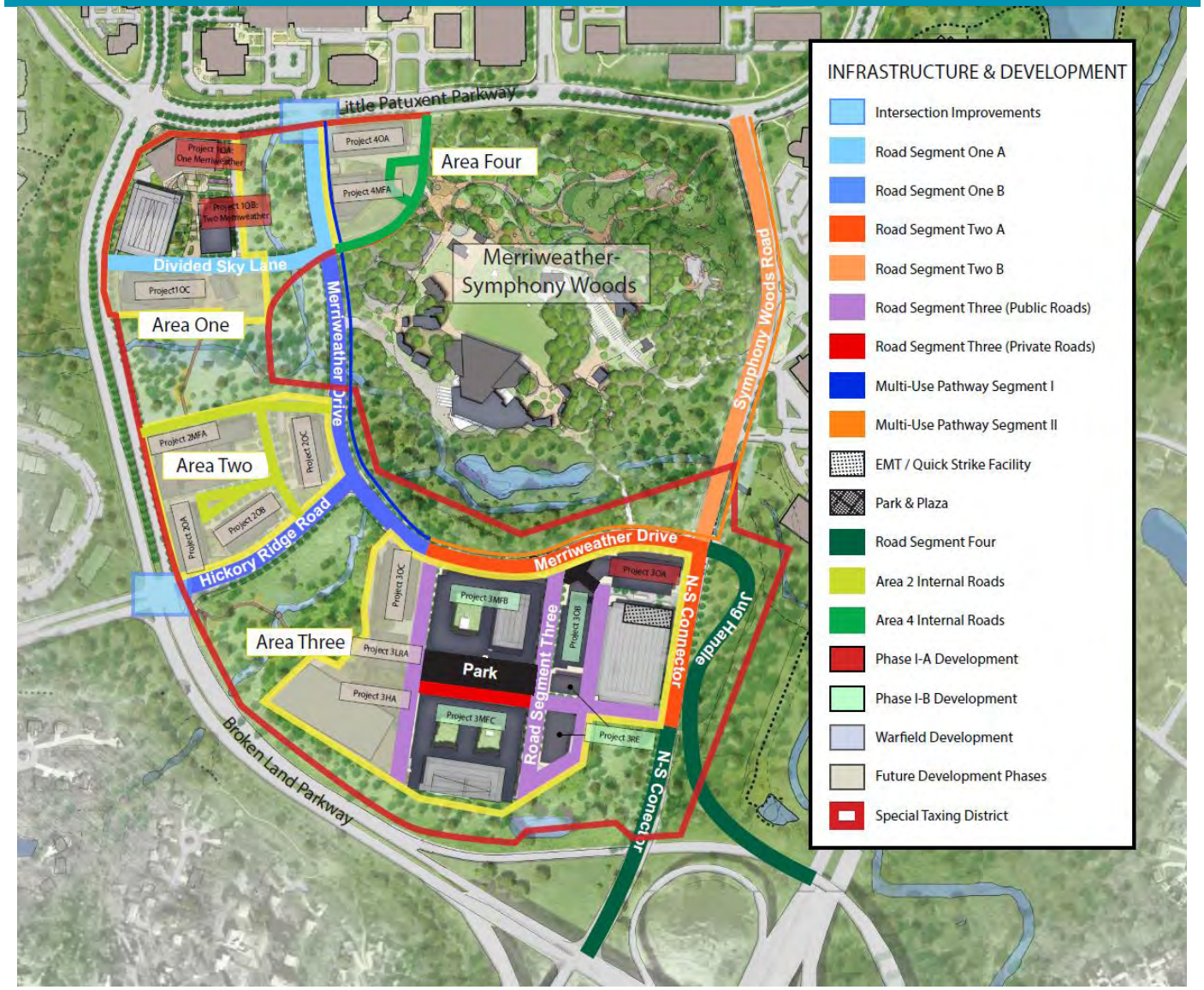
PARCEL MAP


LITTLE PATUXENT PARKWAY
PARCEL A-1
1.33 AC. DMUA
(p/o CRESCENT BLOCK C1.1)
LOT 1
2.28 AC. DMUA
(DPL & NT O/S)
PAR A-2
1.17 AC. DMUA
(p/o CRESCENT BLOCK C1.1)
PAR A-3
1.59 AC. DMUA
(p/o CRESCENT BLOCK C1.1)
DIVIDED SKY LA PUBLIC
STREET TYPE 4
PARCEL E
2.07 AC. DMUA
(CRESCENT NEIGHBORHOOD BLOCK C4)
PARCEL 1
0.16 AC. DMUA
NOT INCLUDED
MERRIWEATHER DRIVE PUBLIC
AVENUE TYPE 3
PARCEL B
1.99 AC. DMUA
(CRESCENT NEIGHBORHOOD BLOCK C1.2)
PARCEL A
NOT INCLUDED
LOT 2
6.05 AC. DMUA
(DPL & NT OPEN SPACE)
BROKEN LAND PARKWAY
ROAD C-PUBLIC
STREET TYPE 3
PARCEL C
8.49 AC. DMUA
(CRESCENT NEIGHBORHOOD BLOCKS C2.1 & C2.2)
UNDEVELOPED LAND
HICKORY RIDGE ROAD - PUBLIC
ARTERIAL TYPE
(DESIGNED BICYCLE LANES)
LOT 10
6.20 AC. DMUA
(DPL & NT OPEN SPACE)
HICKORY RIDGE ROAD
LOT 9
1.91 AC. DMUA
(DPL & NT OPEN SPACE)
PARCEL M-1
0.65 AC. DMUA
(NT OPEN SPACE)
LOT 6
0.39 AC. DMUA
(DPL)
ROAD D
PUBLIC
AVENUE TYPE 3
SOUTH ENTRANCE RD
PARCEL H
0.78 AC. DMUA
PARCEL R
0.15 AC. DMUA
PARCEL G
0.01 AC. DMUA
PARCEL F
0.04 AC. DMUA
PARCEL Q
0.03 AC. DMUA
PARCEL P
0.15 AC. DMUA
LOT 7
0.42 AC. DMUA
MERRIWEATHER DRIVE PUBLIC
AVENUE TYPE 3
PARCEL D-1
2.05 AC. DMUA
(CRESCENT BLOCK C3.1)
PARCEL D-2
3.35 AC. DMUA
(CRESCENT BLOCK C3.2)
PARCEL D-3
1.67 AC. DMUA
(CRESCENT BLOCK C3.3)
PAR D-4
2.02 AC. DMUA
(CRESCENT BLOCK C3.4)
PAR D-5
1.49 AC. DMUA
(CRESCENT BLOCK C3.5)
PAR D-11
0.11 AC. DMUA
(CRESCENT BLOCK C3.4)
ROAD E
STREET TYPE 3
ROAD F PRIVATE
PARCEL D-9
2.65 AC. DMUA
(CRESCENT NEIGHBORHOOD BLOCK C3.9)
PAR D-10
1.08 AC. DMUA
(CRESCENT BLOCK C3.6)
PAR D-6
0.35 AC. DMUA
(CRESCENT BLOCK C3.6)
PARCEL D-8
4.02 AC. DMUA
(CRESCENT NEIGHBORHOOD BLOCK C3.8)
PAR D-7
1.30 AC. DMUA
(CRESCENT BLOCK C3.7)
LOT 11
3.72 AC. DMUA
PARCEL N-1
3.38 AC. DMUA
(FUTURE ROAD EXTENSION)
US ROUTE 29 SOUTHBOUND
AREA 3
SCALE: 1" = 200'
0' 100' 200' 400' 800'
NOTE: THIS PLAN IS FOR GENERAL LOT AND PARCEL LAYOUT ONLY. FOR DETAILED INFORMATION, SEE SHEETS 5 THRU 7.
SITE COMPOSITE LOT AND PARCEL MAP
SCALE: 1" =250'
HOWARD COUNTY PLANNING BOARD
M.C.P.B. EXECUTIVE SECRETARY DATE
HO. CO. PLAN. BD. CHAIRPERSON DATE
PROFESSIONAL CERTIFICATION
I HEREBY CERTIFY THAT THESE PLANS WERE PREPARED OR APPROVED BY ME, AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MARYLAND. LICENSE NO. 14931 EXPIRATION DATE: MAY 21, 2014
RECORDED AS PLAT NUMBER ON AMONG THE LAND RECORDS OF HOWARD COUNTY, MARYLAND
OWNER AND PETITIONER
THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION
CRESCENT AREA 1-A HOLDINGS, LLC
CRESCENT AREA 1-B HOLDINGS, LLC
CRESCENT AREA 1 PARKING DECK 1, LLC
10480 LITTLE PATUXENT PARKWAY, FOURTH FLOOR
COLUMBIA, MARYLAND 21044
ATTN: BILL ROWE
410-964-4987
DOWNTOWN COLUMBIA
CRESCENT NEIGHBORHOOD
PHASE 1
AMENDED FINAL DEVELOPMENT PLAN
LIBER 5289 FOLIO 330,
DOWNTOWN COLUMBIA
CRESCENT NEIGHBORHOOD
PHASE 1
PARCELS A-1 THRU A-3,
COLUMBIA TOWN CENTER
SECTION 1
LOTS 11-C THRU 11-G & SYMPHONY WOODS HO
TAX MAP 36 GRID 1 PARCEL 527 & TAX MAP 39 GRID 1 PARCELS 452 & 399
5th ELECTION DISTRICT HOWARD COUNTY, MD
SCALE: 1"=200' SHEET 4 OF 9
GLW GUTSCHICK LITTLE & WEBER, P.A.
CIVIL ENGINEERS, LAND SURVEYORS, LAND PLANNERS, LANDSCAPE ARCHITECTS
3909 NATIONAL DRIVE - SUITE 250 - BURTONSVILLE OFFICE PARK
BURTONSVILLE, MARYLAND 20866
TEL: 301-421-4024 BALT: 410-880-1820 DC/VA: 301-989-2524 FAX: 301-421-4186
DRAWN BY: mjf CHECK BY: MJT DATE: MAY, 2013
© GLW 2013
FDP-DC-CRESCENT-1A

SURVEY – AREA 1- PARCELS A-1, A-2 AND A-3



SITE PLAN - DEVELOPMENT AREAS AND ROAD SEGMENTS



Improvements Description – Project Summary

The following description of improvements is based on our physical inspection of the site and improvements and our discussions with the subject property owner's representatives.

The subject property consists of 65.28 acres +/- of land area that is generally bounded by Little Patuxent Parkway on the north, Broken Land Parkway on the west, U.S. Route 29 Interchange #18 and Broken Land Parkway on the south and the Merriweather Post Pavilion and Symphony Woods (public park) to the east. The subject property was previously used in part as surface parking and open space supporting the adjoining Merriweather Post Pavilion and Symphony Woods facilities. The subject property will be developed with private and public improvements. The private development is planned to contain 4,782,500 square feet of gross building area (GBA) including 2,686,323 square feet of office space, 314,681 square feet of retail space, 1,387 apartment units and a 250-room hotel. The following table provides a summary of the planned uses within the subject's Crescent Special Taxing District (excluding a 95,000 square foot public library).

SUBJECT PROPERTY PROJECT SUMMARY - CRESCENT SPECIAL TAXING DISTRICT

Per Project Component	No. of Buildings	Office Sq. Ft. GBA	Retail Sq. Ft. GBA	Apt. Sq. Ft. GBA	Hotel Sq. Ft. GBA	Total GBA Sq. Ft.	Apt. Units	Hotel Keys	Parking Spaces
Office/Retail	10	2,719,726	131,618	-	-	2,851,344	-	-	-
Apartments/Retail	5	-	129,528	1,606,239	-	1,735,767	1,387	-	-
Retail	2	-	45,389	-	-	45,389	-	-	-
Hotel/Retail	1	-	-	-	150,000	150,000	-	250	-
Total Commercial/ Residential:	**18**	**2,719,726**	**306,535**	**1,606,239**	**150,000**	**4,782,500**	**1,387**	**250**	**-**
Parking Garage (Area 1A)	1	-	-	-	-	394,425	-	-	1,127
Parking Garage A (Area 3)	1	-	-	-	-	700,000	-	-	2,000
Total Project (Subject to Appraisal):	**20**	**2,719,726**	**306,535**	**1,606,239**	**150,000**	**5,876,925**	**1,387**	**250**	**3,127**

Excludes public library space within Project 3LRA containing 95,000 square feet and Parking Garage Area 3B

The first phase of the Downtown Columbia Plan was approved by the Howard County Planning Board. The subject property contains four planning areas as summarized by the exhibit presented at the end of this section. Area 1 is located at the northwest corner of the site, at the southeast quadrant of Little Patuxent Parkway and Broken Land Parkway. Area 1 is planned to comprise of three office buildings totaling 673,159 square feet of GBA, including 621,027 square feet of office space and 52,132 square feet of street-level retail space. Area 1 has recently been improved with a 9-level above-grade structured parking garage containing 1,127 spaces. The parking garage spaces will be allocated for tenant use occupying space within the first two office buildings to be completed within Area 1. In addition, the parking garage may be used by visitors of Merriweather Post Pavilion events, which may generate transient parking revenue.

The exhibits on the accompanying pages reflect a summary of the subject's planned private and public improvements to be completed within the Crescent Special Taxing District. Additional information is presented in the Addenda (Owner Reports section).

SUBJECT PROPERTY PROJECT SUMMARY - CRESCENT SPECIAL TAXING DISTRICT

Parcel Description	Status	No. of Bldgs.	Office Sq. Ft. GBA	Retail Sq. Ft. GBA	Apartment Sq. Ft. GBA	Hotel Sq. Ft. GBA	Civic Sq. Ft. GBA	Total Building Sq. Ft. GBA	Apt. Units	Hotel Keys	Parcel Reference	Assessor Parcel Number	Land Area Sq. Ft.	Land Area Acres
Area 1														
Project 1OA: One Merriweather	Completed	1	208,034	9,749	-	-	-	217,783	-	-	Parcel A-1	15-598795	57,843	1.328
Project 1OB: Two Merriweather	Under Construction	1	102,993	29,583	-	-	-	132,576	-	-	Parcel A-2	15-598796	51,157	1.174
Parking Garage	Completed	1	-		-	-	-	-	-	-	Parcel A-3	15-598797	69,334	1.592
Project 1OC	Proposed- Future	1	310,000	12,800	-	-	-	322,800	-	-	Parcel B	15-019921 (part of)	86,684	1.990
Area 1 Subtotal		**4**	**621,027**	**52,132**	**-**	**-**	**-**	**673,159**	**-**	**-**			**265,019**	**6.084**
Area 2														
Project 2MFA	Proposed- Future	1	-	-	456,987	-	-	456,987	375	-	Parcel C (part of)	15-019921 (part of)	282,704	6.490
Project 2OA	Proposed- Future	1	284,000	5,000	-	-	-	289,000	-	-	Parcel C (part of)	15-019921 (part of)	-	-
Project 2OB	Proposed- Future	1	279,000	10,000	-	-	-	289,000	-	-	Parcel C (part of)	15-019921 (part of)	-	-
Project 2OC	Proposed- Future	1	285,699	15,000	-	-	-	300,699	-	-	Parcel C (part of)	15-019921 (part of)	-	-
Area 2 Subtotal		**4**	**848,699**	**30,000**	**456,987**	**-**	**-**	**1,335,686**	**375**	**-**			**282,704**	**6.490**
Area 3														
Project 3MFB	Constr. Start 11/2017	1	-	71,333	452,095	-	-	523,428	382	-	Parcel D2	15-019921 (part of)	146,362	3.360
Project 3MFC	Proposed- Future	1	-	38,195	452,897	-	-	491,092	423	-	Parcel D8	15-019921 (part of)	175,111	4.020
Project 3OA	Constr. Start 11/2017	1	325,197	15,036	-	-	-	340,233	-	-	Parcel D3	15-019921 (part of)	72,745	1.670
Project 3OB	Proposed- Future	1	374,803	19,570	-	-	-	394,373	-	-	Parcel D5	15-019921 (part of)	64,904	1.490
Project 3RE	Proposed- Future	2	-	45,389	-	-	-	45,389	-	-	Parcels D6-D7	15-019921 (part of)	71,874	1.650
Project 3OC	Proposed- Future	1	375,000	14,880	-	-	-	389,880	-	-	Parcel D1 (part of)	15-019921 (part of)	89,298	2.050
Project 3LRA (Civic- Library)	Proposed- Future	1	-	20,000	138,060	-	95,000	253,060	117	-	Parcel D1 (part of)	15-019921 (part of)	-	-
Project 3HA	Proposed- Future	1	-	-	-	150,000	-	150,000	-	250	Parcel D9	15-019921 (part of)	115,434	2.650
Parking Garage A	Proposed- Future	1	-	-	-	-	-	-	-	-	Parcel D4	15-019921 (part of)	87,991	2.020
Area 3 Subtotal		**10**	**1,075,000**	**224,403**	**1,043,052**	**150,000**	**95,000**	**2,587,455**	**922**	**250**			**823,720**	**18.910**
Area 4														
Project 4OA	Proposed- Future	1	175,000	-	-	-	-	175,000	-	-	Parcel E (part of)	15-019921 (part of)	90,169	2.070
Project 4MFA	Proposed- Future	1	-	-	106,200	-	-	106,200	90	-	Parcel E (part of)	15-019921 (part of)	-	-
Area 4 Subtotal		**2**	**175,000**	**-**	**106,200**	**-**	**-**	**281,200**	**90**	**-**			**90,169**	**2.070**
Totals (Areas 1-2-3-4):		**20**	**2,719,726**	**306,535**	**1,606,239**	**150,000**	**95,000**	**4,877,500**	**1,387**	**250**			**1,461,612**	**33.554**
Open Space Subtotal		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	Multiple Parcels	15-019921 (part of)	**1,382,020**	**31.727**
Total Project:		**20**	**2,719,726**	**306,535**	**1,606,239**	**150,000**	**95,000**	**4,877,500**	**1,387**	**250**			**2,843,633**	**65.2808**

PUBLIC IMPROVEMENT COSTS AND COMPLETION SCHEDULE

Public Improvement Item	Total Public Improvement Budget [1]	Phase #1A TIF Bonds Proceeds	Phase #1B TIF Bonds Proceeds	Total TIF Bonds Proceeds	Remaining Costs To Be Funded	Monies Spent To Date	Remaing Costs To Complete As of 6/20/2017	Forecast Date of Completion	Remaing Costs To Complete As of 7/31/2019
Road Segment 1	$18,739,664	$16,194,034	$0	$16,194,034	$2,545,630	$12,246,859	$6,492,805	4/30/2019	$0
Road Segment 2	$14,103,393	$13,245,037	$0	$13,245,037	$858,356	$773,297	$13,330,096	4/30/2019	$0
Road Segment 3 (Public Roads)	$3,848,695	$0	$0	$0	$3,848,695	$422,928	$3,425,767	11/30/2018	$0
Road Segment 3 (Private Roads)	$3,712,927	$0	$0	$0	$3,712,927	$0	$0	11/30/2018	$0
Area 3: Park & Plaza	$3,889,514	$0	$3,889,514	$3,889,514	$0	$48,062	$3,841,452	3/31/2019	$0
Multi-Use Pathways	$1,062,381	$0	$0	$0	$1,062,381	$8,657	$1,053,724	12/31/2018	$0
Road Segment 4	$17,316,017	$1,971,715	$15,344,302	$17,316,017	$0	$94,642	$17,221,375	9/30/2021	$15,249,660
Area Two Internal Roads	$4,329,004	$0	$4,329,004	$4,329,004	$0	$0	$4,329,004	9/30/2019	$4,329,004
Area Four Internal Roads	$2,164,502	$0	$2,164,502	$2,164,502	$0	$0	$2,164,502	9/30/2019	$2,164,502
EMT Rapid Fire Station	$4,329,004	$4,329,004	$0	$4,329,004	$0	$0	$4,329,004	3/31/2019	$0
Subtotal Improvements	$73,495,101	$35,739,790	$25,727,322	$61,467,112	$12,027,989	$13,594,445	$56,187,729		$21,743,166
Developer's Fee	$3,674,755	$1,786,990	$1,286,366	$3,073,356	$601,399	$0	$3,674,755		$601,399
Contingency	$3,674,755	$973,221	$1,286,366	$2,259,587	$1,415,168	$0	$3,674,755		$1,415,168
Total Costs	$80,844,611	$38,500,000	$28,300,054	$66,800,054	$14,044,557	$13,594,445	$63,537,239		$23,759,734
Total Adjustment For As Is Value (Assuming No TIF is available)						**Rounded:**	**$63,500,000**		
Total Adjustment For Remaining Costs to Complete as of July 31, 2019								**Rounded:**	**$23,800,000**

[1] Source: The Howard Research and Development Corporation

Improvements Description – One Merriweather

The following description of improvements is based on our physical inspection of the improvements and our discussions with the subject property's owner's representative.



GENERAL DESCRIPTION	ONE MERRIWEATHER
Address/ Parcel Description:	Office Building: 10980 Divided Sky Lane / Project 1OA – Parcel A-1 Parking Garage: 10970 Divided Sky Lane / Parcel A-3
Year Built:	Shell and core construction were completed in January 2017, with common area interior finishes and first tenant occupancy within the first quarter of 2017. The subject's Area 1 Parking Garage was completed in December 2016.
Building Construction Class:	A
Number of Buildings:	1 office building and 1 freestanding, above-grade structured parking garage
Number of Stories:	Office Building: 8, Parking Garage: 9 levels
Density / FAR:	Office Parcel: 3.76 FAR; Garage Parcel: 5.69 FAR
Gross Building Area:	217,783 square feet (per owner data)
Net Rentable Area:	208,181 square feet (per owner's rent roll) including 9,343 square feet +/- of net rentable area of street level retail space and 198,838 square feet of office space
Average Floorplates:	Upper floor plates average 27,149 square feet

CONSTRUCTION DETAIL	ONE MERRIWEATHER
Basic Construction:	Steel and masonry
Foundation:	Poured concrete slab
Framing:	Steel frame
Floors:	Concrete poured over a metal deck
Exterior Walls:	Pre-cast glass curtainwall and masonry panels
Roof Type:	Flat with parapet walls
Roof Cover:	Sealed membrane
Windows:	Thermal windows in aluminum frames
Pedestrian Doors:	Glass, wood and metal
MECHANICAL DETAIL	
Heating and Cooling Systems:	The property will be heated and cooled by an electric, central, forced air system with individual units / floors improved with VAV boxes. The HVAC mechanical systems will be roof mounted in a penthouse.
Plumbing:	The plumbing system is assumed will be adequate for the proposed use and in compliance with local law and building codes.
Electrical Service:	The electrical system is assumed to be adequate for the planned use and in compliance with local law and building codes.
Electrical Metering:	Each tenant will be separately metered.
Elevator Service:	The building will contain 4 passenger elevators, and 1 freight elevator.
Fire Protection:	100 percent sprinklered
Security:	Exterior and interior monitors
LEED:	The owner reports the subject will be constructed to achieve LEED® “Silver” certification through the Leadership in Energy and Environmental Design (LEED) program of the U.S. Green Building Council for its core and shell.

INTERIOR DETAIL	ONE MERRIWEATHER
Layout:	The 8-story building will be demised for multi-tenant occupancy including central core common elevators, staircases, lobby, common area hallways and two restrooms, and mechanical rooms for electrical and telephone equipment. Office buildout will be designed with perimeter offices and interior work areas. The estimated TI allowance for the remaining available office space is forecast to be $70.00 per square foot, which will provide for typical office buildout. Additional tenant improvement allowance will be amortized into the rental rate as needed by the tenant(s). A courtyard and the main entrance to the first floor lobby is improved along the southern building elevation. The first floor space will be improved with a central lobby, fitness center, retail space and a conference room for MedStar. An outdoor seating area will be improved along the northern building elevation with separate exterior access provided to the proposed retail space.
Floor Covering:	Carpet and tile
Walls:	Painted drywall
Ceilings:	Acoustical tile
Lighting:	Fluorescent and incandescent
Restrooms:	The property features adequate restrooms for men and women.
SITE IMPROVEMENTS	
Parking:	A 9-level, freestanding, above-grade masonry parking garage has been completed adjacent to the subject property, which contains 1,127 spaces +/-. The parking garage will be utilized by both One Merriweather and Two Merriweather tenants with the allocation to be reflected in a right-of-use / parking easement agreement. One Merriweather will be allocated 669 spaces +/- (3.38/1,000 SF) and Two Merriweather will be allocated 458 spaces +/- (3.71/1,000 SF). In addition, the parking garage may be used by visitors of Merriweather Post Pavilion events, which may generate transient parking revenue. The owner provided a parking study for our review produced by The Parking Advisory Group dated August 4, 2015. As will be discussed, we considered potential net transient revenue in our analysis, which for analysis purposes we attributed to One Merriweather. It should be noted that each of the comparable freestanding parking garages improved along Little Patuxent Parkway supporting Columbia Corporate Center office buildings have right-of-use easement agreements allowing free use of the garages by office tenants, mall users and visitors to Merriweather Post Pavilion. Each of the garages has open access and generate no revenue. Although the subject's garage is located closer to Merriweather Post Pavilion, it is unclear whether Merriweather visitors will pay to park in the subject's garage versus free parking provided by nearby parking garages.
Onsite Landscaping:	The site is landscaped with a variety of trees, shrubbery and grass.

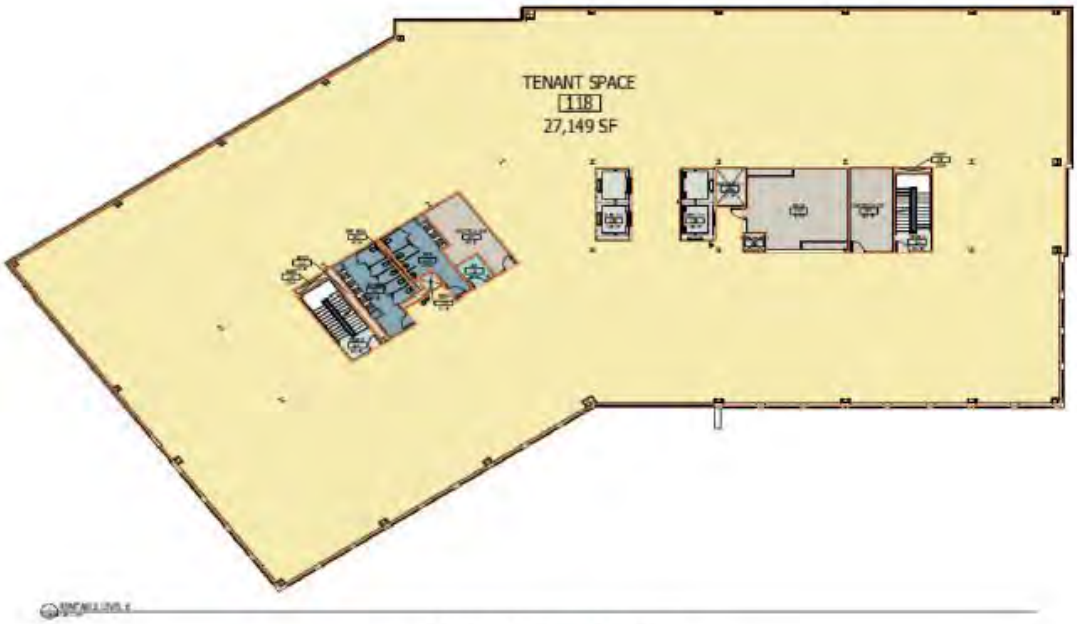
Other:	Site improvements include asphalt paved parking areas, curbing, signage, landscaping, yard lighting and drainage.
PERSONAL PROPERTY	
	Personal property was excluded from our valuation.
SUMMARY	**ONE MERRIWEATHER**
Condition:	Excellent- New Construction
Quality:	Excellent
Roof & Mechanical Inspections:	The appraisers are not qualified to render an opinion regarding the adequacy or condition of the roof (pictured below) and mechanical systems. The client is urged to retain an expert in this field if detailed information is needed. 
Actual Age:	As Is: (new construction); Upon Completion of Public Improvements being funded by the First and Second Issuance: 2 years
Effective Age:	As Is: (new construction); Upon Completion of Public Improvements being funded by the First and Second Issuance: 1 year
Expected Economic Life:	55 years- We relied on Marshall Valuation Services publication to estimate the life expectancy of the subject's improvements, which is used by market participants.
Remaining Economic Life:	As Is: 55 years; Upon Completion of Public Improvements being funded by the First and Second Issuance: 54 years

PHYSICAL DETERIORATION	ONE MERRIWEATHER
Cost to Cure:	The project is substantially complete to shell condition. The project will require interior tenant buildout (tenant improvement allowance) to allow for tenant occupancy. A discussion of tenant improvement allowance packages is provided in the Income Capitalization Approach. It is assumed the subject property will be completed with a high level of tenant buildout typical of competitive Class A office buildings within the subject's market.
FUNCTIONAL OBSOLESCENCE	
Description:	There is no apparent functional obsolescence present at the subject property.
EXTERNAL OBSOLESCENCE	
Description:	External obsolescence is the adverse effect on value resulting from influences outside the property. External obsolescence may be the result of market softness, proximity to environmental hazards or other undesirable conditions, spikes in construction costs, cost estimates that don't properly reflect changes in the local market, the lack of an adequate labor force, changing land use patterns, or other factors. Based on a review of the location of the subject as well as local market conditions, the subject is not impacted by external obsolescence.
CONSTRUCTION COSTS	A copy of the owner's construction costs through May 31, 2017 is presented in the Addenda – Owner's Reports. The owner reports a total approved budget for the project of $78,187,000, inclusive of $14,784,000 for the subject's adjacent parking garage ($13,118 per space). This excludes land acquisition costs (land value) and entrepreneurial profit. The owner reported monies spent to date totaling $67,281,720, with $10,905,280 remaining to be spent to complete the project. The owner estimates $7,049,930 of the remaining costs are attributable to forecast tenant improvement allowances and $1,604,978 for leasing commissions to lease-up remaining vacant space. As will be discussed in the Income Capitalization Approach, we have assumed for analysis purposes that the tenant improvement allowance and leasing commissions associated with the MedStar lease have been fully funded by the owner as of the effective date of this appraisal, with rent commencement as of January 1, 2017.

FLOOR PLANS ONE MERRIWEATHER



First Floor Layout



Upper Level Layout

Improvements Description – Two Merriweather

The following description of improvements is based on our physical inspection of the improvements and our discussions with the subject property's owner's representative.



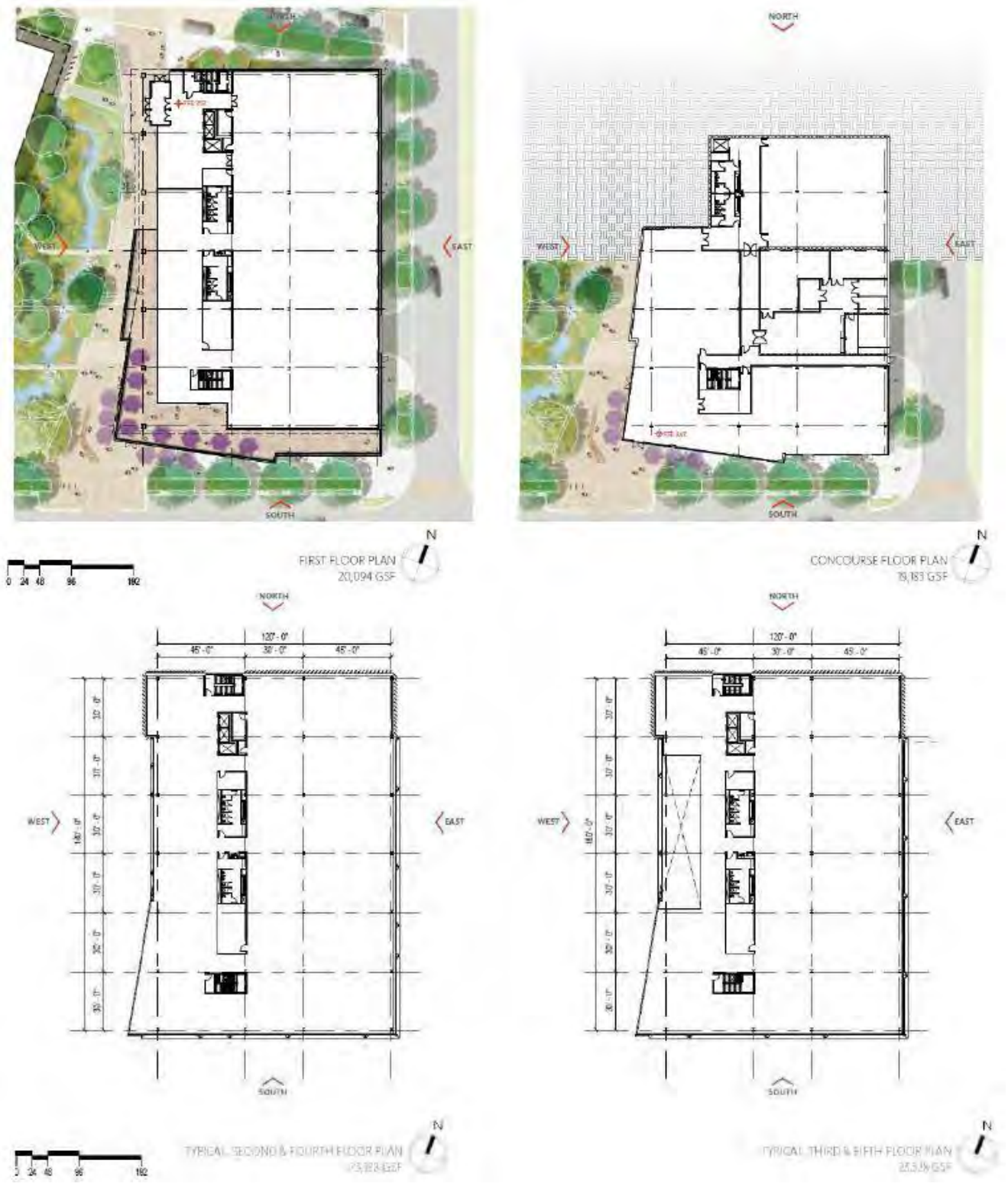
GENERAL DESCRIPTION	TWO MERRIWEATHER
Address/ Parcel Description:	10960 Divided Sky Lane / Project 2OA – Parcel A-2
Year Built:	The office building is scheduled to have shell and core construction completed by August 18, 2017, with common area interior finishes and first tenant occupancy by November 30, 2017.
Building Construction Class:	A
Number of Buildings:	1
Number of Stories:	5
Density / FAR:	2.56 FAR
Gross Building Area:	132,576 square feet (per owner data)
Net Rentable Area:	123,604 square feet (per owner's rent roll)
Average Floorplates:	Upper floor plates will average 23,809 square feet

CONSTRUCTION DETAIL	TWO MERRIWEATHER
Basic Construction:	Steel and masonry
Foundation:	Poured concrete slab
Framing:	Steel frame
Floors:	Concrete poured over a metal deck
Exterior Walls:	Pre-cast glass curtainwall system
Roof Type:	Flat with parapet walls
Roof Cover:	Sealed membrane
Windows:	Thermal windows in aluminum frames
Pedestrian Doors:	Glass, wood and metal
MECHANICAL DETAIL	
Heating and Cooling Systems:	The property will be heated and cooled by an electric, central, forced air system with individual units / floors improved with VAV boxes. The HVAC mechanical systems will be roof mounted in a penthouse.
Plumbing:	The plumbing system is assumed will be adequate for the proposed use and in compliance with local law and building codes.
Electrical Service:	The electrical system is assumed to be adequate for the planned use and in compliance with local law and building codes.
Electrical Metering:	Each tenant will be separately metered.
Elevator Service:	The building will contain 2 passenger elevators, and 1 freight elevator.
Fire Protection:	100 percent sprinklered
Security:	Exterior and interior monitors
LEED:	The owner reports the subject will be constructed to achieve LEED® “Silver” certification through the Leadership in Energy and Environmental Design (LEED) program of the U.S. Green Building Council for its core and shell.

INTERIOR DETAIL	TWO MERRIWEATHER
Layout:	This 5-story building will be demised for multi-tenant occupancy including central core common elevators, staircases, lobby, common area hallways and two restrooms, and mechanical rooms for electrical and telephone equipment. Office buildout will be designed with perimeter offices and interior work areas. The estimated TI allowance for the remaining available office space is forecast to be $70.00 per square foot, which will provide for typical office buildout. Additional tenant improvement allowance will be amortized into the rental rate as needed by the tenant(s). Due to the slope of the site, both the first floor and “concourse level” (basement) will be at-grade with exterior access. The concourse level will constitute a partial floor plate. The first floor, encompassing the entire building foot print, will have at-grade access along the western building elevation fronting the shared Area 1 parking garage. A plaza extending around the part of the southern building elevation and the eastern elevation will create storefront retail spaces with separate exterior access.
Floor Covering:	Carpet and tile
Walls:	Painted drywall
Ceilings:	Acoustical tile
Lighting:	Fluorescent and incandescent
Restrooms:	The property features adequate restrooms for men and women.
SITE IMPROVEMENTS	
Parking:	As previously noted, a freestanding, above-grade masonry parking garage has been completed adjacent to the subject, which contains 1,127 spaces +/-. Two Merriweather will be allocated 458 spaces +/- (3.71/1,000 SF) for tenant use.
Onsite Landscaping:	The site is landscaped with a variety of trees, shrubbery and grass.
Other:	Site improvements include asphalt paved parking areas, curbing, signage, landscaping, yard lighting and drainage.
PERSONAL PROPERTY	
	Personal property was excluded from our valuation.
SUMMARY	
Condition:	Expected excellent upon completion
Quality:	Expected excellent upon completion
Roof & Mechanical Inspections:	The appraisers are not qualified to render an opinion regarding the adequacy or condition of the roof and mechanical systems. The client is urged to retain an expert in this field if detailed information is needed.

Actual Age:	As Is: (new construction); Upon Completion of Public Improvements being funded by the First and Second Issuance: 2 years
Effective Age:	As Is: (new construction); Upon Completion of Public Improvements being funded by the First and Second Issuance: 1 year
Expected Economic Life:	55 years- We relied on Marshall Valuation Services publication to estimate the life expectancy of the subject's improvements, which is used by market participants.
Remaining Economic Life:	As Is: 55 years; Upon Completion of Public Improvements being funded by the First and Second Issuance: 54 years
PHYSICAL DETERIORATION	
Cost to Cure:	The developer recently broke ground on this project. The project will require interior tenant buildout (tenant improvement allowance) to allow for tenant occupancy. A discussion of tenant improvement allowance packages is provided in the Income Capitalization Approach.
FUNCTIONAL OBSOLESCENCE	
Description:	There will be no functional obsolescence at the subject property upon completion.
EXTERNAL OBSOLESCENCE	
Description:	External obsolescence is the adverse effect on value resulting from influences outside the property. External obsolescence may be the result of market softness, proximity to environmental hazards or other undesirable conditions, spikes in construction costs, cost estimates that don't properly reflect changes in the local market, the lack of an adequate labor force, changing land use patterns, or other factors. Based on a review of the location of the subject as well as local market conditions, the subject is not impacted by external obsolescence.
CONSTRUCTION COSTS	A copy of the owner's construction costs through May 31, 2017 is presented in the Addenda – Owner's Reports. The owner reports total project budget costs of $40,941,000, which excludes land acquisition costs (land value) and entrepreneurial profit. The owner reported monies spent to date as of May 31, 2017 totaled $17,050,636.

FLOOR PLANS TWO MERRIWEATHER



Improvements Description – Building 3OA (Proposed)

The following description of improvements is based on our discussions with the subject property's owner's representative and review of property information provided for our review. The site for the proposed Building 3OA is currently vacant land. The following is a rendering of the proposed project.



GENERAL DESCRIPTION	BUILDING 3OA
Parcel Description:	Parcel D-3 (1.670 acres)
Year Built:	The owner plans to break ground as of November 1, 2017 with shell completion of the office/retail space and parking garage by March 31, 2019. Interior buildout of the common area core and anchor tenant space is estimated by July 31, 2019.
Building Construction Class:	A
Number of Buildings:	2
Number of Stories/ Levels:	Office- 12-stories Garage- 9 levels
Density / FAR:	4.73 FAR
Gross Building Area:	Office- 343,233 square feet +/- (per owner data) Garage- 490,000 square feet +/- (per owner data)
Net Rentable Area:	320,811 square feet (per owner's rent roll) – 307,678 square feet of office space, 13,133 square feet of retail space
Average Floorplates:	Upper floor plates will average 26,673 square feet

CONSTRUCTION DETAIL	BUILDING 3OA
Basic Construction:	Steel and masonry
Foundation:	Poured concrete slab
Framing:	Steel frame
Floors:	Concrete poured over a metal deck
Exterior Walls:	Pre-cast glass curtainwall system
Roof Type:	Flat with parapet walls
Roof Cover:	Sealed membrane
Windows:	Thermal windows in aluminum frames
Pedestrian Doors:	Glass, wood and metal
MECHANICAL DETAIL	
Heating and Cooling Systems:	The property will be heated and cooled by an electric, central, forced air system with individual units / floors improved with VAV boxes. The HVAC mechanical systems will be roof mounted in a penthouse.
Plumbing:	The plumbing system is assumed will be adequate for the proposed use and in compliance with local law and building codes.
Electrical Service:	The electrical system is assumed to be adequate for the planned use and in compliance with local law and building codes.
Electrical Metering:	Each tenant will be separately metered.
Elevator Service:	The building will contain 3 passenger elevators, and 1 freight elevator.
Fire Protection:	100 percent sprinklered
Security:	Exterior and interior monitors
LEED:	The owner reports the subject will be constructed to achieve LEED® “Silver” certification through the Leadership in Energy and Environmental Design (LEED) program of the U.S. Green Building Council for its core and shell.

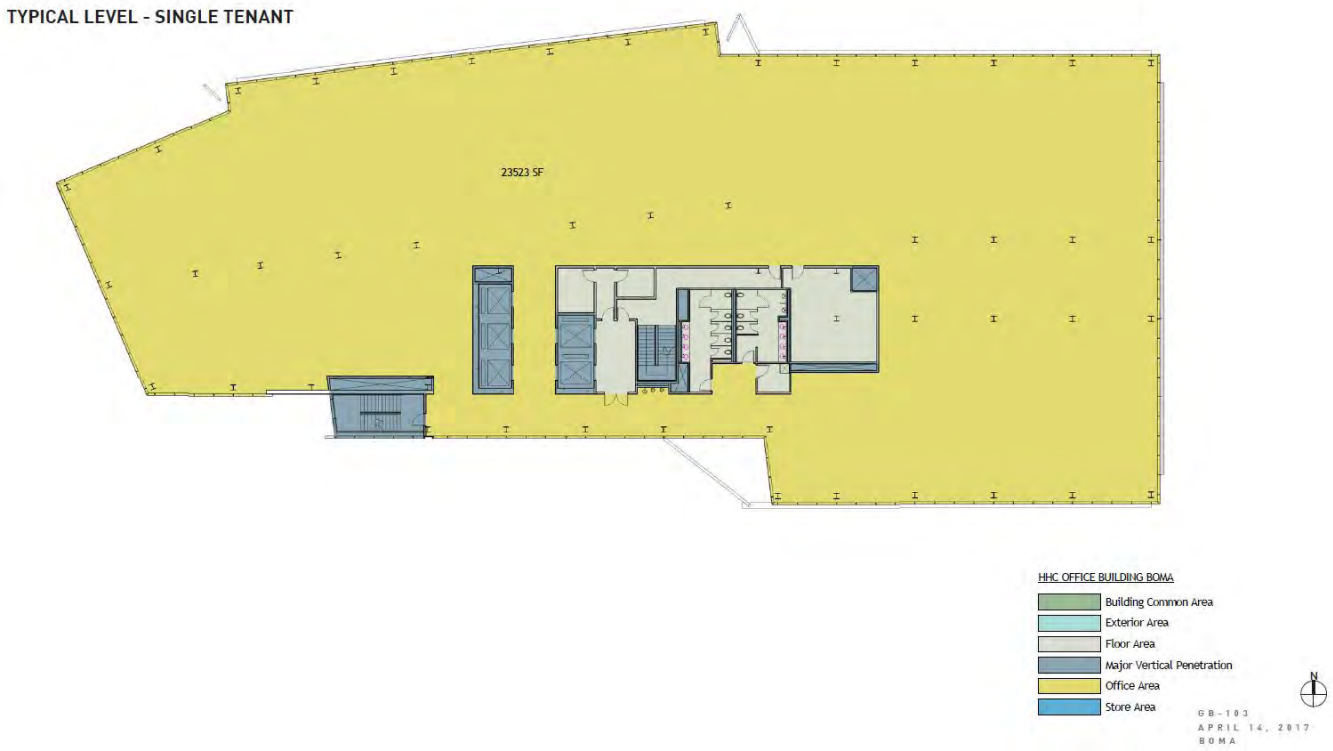
INTERIOR DETAIL	BUILDING 3OA
Layout:	This 12-story building will be demised for multi-tenant occupancy including central core common elevators, staircases, lobby, common area hallways and two restrooms, and mechanical rooms for electrical and telephone equipment. Office buildout will be designed with perimeter offices and interior work areas. The estimated TI allowance for the remaining available office space is forecast to be $70.00 per square foot, which will provide for typical office buildout. Additional tenant improvement allowance will be amortized into the rental rate as needed by the tenant(s). Due to the slope of the site, both the first floor and “concourse level” (lower level) will be at-grade with exterior access. The concourse level will constitute a partial floor plate with exterior access along the western building elevation. The 9-level parking garage will be improved on the south side of site.
Floor Covering:	Carpet and tile
Walls:	Painted drywall
Ceilings:	Acoustical tile
Lighting:	Fluorescent and incandescent
Restrooms:	The property features adequate restrooms for men and women.
SITE IMPROVEMENTS	
Parking:	As previously noted, a freestanding, above-grade masonry parking garage will been completed adjacent to the subject, which will contain1,400 spaces +/-.
Onsite Landscaping:	The site is landscaped with a variety of trees, shrubbery and grass.
Other:	Site improvements include asphalt paved parking areas, curbing, signage, landscaping, yard lighting and drainage.
PERSONAL PROPERTY	
	Personal property was excluded from our valuation.
SUMMARY	
Condition:	Expected excellent upon completion
Quality:	Expected excellent upon completion
Roof & Mechanical Inspections:	The appraisers are not qualified to render an opinion regarding the adequacy or condition of the roof and mechanical systems. The client is urged to retain an expert in this field if detailed information is needed.
Actual Age:	As Is: (new construction); Upon Completion of Public Improvements being funded by the First and Second Issuance: 2 years
Effective Age:	As Is: (new construction); Upon Completion of Public Improvements being funded by the First and Second Issuance: 1 year

Expected Economic Life:	55 years- We relied on Marshall Valuation Services publication to estimate the life expectancy of the subject's improvements, which is used by market participants.
Remaining Economic Life:	As Is: 55 years; Upon Completion of Public Improvements being funded by the First and Second Issuance: 54 years
PHYSICAL DETERIORATION	
Cost to Cure:	The developer plans to break ground in November 2017. The project will require interior tenant buildout (tenant improvement allowance) to allow for tenant occupancy. A discussion of tenant improvement allowance packages is provided in the Income Capitalization Approach.
FUNCTIONAL OBSOLESCENCE	
Description:	There will be no functional obsolescence at the subject property upon completion.
EXTERNAL OBSOLESCENCE	
Description:	External obsolescence is the adverse effect on value resulting from influences outside the property. External obsolescence may be the result of market softness, proximity to environmental hazards or other undesirable conditions, spikes in construction costs, cost estimates that don't properly reflect changes in the local market, the lack of an adequate labor force, changing land use patterns, or other factors. Based on a review of the location of the subject as well as local market conditions, the subject is not impacted by external obsolescence.
CONSTRUCTION COSTS	A copy of the owner's construction budget is presented in the Addenda – Owner Reports. The owner reports total project budget costs of $114,138,000, excluding the parking garage. It should be noted that the parking garage will initially contain +/- 1,333 parking spaces, which will be privately funded, owned and managed. The owner plans to expand the garage to a capacity of +/- 2,000 spaces when the parking demand exceeds supply, which will most likely occur in conjunction with the construction of 3OB, the second office building in Area Three. The parking garage will also be improved with an EMT Station, which will be improved on the first level. The EMT Station will be funded by TIF Bonds.

RENDERING BUILDING 3OA



TYPICAL FLOOR PLAN – BUILDING 3OA



Improvements Description – Building 3MFB (Proposed)

The subject is proposed to be improved with a 382-unit apartment building referred to as Building 3MFB. The subject property contains six different floor plan categories as planned by the owner including studio units, one bedroom (BR) and one bath (BA) units, 2BR/2BA units and 3BR/2BA units. Typical floor plans are presented in the Addenda. The subject's unit mix summary is presented in the following tables.

UNIT MIX				
BR	BA	No. Units	Avg. Unit (SF)	NRA (SF)
0	1.0	42	594	24,960
1	1.0	214	735	157,226
2	2.0	78	1,164	90,799
3	2.0	48	1,391	66,778
Totals/Average:		**382**	**889**	**339,763**

UNIT MIX							
No.	Plan	BR	BA	No. Units	Percent of Total	Unit (SF)	NRA (SF)
1	Studio	0	1.0	42	11%	594	24,960
2	1BR/1BA	1	1.0	190	50%	717	136,148
3	1BR/1BA/Den	1	1.0	24	6%	878	21,078
4	2BR/2BA	2	2.0	78	20%	1,164	90,799
5	3BR/2BA	3	2.0	48	13%	1,391	66,778
TOTAL/AVERAGE				**382**	**100%**	**889**	**339,763**

*All averages are weighted

The following description of improvements is based on our physical inspection of the improvements and our discussions with the subject property's owner's representative.

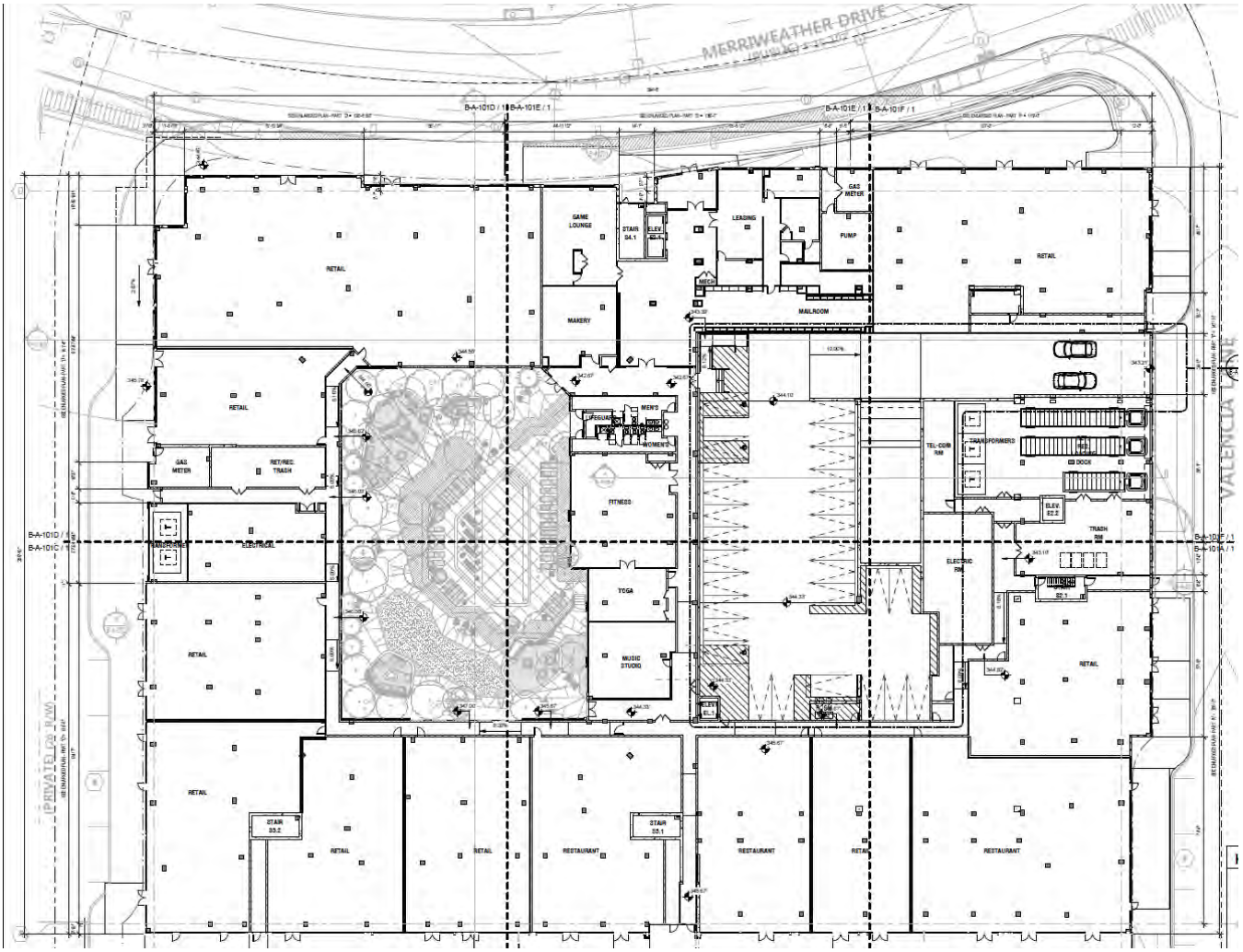
GENERAL DESCRIPTION	
Year Built:	2019
Number of Units:	382
Number of Buildings:	1
Number of Stories:	7
Gross Building Area (GBA):	523,428 square feet (per owner plans) – apartment/ retail space 489,705 square feet (parking garage) – 659 spaces
Net Rentable Area (NRA):	339,763 square feet (apartment) 56,619 square feet (retail) 396,382 square feet (total NRA)

CONSTRUCTION DETAIL	
Basic Construction:	Steel, masonry and wood
Foundation:	Poured concrete slab
Framing:	Structural steel with masonry and concrete encasement
Floors:	Concrete poured over a metal deck
Exterior Walls:	Brick and masonry façade with glass panels
Roof Type:	Flat with parapet walls
Roof Cover:	Sealed membrane
Windows:	Thermal windows in aluminum frames
Pedestrian Doors:	Glass, wood and metal
MECHANICAL DETAIL	
Heat Source:	Electric
Heating System:	Forced Air
Cooling:	The complex will be cooled by roof-mounted package HVAC units. Cooling will be distributed to the apartment units through an integrated duct network with individual controls.
Cooling Equipment:	The cooling equipment is roof mounted.
Plumbing:	The plumbing system is assumed to be adequate for the existing use and in compliance with local law and building codes.
Electrical Metering:	Each unit will be separately metered.
Emergency Power:	The building will be improved with a back-up generator.
Elevator Service:	The building will be served by four passenger elevators.
Fire Protection:	100% sprinklered
Security:	Secured key access
INTERIOR DETAIL	
Layout:	The apartment building will be improved with a secured entrance with a central common area elevator lobby and hallway on each level. The project will be improved with a donut design with perimeter apartment units improved around a central courtyard and parking garage. The design and layout of the unit floor plans are typical in terms of size, layout and functionality in comparison to other apartment projects in the market. Apartment unit floor plans were not provided. A first level floor plan and building elevations are presented at the end of this section.

Floor Covering:	Wall-to-wall carpet in living room and bedrooms, tile in kitchens, bathrooms and foyers
Walls:	Drywall
Ceilings:	Drywall
Lighting:	Fluorescent and incandescent
Restrooms:	Apartment units will be equipped with one or two full bathrooms. The bathrooms will consist of a shower/tub kit with wall-mounted showerhead, toilet, sink, vinyl and ceramic tile floor covering.
AMENITIES	
Project Amenities:	Project amenities will include an interior courtyard with pool, fitness center, Yoga studio, music studio, game lounge, parking and on-site leasing and management office
Unit Amenities:	Unit amenities will include balcony / patio, cable TV, fully equipped kitchens with stainless steel appliances, granite countertops, dishwasher, microwave, washer and dryer, walk-in closets and mini blinds.
SITE IMPROVEMENTS	
Parking:	The subject property will be improved. Surface parking spaces are asphalt-paved and striped, and adequately support the existing users.
Onsite Landscaping:	The site will be landscaped with a variety of trees, shrubbery and grass.
Other:	Site improvements will include masonry curbing, signage, landscaping, yard lighting and drainage.
PERSONAL PROPERTY	
	The subject property will be designed with typical personal property associated with an apartment complex including kitchen appliances and washers and dryers. While we recognize that there are various items of personal property associated with the operation of an apartment complex, buyers in the subject's market do not typically allocate a separate value for these items in their purchase decisions. Therefore, we have not allocated a separate value for these items, but do recognize that they are an integral part of an apartment operation.
SUMMARY	
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.
Roof & Mechanical Inspections:	We did not inspect the roofs nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.

Actual Age:	New construction
Effective Age:	New construction- The subject's improvements (both short and long-lived items) will be of good quality and in excellent condition upon completion. As such, the subject's effective age is anticipated to be in line with its actual age.
Expected Economic Life:	55 years- I relied on Marshall Valuation Services publication to estimate the life expectancy of the subject's improvements.
Remaining Economic Life:	55 years
CAPITAL EXPENDITURES	
Known Costs:	We are not aware of any planned capital expenditures that would have an impact on the subject property.
PHYSICAL DETERIORATION	
Cost to Cure:	A detailed cost breakdown was not provided. The owner estimates total construction costs of $127,919,000, inclusive of $15.8 million for the planned 659 space parking garage.
FUNCTIONAL OBSOLESCENCE	
Description:	There is no apparent functional obsolescence present at the subject property.
EXTERNAL OBSOLESCENCE	
Description	External obsolescence is the adverse effect on value resulting from influences outside the property. External obsolescence may be the result of market softness, proximity to environmental hazards or other undesirable conditions, spikes in construction costs, cost estimates that don't properly reflect changes in the local market, the lack of an adequate labor force, changing land use patterns, or other factors. Based on a review of the location of the subject as well as local market conditions, the subject is not affected by external obsolescence.

BUILDING 3MFB - FIFST FLOOR PLAN



BUILDING 3MFB - ELEVATIONS



Real Property Taxes And Assessments

Real Estate Assessment – As Is

The subject property is located in the taxing jurisdictions of Howard County and the State of Maryland. The Maryland Department of Assessment and Taxation is responsible for real estate assessments throughout the state. Maryland established a triennial assessment system in 1979, which requires all taxable real estate be physically inspected and assessed every three years. There is a phase-in provision that limits the impact of an assessment increase to one-third of the total increase phased-in annually over three years. Decreased assessments are fully reflected in the first year of the three-year assessment cycle. There is no phase-in for new construction.

Assessments are based upon an estimate of ad valorem value referred to as *full cash value*. The state assessor utilizes the three traditional approaches to value: Cost Approach, Sales Comparison Approach and Income Approach. For new construction, assessors typically rely on the Cost Approach based on published cost data for the first three-year cycle. For established income producing properties assessed over $5.0 million, assessors rely on the Income Approach based on financial statements, which property owners are required to provide. Property owners receive an assessment notice once every three years, in December of the year in which the assessor last valued the property. The notice shows the proposed full cash value as of January 1 of the following year. The fiscal tax year runs from July 1 through June 30, with taxes due by September 30. The following table provides property assessment information for each of the subject's parcels (As Is).

PROPERTY ASSESSMENT INFORMATION - PRE-CONSTRUCTION					
Property Address:	**One Merriweather**	**Two Merriweather**	**Area 1 Garage**	**Excess Land**	**Total Property**
Assessor's Parcel Number:	**15-598795**	**15-598796**	**15-598797**	**15-019921**	
Taxing Authority:					Howard County
Current Tax Year (as of analysis start date):					2017
Phase-In Year (as of analysis start date):					Second
Assessment Ratio (% of Assessed Value):					100%
Are taxes current?					Taxes are current
Is there a grievance/appeal underway?					Not to our knowledge
The subject's current assessment is:					Below market levels
The subject's real estate taxes are:					In line with comparables
Date of Last Assessment:					January 2016
Date of Next Assessment:					January 2019
ASSESSMENT INFORMATION					
Last Assessment:	15-598795	15-598796	15-598797	15-019921	January 2016
Land:	$4,164,600	$3,683,200	$4,992,000	$6,792,300	$19,632,100
Improvements:	$53,677,000	$0	$17,208,800	$0	70,885,800
Total Assessment:	$57,841,600	$3,683,200	$22,200,800	$6,792,300	$90,517,900
Percent Change Since Prior Assessment:	22.8	0.0	18.3	0.0	18.6
Base Year Assessment:					January 2013
Land:	$4,164,600	$3,683,200	$4,992,000	$6,792,300	$19,632,100
Improvements:	$42,941,600	$0	$13,767,000	$0	56,708,600
Total Assessment:	$47,106,200	$3,683,200	$18,759,000	$6,792,300	$76,340,700

Compiled by Cushman & Wakefield of Maryland, Inc.

The subject is within the second year of the three-year phase-in period based on the last assessment. According to local assessors, the subject property components will be assessed the quarter following building completion and recorded occupancy permit. One Merriweather and the Area 1 Garage parcels were assessed during the first or second quarter of 2017 with the new tax assessments commencing as of July 1, 2017. Two Merriweather is anticipated to receive occupancy permit by December 1, 2017 and would likely be assessed during the first quarter of 2018. The subject property (each parcel) will be reassessed in January 2019 for the following three-year phase-in period starting July 1, 2019.

The property owner may file an appeal of the new assessment within 45 days after receipt of the assessment notice. The property owner may also appeal the assessment by petition for review in the two years the property is not reviewed during the assessment cycle, as well as upon purchase of the property if the sale occurs between January 1 and June 30. A sale of the subject property between assessment periods does not trigger a reassessment; however, the assessor may consider the recorded sale price at the time of the next assessment.

Real Estate Tax Rate Analysis

The total real estate tax rate is a combination of state, county, and in some cases municipal tax rates. Maryland imposes no restrictions or limitations on real estate tax rates enabling cities and counties to set tax rates at the level required to fund governmental services. Property rates are typically approved annually in April for the next fiscal tax year beginning July 1. The total tax rate for the current fiscal year is $1.3820 per $100 of Assessed Value.

Historical property tax rates for the subject property are presented in the following table:

REAL ESTATE TAX RATE HISTORY						
Property Tax Rates In Effect As Of:	**July-2011**	**July-2012**	**July-2013**	**July-2014**	**July-2015**	**July-2016**
Tax Rate 1 (State of Maryland):	0.1120	0.1120	0.1120	0.1120	0.1120	0.1120
Tax Rate 2 (Howard County):	1.0140	1.0140	1.0140	1.0140	1.0140	1.0140
Tax Rate 3 (Fire-Metropolitan District):	0.1355	0.1760	0.1760	0.1760	0.1760	0.1760
Tax Rate 4 (Ad Valorem- Water/Sewer):	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Total Tax Rate (Per $100 of Assessed Value):	1.3415	1.3820	1.3820	1.3820	1.3820	1.3820

Compiled by Cushman & Wakefield of Maryland, Inc.

In addition, the Columbia Association manages common areas and various public facilities within the greater Columbia area and assesses a fee based on a real estate tax rate of $0.34/$100 of assessed value. The Columbia Association has a 3.5 percent annual cap on the assessment fee. If the property sells, the Columbia Association assessment fee is reset to the current assessment levels.

Current Property Taxes

The subject's current real estate taxes for the combined parcels are presented in the following table:

REAL ESTATE TAXES FORECAST		
Total Property		
Phased-In Assessed Value As Of:	7/1/2017	7/1/2018
Total Taxable Assessment:	$85,792,167	$90,517,900
Tax Rate ($1.3820/$100 Assmt.):	1.38200	1.38200
Total Real Estate Taxes:	$1,185,648	$1,250,957
Columbia Association ($0.34/$100 Assmt.)	$291,693	$307,761
Total Property Taxes:	$1,477,341	$1,558,718

Compiled by Cushman & Wakefield of Maryland, Inc.

The subject's total property taxes for the current fiscal year (July 1, 2017-June 30, 2017) as reflected by the prior table equates to $1,477,341. A majority of this assessment is reflective of the recent assessment of the subject's One Merriweather office building and parking garage.

It should be noted that the indicated real estate taxes estimated for the subject's project components presented in the Income Capitalization Approach vary from the real estate taxes presented in this section due to the analysis start dates varying from the fiscal tax year. Our cash flow estimates account for fiscal year adjustments.

Real Estate Assessment Comparisons – Upon Stabilization

Office Buildings- As noted, the subject's buildings will be reassessed as of the quarter following the completion of construction (approved occupancy permit). According to local assessors, they typically use the Cost Approach initially upon completion based on Marshall & Swift cost data. Later assessments cycles will be based on the Income Approach after there is a stabilized income and expense history, which the owner is required to report to assessment officials as previously noted. To determine appropriate real estate taxes for our analysis, I have examined the actual assessments taxes of comparable properties in the market. Real estate assessment comparables are presented as follows:

REAL ESTATE ASSESSMENT COMPARABLES - (OFFICE BUILDINGS)									
No.	Property Name & Location	Parcel No.	Rentable Area (SF)	Year Built	Stories	Assmt.	Assessment	Assess/SF	Occupancy
1	Maple Lawn Office VIII- 8115 Maple Lawn Blvd.	05-594482	131,257	2016	4	2017	$22,734,400	$173.21	97%
2	Emerson Corporate Center VI- 9025 Sterling Dr.	06-572219	150,000	2014	5	2017	$23,277,400	$155.18	100%
3	Maple Lawn Office VI- 8135 Maple Lawn Blvd.	05-594481	131,257	2013	4	2017	$26,533,600	$202.15	100%
4	Emerson Corporate Center V- 9111 Sterling Dr.	06-572553	150,000	2013	5	2017	$37,668,900	$251.13	100%
5	Maple Lawn Office IV- 8160 Maple Lawn Blvd.	05-443016	99,449	2012	4	2017	$25,129,500	$252.69	100%
STATISTICS									
Low:			99,449	2012	4		$22,734,400	$155.18	97%
High:			150,000	2016	5		$37,668,900	$252.69	100%
Average:			132,393	2014	4		$27,068,760	$206.87	99%

Compiled by Cushman & Wakefield of Maryland, Inc.

The comparable properties reflect assessments ranging from $155.18 to $252.69 per square foot, averaging $206.87 per square foot. The range in assessments is reflective of the physical characteristics of the properties, building tenancy and reported net operating income. In addition, tax comparable data from projects we have appraised are presented in the Income Capitalization Approach (expense comparables).

Forecast Real Estate Taxes and Assessment – One Merriweather

One Merriweather- The subject's recently completed office building was assessed upon completion at $226.28 per square foot ($47,106,200), phasing in to $277.84 per square foot ($57,841,600) as of July 1, 2018. The subject's garage was assessed at $18,759,000, which phases to $22,200,000 as of July 1, 2018. The combined forecast assessment over the remainder of the phase-in cycle is as follows:

ASSESSMENT INFORMATION - (AS IS) One Merriweather & Area 1 Garage				Forecast As Stable
Phased-In Assessed Value As Of:		7/1/2017	7/1/2018	7/1/2019
Total Taxable Assessment:		$69,063,667	$80,042,400	$82,443,672
Tax Rate ($1.3820/$100 Assmt.):		1.38200	1.38200	1.38200
Total Real Estate Taxes:		$954,460	$1,106,186	$1,139,372
Watershed Protection Fee:		$960	$960	$960
Columbia Association ($0.34/$100 Assmt.)		$234,816	$272,144	$280,308
Other Municipal Charges:		$235,776	$273,104	$281,268
Total Property Taxes:		$1,190,236	$1,379,290	$1,420,640
Property Taxes/SF Net Rentable Area:	208,181 SF	$5.72	$6.63	$6.82

Compiled by Cushman & Wakefield of Maryland, Inc.

The Watershed Protection Fee is a tax that went into effect as of July 1, 2013. This tax is based on the property's impervious surface area (parking lots, roads, buildings, etc.) based on aerial photography. The owners are given a partial credit if they have on-site stormwater management facilities. This tax totaled $960 for the current fiscal year of the analysis. The State of Maryland passed legislation in 2015 that did away with the state mandate requiring local jurisdictions assess this fee; however, local jurisdictions are still permitted to assess this fee.

We forecast real estate taxes to escalate by 3.0 percent after the current phase-in period. This increase accounts for potential assessment or tax rate increases during the remainder the analysis period. The impact of any future assessment increases would be mitigated due to the three-year phase-in period. In addition, market lease terms, and the subject's in-place office lease, provide for reimbursement of real estate tax increases by office tenants over the base year of occupancy (full service lease structure), and a pro rata share reimbursement for retail tenants (net rental basis). Accordingly, any future real estate tax increases would be mostly borne by the tenants. According to market participants surveyed, they consider risks of potential future tax increases over the holding period in their selection of investment rates (overall capitalization rate and IRR). We also considered the risks associated with the assessment of the subject upon completion and upon stabilization in the selection of an overall capitalization rate and internal rate of return as discussed in the Income Capitalization Approach presented later in this report.

Forecast Real Estate Taxes and Assessment – Two Merriweather

ASSESSMENT & TAXES FORECAST - MARYLAND TRIENNIAL PHASE-IN						
Forecast Assessment and Taxes Upon Completion and Stabilization - Two Merriweather						
Phased-In Assessed Value As Of:		7/1/2017	7/1/2018	7/1/2019	7/1/2020	7/1/2021
Total Taxable Assessment:		$27,810,900	$27,810,900	$29,870,967	$31,931,033	$33,991,100
Tax Rate ($1.3820/$100 Assmt.):		1.38200	1.38200	1.38200	1.38200	1.38200
Total Real Estate Taxes:		$384,347	$384,347	$412,817	$441,287	$469,757
Columbia Association ($0.34/$100 Assmt.)		$94,557	$94,557	$101,561	$108,566	$115,570
Total Property Taxes:		$478,904	$478,904	$514,378	$549,852	$585,327
Property Taxes/SF Net Rentable Area:	123,604 SF	$3.87	$3.87	$4.16	$4.45	$4.74

New assessment by (7/2018) for remainder of 3-year cycle. New Assessment 1/1/2019 for 3 year cycle beginning 7/1/2019
Analysis assumes pro rata share of parking assessment and no consideration of potential tax credits

Two Merriweather – The table above reflects a forecast of the subject's assessment and taxes upon completion during the fiscal tax year (July 1, 2017 – June 30, 2018), and subsequent fiscal tax years based on review of comparable assessment data and discussions with the local assessment office. The subject property will be in the second year of the triennial assessment cycle upon completion and will be reassessed as of January 1, 2019 for the following three year cycle beginning July 1, 2019. Based on our analysis, the estimated assessment upon completion will be $225/SF, or $27,810,900 upon completion. The assessment as of January 1, 2019 is forecast to be $275/SF, or $33,991,100, which will be phased-in over the three year cycle from July 1, 2019 through June 30, 2022. We considered the recent assessment of One Merriweather in estimating Two Merriweather's assessment.

It is assumed taxes will increase by 3.0 percent per annum over the analysis period after the next assessment cycle beginning July 1, 2022. This increase accounts for potential assessment or tax rate increases during the remainder the analysis period. As previously noted, market lease terms, and the subject's in-place office lease, provide for reimbursement of real estate tax increases by office tenants over the base year of occupancy (full service lease structure), and a pro rata share reimbursement for retail tenants (net rental basis). Accordingly, any future real estate tax increases would be mostly borne by the tenants.

Forecast Real Estate Taxes and Assessment – Building 3OA

ASSESSMENT - FORECAST- BUILDING 3OA			
Property Address:	**Building 3OA**	**Parking Garage**	**Total Property**
ASSESSMENT INFORMATION			
Forecast Assessment as of:			July 2022
Total Assessment:	$88,898,425	$28,000,000	$116,898,425
Base Year Assessment Upon Completion:			July 2019
Total Assessment:	$72,735,075	$27,580,000	$100,315,075

Compiled by Cushman & Wakefield of Maryland, Inc.

Building 3OA – Our assessment estimate for Building 3OA upon completion is $225 per square foot for the subject's office component, escalating to $275 per square foot upon stabilization, and $19,700 per parking space for the subject's garage/ EMT facility upon completion, escalating to $20,000 per square space at the end of the three year phase-in period. The forecast assessment and taxes over the current phase-in period upon completion and upon stabilization is presented below for the entire project.

FORECAST ASSESSMENT AND TAXES BUILDING 3OA						
Phased-In Assessed Value As Of:		7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
Total Taxable Assessment:		$100,315,075	$105,842,858	$111,370,642	$116,898,425	$120,405,378
Tax Rate ($1.3820/$100 Assmt.):		1.38200	1.38200	1.38200	1.38200	1.38200
Total Real Estate Taxes:		$1,386,354	$1,462,748	$1,539,142	$1,615,536	$1,664,002
Columbia Association ($0.34/$100 Assmt.)		$341,071	$359,866	$378,660	$397,455	$409,378
Total Property Taxes:		$1,727,426	$1,822,614	$1,917,802	$2,012,991	$2,073,381
Property Taxes/SF Net Rentable Area:	323,267 SF	$5.34	$5.64	$5.93	$6.23	$6.41

Compiled by Cushman & Wakefield of Maryland, Inc.

Forecast Real Estate Taxes and Assessment – Building 3MFB

Apartment Properties- To determine a reasonable assessed value for the subject's proposed Building 3MFB, we have examined the actual assessments of similar properties in the market. They are illustrated in the following table:

REAL ESTATE ASSESSMENT COMPARABLES - APARTMENTS						
No.	**Property Name**	**Year Built**	**Units**	**Assessment Year**	**Assessment**	**Assess/Unit**
1	Columbia Town Center	2001	531	2016	$83,520,000	$157,288
2	The Villas At Dorsey Ridge	2012	238	2017	$51,098,700	$214,700
3	Flats170 At Academy Yard	2001	531	2017	$81,729,500	$153,916
4	The 615 At Odenton Gateway	2015	380	2017	$60,225,800	$158,489
5	The Residences at Arundel Preserve	2011	242	2017	$51,209,400	$211,609
6	Paragon At Columbia Overlook	2014	320	2015	$47,499,900	$148,437
STATISTICS						
Low:		2001	238		$47,499,900	$148,437
High:		2015	531		$83,520,000	$214,700
Average:		2009	374		$62,547,217	$174,073

Compiled by Cushman & Wakefield of Maryland, Inc.

The comparable properties reflect assessments ranging from $148,437 to $214,700 per unit, $174,073 per unit. Additional real estate tax comparable data from projects we have appraised is presented in the Income Capitalization Approach.

Based on our analysis, we reflected an initial assessed from at the top end of the range for the subject's Building 3MBF total of $215,000 per unit ($82,130,000), escalating by 3.0 percent over the analysis period as reflected by the exhibit below. The rate is reflective of the subject's high percentage of retail space and new construction. Risks of future real estate assessment and tax increases were reflected within the selection of the overall capitalization rate presented later in the Income Capitalization Approach.

ASSESSMENT INFORMATION - FORECAST UPON COMPLETION			
Subject- (APN-04-883-90232635)			
Phased-In Assessed Value As Of:	7/1/2019	7/1/2020	7/1/2021
Total Taxable Assessment:	$82,130,000	$84,593,900	$87,131,717
Tax Rate ($1.3820/$100 Assmt.):	1.38200	1.38200	1.38200
Total Real Estate Taxes:	$1,135,037	$1,169,088	$1,204,160
Columbia Association ($0.34/$100 Assmt.)	$279,242	$287,619	$296,248
Total Property Taxes:	$1,414,279	$1,456,707	$1,500,408
Property Taxes/Unit: 382 Units	$3,702	$3,813	$3,928

Compiled by Cushman & Wakefield of Maryland, Inc.

Tax Credits

Per the scope of this assignment as agreed by the Client, an analysis of potential future tax credits that may be available for future project components was not included in our analysis.

Zoning

General Information

The property is zoned N-T (New Town) by Howard County and is also subject to applicable provisions with the Downtown Columbia Plan, as approved in 2010 and as an amendment to the Howard County General Plan approved in 2013. A summary of the subject's zoning is provided in the following table:

ZONING	
Municipality Governing Zoning:	Howard County
Current Zoning:	N-T (New Town)
Planning District Overlay:	Downtown Columbia Plan
Current Uses:	Mixed-Use Development
Are current uses permitted:	Yes
Proposed Uses:	Mixed-Use Development (office, retail, apartments
Is proposed use permitted:	Yes
Change In Zone Likely:	No
Zoning Change Applied For:	No
Zoning Variance Applied For:	No
Permitted Uses:	Permitted uses within this district include office, retail, hotel, restaurant, entertainment, multi-family residential, cultural and community facility uses and other commercial and residential uses.

ZONING REQUIREMENTS	CODE	SUBJECT COMPLIANCE
Minimum Lot Area:	10,000 square feet	Complying
Maximum Building Height:	50 feet except that additional height can be approved with a site development plan	Complying
Maximum Floor Area Ratio (FAR):	Not specified	Not Applicable
Maximum Lot Coverage (% of lot area):	Not specified	Not Applicable
Minimum Yard Setbacks		
Front (feet):	25 feet from the right-of-way of any street or road	Complying
Rear (feet):	None specified	Not Applicable
Side (feet):	None specified	Not Applicable
From Residential District (feet):	100	Complying
Required On-Site Parking:	Varies by use and development plan	Complying

Compiled by Cushman & Wakefield of Maryland, Inc.

Zoning Compliance

Property value is affected by whether or not an existing or proposed improvement complies with zoning regulations, as discussed below.

Complying Uses

An existing or proposed use that complies with zoning regulations implies that there is no legal risk and that the existing improvements could be replaced "as-of-right."

Pre-Existing, Non-Complying Uses

In many areas, existing buildings pre-date the current zoning regulations. When this is the case, it is possible for an existing building that represents a non-complying use to still be considered a legal use of the property. Whether

or not the rights of continued use of the building exist depends on local laws. Local laws will also determine if the existing building may be replicated in the event of loss or damage.

Non-Complying Uses

A proposed non-complying use to an existing building might remain legal via variance or special use permit. When appraising a property that has such a non-complying use, it is important to understand the local laws governing this use.

Other Restrictions

The research required to determine whether or not deed restrictions, private or public, exist is beyond the scope of this appraisal assignment. We recommend a title examination by an attorney or title company be completed to determine if any such restrictions exist.

Based on data provided by the owner, we are advised that the new development within Area 1 is subject to a Declaration of Reciprocal Easement agreement. The document specifies cross easement agreements between the subject's improvements within Area 1 including use of the parking garage, private roadways and other common areas. For purposes of this analysis, we have assumed each project component within Area 1 will be provided adequate parking and access to support future prospective tenancy as discussed in this report.

As will be discussed, based on information provided by the owner, we have attributed potential transient parking revenue generated from Merriweather Post Pavilion events to Merriweather One for analysis purposes.

Zoning Conclusions

We analyzed the zoning requirements in relation to the subject property, and considered the compliance of the existing or proposed use. We are not experts in the interpretation of complex zoning ordinances but based on our review of public information, the subject's uses under construction and proposed for future development as discussed in this report are complying uses.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our study correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence.

We note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

Valuation

Highest and Best Use

Highest and Best Use Definition

The Dictionary of Real Estate Appraisal, Sixth Edition (2015), a publication of the Appraisal Institute, defines the highest and best use as:

> The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

To determine the highest and best use we typically evaluate the subject site under two scenarios: as though vacant land and as presently improved. In both cases, the property's highest and best use must meet the four criteria described above.

Highest and Best Use of Site as though Vacant

Legally Permissible

The zoning regulations in effect at the time of the appraisal determine the legal permissibility of a potential use of the subject site. As described in the Zoning section, the subject site is zoned N-T (New Town) by Howard County. Permitted uses within this district include office, retail, hotel, restaurant, entertainment, multi-family residential, cultural and community facility uses and other commercial and residential uses. We are not aware of any further legal restrictions that limit the potential uses of the subject. In addition, rezoning of the site is not likely due to the character of the area.

Physically Possible

The physical possibility of a use is dictated by the size, shape, topography, availability of utilities, and any other physical aspects of the site. The subject site contains 65.28 acres, or 2,843,633 square feet. The site is crescent shaped and gently rolling. The overall utility of the site is considered to be good. All public utilities are available to the site including public water and sewer, electric and telephone. Overall, the site is considered adequate to accommodate most permitted development possibilities.

Financially Feasible and Maximally Productive

In order to be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site, and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use.

The Baltimore regional office, retail and apartment markets have exhibited signs of improving market fundamentals. There has been limited speculative development within the subject's market as lenders have typically required pre-leasing prior to obtaining construction financing. Nonetheless, recently delivered speculative buildings within the region have generated strong leasing demand and recently achieved stabilized occupancies at market rental rates. Market participants report office and retail tenants are interested in the subject's project as evidenced by pre-leasing activity as will be discussed. Given the demonstrated demand for office and retail space within the market, it appears development is financial feasible.

Recently delivered apartment projects in the region are absorbing at an average rate of 10 to 20 units per month. The most recently delivered project within the subject's immediate market, The Metropolitan, reflected an average absorption of 15 units per month over the lease-up period. In addition, existing stabilized apartment complexes within the subject's immediate market reflect limited rent concessions being offered for stabilized properties. Given the demonstrated demand for competitive apartments, the current stabilized vacancy level and construction activity in the region; it appears that apartment development is feasible.

Conclusion

We considered the legal issues related to zoning and legal restrictions. We also analyzed the physical characteristics of the site to determine what legal uses would be possible, and considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site as though vacant is for development with a mixed-use development including office, retail, hotel, apartments and parking, built to the highest density possible when economic conditions justify speculative development or if substantial pre-leasing occurs. The highest and best use conclusion assumes public improvements are adequately funded to support the proposed development. We considered the costs associated with development of parking garages by the developer to support the proposed development.

Highest and Best Use of Property as Improved

The Dictionary of Real Estate Appraisal defines highest and best use of the property as improved as:

> The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

In analyzing the Highest and Best Use of a property as improved, it is recognized that the improvements should continue to be used until it is financially advantageous to alter physical elements of the structure or to demolish it and build a new one.

Legally Permissible

As described in the Zoning Analysis section of this report, the subject site is zoned N-T (New Town). The site is currently improved with a 9-story parking garage, which will support two office buildings currently under construction totaling 348,762 square feet +/- of gross building area. In the Zoning section of this appraisal, we determined that the existing and planned improvements represent complying uses. We also determined that the existing uses are a permitted use in this zone.

Physically Possible

The subject's improvements will represent new construction upon completion. We know of no current or pending municipal actions or covenants that would require a change to the current improvements completed to date.

Financially Feasible and Maximally Productive

In our opinion, the completed improvements contribute significantly to the value of the site as will be demonstrated by the value opinions for each project component presented in this report. It is likely that no alternate use would result in a higher return.

Conclusion

It is our opinion that the existing improvements add value to the site as though vacant, dictating a continuation of its current use. In addition, the leases encumbering the subject property support a continuation of the current use. It is our opinion that the Highest and Best Use of the subject property as improved is an office use with ground level retail and supporting parking as is currently under construction, with future prospective development of the excess land for mixed-use development including office, retail, hotel, apartments and parking, built to the highest density possible when economic conditions justify speculative development or if substantial pre-leasing occurs.

Most Likely Buyer

Based on the physical and economic characteristics of the subject property, the most likely buyer would be an institutional investor, real estate developer or investment group as evidenced by the current ownership. Market participants would rely on the income approach to value the subject's office components under construction and sales comparison approach for the subject's excess land.

Exposure Time and Marketing Time

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time and marketing time for the subject property at the value concluded within this report would have been approximately nine (9) months. This assumes an active and professional marketing plan would have been employed by the current owner.

Valuation Process

Methodology

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. We considered each in this appraisal to develop an opinion of the market value of the subject property. We discuss each approach below and conclude with a summary of their applicability to the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the Highest and Best Use of the land; or when relatively unique or specialized improvements are located on the site for which there are few improved sales or leases of comparable properties.

In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciating them to reflect any value loss from physical, functional and external causes. Land value, entrepreneurial profit and depreciated improvement costs are then added, resulting in an opinion of value for the subject property.

Sales Comparison Approach

In the Sales Comparison Approach, sales of comparable properties are adjusted for differences to estimate a value for the subject property. A unit of comparison such as price per square foot of building area or effective gross income multiplier is typically used to value the property. When developing an opinion of land value the analysis is based on recent sales of sites of comparable zoning and utility, and the typical units of comparison are price per square foot of land, price per acre, price per unit, or price per square foot of potential building area. In each case, adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive an opinion of value for the subject property.

Income Capitalization Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization. Related to the Direct Capitalization Method is the Yield Capitalization Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

Summary

This appraisal employs all three typical approaches to value: the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that all approaches should be considered meaningful and applicable in developing a credible value conclusion.

Land Valuation

Introduction

The Sales Comparison Approach was used to develop an opinion of land value for the subject's project components including office/retail project components, apartment/retail and hotel. We examined current offerings and analyzed prices buyers have recently paid for comparable sites. If the comparable was superior to the subject, a downward adjustment was made to the comparable sale. If inferior, an upward adjustment was made. The major elements of comparison used to value the subject site include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its utility and the physical characteristics of the property. The comparables and our analysis are presented on the following pages. Comparable land sale data sheets are presented in the Addenda of this report. The comparables presented are the best available sales data we have confirmed within the region.

In valuing the excess land, we considered the sale of the entire parcel to a single developer that allows for site development cost efficiencies and synergies in the planning and development process as evidenced by the current ownership.

Ground level retail space and supporting parking facilities are typical for comparable mixed-use projects in high-density locations within the region. Adjustments for street-level retail density and development costs due to structured parking versus surface parking were considered.

The following land valuation analysis assumes necessary public improvements required to support the proposed project, including public roadways, public parking, etc. will be completed as previously discussed. Per the client's request, we provide an As-Is market value opinion, which excludes tax increment financing (TIF) to fund the planned public improvements for the proposed development on the subject's excess land. The As Is Value opinion assumes the developer would fund the costs of the public improvements required to support the proposed development. In the following Land Valuation sections, we assume for each project component that the public improvements have been completed to support the proposed development. We make an adjustment at the end of this section in estimating the aggregate As Is Value of the subject's Excess Land, which includes a deduction for the remaining costs to complete the planned public improvements.

Office/Retail- The most widely used and market-oriented unit of comparison for properties with characteristics similar to those of the subject's office and retail project components is price per square foot of potential gross building area, also referred to by market participants as price per square foot of allowable floor area ratio (FAR). For analysis purposes, we have separately valued the subject's finished office/retail land in Area 1 that has been subdivided and is currently being developed with two office buildings and a parking garage. We separately value the unfinished excess land within the Crescent Special Taxing District that has been approved for office/retail development. We assume each project component can be legally subdivided without any undue cost or delay, and will be fully entitled to the highest density permitted for the planned uses as described in this report. Per the client's request for analysis purposes, we allocated land value for the subject's Building 3OA, which is currently unimproved excess land.

The following table provides a summary of the subject's office/retail land components of the project.

COMMERCIAL OFFICE/RETAIL - EXCESS / UNFINISHED LAND						
Parcel Description	Assessor Parcel Number	Land Area Sq. Ft.	Land Area Acres	Office Sq. Ft. GBA	Retail Sq. Ft. GBA	Total Building Sq. Ft. GBA
Area 1- Project 1OC	15-019921	86,684	1.990	310,000	12,800	322,800
Area 2- Project 2OA	15-019921	59,376	1.363	284,000	5,000	289,000
Area 2- Project 2OB	15-019921	59,376	1.363	279,000	10,000	289,000
Area 2- Project 2OC	15-019921	61,780	1.418	285,699	15,000	300,699
Area 3- Project 3OB	15-019921	64,904	1.490	350,000	19,570	369,570
Area 3- Project 3RE	15-019921	71,874	1.650	-	27,760	27,760
Area 3- Project 3OC	15-019921	89,298	2.050	375,000	15,760	390,760
Project 4OA	15-019921	90,169	2.070	175,000	7,000	182,000
Excess/ Unfinished Land (Excl. 3OA):		**583,462**	**13.394**	**2,058,699**	**112,890**	**2,171,589**
Area 3- Project 3OA	15-019921	72,745	1.670	325,197	15,036	340,233
Total Excess/ Unfinished Land		**656,207**	**15.064**	**2,383,896**	**127,926**	**2,511,822**
COMMERCIAL OFFICE/RETAIL FINISHED LAND						
Project 1OA: One Merriweather	15-598795	57,843	1.328	208,034	9,749	217,783
Project 1OB: Two Merriweather	15-598796	51,157	1.174	102,993	29,583	132,576
Total Finished Land (Area 1):		**109,000**	**2.502**	**311,027**	**39,332**	**350,359**

Apartments/Retail- The most widely used and market-oriented unit of comparison for properties with characteristics similar to those of the subject is the price per apartment unit. We used the subject's proposed unit density for each proposed apartment component of the project in determining the attributable land value. It is assumed each proposed apartment site within the project will be subdivided and fully entitled to the highest unit density permitted. Again, retail density and development costs related to structured parking were considered. In addition, 151 of the subject's proposed 1,387 apartments units (10.9 percent) will be designated for affordable housing units, which we considered in the analysis. Per the client's request, for analysis purposes we allocated land to the subject's proposed Building 3MFB parcel, which is currently vacant, unimproved excess land.

Hotel- We used the Sales Comparison Approach to develop an opinion of land value for the hotel development planned. The most widely used and market-oriented unit of comparison for properties with characteristics similar to those of the subject is price per planned hotel room. All transactions used in this analysis are based on the most appropriate method used in the local market. Given the lack of recent comparable land sales planned for hotel development, we also have provided an analysis using the Ground Lease Approach, which is discussed later in this section.

Per the Client's request for analysis purposes, an allocation of land value for each project component and an aggregate of land value for the entire project are presented at the end of this section. The fee simple land valuation analysis for the subject's office/retail, apartment/retail and hotel/retail project components is presented in the following sections, respectively.

Office/Retail Land Valuation

The comparables and our analysis of the subject's office/retail land is presented on the following pages. We utilized the same land sales for the subject's finished office/retail parcels and unfinished excess land area. Separate adjustment grids for each are presented on the following pages, followed by our analysis.

SUMMARY OF LAND SALES - COMMERCIAL OFFICE/RETAIL LAND

PROPERTY INFORMATION								TRANSACTION INFORMATION			
No.	Location	Size (Acres)	FAR	Potential Building Area	Proposed Use	Grantor	Grantee	Sale Date	Sale Price	$/SF Build.	COMMENTS
1	JHU Applied Physics Land Parcel 10905 Johns Hopkins Road, Fulton, MD	54.11	0.35	825,000	Mixed Use	Mildred B Price Family Living Trust	Johns Hopkins University	3/15	$25,000,000	$30.30	This was the sale of a 54-acre parcel of land located at the southwest quadrant of Johns Hopkins Road and Old Columbia Road, within the Fulton area of Howard County. The property is located southwest of the interchange of U.S. Route 29 and Johns Hopkins Road within the Baltimore-Washington Corridor. Johns Hopkins University acquired the site for future expansion of its Applied Physics Laboratory campus. The buyer confirmed they plan to hold the property for at least 5 years before considering development to expand their campus, which is located directly adjacent to the property. The university had heard that the seller received unsolicited offers for the land and decided to approach the seller. The property was not listed on the market at the time of sale, but the sale price was market-oriented according to market participants. The site was partially cleared for farming use and was improved with a small house, which offered no contributory value. The site is zoned RR-MXD-3, which allows for mixed use development up to an FAR of 0.35, or about 825,000 square feet of potential gross building area.
2	Columbia Gateway Parcel 7005 Columbia Gateway Drive, Columbia, MD	4.50	0.36	70,000	Office	Merkle, Inc.	Corporate Office Properties Trust	6/14	$3,000,000	$42.86	This was the sale of a finished parcel of land located within the Columbia Gateway business park, centrally located within the Baltimore-Washington Corridor. The site was excess land that the seller had previously acquired as part of their build-to-suit office/data center located adjacent to the property. The seller had approvals to expand their facility on this site with up to 70,000 square feet. The buyer, COPT, owns adjacent office properties within Columbia Gateway including low-rise and mid-rise office buildings.
3	Harbor Point Parcel 1000 Wills Street, Baltimore, MD	1.74	8.37	636,121	Mixed Use	Honeywell International, Inc.	Beatty Development Group, LLC	4/14	$23,525,000	$36.98	This is the land acquisition costs associated with development of a mixed-use development within the Harbor Point planned unit development located along the Inner Harbor in downtown Baltimore City. The site was approved at the time of sale for development of a mixed-use 21-story tower, which will include 477,182 square feet of office space, 38,497 square feet of retail space, 103 apartment units (120,442 square feet) and a 750 space parking garage.
4	Annapolis Junction Business Park 8201 Dorsey Run Road, Annapolis Junction, MD	5.82	0.51	129,000	Office	Konterra Limited Partnership	Boston Properties/ Konterra Realty JV	4/14	$5,379,562	$41.70	This was the sale of a finished parcel of land located within the Annapolis Junction Business Park, which is centrally located within the Baltimore-Washington Corridor. The business park is located at the southwest quadrant of MD Routes 32 and 295 and is within three miles of Fort Meade and NSA. The buyer, a joint venture of Boston Properties and Konterra Realty, acquired the finished site for development of a +/-129,000 square foot, four-story office building. Konterra and BP already delivered three office/R&D buildings within the business park, which are well-leased to government defense and security contractors affiliated with the NSA complex and Fort Meade.
5	Emerson Corporate Commons North 9601 Eternal Rings Drive, Laurel, MD	58.27	0.22	567,600	Office	Howard Research and Development Corporation	Knott Realty Group	1/14	$18,200,000	$32.06	This was the sale of about 58 acres of land within the Emerson Corporate Commons development located north of MD Route 216 at the southwest quadrant of Gorman Road and Stephens Road in Laurel, in two separate transactions totaling $13 million. The two contiguous land parcels had entitlements in place for development of up to four office buildings totaling 567,600 square feet of building area. The developer indicated the land could potential yield additional FAR with a mix of office and retail uses; however, a precise plan had not been drafted or submitted for preliminary approvals at the time of sale. The indicated FAR is reflective of planned secured office space for federal government-related tenancy (GSA). The parcels were partially cleared and graded at the time of sale. Although the recorded purchase price was $13 million, the buyer anticipated spending $5.2 million in site development costs to extend public utilities and roads to the project, as well as other costs including site engineering, grading and fill. The buyer previously acquired the remaining land parcels within the Emerson development and developed multiple mid-rise office buildings. These two remaining parcels have direct frontage and visibility along Interstate 95. Approximately 9.524 acres of the land will be reserved for open space and 2.105 acres will be dedicated for public roads.
6	Annapolis Junction Business Park 8197 Dorsey Run Road, Annapolis Junction, MD	13.55	0.25	150,000	Office	Konterra Limited Partnership	Boston Properties	11/12	$5,379,562	$35.86	This was the sale of a finished parcel of land located within the Annapolis Junction Business Park, which is centrally located within the Baltimore-Washington Corridor. The business park is located at the southwest quadrant of MD Routes 32 and 295 and is within three miles of Fort Meade and NSA. The property sold with entitlements in place to develop a 4-story, 150,000 square foot office building.
STATISTICS											
Low		1.74	0.22	70,000				11/12	$3,000,000	$30.30	
High		58.27	8.37	825,000				3/15	$25,000,000	$42.86	
Average		23.00	1.68	396,287				2/14	$13,414,021	$36.63	

Compiled by Cushman & Wakefield of Maryland, Inc.

LAND SALE ADJUSTMENT GRID - (COMMERCIAL OFFICE/RETAIL LAND - AREA 1 - FINISHED LAND)

		Economic Adjustments (Cumulative)					Property Characteristic Adjustments (Additive)									
No.	Price PSF of Building	Property Rights Conveyed	Conditions of Sale	Financing	Market(1) Conditions	PSF of Building Subtotal	Location	Size / Density	Public Utilities	Utility(2)	Site Condition/ Development Costs	Zoning/ Entitlement Status	Retail Density	Other	Adj. Price PSF of Building	Overall
1	**$30.30**	Fee Simple	Arm's-Length	None	Inferior	**$32.45**	Similar	Larger	Inferior	Similar	Similar	Inferior	Inferior	Similar	**$40.57**	Inferior
	3/15	0.0%	0.0%	0.0%	7.1%	7.1%	0.0%	10.0%	5.0%	0.0%	0.0%	5.0%	5.0%	0.0%	25.0%	
2	**$42.86**	Fee Simple	Arm's-Length	None	Inferior	**$46.89**	Similar	Smaller	Similar	Similar	Similar	Similar	Similar	Similar	**$42.20**	Superior
	6/14	0.0%	0.0%	0.0%	9.4%	9.4%	0.0%	-10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-10.0%	
3	**$36.98**	Fee Simple	Arm's-Length	None	Inferior	**$40.68**	Superior	Larger	Similar	Similar	Inferior	Similar	Superior	Similar	**$38.65**	Superior
	4/14	0.0%	0.0%	0.0%	10.0%	10.0%	-10.0%	10.0%	0.0%	0.0%	5.0%	0.0%	-10.0%	0.0%	-5.0%	
4	**$41.70**	Fee Simple	Arm's-Length	None	Inferior	**$45.87**	Similar	Smaller	Similar	Similar	Similar	Similar	Similar	Similar	**$41.29**	Superior
	4/14	0.0%	0.0%	0.0%	10.0%	10.0%	0.0%	-10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-10.0%	
5	**$32.06**	Fee Simple	Arm's-Length	None	Inferior	**$35.53**	Similar	Larger	Similar	Similar	Similar	Similar	Similar	Similar	**$39.08**	Inferior
	1/14	0.0%	0.0%	0.0%	10.8%	10.8%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	
6	**$35.86**	Fee Simple	Arm's-Length	None	Inferior	**$41.14**	Similar	Similar	Similar	Similar	Similar	Similar	Inferior	Similar	**$43.19**	Inferior
	11/12	0.0%	0.0%	0.0%	14.7%	14.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%	5.0%	
	$30.30	**- Low**												**Low -**	**$38.65**	
	$42.86	**- High**												**High -**	**$43.19**	
	$36.63	**- Average**												**Average -**	**$40.83**	

Compiled by Cushman & Wakefield of Maryland, Inc.

(1) Market Conditions Adjustment Footnote

Compound annual change in market conditions: 3.00%
Date of Value (for adjustment calculations): 6/20/17

(2) Utility Footnote

Utility includes shape, access, frontage, visibility, amenities.

LAND SALE ADJUSTMENT GRID - (EXCESS LAND - COMMERCIAL OFFICE/RETAIL - UNFINISHED LAND)

		Economic Adjustments (Cumulative)					Property Characteristic Adjustments (Additive)									
No.	Price PSF of Building	Property Rights Conveyed	Conditions of Sale	Financing	Market(1) Conditions	PSF of Building Subtotal	Location	Size/ Density	Public Utilities	Utility(2)	Site Condition/ Development Costs	Zoning/ Entitlement Status	Retail Density	Other	Adj. Price PSF of Building	Overall
1	**$30.30**	Fee Simple	Arm's-Length	None	Inferior	**$32.45**	Similar	Smaller	Similar	Similar	Similar	Inferior	Similar	Similar	**$30.83**	Superior
	3/15	0.0%	0.0%	0.0%	7.1%	7.1%	0.0%	-10.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	-5.0%	
2	**$42.86**	Fee Simple	Arm's-Length	None	Inferior	**$46.89**	Similar	Smaller	Superior	Similar	Superior	Similar	Inferior	Similar	**$32.82**	Superior
	6/14	0.0%	0.0%	0.0%	9.4%	9.4%	0.0%	-20.0%	-5.0%	0.0%	-10.0%	0.0%	5.0%	0.0%	-30.0%	
3	**$36.98**	Fee Simple	Arm's-Length	None	Inferior	**$40.68**	Superior	Smaller	Superior	Similar	Inferior	Similar	Superior	Similar	**$30.51**	Superior
	4/14	0.0%	0.0%	0.0%	10.0%	10.0%	-10.0%	-10.0%	-5.0%	0.0%	10.0%	0.0%	-10.0%	0.0%	-25.0%	
4	**$41.70**	Fee Simple	Arm's-Length	None	Inferior	**$45.87**	Similar	Smaller	Superior	Similar	Superior	Similar	Similar	Similar	**$32.11**	Superior
	4/14	0.0%	0.0%	0.0%	10.0%	10.0%	0.0%	-15.0%	-5.0%	0.0%	-10.0%	0.0%	0.0%	0.0%	-30.0%	
5	**$32.06**	Fee Simple	Arm's-Length	None	Inferior	**$35.53**	Similar	Smaller	Similar	Similar	Similar	Similar	Similar	Similar	**$31.98**	Superior
	1/14	0.0%	0.0%	0.0%	10.8%	10.8%	0.0%	-10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-10.0%	
6	**$35.86**	Fee Simple	Arm's-Length	None	Inferior	**$41.14**	Similar	Smaller	Superior	Similar	Superior	Similar	Inferior	Similar	**$30.85**	Superior
	11/12	0.0%	0.0%	0.0%	14.7%	14.7%	0.0%	-15.0%	-5.0%	0.0%	-10.0%	0.0%	5.0%	0.0%	-25.0%	
	$30.30	**- Low**												**Low -**	**$30.51**	
	$42.86	**- High**												**High -**	**$32.82**	
	$36.63	**- Average**												**Average -**	**$31.52**	

Compiled by Cushman & Wakefield of Maryland, Inc.

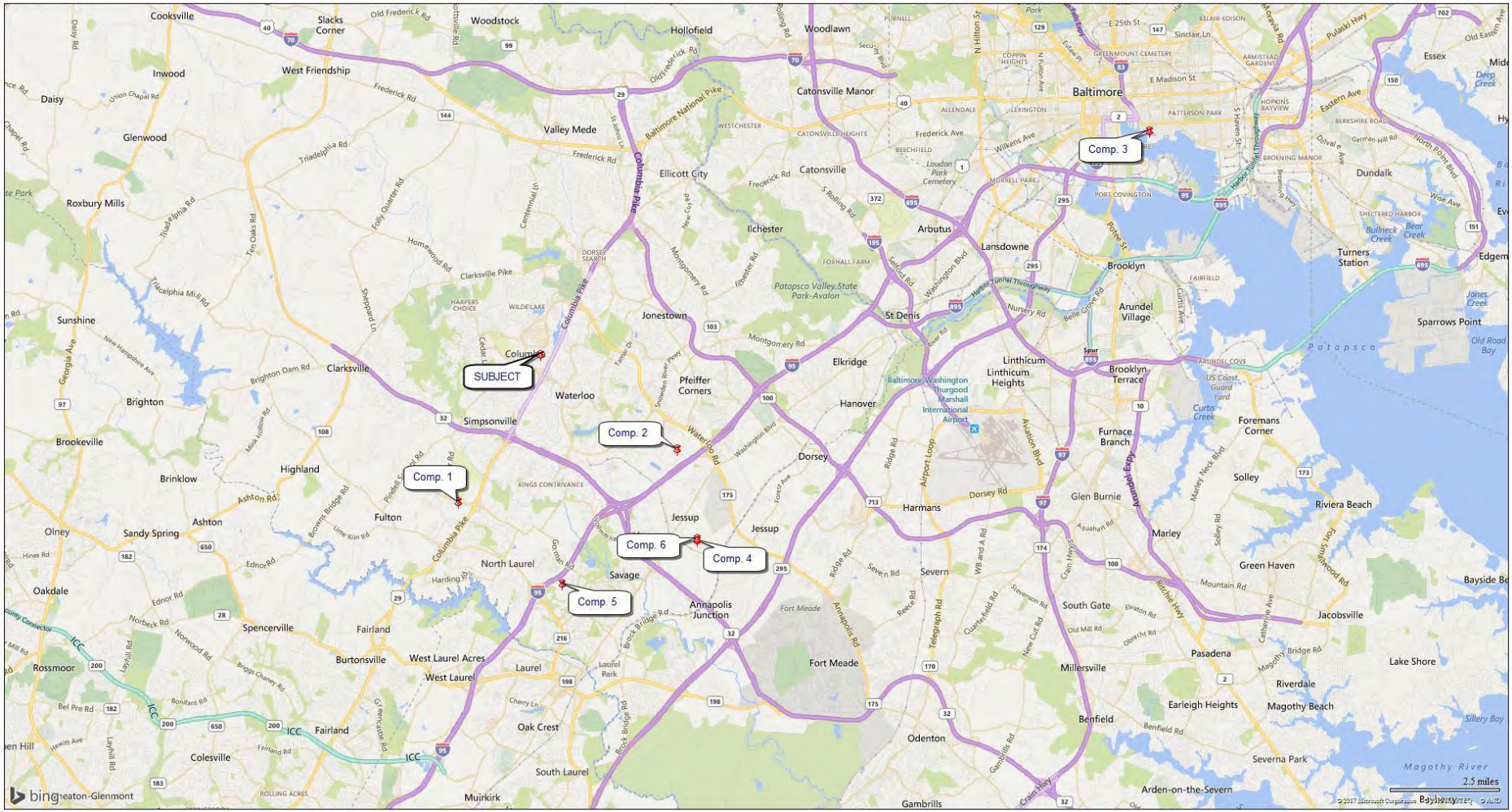
(1) Market Conditions Adjustment Footnote

Compound annual change in market conditions: 3.00%
Date of Value (for adjustment calculations): 6/20/17

(2) Utility Footnote

Utility includes shape, access, frontage, visibility, amenities.

LAND SALE LOCATION MAP – COMMERCIAL OFFICE/RETAIL LAND SALES



Discussion of Adjustments

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the sale price of a property. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. Since we are valuing the fee simple interest as reflected by each of the comparables, an adjustment for property rights is not required.

Market Conditions

The subject's market was researched for recent comparable land sales. For additional support, market participants were surveyed and investor surveys were reviewed for current return requirements for land developments to support a market conditions adjustment for land sales. The additional investment risk to land investors/ developers associated with the economic uncertainties of the current marketplace is evidenced by the lack of recent comparable land sales. Investor return requirements for land developments reflect risks associated with forecast absorption and costs of carry during the holding period. It can be inferred that as investor return requirements increase, land values will decrease, and as investor return requirements decrease, land values will increase. The following table reflects historical investor return requirements (non-leveraged internal rates of return) for the National Development Land Market as referenced in the PwC Real Estate Investor Survey:

National Development Land Market										
	2012-4Q	2013-2Q	2013-4Q	2014-2Q	2014-4Q	2015-2Q	2015-4Q	2016-2Q	2016-4Q	2017-2Q
Unleveraged IRR Low:	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Unleveraged IRR High:	25.00%	25.00%	25.00%	25.00%	25.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Unleveraged IRR Average:	19.17%	18.90%	18.31%	18.15%	16.75%	15.90%	15.50%	15.50%	15.50%	16.00%

Source: PwC Real Estate Investor Survey- Semi-Annual National Development Land Market Survey

The average investor IRR for land developments stabilized during 2016 and subsequently increased as of mid-year 2017. The average non-leveraged IRR was up 50 basis points (3.2 percent) over the past year. Nonetheless, the average non-leveraged IRR was down 563 basis points from the peak rate of 21.63 percent as of mid-year 2010, and had declined for the three year period from 2012 through 2015 as market fundamentals improved. The reported average IRR assumes that entitlements are in place. Without entitlements in place, certain investors increase the discount rate between 100 and 800 basis points, with an average increase of 394 basis points, or approximately 20.0 percent as of mid-year 2017. As discussed in the market analysis, market fundamentals have continued to improve in the subject's market for office/retail developments due in part to the lack of available entitled land and barriers to entry for new prospective developments. As reflected by the Land Sale Adjustment Grid, an upward adjustment of 3.0 percent per annum was used through the effective date of value As Is. Land values are forecast to appreciate in the near term as market fundamentals continue to improve.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Location

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. We made a downward adjustment to those comparables considered superior in location compared to the subject. Conversely, upward adjustments were made to those comparables considered inferior. Location considerations includes proximity to employment centers and public transportation.

A downward adjustment is required for Comparable Three for a superior submarket location based on review of market data and discussions with market participants.

Size/ Density (Allowable Building Potential)

The adjustment for size generally reflects the inverse relationship between unit price and lot size. According to market participants, smaller lots tend to sell for higher unit prices than larger lots, and vice versa. The relationship of lot size to pricing varies based on proposed land use and location in an urban or suburban location. In an urban location, the benefit of greater allowable density (FAR) requiring less land to develop a comparable project typically offsets the additional costs required to support an urban development such as structured parking. This is reflective of Comparable Three, which reflects a much greater FAR than the other comparables due to its urban location that required structured parking. Nonetheless, the land price per FAR is within the range of the suburban comparables that will be developed with surface parking.

Based on our analysis and discussions with market participants, we made a downward adjustment for sites with a much smaller allowable density and an upward adjustment for much larger parcels.

Area 1 (One Merriweather – Two Merriweather)- Comparables One, Three and Five require upward adjustment for much larger size and Comparables Two and Four require downward adjustment for smaller size.

Excess Land- Each of the sales require downward adjustment for much smaller allowable density.

Public Utilities

The availability of public utilities has a significant impact on the value of a property. Municipal utility providers often, but not always, provide utilities such as gas, water, electric, sewer, and telephone. It is therefore important to understand any differences that may exist in the availability of public utilities to the subject property and its comparables. The subject's Area 1 has been finished with direct access to public utilities. The subject's excess land is considered partially finished, with on-going site development. A majority of the remaining site development costs will be paid from by TIF bond funds as discussed.

Each of the comparable sales had access to utilities completed to the property borders except Comparable One, which the buyer needed to spend additional monies after the sale to extend utilities to the site and Comparable Five. The costs to extend utilities for Comparable Five were adjusted for in the sales price.

Area 1 (One Merriweather – Two Merriweather) - Comparable One requires upward adjustment for utility costs.

Excess Land- Some of the subject's excess land parcels will require linkage to public utilities, which are currently being completed with other public improvements including roads. Despite the remaining site improvement costs required to complete the subject's unimproved excess land with public utilities to allow for development, a majority

of these costs will be paid by TIF funds. Thus, there is a nominal downward adjustment required for comparables with superior public utilities As Is including Comparables Two, Three, Four and Six. The adjustments also account for the downtime and opportunity costs during the construction period until the excess land area is finished.

Utility

Adjustments were made where a comparable was considered to have superior or inferior utility. This category includes site shape, topography, access, frontage, visibility and amenities. No adjustments for utility are required.

Site Condition/ Development Costs

This category includes the condition of the site at the time of sale with consideration of additional costs the buyer will need to spend to finish the site to allow for development. These costs include clearing, grading, wetlands and environmental mitigation, development of structured parking, etc. As discussed, the subject's TIF will cover most of the site development costs required to allow for development, plus public parking garages.

Area 1 (One Merriweather – Two Merriweather) - Comparable Three requires upward adjustment for inferior site condition.

Excess Land- Although Comparables Two, Four and Six reflect superior site condition, only a nominal adjustment is required as a majority of these costs will be paid by TIF funds as discussed. Comparable Three requires upward adjustment for inferior site condition / development costs required to develop the site.

Zoning / Entitlement Status

This category considers the status of zoning / entitlement approvals at the time of sale, development restrictions such as restrictive zoning, easements and government mandated off-site improvement costs (roads, schools, etc.).

An upward adjustment for inferior entitlement status is required for Comparable One both the subject's Area 1 parcels and the Excess Land, which have entitlements in-place.

Retail Density

This category considers the amount of retail density included within mixed-use office/retail projects. As previously noted, it is typical for office buildings in high-density areas in the region be improved with street-level retail space, which typically generators higher rental rates than office space. In the subject's case, approximately 11 percent of the building area within the subject's first two office buildings will be improved with retail space. An average of about 6.6 percent of the gross building area within the subject's Excess Land parcels are planned to be improved with retail space.

Area 1 (One Merriweather – Two Merriweather)- Comparable Three requires downward adjustment for a superior amount of retail space and Comparables One and Six require upward adjustment for inferior retail space.

Excess Land- Comparables Two and Six require upward adjustment for inferior retail density and Comparable Three requires downward adjustment for superior retail density.

Conclusion of Land Value

The adjustments applied to the comparable sales in the Land Sale Adjustment Charts reflect what we determined is appropriate in the marketplace. Despite the subjectivity, the adjustments were considered reasonable and were applied consistently.

Area 1 (One Merriweather – Two Merriweather)-

After a thorough analysis, the comparable land sales reflect adjusted unit values ranging from $38.65 per building square foot to $43.19 per building square foot, with an average of $40.83 per building square foot for the subject's finished parcels within Area 1. The degree of adjustment for the sales does not affect their reliability in reconciling a land value opinion of the subject property by the Sales Comparison Approach.

Excess Land- After a thorough analysis, the comparable land sales reflect adjusted unit values ranging from $30.51 per building square foot to $32.82 per building square foot, with an average of $31.52 per building square foot for the subject's excess land parcels proposed for office and retail space. The degree of adjustment for the sales does not affect their reliability in reconciling a land value opinion of the subject property by the Sales Comparison Approach.

Land Value (Commercial - Office/Retail- Finished Land)

Therefore, based on review of comparable sales data and discussions with market participants, the indicated land value (fee simple) by the Sales Comparison Approach as of June 20, 2017 for One Merriweather and Two Merriweather was as follows:

ONE MERRIWEATHER AS IS LAND VALUE	Price Per Building SF
Indicated Value	$40.00
Building Area Measure	x 217,783
Indicated Value	$8,711,320
LAND VALUE CONCLUSION (ROUNDED)	**$8,700,000**
$/Building Area Basis	$39.95

Compiled by Cushman & Wakefield of Maryland, Inc.

TWO MERRIWEATHER AS IS LAND VALUE	Price Per Building SF
Indicated Value	$40.00
Building Area Measure	x 132,576
Indicated Value	$5,303,040
LAND VALUE CONCLUSION (ROUNDED)	**$5,300,000**
$/Building Area Basis	$39.98

Compiled by Cushman & Wakefield of Maryland, Inc.

Excess Land Value (Commercial - Office/Retail – Unfinished Land)

Therefore, based on review of comparable sales data and discussions with market participants, the indicated excess land value (fee simple) by the Sales Comparison Approach for the subject's proposed Building 3OA site as of June 20, 2017 was as follows:

BUILDING 3OA AS IS LAND VALUE	Price Per Building SF
Indicated Value	$31.50
Building Area Measure	x 340,233
Indicated Value	$10,717,340
LAND VALUE CONCLUSION (ROUNDED)	**$10,700,000**
$/Building Area Basis	$31.45

Compiled by Cushman & Wakefield of Maryland, Inc.

An allocation of the estimated land value to each project component, and an aggregate land value for the entire project, is presented by the following table. It should be noted that an adjustment for the remaining public improvement costs required to support the proposed development is presented at the end of this section.

COMMERCIAL OFFICE/RETAIL - EXCESS / UNFINISHED LAND									
Parcel Description	Assessor Parcel Number	Land Area Sq. Ft.	Land Area Acres	Office Sq. Ft. GBA	Retail Sq. Ft. GBA	Total Building Sq. Ft. GBA	$/ SF FAR	Fee Simple Land Value - As Is	Fee Simple Land Value Rounded
Area 1- Project 1OC	15-019921	86,684	1.990	310,000	12,800	322,800	$31.50	$10,168,200	**$10,200,000**
Area 2- Project 2OA	15-019921	59,376	1.363	284,000	5,000	289,000	$31.50	$9,103,500	**$9,100,000**
Area 2- Project 2OB	15-019921	59,376	1.363	279,000	10,000	289,000	$31.50	$9,103,500	**$9,100,000**
Area 2- Project 2OC	15-019921	61,780	1.418	285,699	15,000	300,699	$31.50	$9,472,019	**$9,500,000**
Area 3- Project 3OB	15-019921	64,904	1.490	350,000	19,570	369,570	$31.50	$11,641,455	**$11,600,000**
Area 3- Project 3RE	15-019921	71,874	1.650	-	27,760	27,760	$31.50	$874,440	**$900,000**
Area 3- Project 3OC	15-019921	89,298	2.050	375,000	15,760	390,760	$31.50	$12,308,940	**$12,300,000**
Project 4OA	15-019921	90,169	2.070	175,000	7,000	182,000	$31.50	$5,733,000	**$5,700,000**
Excess/ Unfinished Land (Excl. 3OA):		**583,462**	**13.394**	**2,058,699**	**112,890**	**2,171,589**	**$31.50**	**$68,405,054**	**$68,400,000**
Area 3- Project 3OA	15-019921	72,745	1.670	325,197	15,036	340,233	$31.50	$10,717,340	**$10,700,000**
Total Excess/ Unfinished Land		**656,207**	**15.064**	**2,383,896**	**127,926**	**2,511,822**		**$79,122,393**	**$79,100,000**
COMMERCIAL OFFICE/RETAIL FINISHED LAND									
Project 1OA: One Merriweather	15-598795	57,843	1.328	208,034	9,749	217,783	$40.00	$8,711,320	**$8,700,000**
Project 1OB: Two Merriweather	15-598796	51,157	1.174	102,993	29,583	132,576	$40.00	$5,303,040	**$5,300,000**
Total Finished Land (Area 1):		**109,000**	**2.502**	**311,027**	**39,332**	**350,359**		**$14,014,360**	**$14,000,000**
Total (Excluding 3OA):		**692,462**	**15.897**	**2,369,726**	**152,222**	**2,521,948**		**$82,419,414**	**$82,400,000**
Total (Including 3OA):		**765,207**	**17.567**	**2,694,923**	**167,258**	**2,862,181**		**$93,136,753**	**$93,100,000**

Prospective Land Values - (Commercial - Office/Retail)

Per the Client's request, we provide prospective market value opinions of the subject as of July 31, 2019. Based on review of market data, prospective land value opinions reflect a 3.0 percent annual forecast increase in land value through the prospective value dates as follows:

PROSPECTIVE VALUE CONCLUSIONS - ONE MERRIWEATHER

Prospective Land Values	Prospective Date	Market* Conditions	Prospective Land Value	Rounded	Price Per Build. SF
Prospective Value	7/31/19	6.4%	$9,260,527	$9,300,000	$42.70

** Forecast compound annual change in market conditions from the as is value date through prospective value date.*

PROSPECTIVE VALUE CONCLUSIONS - TWO MERRIWEATHER

Prospective Land Values	Prospective Date	Market* Conditions	Prospective Land Value	Rounded	Price Per Build. SF
Prospective Value	7/31/19	6.4%	$5,641,470	$5,600,000	$42.24

** Forecast compound annual change in market conditions from the as is value date through prospective value date.*

PROSPECTIVE VALUE CONCLUSIONS - BUILDING 3OA LAND

Prospective Land Values	Prospective Date	Market* Conditions	Prospective Land Value	Rounded	Price Per Build. SF
Prospective Value	7/31/19	6.3%	$11,379,242	$11,400,000	$33.51

** Forecast compound annual change in market conditions from the as is value date through prospective value date.*

Apartment/Retail Land Valuation

The Sales Comparison Approach was used to develop an opinion of apartment land value. We examined current offerings and analyzed prices buyers have recently paid for comparable sites. If the comparable was superior to the subject, a downward adjustment was made to the comparable sale. If inferior, an upward adjustment was made.

The most widely used and market-oriented unit of comparison for properties with characteristics similar to those of the subject is the price per apartment unit. All transactions used in this analysis are based on the most appropriate method used in the local market. As discussed, the subject property is approved for up to 1,347 apartment units, which we utilized in our analysis.

The major elements of comparison used to value the subject site include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its utility and the physical characteristics of the property.

The comparables and my analysis are presented on the following pages. Comparable land sale data sheets are presented in the Addenda of this report. The comparables presented are the best available sales data we have confirmed within the region.

For analysis purposes, we provided an allocation land value for the subject's proposed Building 3MFB.

SUMMARY OF LAND SALES - APARTMENT/ RETAIL LAND SALES

PROPERTY INFORMATION					TRANSACTION INFORMATION			
No.	Location	No. of Allowable Units	Grantor	Grantee	Sale Date	Sale Price	$/Unit	COMMENTS
S	Subject Property	1,387						
1	Apartment Land- m.flats 10100 Twin Rivers Road, Columbia, MD	437	The Howard Hughes Corporation	Kettler, Inc.	1/16	$23,380,000	$53,501	This was the sale of a site proposed for development of a 437-unit multi-family mid-rise property with ground level retail space located at the northeast intersection of Broken Land Parkway and Town Center Avenue in downtown Columbia, just west of the Mall in Columbia. The proposed project consists of two 5-6 story mid-rise wood/frame wrap-design apartment buildings, improved around an above-grade structured parking. The project also includes with 28,756 square-feet of ground-level retail space. The site was rough-graded at the time of the sale and the purchase price reflects costs of in-place grading, road infrastructure and utilities. Entitlements for the project were approved in 2012. Kettler joined a joint venture with The Howard Hughes Corporation. Since the sale represents a joint venture, no deed was recorded. The project does not have an affordable housing component and the retail component is forecast to represent about 5.0 percent of the net operating income. The developer broke ground in mid 2016 and is scheduled for completion in 2018.
2	Apartment Land- Hanover Stadium Square 101 West Cross Street, Baltimore, MD	299	Caves Valley Partners	The Hanover Company	1/16	$16,445,000	$55,000	This was the purchase of two parcels of land located at the southwest quadrant of W. Cross Street and Race Street within the South Baltimore neighborhood of Sharp-Leadenhall. The site is located just east of the Interstate 395 overpass and M&T Bank Ravens Stadium. The assembled parcels were partially improved with industrial buildings at time of sale, which were razed for development of a 299-unit mid-rise apartment building with street level retail space and a structured parking garage. The purchase agreement was signed in December 2014, which was contingent on the buyer receiving entitlement approval from Baltimore City to develop the proposed project. Pricing was based on $55,000 per apartment unit. The retail space is forecast to generate about 10 percent of the net operating income upon stabilization. The project broke ground during the 2Q-2016 and is scheduled for completion by September 2017.
3	Apartment Land- Alexan Concorde 811 Concorde Circle, Linthicum, MD	310	Home Properties, Inc.	Trammell Crow Residential Co.	3/15	$13,360,000	$43,097	This was the sale of a vacant parcel of land located on Concorde Circle, just south of Winterson Road in Linthicum. The site is located proximate to the interchange of MD Route 295 and I-195, and about one mile north of the BWI Airport. The site was unimproved and partially wooded at the time of sale. The seller had entitlements in place to develop up to 310 apartment units. The proposed apartment project known as Alexan Concorde Circle was subsequently completed in July 2016, which includes five mid-rise buildings, 48 garage spaces, 440 surface parking spaces a swimming pool and clubhouse. A confidential private equity real estate fund placed about $22 million in joint venture equity for the development on behalf of the project developer, Trammell Crow Residential.
4	Apartment Land- Danac/Stiles Tract 9515 Key West Avenue, Rockville, MD	475	DANAC Realty Advisors	Camden Property Trust	4/14	$23,822,496	$50,153	This was the sale of a finished parcel of land located at Key West Avenue and Diamondback Drive in the Shady Grove neighborhood of Rockville, Maryland. The site is about two miles southwest of the Shady Grove Metrorail station. The site is part of a larger mixed-use project and was improved with a parking lot supporting an adjacent office building at the time of sale. Entitlement approvals were in-place at the time of sale for development of a 475-unit mid-rise apartment complex (wrap-design with structured parking) with 5,000 square feet of commercial space. Less than five percent of the net operating income was forecast to be attributable to the commercial space upon completion. Approximately 12.5% of the units must comprise Moderately Priced Dwelling Units (MPDU).
5	Apartment Land- Oxford Square 7301 Coca Cola Drive, Hanover, MD	248	Preston Scheffenacker Properties	Woodfield Investment	3/14	$9,920,000	$40,000	This was the sale of a vacant parcel of land centrally located within the Baltimore-Washington Corridor, just north of an interchange of MD Route 100 and Coca Cola Drive in Hanover. The site is part of a planned unit development known as Oxford Square. The site was sold with preliminary site approvals in-place to develop a 248 unit mid-rise apartment complex, including 38 affordable housing units. The seller reported pricing was based on $40,000 per allowable unit. The seller had received approval for its rezoning from industrial to mixed use prior to the sale based on its location to the nearby Dorsey MARC Station, which is a commuter rail service between Baltimore and Washington, D.C.
6	Apartment Land- The Metropolitan 10000 Town Center Avenue, Columbia, MD	380	The Howard Hughes Corporation	Kettler, Inc.	7/13	$20,300,000	$53,421	This was the sale of an apartment site located adjacent to The Mall in Columbia in downtown Columbia. The site was proposed for development of a 380-unit mid-rise apartment building (wrap-design improved around an above-grade structured parking garage). The project also includes 13,764 square-feet of ground-level retail space. The site was rough-graded at the time of the sale and the purchase price reflects costs of in-place grading, road infrastructure and utilities. In April 2012 the Howard County Planning Board approved the Final Development Plan (FDP) for the project, the first under the new master plan in downtown Columbia. The FDP allowed for up to 817 residential units and more than 76,000 square feet of retail space on two adjacent Parcels C and D located adjacent to The Mall in Columbia. Kettler joined a joint venture with The Howard Hughes Corporation. Since the sale represents a joint venture, no deed was recorded. The project does not have an affordable housing component and the retail component was forecast to represent about 5.0 percent of the net operating income upon stabilization.
STATISTICS								
Low		248			7/13	$9,920,000	$40,000	
High		475			1/16	$23,822,496	$55,000	
Average		358			11/14	$17,871,249	$49,195	

Compiled by Cushman & Wakefield of Maryland, Inc.

LAND SALE ADJUSTMENT GRID - APARTMENT/ RETAIL LAND

		Economic Adjustments (Cumulative)					Property Characteristic Adjustments (Additive)										
No.	Price Per Unit	Property Rights Conveyed	Conditions of Sale	Financing	Market[1] Conditions	Per Unit Subtotal	Location	Size / Density	Public Utilities	Utility[2]	Site Condition/ Development Costs	Zoning / Entitlement Status	Retail Density	Affordable Houing Units	Other	Adj. Price Per Unit	Overall
1	**$53,501**	Fee Simple	Arm's-Length	None	Inferior	**$55,855**	Similar	Similar	Similar	Similar	Superior	Similar	Similar	Superior	Similar	**$44,684**	Superior
	1/16	0.0%	0.0%	0.0%	4.4%	4.4%	0.0%	0.0%	0.0%	0.0%	-10.0%	0.0%	0.0%	-10.0%	0.0%	-20.0%	
2	**$55,000**	Fee Simple	Arm's-Length	None	Inferior	**$57,420**	Superior	Similar	Similar	Similar	Superior	Similar	Similar	Superior	Similar	**$45,936**	Superior
	1/16	0.0%	0.0%	0.0%	4.4%	4.4%	-5.0%	0.0%	0.0%	0.0%	-5.0%	0.0%	0.0%	-10.0%	0.0%	-20.0%	
3	**$43,097**	Fee Simple	Arm's-Length	None	Inferior	**$46,157**	Similar	Similar	Similar	Similar	Similar	Similar	Inferior	Superior	Similar	**$43,849**	Superior
	3/15	0.0%	0.0%	0.0%	7.1%	7.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	-10.0%	0.0%	-5.0%	
4	**$50,153**	Fee Simple	Arm's-Length	None	Inferior	**$55,168**	Superior	Similar	Similar	Similar	Superior	Similar	Similar	Similar	Similar	**$46,893**	Superior
	4/14	0.0%	0.0%	0.0%	10.0%	10.0%	-5.0%	0.0%	0.0%	0.0%	-10.0%	0.0%	0.0%	0.0%	0.0%	-15.0%	
5	**$40,000**	Fee Simple	Arm's-Length	None	Inferior	**$44,120**	Similar	Similar	Similar	Similar	Similar	Inferior	Inferior	Similar	Similar	**$48,532**	Inferior
	3/14	0.0%	0.0%	0.0%	10.3%	10.3%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	5.0%	0.0%	0.0%	10.0%	
6	**$53,421**	Fee Simple	Arm's-Length	None	Inferior	**$60,099**	Similar	Similar	Similar	Similar	Superior	Similar	Similar	Superior	Similar	**$45,074**	Superior
	7/13	0.0%	0.0%	0.0%	12.5%	12.5%	0.0%	0.0%	0.0%	0.0%	-15.0%	0.0%	0.0%	-10.0%	0.0%	-25.0%	
	$40,000	**- Low**													**Low -**	**$43,849**	
	$55,000	**- High**													**High -**	**$48,532**	
	$49,195	**- Average**													**Average -**	**$45,828**	

Compiled by Cushman & Wakefield of Maryland, Inc.

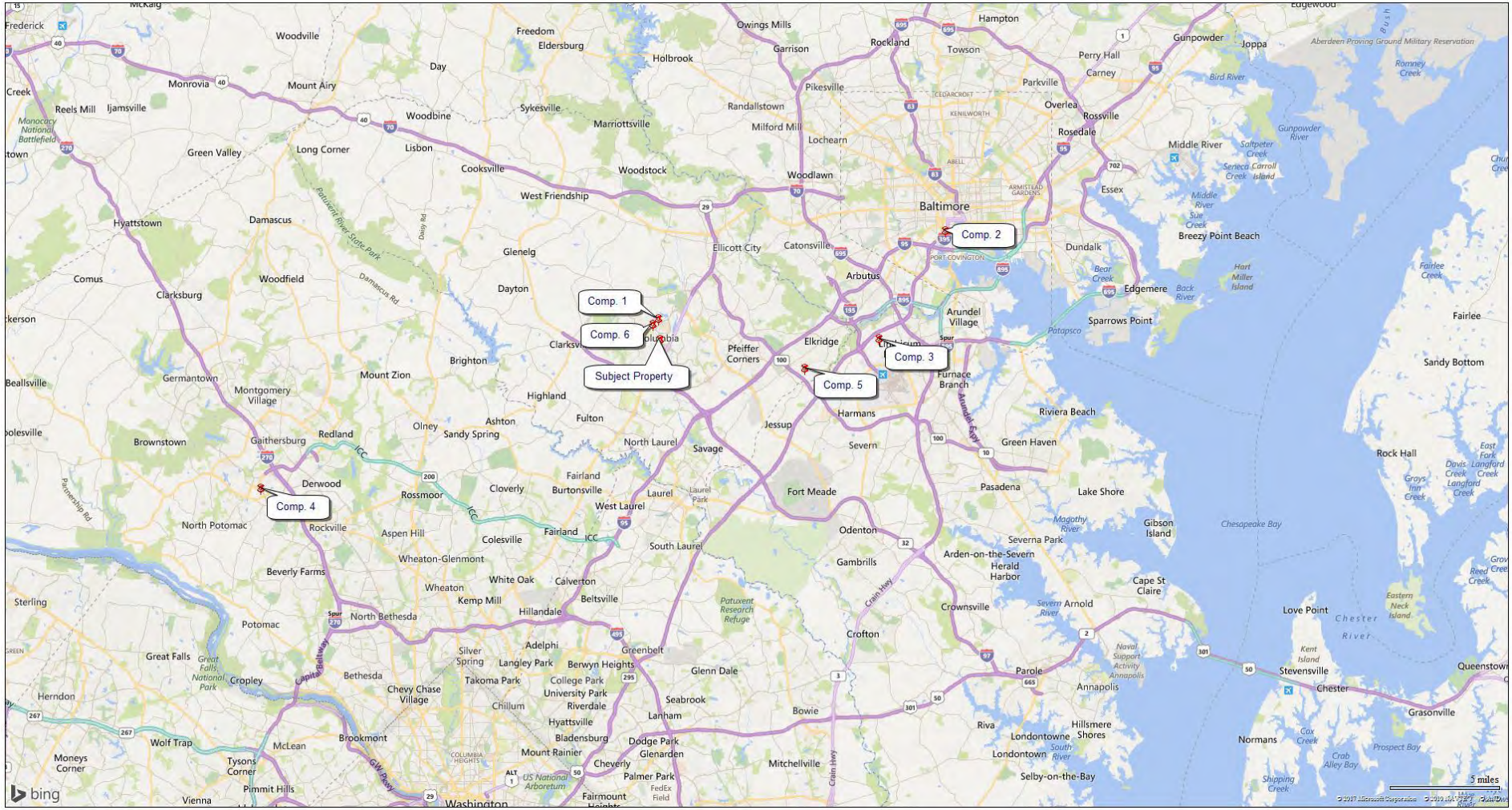
(1) Market Conditions Adjustment Footnote

Compound annual change in market conditions: 3.00%
Date of Value (for adjustment calculations): 6/20/17

(2) Utility Footnote

Utility includes site shape, access, frontage, visibility, views, corner.

APARTMENT LAND SALE LOCATION MAP



Discussion of Adjustments

Property Rights Conveyed

Since we are valuing the fee simple interest in the land as reflected by each of the comparables, an adjustment for property rights is not required.

Conditions of Sale

Each of sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Financial Terms

To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Market Conditions

The sales that are included in this analysis occurred between July 2013 and January 2016. Historical investor surveys indicate market conditions fluctuated over this time period with improvement in market fundamentals nationally since mid-2012. As reflected by the Land Sale Adjustment Grid, we applied an annual adjustment of 3.00 percent. Land values are forecast to appreciate in the near term as market fundamentals continue to improve.

Location

Comparables Two and Four require downward adjustment for superior submarket location.

Size (Density- Allowable Units)

Based on discussions with market participants, no adjustment for size is required. Market participants indicated that buyers would consider density on a per parcel basis with no discount or premium for larger number of units for the overall project.

Public Utilities

All of the sales, like the subject, had full access to public utilities at the time of sale. Therefore, no adjustments were required.

Utility

The subject parcel is adequately shaped to accommodate a typical building and has good access, good frontage and good visibility. Overall, it has been determined that the site has good utility. No adjustment for utility is required.

Site Condition/ Development Costs

Comparables One, Two, Four and Six require downward adjustment for superior site condition at the time of sale in comparison to the subject.

Zoning / Entitlement Status

This category considers the status of zoning / entitlement approvals at the time of sale, development restrictions such as restrictive zoning, easements and government mandated off-site improvement costs (roads, schools, etc.).

Comparable Five requires upward adjustment for inferior entitlement status at the time of sale.

Retail Density

This category considers the amount of retail density included within mixed-use apartment/retail projects. As previously noted, it is typical for apartment buildings in high-density areas in the region to be improved with street-level retail space, which typically generators higher rental rates than apartment space. In the subject's case, approximately 8.3 percent of the rentable area within the subject's planned apartment projects will be improved with retail space. Comparables Three and Five require upward adjustment for inferior retail density in comparison to the subject.

Affordable Housing Units

As previously noted, the subject property is planned to contain 105 units of moderate income dwelling units and 46 low-income units. The total housing units is approximately 10.9 percent of the rentable area within the subject's planned apartment projects. Comparables One, Two, Three and Six require are superior to the subject due to the lack of affordable housing units, which require downward adjustment in comparison to the subject.

Conclusion of Site Value – Apartment/Retail Land

The adjustments applied to the comparable sales in the Land Sale Adjustment Chart reflect what we determined is appropriate in the marketplace. Despite the subjectivity, the adjustments were considered reasonable and were applied consistently.

After a thorough analysis, the comparable land sales reflect adjusted unit values ranging from $43,849 per unit to $48,532 per unit, with an average of $45,828 per unit.

The degree of adjustments required for the sales did not affect their reliability in reconciling an opinion for the subject property. Comparables One and Six are located proximate to the subject in Downtown Columbia. The unadjusted pricing of these two projects at about $53,500 per unit is reflective of a single finished site. The subject's apartment/retail land As-Is considers the costs to finish parcels, as well as the fact that neither of these projects will have affordable housing units.

For additional support, we also spoke to market participants that indicated comparable suburban garden/mid-rise-style apartment sites within the Baltimore region from $35,000 to $45,000 per apartment unit, with higher pricing for apartment land of $45,000 to $55,000 per unit for sites near employment centers, public transportation and other primary apartment demand generators in the region. Therefore, the concluded land value by the Sales Comparison Approach was (excluding Building 3MFB Land):

AS IS LAND VALUE CONCLUSION EXCESS LAND- APARTMENT LAND	Price Per Unit
Indicated Value	$45,000
Unit Measure (Apartment Units)	x 1,005
Indicated Value	$45,225,000
LAND VALUE CONCLUSION (ROUNDED)	**$45,200,000**
$/Unit Basis	$44,975

Compiled by Cushman & Wakefield of Maryland, Inc.

It should be noted that an adjustment for the remaining public improvement costs required to support the proposed development is presented at the end of this section.

An allocation of the land for the subject's Building 3MFB is presented as follows:

AS IS LAND VALUE CONCLUSION BUILDING 3MFB- APARTMENT LAND	Price Per Unit
Indicated Value	$45,000
Unit Measure (Apartment Units)	x 382
Indicated Value	$17,190,000
LAND VALUE CONCLUSION (ROUNDED)	**$17,200,000**
$/Unit Basis	$45,026

Compiled by Cushman & Wakefield of Maryland, Inc.

Parcel Description	Apt. Units	$/Apt. Unit	Fee Simple Land Value - As Is	Fee Simple Land Value Rounded
Apartment/ Retail Land Parcels				
Area 2- Project 2MFA	410	$45,000	$18,450,000	**$18,450,000**
Area 3- Project 3MFC	388	$45,000	$17,460,000	**$17,450,000**
Area 3- Project 3LRA	117	$45,000	$5,265,000	**$5,250,000**
Area 4- Project 4MFA	90	$45,000	$4,050,000	**$4,050,000**
Total Apartment/Retail Excess Land:	**1,005**	**$45,000**	**$45,225,000**	**$45,200,000**
Area 3- Project 3MFB	382	$45,000	$17,190,000	**$17,200,000**
Total Apartment/Retail Excess Land:	**1,387**		**$62,415,000**	**$62,400,000**

Prospective Land Values - (Commercial - Apartment/Retail)

Per the Client's request, we provide prospective market value opinions as of July 31, 2019. The prospective land value opinions reflect a 3.0 percent annual forecast change in land value through the prospective value date as follows:

PROSPECTIVE VALUE CONCLUSION - EXCESS LAND- APARMENT LAND (EXCLUDING BUILDING 3MFB)

Prospective Land Values	Prospective Date	Market* Conditions	Prospective Land Value	Rounded	Price Per Unit
Prospective Value	7/31/19	6.4%	$48,112,162	$48,100,000	$47,861

** Forecast compound annual change in market conditions from the as is value date through prospective value date.*

PROSPECTIVE VALUE CONCLUSION - EXCESS LAND- BUILDING 3MFB APARMENT LAND

Prospective Land Values	Prospective Date	Market* Conditions	Prospective Land Value	Rounded	Price Per Unit
Prospective Value	7/31/19	6.4%	$18,308,168	$18,300,000	$47,906

** Forecast compound annual change in market conditions from the as is value date through prospective value date.*

Hotel Land Valuation

We used the Sales Comparison Approach to develop an opinion of land value for the hotel development planned. We examined current offerings and analyzed prices buyers have recently paid for comparable sites. If the comparable was superior to the subject, a downward adjustment was made to the comparable sale. If inferior, an upward adjustment was made.

The most widely used and market-oriented unit of comparison for properties with characteristics similar to those of the subject is price per planned hotel room. All transactions used in this analysis are based on the most appropriate method used in the local market.

The major elements of comparison used to value the subject site include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its utility and the physical characteristics of the property.

The comparables and our analysis are presented on the following pages.

Summary of Hotel Land Sales

Property Information							Transaction Information						
No.	Location	Size (Acres)	No. Of Units	Proposed Use	Site Utility	Public Utilities	Grantor	Grantee	Property Rights Conveyed	Sale Date	Sale Price	$/Unit	COMMENTS
S	Subject Property	2.65	250	Hotel	Good	All available							
1	Welton Drive and Shades Lane, Cumberland, MD	3.61	80	Hospitality	Good	All Available	Weltonwood, LLC	Willowbrook Holdings, LLC	Fee Simple	1/16	$1,400,000	$17,500	The property is located proximate to the intersection of Interstate 68 and Route 40 in Cumberland, Maryland. The site will be used for the development of a hotel. It sold and a finished, platted site.
2	2901 North Campus Way, Lanham, MD	4.22	100	Hospitality	Good	All Available	AB Consultants, Inc.	Lanham Lodging, LLC	Fee Simple	9/15	$1,650,000	$16,500	This site is an out parcel to Woodmore Towne Centre, a large lifestyle center anchored by Wegman`s, Costco, JC Peneys, 24 Hour Fitness and Best Buy. The site has been pre approved for 100-200 rooms and is in pad ready shape.
3	204 Waterfront Street, Oxon Hill, MD	0.51	180	Hospitality	Good	All Available	RHP Property DC, LLC	NH-K Hotel LLC	Fee Simple	12/14	$4,500,000	$25,000	This property is located in the Washington Harbor development along the Potomac River. The land was purchased as part of a portfolio including the neighboring Aloft Hotel. The land was approved for a 180-room hotel at the time of sale.
4	45260 Abell House Lane, California, MD	2.32	55	Hospitality	Good	All Available	Park Place California	Park View Hospitality	Fee Simple	6/14	$1,767,500	$32,136	This property is located along Route 235 in southern Maryland, north of the Naval Air Station Patuxent River. The property will be developed with a 55-room Holiday Inn Express.
5	706 West Broad Street, Falls Church, VA	1.12	110	Hospitality	Good	All Available	Jefferson Park LLC	Inns of Falls Church, LLC	Fee Simple	5/12	$3,200,000	$29,091	This property is located in Falls Church along Route 7, north of Route 29 within a mixed-use development. The property will be developed with a 110-room Hilton Garden Inn and a 118-spot parking deck. Delivery was in the Spring of 2014. The developer had to raze four small commercial buildings on the site.
	Statistics												
	Low	0.51	55							5/12	$1,400,000	$16,500	
	High	4.22	180							1/16	$4,500,000	$32,136	
	Average	2.36	105							8/14	$2,503,500	$24,045	

Compiled by Cushman & Wakefield of Maryland, Inc.

Land Sale Adjustment Grid - Hotel Land

		Economic Adjustments (Cumulative)					Property Characteristic Adjustments (Additive)						
No.	Price Per Unit	Property Rights Conveyed	Conditions of Sale	Financing	Market[1] Conditions	Per Unit Subtotal	Location	Size	Public Utilities	Utility[2]	Other	Adj. Price Per Unit	Overall
1	**$17,500**	Fee Simple	Arm's-Length	None	Inferior	**$18,270**	Inferior	Smaller	Similar	Similar	Similar	**$22,838**	Inferior
	1/16	0.0%	0.0%	0.0%	4.4%	4.4%	30.0%	-5.0%	0.0%	0.0%	0.0%	25.0%	
2	**$16,500**	Fee Simple	Arm's-Length	None	Inferior	**$17,408**	Inferior	Smaller	Similar	Similar	Similar	**$21,759**	Inferior
	9/15	0.0%	0.0%	0.0%	5.5%	5.5%	30.0%	-5.0%	0.0%	0.0%	0.0%	25.0%	
3	**$25,000**	Fee Simple	Arm's-Length	None	Inferior	**$26,950**	Similar	Similar	Similar	Similar	Similar	**$26,950**	Similar
	12/14	0.0%	0.0%	0.0%	7.8%	7.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
4	**$32,136**	Fee Simple	Arm's-Length	None	Inferior	**$35,157**	Inferior	Smaller	Similar	Similar	Similar	**$33,399**	Superior
	6/14	0.0%	0.0%	0.0%	9.4%	9.4%	5.0%	-10.0%	0.0%	0.0%	0.0%	-5.0%	
5	**$29,091**	Fee Simple	Arm's-Length	None	Inferior	**$33,862**	Superior	Smaller	Similar	Similar	Similar	**$28,783**	Superior
	5/12	0.0%	0.0%	0.0%	16.4%	16.4%	-10.0%	-5.0%	0.0%	0.0%	0.0%	-15.0%	
	$16,500	**- Low**									**Low -**	**$21,759**	
	$32,136	**- High**									**High -**	**$33,399**	
	$24,045	**- Average**									**Average -**	**$26,746**	

Compiled by Cushman & Wakefield of Maryland, Inc.

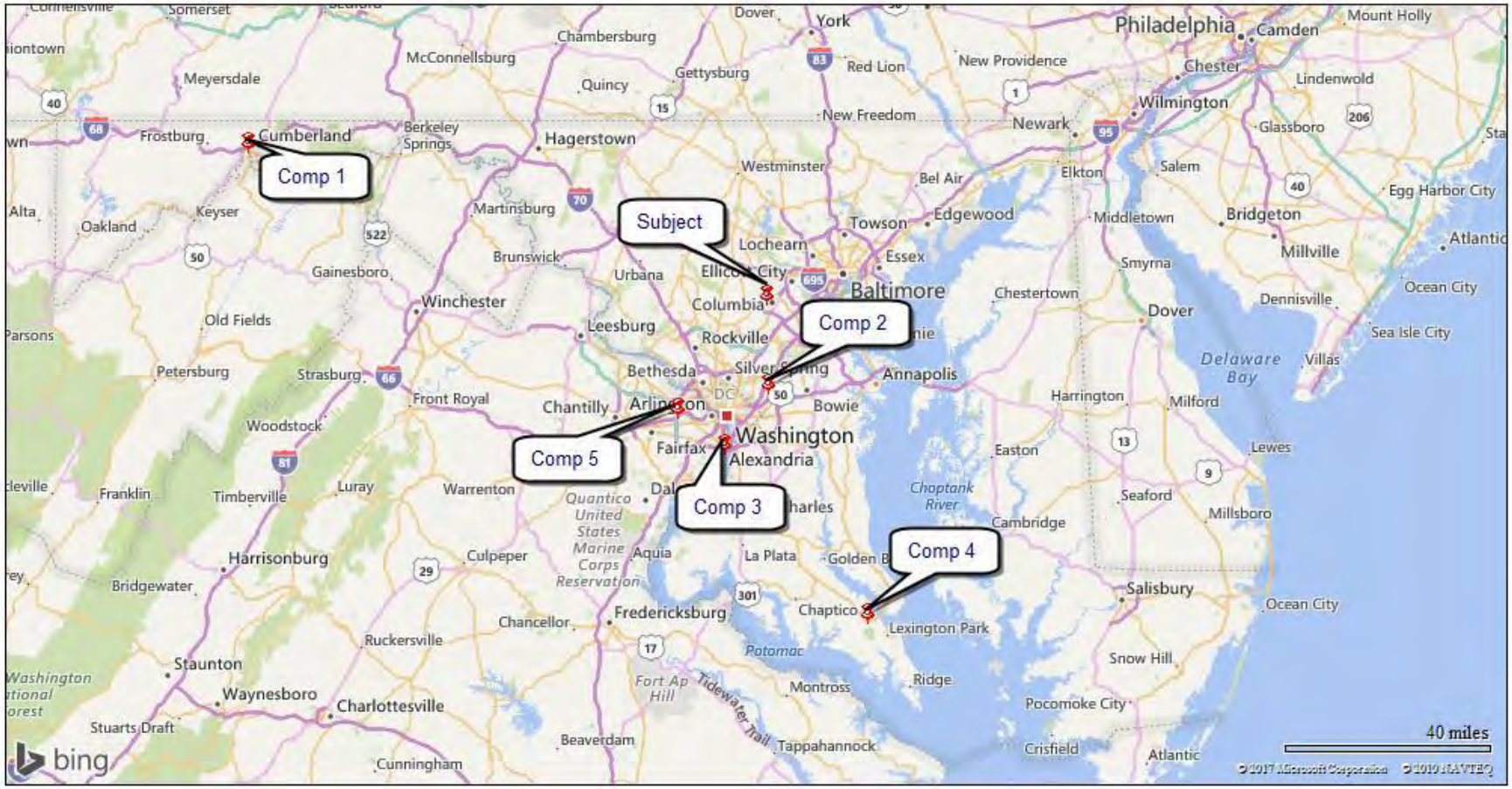
[1] Market Conditions Adjustment Footnote

Compound Annual Change in Market Conditions: 3.00%
Date of Value (For Conditions Adjustment) 6/20/17

[2] Utility Footnote

Utility includes shape, access, frontage and visibility.

Hotel Land Sale Location Map



Discussion of Adjustments

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the sale price of a property. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. Since we are valuing the fee simple interest, similar to each of the comparables, an adjustment for property rights is not required.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We have analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Market Conditions

The sales that are included in this analysis occurred between May 2012 and January 2016. As the market has improved over this time period, we have applied an annual adjustment of 3.0 percent.

Location

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. The subject property is rated good/very good in location. We have made a downward adjustment to those comparables considered superior in location compared to the subject. Conversely, an upward adjustment was made to those comparables considered inferior.

Size

The adjustment for size generally reflects the inverse relationship between unit price and lot size. The land sales with more hotel rooms planned tend to sell for lower unit prices than smaller developments in terms of rooms, and vice versa. Therefore, upward adjustments were made to larger developments, and downward adjustments were made to smaller developments.

Public Utilities

The availability of public utilities has a significant impact on the value of a property. Municipal utility providers often – but not always – provide utilities such as gas, water, electric, sewer, and telephone. It is therefore important to understand any differences that may exist in the availability of public utilities to the subject property and its

comparables. All of the sales, like the subject, had full access to public utilities at the time of sale. Therefore, no adjustments were required.

Utility

The subject parcel is adequately shaped to accommodate a typical building. It has good access, good frontage and good visibility. Overall, it has been determined that the site has good utility. Adjustments were made where a comparable was considered to have superior or inferior utility.

Other

In some cases, other variables will have an impact on the price of a land transaction. Examples include soil or slope conditions, restrictive zoning, easements, wetlands or external influences. In our analysis of the comparables we found that no unusual conditions existed at the time of sale. As a result, no adjustments were required.

Conclusion

After a thorough analysis, the comparable land sales reflect adjusted unit values ranging from a low of $21,615 per unit to $33,186 per unit, with an average of $26,578 per unit. We have placed greatest reliance on Land Sales 3, 4 and 5 given the more similar location as compared to the subject. Therefore, we conclude that the indicated land value by the Sales Comparison Approach for the planned 250-room hotel development is:

Hotel Land Value	
	Price Per Unit
Indicated Value	$28,000
Size	x 250
Indicated Value	$7,000,000
$/SF Basis	$28,000
Land Value Conclusion	**$7,000,000**

Compiled by Cushman & Wakefield of Maryland, Inc.

Ground Lease Approach to Hotel Land Value

Given the lack of recent comparable land sales planned for hotel development, we also have provided an analysis using the Ground Lease Approach. A number of hotels have been constructed on leased land over the past 50 years. This approach is typical for hotel developers when valuing or analyzing a hotel site. The Hospitality and Gaming Group of Cushman & Wakefield maintains a database of hotel land leases. The following chart details land leases for hotels that are similar in terms of size, location, and nature to the subject property. As such, we have relied on these leases to forecast the economic ground rent for the subject.

Comparable Ground Leases

	Stabilized Deflated		
	Total Revenue	Total Rent	% of Total Revenue
Subject Property	**$10,532,962**		
Hotel 1			
Ground Lease Applied to the Subject		**$210,659**	**2.0%**
Hotel 2			
Ground Lease Applied to the Subject		**$526,648**	**5.0%**
Hotel 3			
Ground Lease Applied to the Subject		**$475,356**	**4.5%**
Hotel 4			
Ground Lease Applied to the Subject		**$274,807**	**2.6%**

As shown, the comparable ground rent formula, when applied to the subject's forecasted revenues show an economic rental percentage generally ranging from 2.0 percent to 5.0 percent of total revenue. Based on its location within an area remote from major transportation nodes and major lodging demand generators, we have utilized an economic ground rent of 4.0 percent of total revenues.

The following assumptions were made for the subject planned 250 hotel rooms.

Ground Lease Approach

Subject Property Stabilized Revenue

Room Revenue	**$9,409,652**
Food Revenue	**$1,800,000**
Beverage Revenue	**$0**
Other Income	**$300,000**
Sub Rents	
Stabilized Total Revenue	**$11,509,652**

Subject Property Stabilized Deflated Revenue

Inflation Rate	**3%**
Stabilized Year	**3**

Room Revenue	**$8,611,165**
Food Revenue	**$1,647,255**
Beverage Revenue	**$0**
Other Income	**$274,542**
Sub Rents	**$0**
Deflated Stabilized Total Revenue	**$10,532,962**

Ground Lease Comps High	5.0%
Ground Lease Comps Low	2.0%
Ground Lease %	**4.0%**
Cap Rate	**6.00%**
Rooms	**250**

The room revenue includes an assumed occupancy level at stabilization of 72 percent, with a rate of about $143.00.

Economic Ground Rent Calculation

Based on the revenue projections set forth for the subject property as part of this appraisal, the following chart shows how the economic ground rent has been calculated. Note that the stabilized total revenue has been deflated back to first-projection-year dollars.

Economic Ground Rent	
Stabilized Deflated Total Revenue	$10,532,962
Economic Rental Percentage	4.0%
Economic Ground Rent	$421,318

Land Capitalization

Rent generated from an unsubordinated ground lease represents a low-risk flow of income. Because the tenant improvements typically amount to more than five times the value of the land, the risk of default is almost nonexistent. For ground leases where rent is tied to revenue, the landlord is also protected from the adverse effects of inflation. While no surveys of hotel land capitalization rates exist, several surveys speak to overall capitalization rates for hotels. The following chart details this information.

Investor Surveys

	Going-In Cap. Rate	
	Range	Avg.
PWC Real Estate Investor Survey - 1st Quarter 2017		
Luxury/Upper-Upscale	4.0% - 9.0%	7.0%
Full Service	6.0% - 10.0%	7.9%
Limited Service Midscale/Economy	7.5% - 11.0%	9.1%
Select Service	6.5% - 10.0%	8.6%
US Realty Consultants - Winter 2017		
Full Service	6.5% - 9.0%	7.6%
Limited Service	7.0% - 9.25%	8.7%
RERC - 1st Quarter 2017		
All Hotels / Average	6.5% - 8.5%	7.6%

Based on these minimal risk factors and the current cost of long-term capital, it is our opinion that an appropriate risk-adjusted land only overall capitalization rate of 6.0 percent is appropriate. Applying the indicated capitalization rate to the subject property's economic ground rent results in the following estimate of land value.

Land Value Calculation

Economic Ground Rent	=	$421,318	=	$7,021,975
Capitalization Rate		6.00%		
Estimated Land Value (Say)				**$7,000,000**
Value per Room				**$28,000**

Conclusion of Site Value – Hotel Land

The fee simple value of the hotel land is supported at $7,000,000.

Prospective Land Values (Hotel Land)

Per the Client's request, we provide a prospective market value opinion of the subject as of July 31, 2019. We have escalated the As Is value of $7,000,000 by 3.0 percent annually to calculate the prospective value as follows.

Prospective Value Conclusion - Hotel Land

Prospective Land Values	Prospective Date	Market* Conditions	Prospective Land Value	Rounded	Price Per Unit
Prospective Value	07/31/19	6.4%	$7,448,000	$7,400,000	$29,600

** Forecast change in market conditions from the date of value through prospective value date.*

Excess Land Valuation Conclusion

We used the Sales Comparison Approach to develop an opinion of land value for the subject's excess land components of the project including office/retail land, apartment/retail and hotel/retail. The following is the aggregate value of the subject's excess land components, excluding adjustment for remaining public improvement costs presented on the following page.

EXCESS LAND VALUE SUMMARY - AS IS

Parcel Description	Office Sq. Ft. GBA	Retail Sq. Ft. GBA	Apt. Sq. Ft. GBA	Hotel Sq. Ft. GBA	Total Building Sq. Ft. GBA	Apt. Units	Hotel Keys	$/ SF FAR - $/Apt. Unit- $/Key	Fee Simple Land Value - As Is	Fee Simple Land Value Rounded
Office/Retail Land Parcels										
Area 1- Project 1OC	310,000	12,800	-	-	322,800	-	-	$31.50	$10,168,200	**$10,200,000**
Area 2- Project 2OA	284,000	5,000	-	-	289,000	-	-	$31.50	$9,103,500	**$9,100,000**
Area 2- Project 2OB	279,000	10,000	-	-	289,000	-	-	$31.50	$9,103,500	**$9,100,000**
Area 2- Project 2OC	285,699	15,000	-	-	300,699	-	-	$31.50	$9,472,019	**$9,500,000**
Area 3- Project 3OB	350,000	19,570	-	-	369,570	-	-	$31.50	$11,641,455	**$11,600,000**
Area 3- Project 3RE	-	27,760	-	-	27,760	-	-	$31.50	$874,440	**$900,000**
Area 3- Project 3OC	375,000	15,760	-	-	390,760	-	-	$31.50	$12,308,940	**$12,300,000**
Project 4OA	175,000	7,000	-	-	182,000	-	-	$31.50	$5,733,000	**$5,700,000**
Total Office/Retail Excess Land:	**2,058,699**	**112,890**	**-**	**-**	**2,171,589**	**-**	**-**		**$68,405,054**	**$68,400,000**
Area 3- Project 3OA	325,197	15,036	-	-	340,233	-	-	$31.50	$10,717,340	**$10,700,000**
Total Office/Retail Excess Land	**2,383,896**	**127,926**			**2,511,822**				**$79,122,393**	**$79,100,000**
Apartment/ Retail Land Parcels										
Area 2- Project 2MFA	-	11,800	485,501	-	497,301	410	-	$45,000	$18,450,000	**$18,450,000**
Area 3- Project 3MFC	-	38,195	452,897	-	491,092	388	-	$45,000	$17,460,000	**$17,450,000**
Area 3- Project 3LRA	-	20,000	138,060	-	158,060	117	-	$45,000	$5,265,000	**$5,250,000**
Area 4- Project 4MFA	-	-	106,200	-	106,200	90	-	$45,000	$4,050,000	**$4,050,000**
Total Apartment/Retail Excess Land:	**-**	**69,995**	**1,182,658**	**-**	**1,252,653**	**1,005**	**-**	**$45,000**	**$45,225,000**	**$45,200,000**
Area 3- Project 3MFB	-	54,039	423,581	-	477,620	382	-	$45,000	$17,190,000	**$17,200,000**
Total Apartment/Retail Excess Land:		**124,034**	**1,606,239**	**-**	**1,730,273**	**1,387**	**-**		**$62,415,000**	**$62,400,000**
Hotel/ Retail Land Parcels										
Total Hotel/Retail Excess Land: Project 3HA	**-**	**11,118**	**-**	**150,000**	**161,118**	**-**	**250**	**$28,000**	**$7,000,000**	**$7,000,000**
Total Aggregate Excess Land Value:	**2,383,896**	**263,078**	**1,606,239**	**150,000**	**4,403,213**	**1,387**	**250**		**$148,537,393**	**$148,500,000**

The total aggregate excess land value equates to $148,500,000, rounded. Excluding allocated excess land value for Area 3 Projects 3OA and 3MFB, the total aggregate excess land value equates to $120,600,000, rounded ($148,537,393- $10,717,340 - $17,190,000 = $120,630,054).

Adjustment for Remaining Public Improvement Costs As-Is

The budgeted costs for public improvements reported by the owner is $83,428,747 as reflected by the following table, of which the owner reports they have spent $13,594,445 as of the effective date of this appraisal. Based on our analysis and discussions with market participants, the owner's monies spent to date for public improvement costs is reflected in the As Is Value opinion.

The estimated remaining costs to complete the public improvements required to support the proposed development equates to $63,500,000, rounded.

The estimated remaining costs complete the planned public improvements required to support the proposed development as of July 31, 2019 are forecast to be $23,800,000, rounded, as reflected by the following exhibit.

PUBLIC IMPROVEMENT COSTS AND COMPLETION SCHEDULE

Public Improvement Item	Total Public Improvement Budget [1]	Phase #1A TIF Bonds Proceeds	Phase #1B TIF Bonds Proceeds	Total TIF Bonds Proceeds	Remaining Costs To Be Funded	Monies Spent To Date	Remaing Costs To Complete As of 6/20/2017	Forecast Date of Completion	Remaing Costs To Complete As of 7/31/2019
Road Segment 1	$18,739,664	$16,194,034	$0	$16,194,034	$2,545,630	$12,246,859	$6,492,805	4/30/2019	$0
Road Segment 2	$14,103,393	$13,245,037	$0	$13,245,037	$858,356	$773,297	$13,330,096	4/30/2019	$0
Road Segment 3 (Public Roads)	$3,848,695	$0	$0	$0	$3,848,695	$422,928	$3,425,767	11/30/2018	$0
Road Segment 3 (Private Roads)	$3,712,927	$0	$0	$0	$3,712,927	$0	$0	11/30/2018	$0
Area 3: Park & Plaza	$3,889,514	$0	$3,889,514	$3,889,514	$0	$48,062	$3,841,452	3/31/2019	$0
Multi-Use Pathways	$1,062,381	$0	$0	$0	$1,062,381	$8,657	$1,053,724	12/31/2018	$0
Road Segment 4	$17,316,017	$1,971,715	$15,344,302	$17,316,017	$0	$94,642	$17,221,375	9/30/2021	$15,249,660
Area Two Internal Roads	$4,329,004	$0	$4,329,004	$4,329,004	$0	$0	$4,329,004	9/30/2019	$4,329,004
Area Four Internal Roads	$2,164,502	$0	$2,164,502	$2,164,502	$0	$0	$2,164,502	9/30/2019	$2,164,502
EMT Rapid Fire Station	$4,329,004	$4,329,004	$0	$4,329,004	$0	$0	$4,329,004	3/31/2019	$0
Subtotal Improvements	$73,495,101	$35,739,790	$25,727,322	$61,467,112	$12,027,989	$13,594,445	$56,187,729		$21,743,166
Developer's Fee	$3,674,755	$1,786,990	$1,286,366	$3,073,356	$601,399	$0	$3,674,755		$601,399
Contingency	$3,674,755	$973,221	$1,286,366	$2,259,587	$1,415,168	$0	$3,674,755		$1,415,168
Total Costs	$80,844,611	$38,500,000	$28,300,054	$66,800,054	$14,044,557	$13,594,445	$63,537,239		$23,759,734
Total Adjustment For As Is Value (Assuming No TIF is available)						**Rounded:**	**$63,500,000**		
Total Adjustment For Remaining Costs to Complete as of July 31, 2019								**Rounded:**	**$23,800,000**

[1] Source: The Howard Research and Development Corporation

Total Aggregate Excess Land Value As-Is

Thus, after adjusting for the remaining public improvement costs as of the effective date of value (June 20, 2017), the resulting aggregate value of the subject's excess land equates to $57,100,000, rounded, as reflected by the following exhibit (excluding sites for Building 3OA and Building 3MFB, which were valued separately):

	Market Value As-Is
Date of Value	**June 20, 2017**
Excess Land Valuation	
Excess Land - Office/Retail (Excl. Building 3OA)	$68,400,000
Excess Land - Apt./Retail (Excl. Building 3MFB)	$45,200,000
Excess Land - Hotel/Retail	$7,000,000
Excess Land Valuation (Aggregate)	$120,600,000
Less Remaining Costs of Public Improvements (Rounded)	($63,500,000)
Total Excess Land Valuation:	$57,100,000

Total Prospective Aggregate Excess Land Value As Of July 31, 2019

Per the client's request, we provide a prospective market value of the subject as of July 31, 2019, assuming funding of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds. As reflected by the prior table, the remaining costs to complete public improvements as of July 31, 2019 are estimated to be $23.8 million, rounded, which are accounted for within the total excess land valuation reflected below.

	Prospective Market Value
Date of Value	**July 31, 2019**
Excess Land Valuation	
Excess Land - Office/Retail (Excl. Building 3OA)	$72,800,000
Excess Land - Apt./Retail (Excl. Building 3MFB)	$48,100,000
Excess Land - Hotel/Retail	$7,400,000
Excess Land Valuation (Aggregate)	$128,300,000
Less Remaining Costs of Public Improvements (Rounded)	($23,800,000)
Total Excess Land Valuation:	$104,500,000

Total Aggregate Excess Land Value Summary

The following table provides a summary of the subject's estimated Excess Land Value As-Is excluding TIF Bonds and the Prospective Market Values as of July 31, 2019 inclusive of TIF Bonds:

	Market Value As-Is	Prospective Market Value
Date of Value	**June 20, 2017**	**July 31, 2019**
Excess Land Valuation		
Excess Land - Office/Retail (Excl. Building 3OA)	$68,400,000	$72,800,000
Excess Land - Apt./Retail (Excl. Building 3MFB)	$45,200,000	$48,100,000
Excess Land - Hotel/Retail	$7,000,000	$7,400,000
Excess Land Valuation (Aggregate)	$120,600,000	$128,300,000
Less Remaining Costs of Public Improvements (Rounded)	($63,500,000)	($23,800,000)
Total Excess Land Valuation (Rounded)	**$57,100,000**	**$104,500,000**

Cost Approach

Methodology

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. The steps in this approach have been outlined in the Valuation Process section of this report. We utilized the Cost Approach to add support to our As-Is value opinions of subject's two office buildings that are currently under construction – One Merriweather and Two Merriweather. We previously developed an opinion of the As Is land value for One Merriweather of $8,700,000 and Two Merriweather of $5,300,000.

Replacement Cost New

The Marshall Valuation Service is used to determine the replacement cost of the subject building. These costs include labor, materials, supervision, contractor's profit and overhead, architect's plans and specifications, sales taxes and insurance. Base costs are provided by the Marshall and Swift (M&S) Square Foot Commercial Methodology. These costs are refined, if applicable, for differences in heating/cooling costs, and the presence of sprinklers and elevators. The refined base costs are then further adjusted, if applicable, to account for building height, interior wall height, building perimeter, current costs, location variations, and prospective value multipliers. Beyond the base building costs, specialty components or site improvements are provided by the segregated cost sections of the M&S Commercial Cost Explorer.

Our estimates of Replacement Cost New (RCN), Indirect Costs, Entrepreneurial Profit, and Depreciation for the subject property are summarized on the following pages. We reviewed the owner's construction cost summary for each building, which is presented in the Addenda, which are in line with published cost data.

For One Merriweather, the owner reported a total budget of $78,187,000, with $67,281,720 spent to date and $10,905,280 remaining to be spent to complete the project. Approximately $7,049,930 of the remaining estimated costs are attributable to tenant improvement allowances and $1,604,978 for leasing commissions to lease-up of the subject's remaining vacant space.

For Two Merriweather, the owner reported a total budget of $40,941,000, with $17,050,636 spent to date and $23,890,364 remaining to be spent to complete the project.

The subject's extraordinary office buildout and LEED Certification costs were considered in the analysis. The cost estimate was based on discussions with the project owner and market participants and review of confidential information from other comparable projects we have appraised in the marketplace.

The cost to complete the project upon stabilization at full occupancy was estimated. Then deductions were made for lease-up costs, including tenant improvement allowance (TI), leasing commissions and lost potential net operating income during the lease-up period to achieve stabilization, to provide an estimate of the prospective value "As Is" for One Merriweather. Based on discussions with market participants, and given the owner has completed only about 42 percent of the project to date for Two Merriweather, we relied on the owner's cost spent to date, which we added to the estimated land value to determine the market value "As Is."

Indirect Costs

Indirect costs (soft costs) not included in our Base Costs are developer overhead, property taxes, permanent loan fees, legal costs, developer fees, contingencies, and lease-up and marketing costs.

An average property in the subject market requires an allowance for indirect costs of between 5.0 and 15.0 percent of Base Costs. We chose to use 10.0 percent for the Building Improvements (Structures) and 10.0 percent for the Site Improvements in our analysis.

Entrepreneurial Profit

Typically, an allowance for entrepreneurial profit would be added when preparing the cost approach. This allowance provides a prospective developer with the incentive to develop a property, especially one of a speculative nature.

Based on our discussions with developers in the local market, this figure tends to range between 10.0 and 20.0 percent of Base Building, Site Improvement and Other Indirect Costs. We chose to use 15.0 percent in our analysis.

Depreciation

There are several methods for capturing the loss in value attributable to depreciation: The market extraction method, the age-life method, and the breakdown method. Our Cost Approach utilizes the fundamental components of the age-life method. In some situations, the impact of certain items of depreciation on value is known or is easily estimated. In the most common variation of the age-life method the cost to cure certain curable items (physical and functional) is known and can be deducted before the age-life ratio is applied; a process that mirrors what typical purchasers consider as part of the investment decision. Once processed, incurable items (physical and functional) can be estimated via the age-life ratio. In situations where External Obsolescence is present it, too, can be analyzed either as a residual to the market value conclusion or via an estimate of capitalized rent loss attributable to the external condition.

Physical Deterioration

The *Marshall & Swift CCE* defines physical deterioration as:

> The wearing out of the improvement through the combination of wear and tear of use, the effects of the aging process and physical decay, action of the elements, structural defects, etc. It is typically divided into two types, curable and incurable, which may be individually estimated by the component breakdown method using some type of age/life approach. Physical deterioration may be further categorized as deferred maintenance, generally requiring immediate attention and treated separately based on the items' cost to repair.

Curable physical deterioration is generally associated with individual short-lived items such as paint, floor and roof covers, hot-water heaters, etc., requiring periodic replacement or renewal, or modification continuously over the normal life span of the improvement. Our calculation of Physical Curable Deterioration is based upon observable components, owner's proposed capital expenditures, and our own estimates of replacement costs where appropriate.

Incurable physical deterioration is generally associated with the residual group of long-lived items such as floor and roof structures, mechanical supply systems and foundations. Such basic structural items are not normally replaced in a typical maintenance program and are usually incurable except through major reconstruction. Physical Incurable Obsolescence will be calculated using a modified age-life method.

Functional Obsolescence

According to the *Appraisal Institute*, functional obsolescence can be caused by changes in market conditions that have made some aspect of a structure, material or design obsolete by current market standards. Functional obsolescence may also be curable or incurable.

To be curable, the cost to correct the deficiency must be equal to or less than the anticipated increase in value. There are three subcategories of curable functional obsolescence: (1) deficiency requiring addition, (2) deficiency requiring substitution and (3) superadequacy. A deficiency requiring addition is measured by how much the cost of the addition exceeds the cost of the item if it were installed new during construction. A deficiency requiring substitution is measured as the cost of the existing component less physical deterioration already charged against the component and salvage value, plus the cost to remove the existing component and the added cost of installation. A superadequacy is measured as the current reproduction cost of the item minus any physical deterioration already charged plus the cost of removal, less the salvage value. A superadequacy is curable if correcting it on the date of the appraisal is economically feasible.

The subject existing improvements were constructed using modern materials and techniques. Furthermore, the design and layout of the property are consistent with current market standards. We assume future tenant buildout of the subject's vacant space will be completed to market standards. Thus, no adjustment for Functional Obsolescence is required.

External Obsolescence

External obsolescence is the adverse effect on value resulting from influences outside the property. External obsolescence may be the result of lagging rental rates, high inflation, excessive construction costs, access to highways, the lack of an adequate labor force, changing land use patterns and market conditions, or proximity to an objectionable use or condition. Based on a review of the location of the subject, local market conditions, and market leasing activity, no additional external obsolescence adjustment is required.

Replacement Cost New (Structures)

A breakdown of each building component is presented by the following table. A separate analysis of each component allows for a consideration of the unique cost differences of each component. The following table summarizes the replacement cost new of the building improvements (structures). It should be noted that the parking garage gross building area square footage is an allocation as it is shared with Two Merriweather.

COST APPROACH SUMMARY - ONE MERRIWEATHER

IMPROVEMENTS (STRUCTURES)			
DESCRIPTION		Parking Garage	Office Building
Marshall & Swift - Improvement Type		Parking Structures	Office Buildings
Construction Class		B	A
Quality of Construction		Low Cost	Good
Marshall & Swift - Section		Section 14	Section 15
Marshall & Swift - Page		Page 34	Page 17
Date		Feb-16	Nov-15
Number of Stories		9	8
Base SF Cost		$40.34	$209.11
SQUARE FOOT REFINEMENTS			
HVAC Refinements		$0.00	$0.00
Sprinklers		$2.00	$2.00
Other Adjustments (LEED, Amenities):		$0.00	$2.50
Adjusted Base Cost		$42.34	$213.61
HEIGHT AND SIZE REFINEMENTS			
Number of Stories		1.030	1.025
Height Per Story		1.000	1.000
Perimeter		1.000	1.000
Adjusted Base Cost		$43.61	$218.95
FINAL CALCULATIONS			
Current Cost Multiplier		1.030	1.020
Local Area Multiplier		1.040	1.040
Prospective Multiplier		1.000	1.000
Adjusted SF Cost		$46.72	$232.26
TIMES: SF for Replacement Cost Purposes		234,151	217,783
Adjusted Cost		**$10,938,430**	**$50,582,808**
PLUS: Indirect Costs	10.0%	$1,093,843	$5,058,281
Adjusted Cost		$12,032,273	$55,641,089
PLUS: Entrepreneurial Profit (Structures)	15.0%	$1,804,841	$8,346,163
Replacement Cost New (RCN)		**$13,837,114**	**$63,987,252**
REPLACEMENT COST SUMMARY (STRUCTURES)			
Total Adjusted Costs			**$61,521,238**
PLUS: Total Indirect Costs			$6,152,124
PLUS: Total Entrepreneurial Profit (Structures)			$10,151,004
Total Replacement Costs New (RCN)			**$77,824,366**
Total GBA (SF)	217,783		$357.35
PSF of GBA			

Total includes all component / building costs as detailed above

Depreciation (Structures)

As previously discussed, our analysis of depreciation reflects physical and functional curable prior to consideration of physical and functional incurable items, which are treated as components of the modified age-life method. If applicable, economic obsolescence is independently estimated and deducted. To allow for any variances in the age/condition of individual building components, a separate depreciation analysis was applied to each. The following table summarizes the depreciated value of improvements (structures).

COST APPROACH SUMMARY

DEPRECIATION ANALYSIS (STRUCTURES)

DESCRIPTION		Parking Garage	Office Building
Replacement Cost New (RCN)		$13,837,114	$63,987,252
LESS: Physical Curable		$0	$0
LESS: Functional Curable		$0	$0
Adjusted RCN		$13,837,114	$63,987,252
Age/Life Analysis			
Year Built		2017	2017
Actual Age (Years) - As Is		0	0
Economic Life (Years)		45	55
Effective Age (Years) - Upon Stabilization		1	1
Remaining Economic Life (Years)		44	54
Percent Depreciated		2.22%	1.82%
Age/Life Depreciation (% of Adjusted RCN)		$307,491	$1,163,405
Adjusted RCN		$13,837,114	$63,987,252
LESS: Age/Life Depreciation		($307,491)	($1,163,405)
Adjusted RCN		$13,529,623	$62,823,847
LESS: Functional Incurable		$0	$0
Adjusted RCN		$13,529,623	$62,823,847
LESS: Economic Obsolescence (External)	0.0%	$0	$0
Depreciated RCN		**$13,529,623**	**$62,823,847**
Depreciation Subtotal		($307,491)	($1,163,405)

DEPRECIATION SUMMARY (STRUCTURES)

Total RCN	**$77,824,366**
LESS: Total Depreciation - Physical Curable	$0
LESS: Total Depreciation - Functional Curable	$0
LESS: Total Depreciation - Age/Life	($1,470,896)
LESS: Total Depreciation - Functional Incurable	$0
LESS: Total Depreciation - Economic Obsolescence (External)	$0
Total Depreciated Value of Improvements	**$76,353,470**
Total Depreciated Value PSF of GBA	$350.59

Total includes all component / building costs as detailed above

Replacement Cost New (Site Improvements)

Because site improvements can vary significantly and have a shorter typical age/life than the building components, a separate analysis was conducted. Site improvement costs include landscaping, asphalt paving, walkways, etc. The following table presents a detail of the replacement cost new of site improvements.

SITE IMPROVEMENTS - REPLACEMENT COST NEW								
Item	Unit Type	Land Area	Cost Per Unit	Cost New	Indirect 10.0%	Adjusted Cost	Profit 15.0%	Replacement Cost New
Site Improvements	SF	57,843	$3.00	$173,530	$17,353	$190,883	$28,632	$219,515
Totals				$173,530	$17,353	$190,883	$28,632	$219,515

Depreciation (Site Improvements)

The following table presents a detail of the depreciated value of site improvements.

SITE IMPROVEMENTS - DEPRECIATION										
Item	Physical Curable	Functional Curable	Adjusted Total	Economic Life	Effective Age	Depreciation %	Age/Life Depreciation	Adjusted Total	Economic Obsolescence 0.0%	Depreciated Cost
Site Improvements	$0	$0	$219,515	15	1	6.67%	($14,634)	$204,881	$0	$204,881
Totals	$0	$0	$219,515				($14,634)	$204,881	$0	$204,881

Summary (Site Improvements)

The following table provides a summary of the depreciated value of the site improvements.

SITE IMPROVEMENTS			
Cost New (Site Improvements)			$173,530
PLUS: Indirect Costs	10.0%	of Hard Costs	$17,353
Adjusted Cost			$190,883
PLUS: Entrepreneurial Profit	15.0%	of Adjusted Costs	$28,632
RCN (Site Improvements)			**$219,515**
DEPRECIATION ANALYSIS (SITE IMPROVEMENTS)			
RCN (Site Improvements)			**$219,515**
LESS: Physical Curable			$0
LESS: Functional Curable			$0
Adjusted RCN (Site)			$219,515
LESS: Age/Life Depreciation			($14,634)
Adjusted RCN (Site)			$204,881
LESS: Economic Obsolescence (External):	0.0%		$0
Total Depreciated Value of Site Improvements			**$204,881**
Site Area SF (Primary Site)	57,843		
Conclusion PSF of Land Area (Primary Site)			**$3.54**

Lease-Up Costs Adjustment – One Merriweather

For analysis purposes, a deduction of costs associated with lease-up of the subject's vacant available space in the first two years of the analysis is required (tenant improvement allowance, leasing commissions, and lost NOI during the lease-up period) to estimate the market value of the subject "As Is". The analysis also incorporates a provision for entrepreneurial profit to mirror investor behavior related to risks of investing in a property with significant vacancy. As discussed, we estimate the subject's first stabilized year of the analysis to be Year Three (forecast as of August 1, 2019 for analysis purposes). The following table summarizing these deductions:

LEASE-UP COSTS - ONE MERRIWEATHER		
Cashflow Year:	**Year 1**	**Year 2**
Tenant Improvements	5,911,595	859,288
Leasing Commissions	1,574,369	301,468
Total Leasing & Capital Costs	$7,485,964	$1,160,756
Total Leasing & Capital Costs (Cumulative)	**($7,485,964)**	**($8,646,720)**
Stabilized Net Operating Income (Year Three)	5,122,989	5,122,989
Net Operating Income	1,985,719	4,484,262
Lost NOI during lease-up	3,137,270	638,727
Total Lost NOI Due To Lease-Up (Cumulative)	**($3,137,270)**	**($3,775,997)**
Total Lease-Up Costs (Cumulative)	**($10,623,234)**	**($12,422,717)**
Profit (% of Lease-Up Costs) 15%	(1,593,485)	(1,863,408)
Total Lease-Up Costs (Cumulative)	**($12,216,719)**	**($14,286,125)**

Total Leasing Costs- The indicated deduction for Total Leasing Costs includes tenant improvement allowance (TIs) and leasing commissions over the absorption period to achieve stabilization. The cumulative total leasing costs over the first two years of the analysis equates to $8,642,720.

Lost NOI Due To Lease-Up- This deduction accounts for lost potential net operating income over the lease-up period until the subject achieves stabilization (Year Three). The calculation includes the product of the difference of the stabilized year NOI (Year Three) and Years One and Two. The cumulative total lost NOI during lease-up equates to $3,775,997.

Total Lease-Up Costs Deduction- Based on discussions with market participants, we also reflect a deduction of 15 percent for entrepreneurial profile on total lease-up costs. The combined total lease-up costs over the lease-up period equates to $14,286,125.

Conclusion - As Is Value Conclusion- One Merriweather

As a culmination to the Cost Approach, we reiterate the conclusions from each portion of this analysis. Please refer to the following table for our Cost Approach summary.

COST APPROACH VALUE SUMMARY - ONE MERRIWEATHER		
COST SOURCE	Marshall & Swift (Commercial Cost Explorer)	
IMPROVEMENTS (Structures)		
Adjusted Costs		**$61,521,238**
PLUS: Indirect Costs		$6,152,124
PLUS: Entrepreneurial Profit		$10,151,004
LESS: Total Depreciation		($1,470,896)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (Structures)		**$76,353,470**
IMPROVEMENTS (Site)		
Cost New		**$173,530**
PLUS: Indirect Costs		$17,353
PLUS: Entrepreneurial Profit		$28,632
LESS: Total Depreciation		($14,634)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (Site)		**$204,881**
SUMMARY (ALL IMPROVEMENTS)		
Adjusted Costs/Cost New		$61,694,768
PLUS: Total Indirect Costs		$6,169,477
PLUS: Total Entrepreneurial Profit		$10,179,637
TOTAL REPLACEMENT COST NEW		**$78,043,882**
LESS: Total Depreciation		($1,485,530)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS		**$76,558,351**
Depreciated Value PSF of GBA		$351.54

INDICATED VALUE BY THE COST APPROACH (AS IS)		
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS		**$76,558,351**
PLUS: Primary Land Value - Fee Simple (As Is)		$8,700,000
LESS: Lease-Up Costs		($14,286,125)
INDICATED PROSPECTIVE VALUE AS IS		**$70,972,227**
Rounded to the Nearest	**$100,000**	**$71,000,000**
Conclusion PSF of Total GBA	217,783 SF GBA	**$326.01**

Cost Approach – As Is Value Conclusion- Two Merriweather

We also utilized the Cost Approach to estimate of the market value As Is of Two Merriweather. As previously discussed, we estimated the Land Value As Is for Two Merriweather to be $5,300,000.

The indicated As Is Value conclusion includes consideration of monies spent to date for site improvements and other costs. As previously noted, the owner has spent $17,050,636 on this project to date. A breakdown of monies spent to date was provided by the owner, which is copied in the Addenda (Owner Reports). Additional costs spent to finish the site for development are reflected in the land value opinion (as a finished site with entitlements in place for the planned development). Based on discussions with market participants, monies spent to date is included in the market value opinion of the subject As Is. The resulting As Is Market Value conclusion as of the effective date of June 20, 2017 (date of last inspection) equates to $22,400,000, rounded.

TWO MERRIWEATHER AS IS LAND VALUE	Price Per Building SF
Indicated Value	$40.00
Building Area Measure	x 132,576
Indicated Value	$5,303,040
LAND VALUE CONCLUSION (ROUNDED)	**$5,300,000**
$/Building Area Basis	$39.98
Plus: Monies Spent To Date	$17,050,636
Building Area Measure	$22,350,636
Rounded to nearest $100,000	$22,400,000
AS IS VALUE CONCLUSION (ROUNDED)	**$22,400,000**

Compiled by Cushman & Wakefield of Maryland, Inc.

Sales Comparison Approach – One Merriweather

Methodology

Using the Sales Comparison Approach, we developed an opinion of value by comparing the subject property to similar, recently sold properties in the surrounding or competing area. This approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The basic steps of this approach are:

- Research recent, relevant property sales and current offerings in the competitive area;
- Select and analyze properties that are similar to the subject property, analyzing changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
- Identify sales that include favorable financing and calculate the cash equivalent price;
- Reduce the sale prices to a common unit of comparison such as price per square foot of net rentable area, effective gross income multiplier, or net income per square foot;
- Make appropriate comparative adjustments to the prices of the comparable properties to relate them to the subject property and
- Interpret the adjusted sales data and draw a logical value conclusion.

The most widely used and market-oriented unit of comparison for properties such as the subject is the sales price per square foot of net rentable area. All comparable sales were analyzed on this basis. The following pages contain a summary of the improved properties that we compared to the subject property, a map showing their locations, and the adjustment process.

Due to the nature of the subject property and the level of detail available for the comparable data, we elected to analyze the comparables through the application of a traditional adjustment grid using percentage adjustments. This methodology is commonly used by participants that buy and sell property similar to the subject property. Therefore, it is considered the appropriate methodology to use in this assignment.

For purposes of this analysis, we estimated the prospective market value upon stabilization. Adjustments for lease-up costs as previously presented were adjusted for at the end of this section.

We did not perform the Sales Comparison Approach for Two Merriweather given the leasing and construction status of the project.

SUMMARY OF IMPROVED OFFICE SALES

PROPERTY INFORMATION						TRANSACTION INFORMATION						
No.	Property Name Address, City, State	Building NRA	Year Built	Year Ren.	Grantor	Grantee	Sale Date	Sale Price	$/SF	NOI/SF	OAR	Occup.	Comments
S	Subject Property	195,937	2017	N/A									
1	One Dulles 10740 Parkridge Boulevard Reston, VA	215,715	2008	-	Westbrook Partners	WAFRA Investments	8/16	$68,100,000	$315.69	$20.20	6.40%	85%	This transaction involved a Class A office building in the Reston area of Fairfax County, Virginia. The building, which was constructed in 2008, is situated on the south side of the Dulles Toll Road at its intersection with Hunter Mill Road. Minutes away from the Tysons Corner and Washington International Airport, the building was 85.0 percent leased at the time sale to a variety of tenants including CST Group, MiCore Solutions, and Network Services. Amenities include food service and a fitness center.
2	Baltimore FBI Building 2600 Lord Baltimore Drive Baltimore, MD	155,755	2004	-	Rubicon US REIT, Inc.	USAA Real Estate Company	12/15	$60,100,000	$385.86	$23.15	6.00%	100%	This was the sale of an office building fully leased by the FBI (U.S. Government- General Services Administration), which is located within the Woodlawn submarket in western Baltimore. The property was leased as of June 1, 2015 for a 15-year term expiring May 30, 2030. The listing broker reported an in-place cap rate of 5.9 percent. The buyer`s pro-forma cap rate was reported as 6.0 percent.
3	1881 at Wiehle Metro 1881 Campus Commons Drive Reston, VA	244,565	1999	2013	Columbia Property Trust	TA Realty	12/15	$77,900,000	$318.52	$20.39	6.40%	91%	This suburban office building is located near the intersection of Sunrise Valley Drive and Wiehle Avenue within the Campus Commons business park, proximate to the new Wiehle-Reston Metrorail station in the Dulles Corridor. The property sold for $65 million, $266 per square foot of NRA, but there were outstanding leasing costs due to recent leasing and additional costs to bring the property to stabilization. Those costs were estimated to be $12.9 million. The contract rents were generally at market, but there was upcoming lease roll over. The OAR is based on pro forma NOI.
4	Summitt at Washingtonian 9711 Washingtonian Boulevard Gaithersburg, MD	193,199	2009	-	AREP 9711 Washingtonian South, LLP	Principal Life	10/15	$63,000,000	$326.09	$22.92	7.03%	94%	This was the sale of an 8-story, Class A office building located with good exposure to I-270. Major tenants are GSX with 88,737 square feet and Edgewood Management with 24,105 square feet. Average rents were above market with little rollover in the first five years. Total expenses were just under $11.00 per square foot. The overall rate was based on in-place net operating income at the time of sale.
5	South Lake at Dulles Center 13820 Sunrise Valley Drive Herndon, VA	268,240	2007	-	Signature Office REIT	Griddin Capital Essential Asset REIT	6/15	$94,186,233	$351.13	$24.09	6.86%	100%	South Lake at Dulles Corner is a Class A office tower located at the southeast quadrant of the Dulles Toll Road and Sully Road (Route 28), just east of Dulles Airport, in Herndon. The building is located in the Dulles Corner Business Park and tenants within the park include Northrop Grumman Logicon, Radian, Perot Systems and Deltek Systems. South Lake at Dulles Corner was developed in 2007 and contains 268,240 square feet of net rentable area within ten stories. The building is fully leased to two tenants, with Time Warner Cable taking nearly the entire building and an expiration date of July 2019. The building transferred in June 2015 as part of a 13 property portfolio. The allocated purchase price was reported at $94,186,233 or $351.13 per square foot of net rentable area. The overall capitalization rate is $6.86 percent and reflects the near term roll of the anchor tenant.
6	Thames Street Wharf 1300 Thames Street Baltimore, MD	260,651	2010	-	Beatty Development Group, LLC	KBS Realty Advisors	4/14	$89,000,000	$341.45	$22.94	6.72%	86%	This was the sale of an 8-story, multi-tenant office building located along the Inner Harbor waterfront in downtown Baltimore. The building was completed in 2010 and was the first building improved within the 27-acre Harbor Point planned mixed-use project being developed by the seller, Beatty Development Group. The masonry and glass building is LEED® Gold certified for Core and Shell. The waterfront office building known as Thames Street Wharf is anchored by Morgan Stanley & Company, who initially leased about 134,500 square feet of the building upon completion and has since expanded and leased 172,312 square feet at the time of sale on a triple-net basis through June 2025. The other anchor tenant in the building is Johns Hopkins Medicine, which leases 31,336 square feet through August 2024. The overall rate was based on in-place NOI at the time of sale. There was 36,263 square feet vacant at the time of sale, including the entire 2nd level containing 31,336 square feet. The asking rent was $24.50/SF on a triple-net basis.
STATISTICS													
Low		155,755	1999	2013			4/14	$60,100,000	$315.69	$20.20	6.00%	85%	
High		268,240	2010	2013			8/16	$94,186,233	$385.86	$24.09	7.03%	100%	
Average		223,021	2006	2013			8/15	$75,381,039	$339.79	$22.28	6.57%	93%	

Compiled by Cushman & Wakefield of Maryland, Inc.

IMPROVED SALE ADJUSTMENT GRID - ONE MERRIWEATHER

		ECONOMIC ADJUSTMENTS (CUMULATIVE)					PROPERTY CHARACTERISTIC ADJUSTMENTS (ADDITIVE)							
No.	Price PSF & Date	Property Rights Conveyed	Conditions of Sale	Financing	Market (1) Conditions	Subtotal	Location	Size	Age, Quality & Condition	Utility (2)	Economics	Other	Adj. Price PSF	Overall
1	**$315.69**	Leased Fee	Arm's-Length	None	Inferior	**$345.05**	Similar	Similar	Inferior	Inferior	Inferior	Similar	**$414.06**	Inferior
	8/16	0.0%	0.0%	0.0%	9.3%	9.3%	0.0%	0.0%	5.0%	5.0%	10.0%	0.0%	20.0%	
2	**$385.86**	Leased Fee	Arm's-Length	None	Inferior	**$430.24**	Similar	Similar	Inferior	Similar	Superior	Similar	**$430.24**	Similar
	12/15	0.0%	0.0%	0.0%	11.5%	11.5%	0.0%	0.0%	10.0%	0.0%	-10.0%	0.0%	0.0%	
3	**$318.52**	Leased Fee	Arm's-Length	None	Inferior	**$355.16**	Similar	Similar	Inferior	Inferior	Inferior	Similar	**$426.19**	Inferior
	12/15	0.0%	0.0%	0.0%	11.5%	11.5%	0.0%	0.0%	10.0%	5.0%	5.0%	0.0%	20.0%	
4	**$326.09**	Leased Fee	Arm's-Length	None	Inferior	**$365.22**	Similar	Similar	Similar	Inferior	Inferior	Similar	**$420.00**	Inferior
	10/15	0.0%	0.0%	0.0%	12.0%	12.0%	0.0%	0.0%	0.0%	5.0%	10.0%	0.0%	15.0%	
5	**$351.13**	Leased Fee	Arm's-Length	None	Inferior	**$397.12**	Similar	Similar	Similar	Similar	Inferior	Similar	**$416.98**	Inferior
	6/15	0.0%	0.0%	0.0%	13.1%	13.1%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%	5.0%	
6	**$341.45**	Leased Fee	Arm's-Length	None	Inferior	**$399.84**	Superior	Similar	Similar	Similar	Inferior	Similar	**$419.83**	Inferior
	4/14	0.0%	0.0%	0.0%	17.1%	17.1%	-5.0%	0.0%	0.0%	0.0%	10.0%	0.0%	5.0%	

STATISTICS				
$315.69	**- Low**	**Low -**	$414.06	0.00%
$385.86	**- High**	**High -**	$430.24	20.00%
$339.79	**- Average**	**Average -**	$421.22	10.83%

Compiled by Cushman & Wakefield of Maryland, Inc.

(1) Market Conditions Adjustment

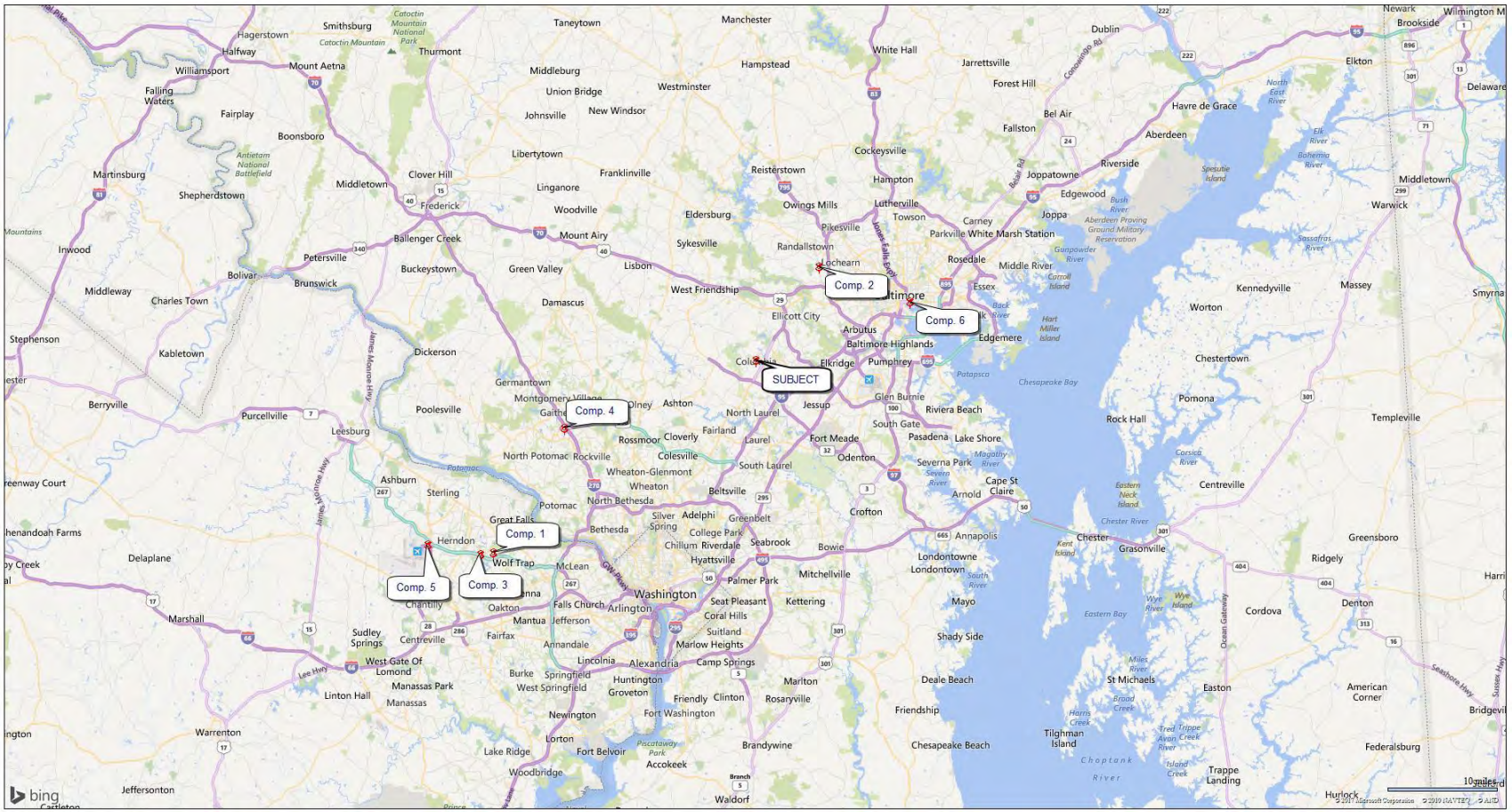
Compound annual change in market conditions: 3.00%

Date of Value (for adjustment calculations): 8/1/19

(2) Utility Footnote

Utility includes floor plates, premiums, parking, Metrorail, LEED, etc.

IMPROVED SALE LOCATION MAP



Percentage Adjustment Method

Adjustment Process

The sales we used were the best available comparables to the subject property. The major points of comparison for this type of analysis include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

The first adjustment made to the market data takes into account differences between the subject property and the comparable property sales with regard to the legal interest transferred. Advantageous financing terms or atypical conditions of sale are then adjusted to reflect a normal market transaction. Next, changes in market conditions are accounted for, creating a time adjusted price. Lastly, adjustments for location, physical traits and the economic characteristics of the market data are made in order to generate the final adjusted unit rate for the subject property.

When the subject was superior we adjusted the comps upward to those comparables considered inferior. When the subject was inferior we adjusted the comps downward to those comparables considered superior.

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the price that is paid. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. Per the Client’s request, we are valuing the subject’s fee simple interest. Each of the comparables reflects the leased fee interest. Adjustments for economic characteristics of the comparables are presented later in this section within the Economics adjustment category.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arm’s-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments are required.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments are required.

Market Conditions

In this analysis, we determined the Prospective Market Value Upon Stabilization using the value date of August 2019. All of the comparables are adjusted to this date. The sales that are included in this analysis occurred between April 2014 and August 2016. As the market has improved over this time period, we applied an annual adjustment of 3.00 percent.

Location

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. Although we expanded our research for comparable sales to the greater Baltimore-Washington, D.C region, each of the markets were considered comparable to the subject. Comparable Six requires a slight downward adjustment for superior submarket location within the Harbor Point development in downtown Baltimore City.

Physical Traits

Each property has various physical traits that determine its appeal. These traits include size, age, condition, quality, parking ratio and utility. Each comparable is adjusted accordingly.

Effective Age, Quality & Condition- The subject property will represent new construction upon stabilization. Comparables One, Two and Three require upward adjustment for inferior effective age, quality and condition in comparison to the subject.

Utility- This category considers the building utility including floorplates, premiums (views, amenities, etc.) parking, LEED, etc. Based on our analysis, Comparables One, Three and Four require upward adjustment for inferior building utility in comparison to the subject.

No other physical characteristics adjustments are required.

Economic Characteristics

The economic characteristics of a property include its occupancy levels, operating expense ratios, tenant quality, and other items not covered under prior adjustments that would have an economic impact on the transaction. As will be discussed, the subject property is about 49 percent pre-leased by MedStar Health under a long term lease agreement at market rent. Additional adjustments for lease-up costs until the subject achieves stabilization are presented at the end of this section. In comparison to the subject forecast upon stabilization, Comparables One, Three, Four, Five and Six require upward adjustment for inferior economic characteristics. Comparable Two requires a slight downward adjustment for superior economic characteristics.

Other

This category accounts for any other adjustments not previously discussed. Based on our analysis of these sales, none require any additional adjustment.

Summary of Percentage Adjustment Method

We used the Sales Comparison Approach to estimate the Prospective Market Value Upon Stabilization of the subject property. From that value, we make certain adjustments to derive the As-Is Market Value. A detailed discussion of the adjustments is described as follows:

Prior to adjustments the comparable improved sales reflect unit prices ranging from $315.69 to $385.86 per square foot with an average pre adjusted price of $339.79 per square foot.

After adjustments the comparable improved sales reflect unit prices ranging from $414.06 to $430.24 per square foot with an average adjusted price of $421.22 per square foot. The degree of adjustment for the sales does not affect their reliability in reconciling a market value opinion of the subject property by the Sales Comparison Approach. For additional support, we spoke with property owners, brokers and investors regarding current investment sale considerations, the results of which are presented later in the Income Capitalization Approach.

Therefore, we conclude that the indicated As Is Value by the Percentage Adjustment Method, adjusted for lease-up costs as previously presented, as of the effective date of value of June 20, 2017 was:

APPLICATION TO SUBJECT - ONE MERRIWEATHER	
Prospective Market Value Upon Stabilization	
Indicated Value per Square Foot NRA	$421.00
Net Rentable Area in Square Feet	x 208,181
Prospective Market Value Upon Stabilization	$87,644,201
Rounded to nearest $100,000	**$87,600,000**
Per square foot	$420.79

APPLICATION TO SUBJECT - ONE MERRIWEATHER	
Market Value As-Is	
Prospective Market Value Upon Stabilization	**$87,644,201**
LESS Lease-Up Costs	($14,286,125)
Indicated Market Value As Is	$73,358,076
Rounded to nearest $100,000	**$73,400,000**
Per square foot	$352.58

Compiled by Cushman & Wakefield of Maryland, Inc.

Income Capitalization Approach

Methodology

The Income Capitalization Approach determines the value of a property based on the anticipated economic benefits. The principle of "anticipation" is essential to this approach, which recognizes the relationship between an asset's potential future income and its value. To value the anticipated economic benefits of a property, potential income and expenses must be projected, and the most appropriate capitalization method must be selected. The most common methods of converting net income into value are Direct Capitalization and Yield Capitalization. In direct capitalization, net operating income is divided by an overall capitalization rate to indicate an opinion of market value. In the yield capitalization method, anticipated future cash flows and a reversionary value are discounted to an opinion of net present value at a chosen yield rate (internal rate of return).

We utilized the Income Capitalization Approach to determine the market value of One Merriweather, Two Merriweather, Building 3OA and Building 3MFB. Investors will typically look at year one returns but must also consider long-term strategies. Hence, depending on certain factors, each of the income approach methods has merit. The subject's existing and proposed office/retail buildings, including One Merriweather, Two Merriweather and Building 3OA, will require building improvements, tenant buildout and leasing commissions to achieve stabilized occupancy. One Merriweather delivered as of January 1, 2017. Two Merriweather is forecast for shell completion in August 2017 with first tenant occupancy by December 1, 2017. The owner plans to break ground on Building 3OA in November 2017 with delivery by March 31, 2019 and first tenant occupancy by August 1, 2019. Investors typically utilize the Direct Capitalization Approach only for stabilized properties. Also, there were few comparable sales that reflect similar economic characteristics as the subject properties "As Is", limiting the reliability of the Direct Capitalization Approach. Thus, we relied on the Discounted Cash Flow (DCF) method to determine the market value of the subject's office/retail buildings, which is the primary valuation approach used by market participants for comparable properties.

The subject's proposed apartment/retail project, Building 3MFB, is scheduled to break ground in November 2017 with completion by June 30, 2019. Investors typically rely the Direct Capitalization method for apartment buildings, which we utilized in the analysis for this project. Per the client's request, we provide a prospective market value opinion for each of the project's components as of July 31, 2019, with adjustments made for remaining lease-up cost as of the effective date of value. The developer's completion schedule, summary of monies spent to date and forecast completion costs for each public project component, and a map showing the planned public improvements, were previously presented in this report. Separate cash flows and analysis for each project component are presented in this section.

Per the client's request, we separately valued each project component and provide an aggregate value at the end of this section and in the following Reconciliation section. In our analysis, we considered that the current owner will benefit from economies-of-scale in management and operating costs by controlling the entire project, versus separate owners controlling individual assets within The Crescent. In the following section we first present an analysis of the subject's three office/retail projects, One Merriweather, Two Merriweather and Building 3OA, followed by an analysis of the subject apartment/retail project Building 3MFB.

Potential Gross Income

Potential gross income is generated by a number of distinct elements:

- Minimum rent determined by the lease agreement
- Reimbursement of certain expenses incurred in the ownership and operation of the real estate
- Other miscellaneous revenues

Minimum base rent is a legal contract between landlord and tenant establishing a return to investors in the real estate. The lease terms also dictate specific expense reimbursement charges that can be billed to the tenant. Finally, miscellaneous income can be generated from a variety of sources.

The first step in this approach is to analyze all potential gross income, starting with an analysis of the subject's tenancy. Base rent produced by the subject properties is derived from that paid by the various tenant types. The projection used in this analysis is based on the actual rent roll as of the date of appraisal, together with our assumptions regarding the absorption of the vacant space, market rent growth, and renewal/turnover probability.

The rental income an asset such as the subject property will generate for an investor is analyzed based on its quality, quantity, and durability. The quality and probable duration of income will affect the amount of potential risk over the property's investment holding period. By segregating the income stream along these lines we can control the variables related to the forecasted performance with greater accuracy.

Minimum rents forecasted at the subject property are derived from various tenant categories. We grouped the tenants into categories that enable us to make like-kind comparisons to other subject leases, which ultimately allows us to make a meaningful comparison of each tenant category to the appropriate set of comparable rents. As an aid to the reader, we preface our analysis of the subject's leases with a discussion of their lease structure.

Income Capitalization Approach- Office/Retail Properties

Subject Tenancy

The subject properties are demised for multi-tenant occupancy. On the following pages we discuss the subject properties' occupancy, lease structure and rent levels, and contract this information against comparable properties in the market. Per the client's request, we have valued the fee simple interest for each of the subject properties. The terms of in-place leases are confidential. Thus, the indicated revenue from in-place leases presented in this report are based on market rent and not the actual lease terms.

Space Summary & Occupancy Status – One Merriweather

The following is a summary of the occupied and vacant space forecast for the subject property. The subject property contains 208,181 square feet +/- of rentable space. For analysis purposes, we have estimated the property will be demised for up to eight tenants upon completion of tenant occupancy, including two retail tenants on the first floor.

SPACE SUMMARY & OCCUPANCY STATUS - ONE MERRIWEATHER

	SPACE SUMMARY				SPACE COUNT		
Tenant Category	**Occ. SF**	**Vct. SF**	**Total SF**	**Occupancy**	**Occupied**	**Vacant**	**Total**
Office- $32.50	112,479	54,798	167,277	67.2%	1	2	3
Office- $36.50	-	31,561	31,561	0.0%	0	6	6
Retail	9,343	-	9,343	100.0%	2	0	2
Total	121,822	86,359	208,181	58.5%	3	8	11

Compiled by Cushman & Wakefield of Maryland, Inc.

The first office building, referred to as One Merriweather, was completed (core and shell) as of January 1, 2017. MedStar Health, a non-profit, community-based healthcare system serving the Baltimore-Washington, D.C. region, pre-leased 97,323 square feet of this building and subsequently expanded taking 112,429 square feet, or 54.0 percent +/- of the total net rentable area. The lease commenced as of January 1, 2017 for a 13-year term. As noted, the terms of this lease are confidential. The building also includes 9,373 square feet +/- of retail space (net rentable area) demised on the first level. The owner has leased the retail space to a restaurant tenant containing 8,254 square feet and 1,089 square feet to a deli.

Space Summary & Occupancy Status – Two Merriweather

The following is a summary of the occupied and vacant space forecast for the subject property upon completion. The subject property will contain 123,604 square feet of rentable space upon completion. For analysis purposes, we have estimated the property will be demised for up to six tenants upon completion, including four retail tenants and two office tenants.

SPACE SUMMARY & OCCUPANCY STATUS - TWO MERRIWEATHER

	SPACE SUMMARY				SPACE COUNT		
Tenant Category	**Occ. SF**	**Vct. SF**	**Total SF**	**Occupancy**	**Occupied**	**Vacant**	**Total**
Office	73,253	23,809	97,062	75.5%	1	1	2
Retail- $40/SF	-	23,158	23,158	0.0%	0	3	3
Retail- $45/SF	-	3,384	3,384	0.0%	0	1	1
Total	73,253	50,351	123,604	59.3%	1	5	6

Compiled by Cushman & Wakefield of Maryland, Inc.

The Howard Hughes Corporation broke ground on the second office building within The Crescent project, referred to as Two Merriweather, in December 2016. This 5-story, 123,604 square foot (net rentable area) building is scheduled for shell completion in August 2017. Major tenant Connections Education LLC, a wholly-owned subsidiary of Pearson PLC (NYSE: PSO), has pre-leased 73,253 square feet of the building (59.3 percent). The lease is scheduled to commence upon completion of the building and tenant buildout by December 1, 2017. The terms of this lease are confidential. The fifth floor office space containing 23,809 square feet remains available for lease. The remaining 26,542 square feet of available space on the first floor and concourse level is being marketed for lease to retail tenants. The owner reports they are in discussions with multiple tenants for the remaining office and retail space.

Space Summary & Occupancy Status – Building 3OA

The following is a summary of the occupied and vacant space forecast for the subject property upon completion. The subject property will contain 320,811 square feet of rentable space upon completion. For analysis purposes, we have estimated the property will be demised for up to ten tenants upon completion, including two retail tenants and eight office tenants.

SPACE SUMMARY & OCCUPANCY STATUS - BUILDING 3OA

	SPACE SUMMARY				SPACE COUNT		
Tenant Category	**Occ. SF**	**Vct. SF**	**Total SF**	**Occupancy**	**Occupied**	**Vacant**	**Total**
Office- $36.00/SF	150,000	-	150,000	100.0%	1	0	1
Office- $37.50/SF	-	157,678	157,678	0.0%	0	7	7
Retail- $35.00/SF	-	7,455	7,455	0.0%	0	1	1
Retail- $40.00/SF	-	5,678	5,678	0.0%	0	1	1
Total	150,000	170,811	320,811	46.8%	1	9	10

Compiled by Cushman & Wakefield of Maryland, Inc.

The owner plans to break ground as of November 1, 2017 with shell completion of the office/retail space and parking garage by March 31, 2019. Interior buildout of the common area core and anchor tenant space is estimated by July 31, 2019. The owner is reportedly in negotiations with an anchor tenant (confidential) to lease 150,000 square feet of the office space (part of Floor 7 and Floors 8 through 12), which reflects approximately 46.8 percent of the total net rentable area.

Lease Structure- Office/Retail Properties

Types of Leases

In addition to base rent, tenants are often required to reimburse the landlord for certain expenses. Expense recovery clauses range from absolutely net (whereby the tenant pays all property expenses) to fully gross (in which the tenant pays no expenses). Recovery provisions can vary by property type and locale, and can fall anywhere within the net to gross range.

Local Market Lease Structure

The market in which the subject property is located recognizes these basic lease structures, with slight variations. In the subject's market, office leases are typically written on a modified gross basis, with the tenants responsible for increases in real estate taxes and operating expenses over a base amount (normally costs in the initial year of occupancy). This lease structure is referred to as a *full service lease* in the subject's market. Lease terms are typically between 5 and 10 years in length for first generation space with annual escalations ranging from 2.0 to 3.0 percent.

In the subject's market, retail leases are typically written on a net basis, whereby the tenants are responsible for their pro-rata share of all operating expenses including real estate taxes, insurance, common area maintenance (CAM) and management.

Market Rent Estimate- Office/Retail Properties

Asking Rents At Subject Property

One Merriweather- The subject's One Merriweather property has 86,359 square feet of vacant available space, demised for eight tenant spaces. The leasing agent indicated asking rents for the office space range from $36.00/SF to $39.00 per square foot on a full service basis, with 3.0 percent annual escalations over the lease term. The lease terms include a $70.00/SF (over "cold dark shell" condition) tenant improvements (TI) package for a five to ten year lease term. The broker reports the initial lease rate and amount of TI provided will range based on the lease term and rental escalation rate over the term.

Two Merriweather- The subject's Two Merriweather property has 23,809 square feet available for lease on the top floor of Two Merriweather with the same asking rent of $36.00/SF on a full service basis. There is 26,542 square feet of available retail space, with asking rents ranging from $40.00/SF to $45.00/SF on a net rental basis. Tenant improvement allowance will vary depending on the tenant and lease term from $50.00/SF to $100.00/SF. Lease terms are generally 5 and 10 years. Leases that are 7 years or less in length typically include annual escalations of 3.0 percent. Longer lease terms generally include a 10 percent rent bump every five years of the lease term.

Building 3OA- The subject's Building 3OA property will have 170,811 square feet of vacant space available for lease with an asking rental rate ranging from $36.50 to $39.00 per square foot on a full service basis for office space and $40.00/SF to $50.00/SF on a net rental basis for retail space. The range in asking rent is reflective of the size of the space and amount of tenant improvement allowance and other concessions offered.

Discussion of Comparable Office Rents

We reflected the subject's leases signed to date (confidential) and analyzed recent leases negotiated in competitive buildings in the marketplace. The comparables presented on the following page range in size from 5,105 square feet to 120,400 square feet. These are all located in buildings similar in class to the subject and in the subject's competitive market. The comparable leases have terms ranging from 5 to 11 years. The comparables exhibit a range in rents from $27.50 to $38.50 per square foot, with an average of $32.19 per square foot.

Free rent concessions ranged from 0 to 12 months, averaging 2.58 months. Tenant improvement allowances range from widely depending on the lease term, whether it is a new lease or lease renewal, and if it is a first generation lease of shell space or relet space. First generation space includes additional costs to buildout the space over cold dark shell. Rent escalation clauses for each of the comparables is 3.0 percent per annum

Based on recent leasing activity at the subject property (confidential) and our analysis of the comparables, we concluded at the market rents shown in the Market Rent Synopsis table presented at the end of this section. Office and retail comparable rentals are presented on the following pages.

Analysis of Comparable Office Rents

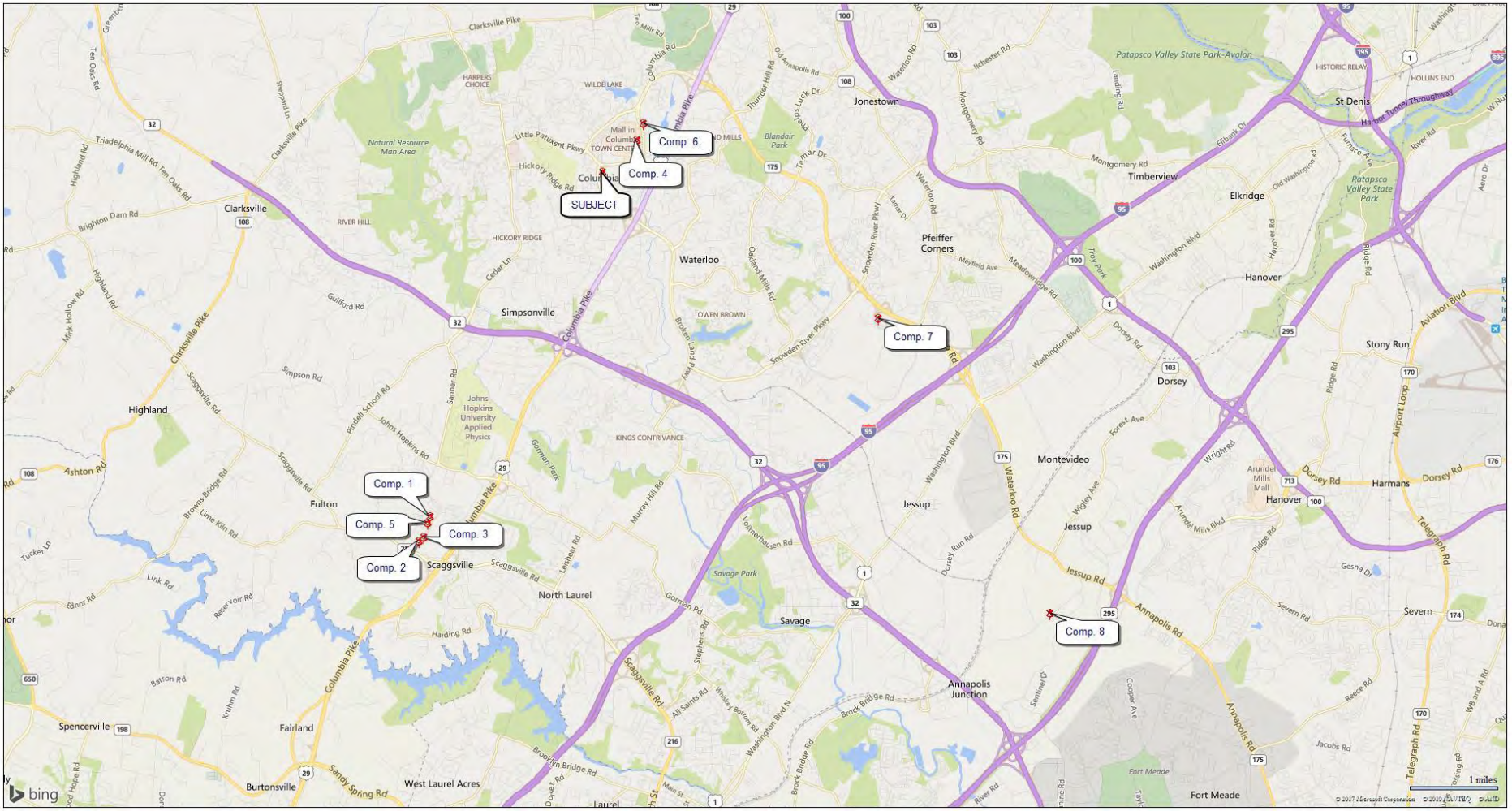
The following table summarizes rental activity for comparable office space in similar properties in the market.

OFFICE RENT COMPARABLES

	PROPERTY INFORMATION						LEASE INFORMATION									
NO.	Property Name Address, City, State	CLASS	SIZE (NRA)	YEAR BUILT	YEAR RENOVATED	STORIES	TENANT NAME	LEASE DATE	SIZE (NRA)	TERM (yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE	MONTHS FREE	TI/SF	COMMENTS
1a	Maple Lawn Office VIII 8115 Maple Lawn Boulevard Fulton, MD	A	123,658	2016	N/A	4	Confidential	4/17	5,105	5.2	$32.00	2.75%	Modified	2	$37.00	Direct lease, first generation space, full service lease structure
1b	Maple Lawn Office VIII 8115 Maple Lawn Boulevard Fulton, MD	A	123,658	2016	N/A	4	Confidential	3/17	6,197	5.5	$32.50	2.50%	Modified	6	$27.28	Direct lease, first generation space, full service lease structure. 6 months reduced rent outside of lease term
1c	Maple Lawn Office VIII 8115 Maple Lawn Boulevard Fulton, MD	A	123,411	2016	N/A	4	Confidential	5/16	10,070	7.0	$32.50	3.00%	Modified	0	$35.77	Direct lease, first generation space, full service lease structure
1d	Maple Lawn Office VIII 8115 Maple Lawn Boulevard Fulton, MD	A	123,411	2016	N/A	4	Confidential	4/16	30,849	10.0	$33.95	3.00%	Modified	0	$50.00	Direct lease, first generation space, full service lease structure. Expansion space within Maple Lawn
2	Maple Lawn Office I 8171 Maple Lawn Boulevard Fulton, MD	A	84,721	2005	N/A	3	Confidential	11/15	19,955	5.3	$30.00	3.00%	Modified	0	$0.00	Direct lease, renewal. Leases As Is.
3a	Maple Lawn Office III 8161 Maple Lawn Boulevard Fulton, MD	A	110,646	2006	N/A	4	Confidential	5/15	14,031	10.0	$31.50	3.00%	Modified	0	$22.15	Direct lease, relet space, full service lease structure. Tenant paid $168,372 for additional TI buildout to be provided by the owner.
3b	Maple Lawn Office III 8161 Maple Lawn Boulevard Fulton, MD	A	110,646	2006	N/A	4	Confidential	5/16	7,721	5.0	$34.10	3.00%	Modified	0	$28.43	Direct lease, relet space, full service lease structure. Lease commences 10/1/2016. Tenant will pay $50,000 for additional TI buildout to be provided by the owner.
4	TenThreeTwenty 10320 Little Patuxent Parkway Columbia, MD	A	139,885	1982	2013	12	Confidential	2/15	11,985	7.5	$27.50	3.00%	Modified	1	$44.00	Direct lease, TI over shell space, full service lease structure
5	Maple Lawn Office VI 8135 Maple Lawn Boulevard Fulton, MD	A	131,257	2013	N/A	4	Confidential	11/14	97,128	10.0	$30.00	3.00%	Modified	12	$40.00	Direct lease, new construction, full service- net utilities lease structure. Tenant paid $15 million for additional TI buildout to be provided by the owner. Lease includes Floors 1, 2 and 3.
6	Little Patuxent Square 5585 Sterrett Place Columbia, MD	A	147,000	2016	N/A	9	Confidential	8/14	120,400	10.5	$32.00	3.00%	Modified	6	$40.00	Direct lease, first generation space - pre-lease build-to-suit, full service lease structure. Sign date of August 1, 2014. Construction delivery in 2016
7	Columbia Gateway 6711 Columbia Gateway Drive Columbia, MD	A	125,000	2006	N/A	5	Confidential	7/14	18,925	6.6	$31.75	2.75%	Modified	4	$15.00	Direct lease, renewal.
8	National Business Park 420 National Business Parkway Annapolis Junction, MD	A	140,000	2013	N/A	5	Confidential	7/14	29,000	7.0	$38.50	3.00%	Modified	0	$40.00	Direct lease, new space.
STATISTICS																
Low			84,721	1982	2013	3		7/14	5,105	5.0	$27.50			0	$0.00	
High			147,000	2016	2013	12		4/17	120,400	10.5	$38.50			12	$50.00	
Average			123,608	2009	2013	5		8/15	18,570	7.5	$32.19			3	$31.64	

Compiled by Cushman & Wakefield of Maryland, Inc.

COMPARABLE OFFICE RENTAL LOCATION MAP



Analysis of Comparable Retail Rents

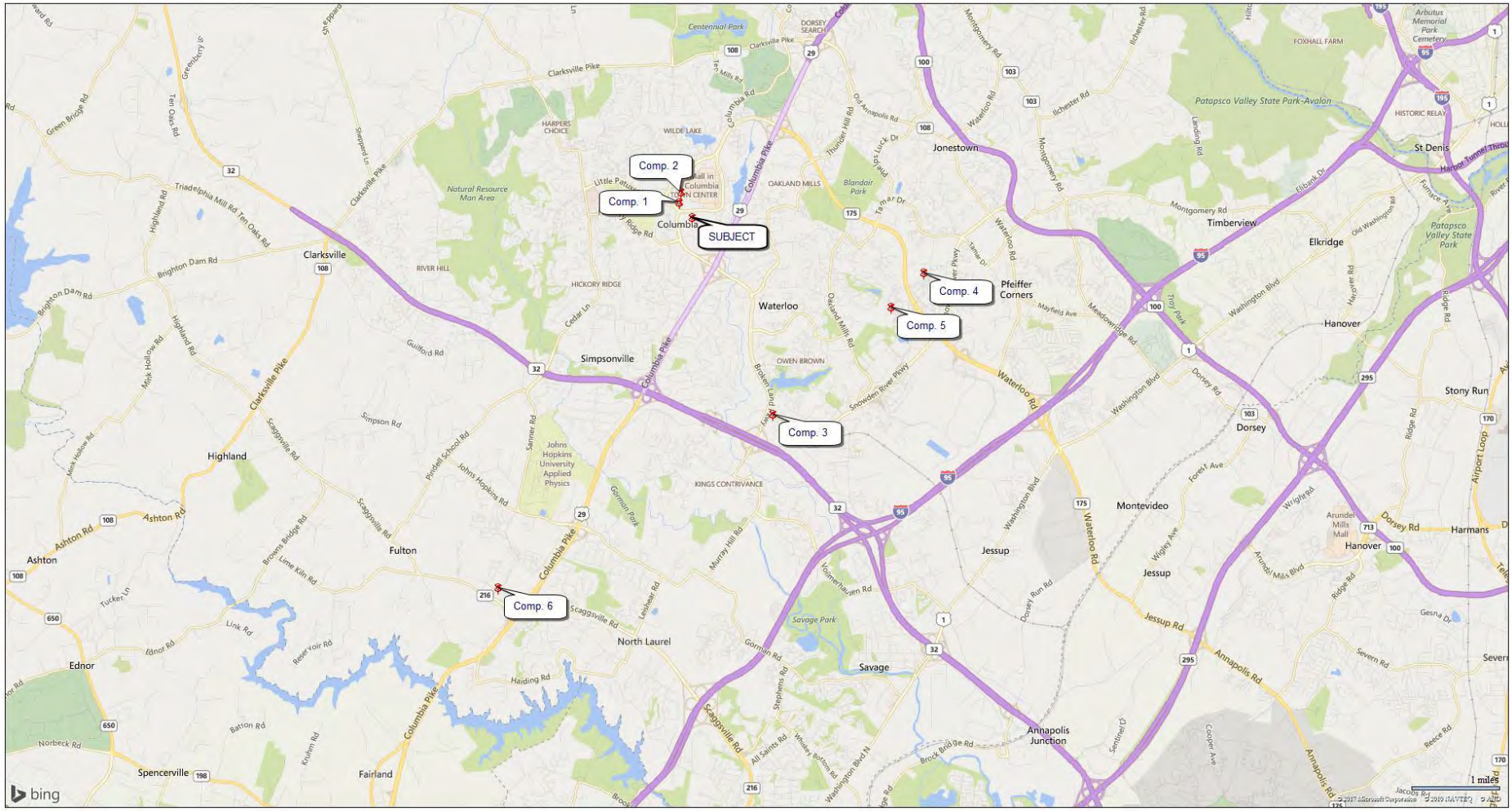
The following table summarizes rental activity for comparable retail space in similar properties in the market.

RETAIL RENT COMPARABLES

	PROPERTY INFORMATION		LEASE INFORMATION									
NO.	Property Name Address, City, State	YEAR BUILT	TENANT NAME	LEASE DATE	SIZE (NRA)	TERM (yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE	MONTHS FREE	TI/SF	COMMENTS
1	M.flats 11000 Broken Land Parkway Columbia, MD	2017	Confidential	9/17	1,500	10.5	$60.00	12% Year 6	Net	6	$15	New store lease within the ground floor of an apartment complex currently under construction.
2a	The Metropolitan 10000 Town Center Avenue Columbia, MD	2016	Confidential	11/15	1,658	5	$50.00	Fixed	Net	0	$60	New store lease within the ground floor of a mixed-use apartment/retail building located adjustment to The Mall In Columbia
2b	The Metropolitan 10000 Town Center Avenue Columbia, MD	2016	Confidential	11/15	3,800	10	$48.50	12% Year 6	Net	0	$70	New store lease within the ground floor of a mixed-use apartment/retail building completed in 2016.
2c	The Metropolitan 10000 Town Center Avenue Columbia, MD	2016	Confidential	10/15	2,613	10	$48.00	12% Year 6	Net	0	$85	New store lease within the ground floor of a mixed-use apartment/retail building completed in 2016.
2d	The Metropolitan 10000 Town Center Avenue Columbia, MD	2016	Confidential	8/15	2,120	10.25	$52.00	4% Year 6	Net	4	$80	New store lease within the ground floor of a mixed-use apartment/retail building completed in 2016.
2e	The Metropolitan 10000 Town Center Avenue Columbia, MD	2016	Confidential	8/15	1,600	10	$47.00	12% Year 6	Net	0	$70	New store lease within the ground floor of a mixed-use apartment/retail building completed in 2016.
3a	Minstrel Crossing 7075 Minstrel Way Columbia, MD	2016	Jimmy John's	1/16	1,600	10	$40.25	10% Year 6	Net	0	$15	New direct lease within newly construction convenience strip center
3b	Minstrel Crossing 7075 Minstrel Way Columbia, MD	2016	Grotto Pizza	6/16	7,908	15	$35.00	10% Year 6	Net	0	$20	New direct lease within newly construction convenience strip center
4	Dobbin Stattion 6181 Old Dobbin Lane Columbia, MD	2004	Confidential	5/16	3,199	10	$53.00	10% Year 6	Net	0	$15	New direct lease within a neighborhood center
5a	Dobbin Center Plaza 6455 Dobbin Road Columbia, MD	1991	Confidential	11/15	2,884	10	$43.00	3.0%	Net	0	$0	New direct lease within a community center
5b	Dobbin Center Plaza 6455 Dobbin Road Columbia, MD	1991	Confidential	3/16	2,400	10	$43.00	3.0%	Net	0	$15	New direct lease within a community center
6	Maple Lawn Office I 8171 Maple Lawn Boulevard Fulton, MD	2005	Confidential	4/17	5,596	7	$35.00	2.0%	Net	-	-	Lease renewal, As Is
STATISTICS												
Low		1991		8/15	1,500	5	$35.00			0	$0	
High		2017		9/17	7,908	15	$60.00			6	$85	
Average		2010		3/16	3,073	10	$46.23			1	$40	

Compiled by Cushman & Wakefield of Maryland, Inc.

COMPARABLE RETAIL RENTAL LOCATION MAP



Discussion of Comparable Retail Rents

We analyzed recent leases negotiated in competitive buildings in the marketplace. The comparables range in size from 1,500 square feet to 7,908 square feet. These are all located in buildings similar in class to the subject, and in the subject's competitive market. The comparable leases have terms ranging from 5 to 15 years. The comparables exhibit a range of rents from $35.00 to $60.00 per square foot, with an average of $46.23 per square foot.

Free rent concessions ranged from 0 to 6 months, averaging 0.91 months. Tenant improvement allowances ranged from $0.00 to $85.00 per square foot, averaging $40.45 per square foot. Rent escalation clauses vary, with most having annual percentage increases ranging from 3.0 percent fixed to 12 percent bumps every five years. All of these are net leases. Greatest reliance has been placed on Rent Comparables 1 and 2 due to their similarity to the subject in terms of location and likely tenancy.

Market Rent Conclusions

Based on our analysis of the comparables, we concluded at the market rents shown in the following Market Rent Synopsis tables for each property.

MARKET RENT SYNOPSIS - ONE MERRIWEATHER

TENANT CATEGORY	Office- $32.50	Office- $36.50	Retail- $50.00
Market Rent	$32.50	$36.50	$50.00
Lease Term (years)	7	7	10
Lease Type (reimbursements)	Modified	Modified	Net
Contract Rent Increase Projection	3.00%	3.00%	2.00%

Compiled by Cushman & Wakefield, Inc.

MARKET RENT SYNOPSIS - TWO MERRIWEATHER

TENANT CATEGORY	Office	Retail- $40/SF	Retail- $45/SF
Market Rent	$32.50	$40.00	$45.00
Lease Term (years)	7	10	10
Lease Type (reimbursements)	Modified	Net	Net
Contract Rent Increase Projection	3.00%	3.00%	3.00%

Compiled by Cushman & Wakefield, Inc.

MARKET RENT SYNOPSIS - BUILDING 3OA

TENANT CATEGORY	Office- $36.00/SF	Office- $37.50/SF	Retail- $35.00/SF	Retail- $40.00/SF
Market Rent	$36.00	$37.50	$35.00	$40.00
Lease Term (years)	7	7	10	10
Lease Type (reimbursements)	Net	Net	Net	Net
Contract Rent Increase Projection	3.00%	3.00%	2.00%	2.00%

Compiled by Cushman & Wakefield, Inc.

The selected market rents are for new space. The initial market rent for first generation tenants assumes an average lease term of 7 years with $70.00 per square foot in a tenant improvement allowance package for office space provided over shell space, plus three months of free rent for new tenants. The market rent for retail space assumes the owner provides $75.00 per square foot in tenant improvement allowance for a 10 year term.

Absorption of Vacant Space

The following charts summarize our absorption forecast for the properties:

ABSORPTION SCHEDULE - ONE MERRIWEATHER

Vacant Space Name		NRA	Date	Tenant Category	Market Rent (1)	Annual
Spec Retail	2	8,254	Sep-17	Retail	$50.00	$412,700
Spec Retail- Deli	3	1,495	Dec-17	Retail- Deli	$55.00	$82,225
Spec Office	200	25,884	Jan-19	Office	$32.50	$841,230
Spec Office	300	25,884	Mar-18	Office	$32.50	$841,230
Spec Office	400	25,884	Mar-18	Office	$32.50	$841,230
Spec Office	500	11,213	Sep-17	Office	$32.50	$364,423
Total		**98,614**			**$34.31**	**$3,383,038**

(1) Reflects current market rent, which will grow at our forecasted growth rate discussed herein.

ABSORPTION STATISTICS

Analysis Start Date	07/01/17
Absorption Commencement	09/01/17
Absorption Completion	01/01/19
Total Absorption Period (Months)	18

Compiled by Cushman & Wakefield of Maryland, Inc.

ABSORPTION SCHEDULE - TWO MERRIWEATHER

Vacant Space Name		NRA	Date	Tenant Category	Market Rent (1)	Annual
Spec Office Tenant	Fl. 5	23,809	May-19	Office	$32.50	$773,793
Spec Retail	Concourse	3,500	Aug-18	Retail- $40/SF	$40.00	$140,000
Spec Retail	Concourse	4,288	Nov-18	Retail- $40/SF	$40.00	$171,520
Spec Retail	100	3,384	Aug-18	Retail- $45/SF	$45.00	$152,280
Spec Retail	110-120	15,370	Feb-19	Retail- $40/SF	$40.00	$614,800
Total		**50,351**			**$36.79**	**$1,852,393**

(1) Reflects current market rent, which will grow at our forecasted growth rate discussed herein.

ABSORPTION STATISTICS

Analysis Start Date	12/01/17
Absorption Commencement	08/01/18
Absorption Completion	05/01/19
Total Absorption Period (Months)	17

Compiled by Cushman & Wakefield of Maryland, Inc.

ABSORPTION SCHEDULE - BUILDING 3OA						
Vacant Space Name		NRA	Date	Tenant Category	Market Rent (1)	Annual
Spec Office	700	10,038	May-20	Office- $37.50/SF	$37.50	$376,425
Spec Office	600	26,673	May-20	Office- $37.50/SF	$37.50	$1,000,238
Spec Office	500	26,673	May-20	Office- $37.50/SF	$37.50	$1,000,238
Spec Office	400	26,673	Jul-20	Office- $37.50/SF	$37.50	$1,000,238
Spec Office	300	26,673	Oct-20	Office- $37.50/SF	$37.50	$1,000,238
Spec Office	200	26,673	Jan-21	Office- $37.50/SF	$37.50	$1,000,238
Spec Office	100	14,275	Apr-20	Office- $37.50/SF	$37.50	$535,313
Retail- Level 1	001	7,455	Jan-20	Retail- $35.00/SF	$35.00	$260,925
Retail- Lower Level	0LL	5,678	Jan-20	Retail- $40.00/SF	$40.00	$227,120
Total		**170,811**			**$37.47**	**$6,400,970**

(1) Reflects current market rent, which will grow at our forecasted growth rate discussed herein.

ABSORPTION STATISTICS	
Analysis Start Date	08/01/19
Absorption Commencement	01/01/20
Absorption Completion	01/01/21
Total Absorption Period (Months)	17

Compiled by Cushman & Wakefield of Maryland, Inc.

We forecast an absorption period of 17 to 18 months for the properties, plus 3 months free rent for office space. The absorption estimate is based primarily on discussions with the subject's representative and on-going pending leasing activity at competitive properties, and discussions with market participants including Cushman & Wakefield leasing brokers who manage comparable office buildings within the subject's market.

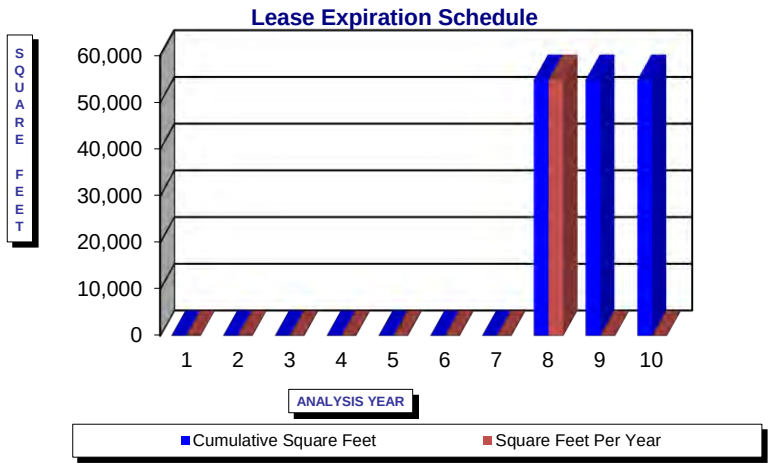
As will be discussed, market rent growth is forecast at 3.0 percent annum. Market rent has continued to escalate within the subject's market over the past three years as evidenced by lease comparables previously presented and recent leases at the subject properties. Additional information regarding market rent growth assumption is presented later in this section.

Lease Expirations

The lease expiration schedule is an important investment consideration. As leases rollover, the landlord will be required to negotiate a renewal lease with the existing tenant, or to secure a new tenant for the space. The following exhibits project the lease expiration schedule for each property incorporating all projected lease expirations forecast during the analysis period. As previously discussed, we estimate the initial average lease term of 7 years for first generation office space and 10 years for retail space. Given forecast lease-up in Years 1 and 2, the initial rollover reflected is in Years 8 and 9 of the projection period as reflected by the following exhibits. Most large tenants and retail tenants typical include one to two 5-year lease renewal options at market rent.

LEASE EXPIRATION SCHEDULE - ONE MERRIWEATHER

Year	Square Feet Expiring	Percent of Property	Cumulative Sq Ft	Cumulative Percent
1	0	0.00%	0	0.00%
2	0	0.00%	0	0.00%
3	0	0.00%	0	0.00%
4	0	0.00%	0	0.00%
5	0	0.00%	0	0.00%
6	0	0.00%	0	0.00%
7	0	0.00%	0	0.00%
8	54,798	26.32%	54,798	26.32%
9	0	0.00%	54,798	26.32%
10	0	0.00%	54,798	26.32%



Compiled by Cushman & Wakefield of Maryland, Inc.

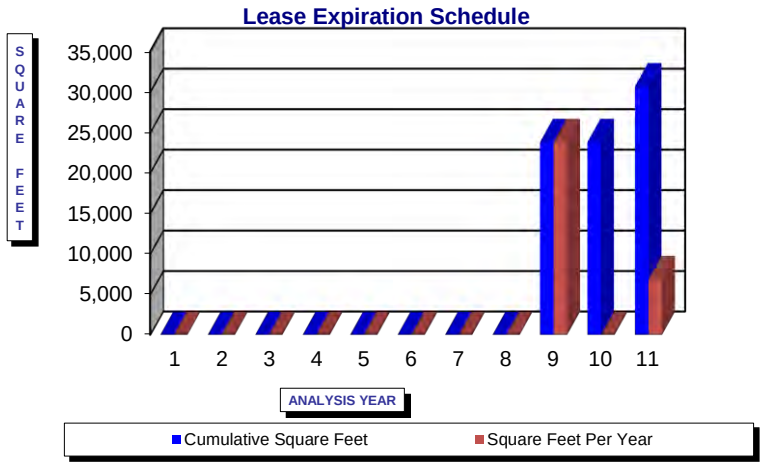
LEASE EXPIRATION ANALYSIS

Total NRA of Subject Property (SF)	208,181	100.00%
Year of Peak Expiration	8	
SF Expiring in Peak Year	54,798	26.32%
Five Year Cumulative Expirations (SF)	0	0.00%
Ten Year Cumulative Expirations (SF)	54,798	26.32%

Compiled by Cushman & Wakefield of Maryland, Inc.

LEASE EXPIRATION SCHEDULE - TWO MERRIWEATHER

Year	Square Feet Expiring	Percent of Property	Cumulative Sq Ft	Cumulative Percent
1	0	0.00%	0	0.00%
2	0	0.00%	0	0.00%
3	0	0.00%	0	0.00%
4	0	0.00%	0	0.00%
5	0	0.00%	0	0.00%
6	0	0.00%	0	0.00%
7	0	0.00%	0	0.00%
8	0	0.00%	0	0.00%
9	23,809	19.26%	23,809	19.26%
10	0	0.00%	23,809	19.26%
11	6,884	5.57%	30,693	24.83%



Compiled by Cushman & Wakefield of Maryland, Inc.

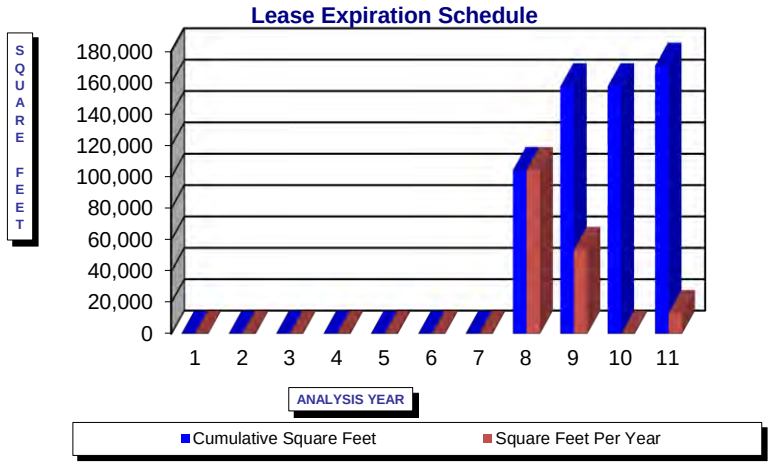
LEASE EXPIRATION ANALYSIS

Total NRA of Subject Property (SF)	123,604	100.00%
Year of Peak Expiration	9	
SF Expiring in Peak Year	23,809	19.26%
Five Year Cumulative Expirations (SF)	0	0.00%

Compiled by Cushman & Wakefield of Maryland, Inc.

LEASE EXPIRATION SCHEDULE - BUILDING 3OA

Year	Square Feet Expiring	Percent of Property	Cumulative Sq Ft	Cumulative Percent
1	0	0.00%	0	0.00%
2	0	0.00%	0	0.00%
3	0	0.00%	0	0.00%
4	0	0.00%	0	0.00%
5	0	0.00%	0	0.00%
6	0	0.00%	0	0.00%
7	0	0.00%	0	0.00%
8	104,332	32.52%	104,332	32.52%
9	53,346	16.63%	157,678	49.15%
10	0	0.00%	157,678	49.15%
11	13,133	4.09%	170,811	53.24%



Compiled by Cushman & Wakefield of Maryland, Inc.

LEASE EXPIRATION ANALYSIS		
Total NRA of Subject Property (SF)	320,811	100.00%
Year of Peak Expiration	8	
SF Expiring in Peak Year	104,332	32.52%
Five Year Cumulative Expirations (SF)	0	0.00%
Eleven Year Cumulative Expirations (SF)	170,811	53.24%

Compiled by Cushman & Wakefield of Maryland, Inc.

The most desirable scenario from a leasing risk standpoint is to have expirations spread evenly over the holding period. In reality, expirations are typically not evenly dispersed. Depending upon expectations of market performance, excessive leasing exposure can increase risk and impact discount and capitalization rates for a property. The overall risks of lease expirations are considered in the final selection of investment parameters, but turnover of the subject's major tenants this instance is unlikely over the analysis period given the significant tenant monies to be invested in buildout for each building.

Revenue & Expense Analysis – Office/Retail Properties

An opinion of the properties' annual income and operating expenses were developed after reviewing the operating performance of comparable buildings we have appraised. A stabilized pro forma for each property was not provided for our review. We analyzed each item of expense and developed an opinion regarding what an informed investor would consider typical. Cushman & Wakefield, Inc. recognizes the standards defined by the CRE Finance Council as the definitive standards by which operating expense data should be analyzed. In forecasting expenses, we relied on the expense levels at competing properties. Our opinion of future income and expenses for Year One and the first stabilized year for each property (client's requested analysis start date of August 1, 2019) are presented on the following tables.

REVENUE AND EXPENSE ANALYSIS	ONE MERRIWEATHER			
	C&W Forecast Year One (1)		C&W Forecast Analysis Year (2)	
REVENUE	**Total**	**PSF**	**Total**	**PSF**
Base Rental Revenue	$7,110,464	$34.16	$7,482,269	$35.94
Total Reimbursement Revenue	$69,679	$0.33	$770,830	$3.70
Parking Income Net	$250,000	$1.20	$265,888	$1.28
POTENTIAL GROSS REVENUE	$7,430,143	$35.69	$8,518,987	$40.92
Base Rent Abatements	($414,025)	($1.99)	$0	$0.00
Vacancy and Collection Loss	($2,585,052)	($12.42)	($212,174)	($1.02)
EFFECTIVE GROSS REVENUE	$4,431,066	$21.28	$8,306,813	$39.90
OPERATING EXPENSES		$0.00		$0.00
Insurance	$41,636	$0.20	$44,282	$0.21
Utilities	$374,262	$1.80	$634,424	$3.05
Repairs & Maintenance	$520,453	$2.50	$553,529	$2.66
Janitorial	$155,942	$0.75	$264,343	$1.27
Management Fees	$110,777	$0.53	$207,670	$1.00
General & Administrative	$52,045	$0.25	$55,353	$0.27
Total Operating Expenses	$1,255,115	$6.03	$1,759,601	$8.45
Real Estate Taxes	$1,190,232	$5.72	$1,424,223	$6.84
TOTAL EXPENSES	$2,445,347	$11.75	$3,183,824	$15.29
NET OPERATING INCOME	**$1,985,719**	**$9.54**	**$5,122,989**	**$24.61**

(1) Year One Begins: 7/01/2017
(2) Analysis Year Begins: 8/01/2019
Compiled by Cushman & Wakefield of Maryland, Inc.

REVENUE AND EXPENSE ANALYSIS - TWO MERRIWEATHER	C&W Forecast Year One (1)		C&W Forecast Analysis Year (2)	
REVENUE	**Total**	**PSF**	**Total**	**PSF**
Base Rental Revenue	$4,233,115	$34.25	$4,415,967	$35.73
Total Reimbursement Revenue	$18,503	$0.15	$335,941	$2.72
POTENTIAL GROSS REVENUE	$4,251,618	$34.40	$4,751,908	$38.44
Base Rent Abatements	$0	$0.00	$0	$0.00
Vacancy and Collection Loss	($1,767,096)	($14.30)	($264,959)	($2.14)
EFFECTIVE GROSS REVENUE	$2,484,522	$20.10	$4,486,949	$36.30
OPERATING EXPENSES		$0.00		$0.00
Insurance	$24,721	$0.20	$25,972	$0.21
Utilities	$219,759	$1.78	$305,920	$2.48
Repairs & Maintenance	$296,650	$2.40	$311,660	$2.52
Janitorial	$80,578	$0.65	$112,170	$0.91
Management Fees	$62,113	$0.50	$112,175	$0.91
General & Administrative	$24,721	$0.20	$25,972	$0.21
Total Operating Expenses	$708,542	$5.73	$893,869	$7.23
Real Estate Taxes	$478,908	$3.87	$517,336	$4.19
TOTAL EXPENSES	$1,187,450	$9.61	$1,411,205	$11.42
NET OPERATING INCOME	**$1,297,072**	**$10.49**	**$3,075,744**	**$24.88**

(1) Year One Begins: 12/01/2017
(2) Analysis Year Begins: 8/01/2019

Compiled by Cushman & Wakefield of Maryland, Inc.

REVENUE AND EXPENSE ANALYSIS BUILDING 3OA	C&W Forecast Year One (1)		C&W Forecast Stabilized Year (2)	
REVENUE	**Total**	**PSF**	**Total**	**PSF**
Base Rental Revenue	$11,800,970	$36.78	$12,337,538	$38.46
Total Reimbursement Revenue	$65,668	$0.20	$1,043,594	$3.25
Parking Income Net	$310,000	$0.97	$328,879	$1.03
POTENTIAL GROSS REVENUE	$12,176,638	$37.96	$13,710,011	$42.74
Base Rent Abatements	($978,026)	($3.05)	$0	$0.00
Vacancy and Collection Loss	($5,261,889)	($16.40)	($399,850)	($1.25)
EFFECTIVE GROSS REVENUE	$5,936,723	$18.51	$13,310,161	$41.49
OPERATING EXPENSES		$0.00		$0.00
Insurance	$64,162	$0.20	$68,070	$0.21
Utilities	$518,481	$1.62	$979,247	$3.05
Repairs & Maintenance	$802,028	$2.50	$850,871	$2.65
Janitorial	$216,034	$0.67	$408,019	$1.27
Management Fees	$148,418	$0.46	$332,754	$1.04
General & Administrative	$80,203	$0.25	$85,087	$0.27
Total Operating Expenses	$1,829,326	$5.70	$2,724,048	$8.49
Real Estate Taxes	$1,735,357	$5.41	$1,925,736	$6.00
TOTAL EXPENSES	$3,564,683	$11.11	$4,649,784	$14.49
NET OPERATING INCOME	**$2,372,040**	**$7.39**	**$8,660,377**	**$27.00**

(1) Year One Begins: 8/01/2019
(2) First Stabilized Year: 8/01/2021

Compiled by Cushman & Wakefield of Maryland, Inc.

Operating Expense Comparables – One Merriweather

The following table illustrates detailed expense levels for the buildings that have varying degrees of similarity with the subject property in terms of age, size, tenancy and quality. In our judgment, a reconciled expense figure of $8.45 per square foot (excluding real estate taxes) is reasonable for the subject property considering its age and size and tenancy.

COMPARABLE EXPENSE ANALYSIS - ONE MERRIWEATHER																				
Property Name	SUBJECT	Confidential		Confidential		Confidential		Confidential		Confidential										
Year of Record		2016		T-12 11/2016		T-12 9/2016		T-12 9/2016		T-12 4/2017										
Actual/Budget/Annualized		Actual		Actual		Actual		Actual		Actual										
Parking	Garage	Garage		Surface		Surface		Surface		Garage										
	C & W Forecast Analysis Year (1)	**Comp 1**		**Comp 2**		**Comp 3**		**Comp 4**		**Comp 5**		**Min**		**Max**		**Average**				
EFFECTIVE GROSS REVENUE	$39.90	$36.05	100.00%	$39.25	100.00%	$37.58	100.00%	$38.50	100.00%	$40.12	100.00%	$36.05		$40.12		$38.30				
OPERATING EXPENSES																				
Insurance	$0.21	$0.20	0.55%	$0.25	0.64%	$0.15	0.40%	$0.20	0.52%	$0.20	0.50%	$0.15		$0.25		$0.20				
Utilities	$3.05	$2.95	8.18%	$2.77	7.06%	$3.00	7.98%	$2.95	7.66%	$3.10	7.73%	$2.77		$3.10		$2.95				
Repairs & Maintenance	$2.66	$2.95	8.18%	$2.75	7.01%	$2.96	7.88%	$2.55	6.62%	$2.66	6.63%	$2.55		$2.96		$2.77				
Janitorial	$1.27	$1.25	3.47%	$1.30	3.31%	$1.25	3.33%	$1.15	2.99%	$1.30	3.24%	$1.15		$1.30		$1.25				
Management Fees	$1.00	$0.95	2.64%	$1.18	3.00%	$0.94	2.50%	$1.35	3.50%	$1.00	2.50%	$0.94		$1.35		$1.08				
General & Administrative	$0.27	$0.20	0.55%	$0.25	0.64%	$0.30	0.80%	$0.15	0.39%	$0.25	0.62%	$0.15		$0.30		$0.23				
Total Operating Expenses	$8.45	$8.50	23.58%	$8.50	21.65%	$8.60	22.88%	$8.35	21.68%	$8.51	21.22%	$8.35		$8.60		$8.49				
Real Estate Taxes	$6.84	$6.45	17.89%	$3.60	9.17%	$3.25	8.65%	$3.56	9.25%	$6.95	17.32%	$3.25		$6.95		$4.76				
TOTAL EXPENSES	**$15.29**	**$14.95**	**41.47%**	**$12.10**	**30.82%**	**$11.85**	**31.53%**	**$11.91**	**30.93%**	**$15.46**	**38.54%**	**$11.85**		**$15.46**		**$13.25**				

(1) Analysis Year Begins: 8/1/2019

Compiled by Cushman & Wakefield of Maryland, Inc.

Operating Expense Comparables – Two Merriweather

The following table illustrates detailed expense levels for the buildings that have varying degrees of similarity with the subject property in terms of age, size, tenancy and quality. In our judgment, a reconciled expense figure of $7.23 per square foot (excluding real estate taxes) is reasonable for the subject property considering its age and size and projected tenancy. The expenses for Two Merriweather are forecast to be lower than One Merriweather given its larger percentage of retail space.

COMPARABLE EXPENSE ANALYSIS - TWO MERRIWEATHER														
Property Name	SUBJECT	Confidential		Confidential		Confidential		Confidential		Confidential				
Year of Record		2016		2016		2016		T-12 4/2017		T-12 7/2017				
Actual/Budget/Annualized		Actual		Actual		Actual		Actual		Actual				
	C & W Forecast Analysis Year (1)	**Comp 1**		**Comp 2**		**Comp 3**		**Comp 4**		**Comp 5**		**Min**	**Max**	**Average**
EFFECTIVE GROSS REVENUE	$36.30	$36.05	100.00%	$38.59	100.00%	$37.60	100.00%	$36.66	100.00%	$37.50	100.00%	$36.05	$38.59	$37.28
OPERATING EXPENSES														
Insurance	$0.21	$0.20	0.55%	$0.19	0.49%	$0.20	0.53%	$0.18	0.49%	$0.20	0.53%	$0.18	$0.20	$0.19
Utilities	$2.48	$2.65	7.35%	$2.45	6.35%	$2.48	6.60%	$2.50	6.82%	$2.55	6.80%	$2.45	$2.65	$2.53
Repairs & Maintenance	$2.52	$2.45	6.80%	$2.70	7.00%	$2.89	7.69%	$2.35	6.41%	$2.25	6.00%	$2.25	$2.89	$2.53
Janitorial	$0.91	$0.90	2.50%	$0.95	2.46%	$0.85	2.26%	$0.85	2.32%	$0.90	2.40%	$0.85	$0.95	$0.89
Management Fees	$0.91	$0.90	2.50%	$0.96	2.50%	$0.94	2.50%	$1.10	3.00%	$0.94	2.50%	$0.90	$1.10	$0.97
General & Administrative	$0.21	$0.15	0.42%	$0.15	0.39%	$0.25	0.66%	$0.20	0.55%	$0.17	0.45%	$0.15	$0.25	$0.18
Total Operating Expenses	$7.23	$7.25	20.11%	$7.40	19.19%	$7.61	20.24%	$7.18	19.58%	$7.01	18.69%	$7.01	$7.61	$7.29
Real Estate Taxes	$4.19	$3.55	9.85%	$3.75	9.72%	$3.65	9.71%	$4.15	11.32%	$4.25	11.33%	$3.55	$4.25	$3.87
TOTAL EXPENSES	**$11.42**	**$10.80**	**29.96%**	**$11.15**	**28.91%**	**$11.26**	**29.95%**	**$11.33**	**30.91%**	**$11.26**	**30.02%**	**$10.80**	**$11.33**	**$11.16**

(1) Analysis Year Begins: 8/1/2019

Compiled by Cushman & Wakefield of Maryland, Inc.

Operating Expense Comparables – Building 3OA

The following table illustrates detailed expense levels for the buildings that have varying degrees of similarity with the subject property in terms of age, size, tenancy and quality. In our judgment, a reconciled expense figure of $8.49 per square foot (excluding real estate taxes) is reasonable for the subject property considering its age and size and projected tenancy. The expenses for Two Merriweather are forecast to be lower than One Merriweather given its larger percentage of retail space.

COMPARABLE EXPENSE ANALYSIS - BUILDING 3OA														
Property Name	SUBJECT	Confidential		Confidential		Confidential		Confidential		Confidential				
Year of Record		2016		T-12 11/2016		T-12 9/2016		T-12 9/2016		T-12 4/2017				
Actual/Budget/Annualized		Actual		Actual		Actual		Actual		Actual				
Parking	Garage	Garage		Surface		Surface		Surface		Garage				
	C & W Forecast Stabilized Year (1)	**Comp 1**		**Comp 2**		**Comp 3**		**Comp 4**		**Comp 5**		**Min**	**Max**	**Average**
EFFECTIVE GROSS REVENUE	$41.49	$36.05	100.00%	$39.25	100.00%	$37.58	100.00%	$38.50	100.00%	$40.12	100.00%	$36.05	$40.12	$38.30
OPERATING EXPENSES														
Insurance	$0.21	$0.20	0.55%	$0.25	0.64%	$0.15	0.40%	$0.20	0.52%	$0.20	0.50%	$0.15	$0.25	$0.20
Utilities	$3.05	$2.95	8.18%	$2.77	7.06%	$3.00	7.98%	$2.95	7.66%	$3.10	7.73%	$2.77	$3.10	$2.95
Repairs & Maintenance	$2.65	$2.95	8.18%	$2.75	7.01%	$2.96	7.88%	$2.55	6.62%	$2.66	6.63%	$2.55	$2.96	$2.77
Janitorial	$1.27	$1.25	3.47%	$1.30	3.31%	$1.25	3.33%	$1.15	2.99%	$1.30	3.24%	$1.15	$1.30	$1.25
Management Fees	$1.04	$0.95	2.64%	$1.18	3.00%	$0.94	2.50%	$1.35	3.50%	$1.00	2.50%	$0.94	$1.35	$1.08
General & Administrative	$0.27	$0.20	0.55%	$0.25	0.64%	$0.30	0.80%	$0.15	0.39%	$0.25	0.62%	$0.15	$0.30	$0.23
Total Operating Expenses	$8.49	$8.50	23.58%	$8.50	21.65%	$8.60	22.88%	$8.35	21.68%	$8.51	21.22%	$8.35	$8.60	$8.49
Real Estate Taxes	$6.00	$6.45	17.89%	$3.60	9.17%	$3.25	8.65%	$3.56	9.25%	$6.95	17.32%	$3.25	$6.95	$4.76
TOTAL EXPENSES	**$14.49**	**$14.95**	**41.47%**	**$12.10**	**30.82%**	**$11.85**	**31.53%**	**$11.91**	**30.93%**	**$15.46**	**38.54%**	**$11.85**	**$15.46**	**$13.25**

(1) First Stabilized Year: 8/1/2021

Compiled by Cushman & Wakefield of Maryland, Inc.

Based on our analysis of the expense levels at comparable properties, we concluded that there is adequate support for our operating expense conclusions.

Discussion of Revenue Items

We analyzed each revenue item in making our forecast, with our conclusions summarized on the previous table.

Base Rental Revenue

BASE RENTAL REVENUE - ONE MERRIWEATHER

Years	PSF	Totals
Cushman & Wakefield - Year 1	$34.16	$7,110,464
Cushman & Wakefield - As of August 1, 2019	$35.94	$7,482,269

BASE RENTAL REVENUE - TWO MERRIWEATHER

Years	PSF	Totals
Cushman & Wakefield - Year 1	$34.25	$4,233,115
Cushman & Wakefield - August 1, 2019	$35.73	$4,415,967

BASE RENTAL REVENUE - BUILDING 3OA

Years	PSF	Totals
Cushman & Wakefield - Year 1 (As of July 31, 2019)	$36.78	$11,800,970
Cushman & Wakefield - First Stabilized Year (Yr. 3)	$38.46	$12,337,538

The projected base rental revenue for year one of our analysis is an amalgamation of various factors including contractual rents and increases, base rent that is generated by vacant space as it is absorbed, as well as rent that is lost/generated for leases expiring in the first year, weighted by our rollover assumptions.

Expense Reimbursement

TOTAL REIMBURSEMENT REVENUE - ONE MERRIWEATHER

Years	PSF	Totals
Cushman & Wakefield - Year 1	$0.33	$69,679
Cushman & Wakefield - As of August 1, 2019	$3.70	$770,830

TOTAL REIMBURSEMENT REVENUE - TWO MERRIWEATHER

Years	PSF	Totals
Cushman & Wakefield - Year 1	$0.15	$18,503
Cushman & Wakefield - August 1, 2019	$2.72	$335,941

TOTAL REIMBURSEMENT REVENUE - BUILDING 3OA

Years	PSF	Totals
Cushman & Wakefield - Year 1	$0.20	$65,668
Cushman & Wakefield - First Stabilized Year (Yr. 3)	$3.25	$1,043,594

The contractual lease obligations of the tenants specify that certain operating expenses are reimbursed to the landlord. The expense reimbursements that we forecast for the subject property are discussed above. The subject's office leases are forecast to be structured on full service basis, with tenants reimbursing increases over base year occupancy. The subject's retail tenant leases are forecast to be structured on a net rental basis with the tenants responsible for a pro rata share of real estate taxes and operating expenses (CAM).

Parking Income Net

PARKING INCOME NET - ONE MERRIWEATHER

Years	PSF	Totals
Cushman & Wakefield - Year 1	$1.20	$250,000
Cushman & Wakefield - As of August 1, 2019	$1.28	$265,888

PARKING INCOME NET - BUILDING 3OA

Years	PSF	Totals
Cushman & Wakefield - Year 1	$0.96	$310,000
Cushman & Wakefield - First Stabilized Year (Yr. 3)	$1.02	$328,879

The owner provided a parking study for our review, which is copied in the Addenda. The report indicates the potential for the Area 1 Garage to generate transient parking income from visitors attending Merriweather Post Pavilion events. The owner attributed potential net parking revenue (after expenses) for the Area 1 Garage to One Merriweather for analysis purposes. The report indicates potential net parking revenue of $262,581, or about $233/space. Based on discussions with market participants, we included this speculative income in our analysis. Parking for Merriweather Post Pavilion events are mostly free for visitors if they park within the garages located along the Mall Loop adjacent to The Mall In Columbia. As The Crescent is developed, the inventory of available surface parking is likely to decrease, which will increase demand for parking within parking facilities located proximate to the Merriweather Post Pavilion. Forecast net parking revenue estimated for Building 3OA totals $310,000 in the first year of the analysis, or about $221/space.

Base Rent Abatement

Three (3) months of free rent were included for new office leases during the initial lease-up period, which is typical of rent comparables as previously presented.

One Merriweather- In year one, estimated base rent abatements total $414,025. There are no rent abatements in the Analysis Year beginning August 1, 2019.

Two Merriweather- There are no rent abatements in year one of the analysis or as of the analysis start date. There is $199,252 of base rent abatement in year two of the analysis.

Building 3OA- In year one, estimated base rent abatements total $978,026. There are no rent abatements in the Analysis Year beginning August 1, 2019.

Vacancy and Collection Loss – Office/Retail Properties

Vacancy and collection loss is a function of the interrelationship between absorption, lease expiration, renewal probability, estimated downtime between leases, and a collection loss factor based on the relative stability and credit of the subject's tenant base. Earlier in the report we discussed the vacancy rates for the market in which the subject property is located and the current occupancy (or pre-leases) of the subject properties.

Based on the existing pre-leases at the subject, the current vacancy in the market, and our perception of future market vacancy, we project a global stabilized vacancy rate of 5.00 percent for the subject's office/retail properties. We also deducted a collection loss of 1.00 percent. Total vacancy and collection loss is equal to 6.00 percent. While we recognize that the selected vacancy rate is below the current competitive vacancy rate as previously presented in the market analysis section, a survey of market participants and investors indicates that rather than attempting to pro forma the probable peaks and valleys over a holding period, they are taking the vacancy risk into account in their investment rate requirements. We also considered risks associated with potential future tenant rollover risk and future vacancy and collection loss in our selection of investment rates presented later in this section.

One Merriweather- In year one, vacancy and collection loss is projected to be $2,585,052, which is reflective of vacancy during the lease-up period. The vacancy and collection estimated for the Analysis Year beginning August 1, 2019 equates to $212,174 (stabilized).

Two Merriweather- In year one, vacancy and collection loss is projected to be $1,767,096, which is reflective of vacancy during the lease-up period. The vacancy and collection estimated for the Analysis Year beginning August 1, 2019 equates to $264,959 (stabilized).

Building 3OA- In year one, vacancy and collection loss is projected to be $5,261,889, which is reflective of vacancy during the lease-up period. The vacancy and collection estimated for the first stabilized year beginning August 1, 2021 equates to $399,850

For credit tenants, we did not access a vacancy or collection loss factor. Vacancy and credit loss were excluded from the MedStar Health based upon a review of the tenant's credit and discussion with market participants.

Vacancy Deduction Method

We used Argus cash flow software for the Vacancy Deduction Method. Argus is the industry standard commercial real estate cash flow projection, transaction analysis and asset valuation solution. Argus allows specific vacancy deductions, which impact the cash flow in different ways. We selected "Reduce General Vacancy Result by Absorption & Turnover Vacancy", which the primary method used by market participants within the subject's market. When this option is selected, Argus subtracts absorption and turnover vacancy from the general vacancy. The reduced amount of general vacancy will then be subtracted from the cash flow. If absorption and turnover vacancy is greater than the initial general vacancy, there will be no deduction for general vacancy and the initial general

vacancy will be treated as a minimum vacancy loss. If this option is not selected, Argus subtracts the entire general vacancy from the cash flow without any adjustment for absorption and turnover vacancy. The initial general vacancy amount calculated in the previous section would be reported on the cash flow with no adjustment.

Discussion of Expenses – Office/Retail Properties

We analyzed each expense item in making our forecast of the subject's Year One and the Analysis Year and/or first stabilized year pro formas. The following is a summary of forecast expenses for each of the subject's office/retail properties and comparable data as previously presented.

Insurance

Property insurance expenses include coverage for general liability and loss or damage to the property caused by fire, lightning, vandalism malicious mischief, additional perils fire, extended coverage and owner's liability coverage.

INSURANCE	ONE MERRIWEATHER				
	C&W Forecast-Year One	**C&W Forecast-Analysis Year**	Comp Low	Comp High	Comp Avg.
PSF	**$0.20**	**$0.21**	$0.15	$0.25	$0.20
Totals	**$41,636**	**$44,282**			

INSURANCE	TWO MERRIWEATHER				
	C&W Forecast-Year One	**C&W Forecast-Analysis Year**	Comp Low	Comp High	Comp Avg.
PSF	**$0.20**	**$0.21**	$0.18	$0.20	$0.19
Totals	**$24,721**	**$25,972**			

INSURANCE	BUILDING 3OA				
	C&W Forecast-Year One	**C&W Forecast-Stabilized Year**	Comp Low	Comp High	Comp Avg.
PSF	**$0.20**	**$0.21**	$0.15	$0.25	$0.20
Totals	**$64,162**	**$68,070**			

The estimated insurance costs are within the range of comparable (Comp) properties for each property.

Utilities

This expense category includes expenses for fuel, gas, electricity, water and sewer, trash removal and other utilities. Utilities are generally property specific and vary considerably from property to property in the subject's market based on the utilities paid by the tenant and the owner, and the efficiency of the HVAC systems. In addition, utilities are a variable expense based in part on occupancy. It should be noted that the utility expenses for each property is reflective of the development with utility efficiencies to meet LEED requirements. In addition, retail tenants will directly pay for their own utility expenses.

UTILITIES	ONE MERRIWEATHER				
	C&W Forecast-Year One	**C&W Forecast-Analysis Year**	Comp Low	Comp High	Comp Avg.
PSF	**$1.80**	**$3.05**	$2.77	$3.10	$2.95
Totals	**$374,262**	**$634,424**			

UTILITIES	TWO MERRIWEATHER				
	C&W Forecast-Year One	C&W Forecast-Analysis Year	Comp Low	Comp High	Comp Avg.
PSF	**$1.78**	**$2.48**	$2.45	$2.65	$2.53
Totals	**$219,759**	**$305,920**			

UTILITIES	BUILDING 3OA				
	C&W Forecast-Year One	C&W Forecast-Stabilized Year	Comp Low	Comp High	Comp Avg.
PSF	**$1.62**	**$3.05**	$2.77	$3.10	$2.95
Totals	**$518,481**	**$979,247**			

Our forecast for Utilities is within the range of comparable properties and market parameters for each property.

Repairs & Maintenance

This expense category includes expenses incurred for general repairs and maintenance including HVAC, electrical, plumbing, safety systems, roads and grounds and pest control. This expense category also typically includes outside maintenance service contracts and the cost of maintenance and repairs supplies.

REPAIRS & MAINTENANCE	ONE MERRIWEATHER				
	C&W Forecast-Year One	C&W Forecast-Analysis Year	Comp Low	Comp High	Comp Avg.
PSF	**$2.50**	**$2.66**	$2.55	$2.96	$2.77
Totals	**$520,453**	**$553,529**			

REPAIRS & MAINTENANCE	TWO MERRIWEATHER				
	C&W Forecast-Year One	C&W Forecast-Analysis Year	Comp Low	Comp High	Comp Avg.
PSF	**$2.40**	**$2.52**	$2.25	$2.89	$2.53
Totals	**$296,650**	**$311,660**			

REPAIRS & MAINTENANCE	BUILDING 3OA				
	C&W Forecast-Year One	C&W Forecast-Stabilized Year	Comp Low	Comp High	Comp Avg.
PSF	**$2.50**	**$2.65**	$2.55	$2.96	$2.77
Totals	**$802,028**	**$850,871**			

Our forecast for Repairs & Maintenance is within the range of comparable properties and market parameters for each property.

Janitorial

This expense includes all costs related to cleaning and janitorial including staffing costs, supplies, and any related contract services. This expense may be variable depending on building occupancy and tenant use.

JANITORIAL	ONE MERRIWEATHER				
	C&W Forecast-Year One	C&W Forecast-Analysis Year	Comp Low	Comp High	Comp Avg.
PSF	**$0.75**	**$1.27**	$1.15	$1.30	$1.25
Totals	**$155,942**	**$264,343**			

JANITORIAL	TWO MERRIWEATHER				
	C&W Forecast-Year One	C&W Forecast-Analysis Year	Comp Low	Comp High	Comp Avg.
PSF	**$0.65**	**$0.91**	$0.85	$0.95	$0.89
Totals	**$80,578**	**$112,170**			

JANITORIAL	BUILDING 3OA				
	C&W Forecast-Year One	C&W Forecast-Stabilized Year	Comp Low	Comp High	Comp Avg.
PSF	**$0.67**	**$1.27**	$1.15	$1.30	$1.25
Totals	**$216,034**	**$408,019**			

Our forecast for Janitorial is within the range of comparable properties and market parameters.

Management Fees

Management expenses typically include the costs paid for professional management services. Management services may be contracted for or provided by the property owner. Management fees for this type of property typically range from 2.00 to 4.00 percent of effective gross income. We utilized a management fee of 2.5 percent of effective gross income, which we consider to be market oriented.

MANAGEMENT FEES	ONE MERRIWEATHER				
	C&W Forecast-Year One	C&W Forecast-Analysis Year	Comp Low	Comp High	Comp Avg.
PSF	**$0.53**	**$1.00**	$0.94	$1.35	$1.08
% EGI	**2.50%**	**2.50%**	2.50%	3.50%	2.83%
Totals	**$110,777**	**$207,670**			

MANAGEMENT FEES	TWO MERRIWEATHER				
	C&W Forecast-Year One	C&W Forecast-Analysis Year	Comp Low	Comp High	Comp Avg.
PSF	**$0.50**	**$0.91**	$0.90	$1.10	$0.97
% EGI	**2.50%**	**2.50%**	2.50%	3.00%	2.60%
Totals	**$62,113**	**$112,175**			

MANAGEMENT FEES	BUILDING 3OA				
	C&W Forecast-Year One	C&W Forecast-Stabilized Year	Comp Low	Comp High	Comp Avg.
PSF	**$0.46**	**$1.04**	$0.94	$1.35	$1.08
% EGI	**2.50%**	**2.50%**	2.50%	3.50%	2.83%
Totals	**$148,418**	**$332,754**			

Our forecast for Management Fees is within the range of comparable properties and market parameters.

General & Administrative

This expense category includes general and administrative expenses required to operating the property.

GENERAL & ADMINISTRATIVE	ONE MERRIWEATHER				
	C&W Forecast-Year One	C&W Forecast-Analysis Year	Comp Low	Comp High	Comp Avg.
PSF	**$0.25**	**$0.27**	$0.15	$0.30	$0.23
Totals	**$52,045**	**$55,353**			

GENERAL & ADMINISTRATIVE	TWO MERRIWEATHER				
	C&W Forecast-Year One	C&W Forecast-Analysis Year	Comp Low	Comp High	Comp Avg.
PSF	**$0.20**	**$0.21**	$0.15	$0.25	$0.18
Totals	**$24,721**	**$25,972**			

GENERAL & ADMINISTRATIVE	BUILDING 3OA				
	C&W Forecast-Year One	C&W Forecast-Stabilized Year	Comp Low	Comp High	Comp Avg.
PSF	**$0.25**	**$0.27**	$0.15	$0.30	$0.23
Totals	**$80,203**	**$85,087**			

Our forecast for General & Administrative is within the range of comparable properties and market parameters.

Real Estate Taxes

A complete discussion of taxes for the subject property is included in the Real Property Taxes and Assessments section of this report. The subject's expense is detailed in the following table:

REAL ESTATE TAXES	ONE MERRIWEATHER				
	C&W Forecast-Year One	C&W Forecast-Analysis Year	Comp Low	Comp High	Comp Avg.
PSF	**$5.72**	**$6.84**	$3.25	$6.95	$4.76
Totals	**$1,190,232**	**$1,424,223**			

REAL ESTATE TAXES	TWO MERRIWEATHER				
	C&W Forecast-Year One	**C&W Forecast-Analysis Year**	Comp Low	Comp High	Comp Avg.
PSF	**$3.87**	**$4.19**	$3.55	$4.25	$3.87
Totals	**$478,908**	**$517,336**			

REAL ESTATE TAXES	BUILDING 3OA				
	C&W Forecast-Year One	**C&W Forecast-Stabilized Year**	Comp Low	Comp High	Comp Avg.
PSF	**$5.37**	**$5.96**	$3.25	$6.95	$4.76
Totals	**$1,735,357**	**$1,925,736**			

Our forecast for Real Estate Taxes is within the range of comparable properties and market parameters.

Operating Expense Conclusions – Office/Retail Properties

One Merriweather- We forecast total operating expenses for the subject property (excluding real estate taxes) to be $1,759,601, or $8.45 per square foot within the Analysis Year beginning August 1, 2019. The subject's total expenses (including real estate taxes) projected in the Analysis Year reflect an operating expense ratio of 38.33 percent of effective gross income. The operating expense comparisons presented in the operating expense analysis table in the beginning of this section support our opinion of operating expenses for the subject property, which are summarized below.

TOTAL OPERATING EXPENSES	ONE MERRIWEATHER				
	C&W Forecast-Year One	**C&W Forecast-Analysis Year**	Comp Low	Comp High	Comp Avg.
PSF	**$6.03**	**$8.45**	$8.35	$8.60	$8.49
Totals	**$1,255,115**	**$1,759,601**			

Two Merriweather- We forecast total operating expenses for the subject property (excluding real estate taxes) to be $893,869, or $7.23 per square foot within the Analysis Year beginning August 1, 2019. The subject's total expenses (including real estate taxes) projected in the Analysis Year reflect an operating expense ratio of 31.45 percent of effective gross income. The operating expense comparisons as previously presented support our opinion of operating expenses for the subject property, which are summarized below.

TOTAL OPERATING EXPENSES	TWO MERRIWEATHER				
	C&W Forecast-Year One	**C&W Forecast-Analysis Year**	Comp Low	Comp High	Comp Avg.
PSF	**$5.73**	**$7.23**	$7.01	$7.61	$7.29
Totals	**$708,542**	**$893,869**			

Building 3OA- We forecast total operating expenses for the subject property (excluding real estate taxes) to be $2,724,048, or $8.49 per square foot within the first stabilized year beginning August 1, 2021. The subject's total expenses (including real estate taxes) projected in the Analysis Year reflect an operating expense ratio of 34.93 percent of effective gross income. The operating expense comparisons as previously presented support our opinion of operating expenses for the subject property, which are summarized below.

TOTAL OPERATING EXPENSES BUILDING 3OA					
	C&W Forecast-Year One	**C&W Forecast-Stabilized Year**	Comp Low	Comp High	Comp Avg.
PSF	**$5.70**	**$8.49**	$8.35	$8.60	$8.49
Totals	**$1,829,326**	**$2,724,048**			

Income and Expense Pro Forma – Office/Retail Properties

The following charts summarize our opinion of income and expenses for the Analysis Year, or first stabilized year for each of the subject's office/retail properties.

SUMMARY OF REVENUE AND EXPENSES - ONE MERRIWEATHER			
Stabilized Year For Direct Capitalization:	**Analysis Year**	**(8/1/19 - 7/31/20)**	
REVENUE	**Annual**	**$/SF**	**% of EGI**
Base Rental Revenue	$7,482,269	$35.94	
Total Reimbursement Revenue	$770,830	$3.70	
Parking Income Net	$265,888	$1.28	
POTENTIAL GROSS REVENUE	**$8,518,987**	**$40.92**	
Vacancy and Collection Loss	($212,174)	($1.02)	
EFFECTIVE GROSS REVENUE	**$8,306,813**	**$39.90**	**100.00%**
OPERATING EXPENSES			
Insurance	$44,282	$0.21	0.53%
Utilities	$634,424	$3.05	7.64%
Repairs & Maintenance	$553,529	$2.66	6.66%
Janitorial	$264,343	$1.27	3.18%
Management Fees	$207,670	$1.00	2.50%
General & Administrative	$55,353	$0.27	0.67%
Total Operating Expenses	$1,759,601	$8.45	21.18%
Real Estate Taxes	$1,424,223	$6.84	17.15%
TOTAL EXPENSES	**$3,183,824**	**$15.29**	**38.33%**
NET OPERATING INCOME	**$5,122,989**	**$24.61**	**61.67%**

Compiled by Cushman & Wakefield of Maryland, Inc.

SUMMARY OF REVENUE AND EXPENSES - TWO MERRIWEATHER			
Stabilized Year For Direct Capitalization:	**Analysis Year (8/1/19 - 7/31/20)**		
REVENUE	**Annual**	**$/SF**	**% of EGI**
Base Rental Revenue	$4,415,967	$35.73	
Total Reimbursement Revenue	$335,941	$2.72	
POTENTIAL GROSS REVENUE	**$4,751,908**	**$38.44**	
Vacancy and Collection Loss	($264,959)	($2.14)	
EFFECTIVE GROSS REVENUE	**$4,486,949**	**$36.30**	**100.00%**
OPERATING EXPENSES			
Insurance	$25,972	$0.21	0.58%
Utilities	$305,920	$2.48	6.82%
Repairs & Maintenance	$311,660	$2.52	6.95%
Janitorial	$112,170	$0.91	2.50%
Management Fees	$112,175	$0.91	2.50%
General & Administrative	$25,972	$0.21	0.58%
Total Operating Expenses	$893,869	$7.23	19.92%
Real Estate Taxes	$517,336	$4.19	11.53%
TOTAL EXPENSES	**$1,411,205**	**$11.42**	**31.45%**
NET OPERATING INCOME	**$3,075,744**	**$24.88**	**68.55%**

Compiled by Cushman & Wakefield of Maryland, Inc.

SUMMARY OF REVENUE AND EXPENSES - BUILDING 3OA			
Stabilized Year For Direct Capitalization:	**Year Three (8/1/21 - 7/31/22)**		
REVENUE	**Annual**	**$/SF**	**% of EGI**
Base Rental Revenue	$12,337,538	$38.46	
Total Reimbursement Revenue	$1,043,594	$3.25	
Parking Income Net	$328,879	$1.03	
POTENTIAL GROSS REVENUE	**$13,710,011**	**$42.74**	
Vacancy and Collection Loss	($399,850)	($1.25)	
EFFECTIVE GROSS REVENUE	**$13,310,161**	**$41.49**	**100.00%**
OPERATING EXPENSES			
Insurance	$68,070	$0.21	0.51%
Utilities	$979,247	$3.05	7.36%
Repairs & Maintenance	$850,871	$2.65	6.39%
Janitorial	$408,019	$1.27	3.07%
Management Fees	$332,754	$1.04	2.50%
General & Administrative	$85,087	$0.27	0.64%
Total Operating Expenses	$2,724,048	$8.49	20.47%
Real Estate Taxes	$1,925,736	$6.00	14.47%
TOTAL EXPENSES	**$4,649,784**	**$14.49**	**34.93%**
NET OPERATING INCOME	**$8,660,377**	**$27.00**	**65.07%**

Compiled by Cushman & Wakefield of Maryland, Inc.

Investment Considerations – Office/Retail Properties

The factors listed in the following table have been considered in our valuation of this property and will have an impact on our selection of all investor rates.

INVESTMENT CONSIDERATIONS - ONE MERRIWEATHER	
NOI Growth:	The subject's NOI is expected to grow 3.32 percent per annum from the first Analysis Year through the holding period. This rate of growth is considered acceptable.
Lease-Up Risk (As Is):	The subject contains 86,359 SF of vacant available space for lease, reflecting a 41.48% vacancy rate. Given this comparison, the investment rates selected will be more conservative than market indicators.
Real Estate Market Trends:	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently improving.
Tenant Quality:	The quality of a property's tenant base is an important factor that is scrutinized by investors prior to acquiring real property. The quality of the subject's tenant roster is considered to be good.
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.
Location Rating:	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is good.
Overall Investment Appeal:	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has good overall investment appeal.

INVESTMENT CONSIDERATIONS	TWO MERRIWEATHER
NOI Growth:	The subject's NOI is expected to grow 0.54 percent per annum from the first stabilized year of the analysis through the holding period. This rate of growth is considered below levels expected in this market, but is reflective on long-term leases by the anchor tenant and amount of retail tenancy.
Lease-Up Risk (As Is):	The subject contains 50,351 SF of vacant available space for lease, reflecting a 40.74% vacancy rate. Given this comparison, the investment rates selected will be more conservative than market indicators.
Real Estate Market Trends:	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently improving.
Tenant Quality:	The quality of a property's tenant base is an important factor that is scrutinized by investors prior to acquiring real property. The quality of the subject's tenant roster is considered to be good.
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.
Location Rating:	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is good.
Overall Investment Appeal:	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has good overall investment appeal.

INVESTMENT CONSIDERATIONS - BUILDING 3OA

NOI Growth:	The subject's NOI is expected to grow 2.84 percent per annum from the first stabilized year of the analysis through the holding period. This rate of growth is considered acceptable.
Lease-Up Risk (As Is):	The subject contains 170,811 SF of vacant available space for lease, reflecting a 53.24% vacancy rate. Given this comparison, the investment rates selected will be more conservative than market indicators.
Real Estate Market Trends:	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently improving.
Tenant Quality:	The quality of a property's tenant base is an important factor that is scrutinized by investors prior to acquiring real property. The quality of the subject's tenant roster is considered to be good.
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.
Location Rating:	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is good.
Overall Investment Appeal:	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has good overall investment appeal.

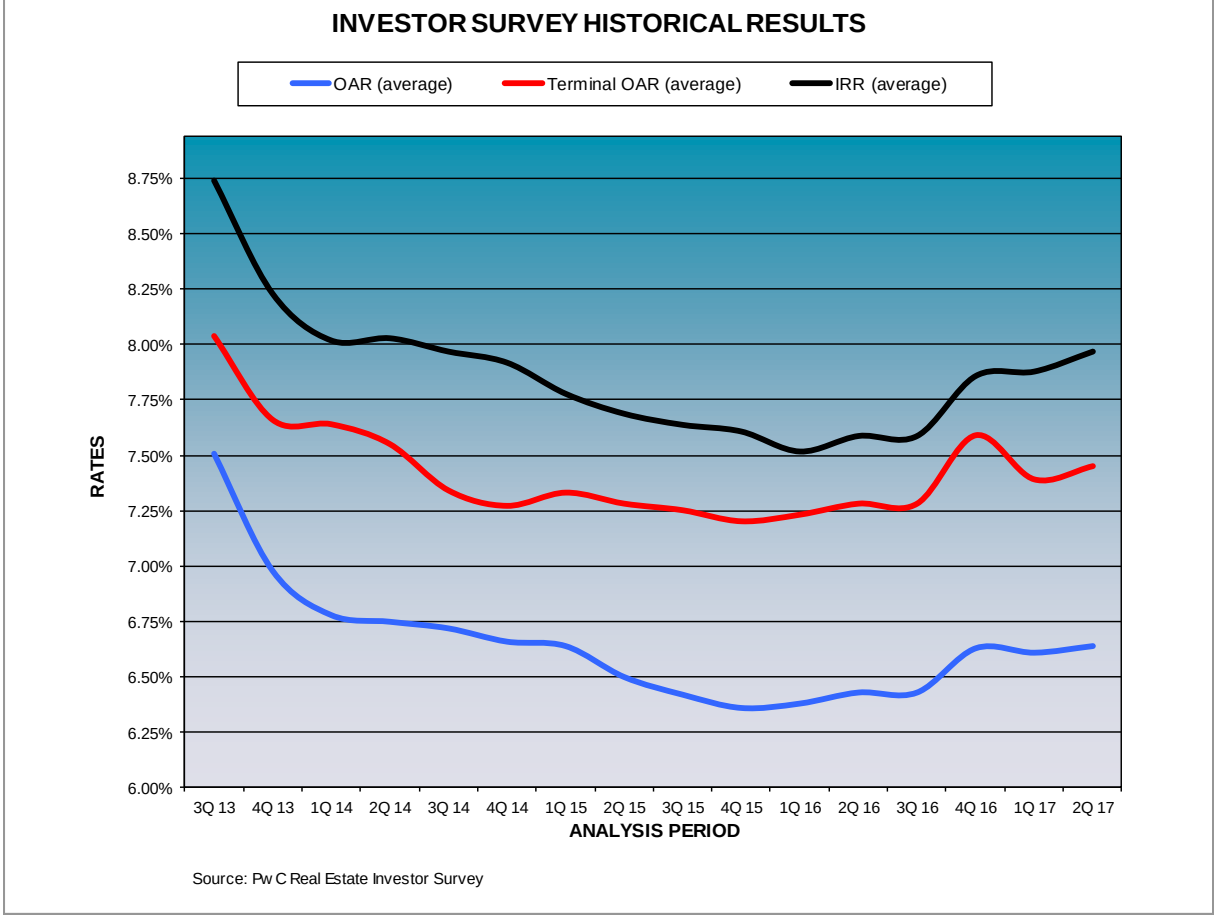
Investor Survey Trends – Office/Retail Properties

Historic trends in real estate investment help us understand the current and future direction of the market. Investors' return requirements are a benchmark by which real estate assets are bought and sold. The following graph shows the historic trends for the subject's asset class spanning a period of four years as reported in the PwC Real Estate Investor Survey published by PricewaterhouseCoopers.

INVESTOR SURVEY HISTORICAL RESULTS

Survey:	PwC	End Quarter:
Property Type:	NATIONAL SUBURBAN OFFICE	2Q 17

Quarter	3Q 13	4Q 13	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17
OAR (average)	7.51%	6.98%	6.78%	6.75%	6.72%	6.66%	6.64%	6.50%	6.42%	6.36%	6.38%	6.43%	6.43%	6.63%	6.61%	6.64%
Terminal OAR (average)	8.04%	7.66%	7.64%	7.55%	7.34%	7.27%	7.33%	7.28%	7.25%	7.20%	7.23%	7.28%	7.28%	7.59%	7.39%	7.45%
IRR (average)	8.74%	8.23%	8.02%	8.03%	7.97%	7.92%	7.78%	7.69%	7.64%	7.61%	7.52%	7.59%	7.59%	7.86%	7.88%	7.97%



Source: Pw C Real Estate Investor Survey

Investment rates have declined and stabilized over the past two years as access to capital has increased and a greater number of quality properties have traded. Rates increased slightly over the past three quarters due in part to the lack of quality assets trading the market.

Capitalization Rate Analysis

Although we did not utilize the Direct Capitalization Analysis in estimating market value for the subject's office/retail properties, we have included overall capitalization rate information below as a basis for supporting our selected terminal capitalization rate utilized in Discounted Cashflow Analysis presented later in this section.

Capitalization Rate from Comparable Sales

CAPITALIZATION RATE SUMMARY			
No.	**Name and Location**	**Sale Date**	**Capitalization Rate**
1	One Dulles 10740 Parkridge Boulevard Reston, VA	8/2016	6.40%
2	Baltimore FBI Building 2600 Lord Baltimore Drive Baltimore, MD	12/2015	6.00%
3	1881 at Wiehle Metro 1881 Campus Commons Drive Reston, VA	12/2015	6.40%
4	Summitt at Washingtonian 9711 Washingtonian Boulevard Gaithersburg, MD	10/2015	7.03%
5	South Lake at Dulles Center 13820 Sunrise Valley Drive Herndon, VA	6/2015	6.86%
6	Thames Street Wharf 1300 Thames Street Baltimore, MD	4/2014	6.72%
STATISTICS			
Sample Size		6	6
Low		4/2014	6.00%
High		8/2016	7.03%
Median		10/2015	6.56%
Average		8/2015	6.57%

Compiled by Cushman & Wakefield of Maryland, Inc.

Capitalization Rate from Investor Surveys

We considered data extracted from the PwC Real Estate Investor Survey for institutional grade assets. Earlier in the report, we presented historical capitalization rates for the prior four-year period. The most recent information from this survey is listed in the following table:

CAPITALIZATION RATES			
Survey	**Date**	**Range**	**Average**
PwC	Second Quarter 2017	5.00% - 10.00%	6.64%

PwC - Refers to National Suburban Office market regardless of class or occupancy

The subject property would be reflected at the low-end of the industry range based on existing physical and economic characteristics of the subject as previously discussed.

Yield Capitalization Method

In the Yield Capitalization Method, we employed ARGUS - Version 15 software to model the income characteristics of the property and to make a variety of cash flow assumptions. We attempted to reflect the most likely investment assumptions of typical buyers and sellers in this market segment.

General Cash Flow Assumptions

The start dates of the Yield Capitalization analysis are July 1, 2017 for One Merriweather, December 1, 2017 for Two Merriweather (prospective date of completion) and August 1, 2019 for Building 3OA. The cash flows for One Merriweather and Building 3OA incorporate a 12-year analysis period and an 11-year holding period. The cash flow for Two Merriweather includes a 10-year analysis period and 9 year holding period. The forecast holding periods were adjusted from the typical 10-year hold to account for forecast lease expirations in the reversionary year.

The following tables outline the assumptions used in the Yield Capitalization analysis.

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS - ONE MERRIWEATHER			
VALUATION SCENARIO:	**Market Value As-Is**		
GENERAL CASH FLOW ASSUMPTIONS		**GROWTH RATES**	
Cash Flow Software:	ARGUS - Version 15	Market Rent:	3.00%
Cash Flow Start Date:	July 1, 2017	Consumer Price Index (CPI):	3.00%
Calendar or Fiscal Analysis:	Fiscal	Expenses:	3.00%
Investment Holding Period:	10 Years	Tenant Improvements:	3.00%
Analysis Projection Period:	11 Years	Real Estate Taxes (After Phase-In):	3.00%
VACANCY & COLLECTION LOSS		**RATES OF RETURN**	
Global Vacancy:	5.00%	Internal Rate of Return: (Cash Flow)	8.00%
Global Collection Loss:	1.00%	Internal Rate of Return: (Reversion)	8.00%
Total Vacancy & Collection Loss:	6.00%	Terminal Capitalization Rate:	6.75%
		Reversionary Sales Cost:	2.50%
CAPITAL EXPENDITURES			
Reserves for Replacement ($/SF):	$0.15		

Compiled by Cushman & Wakefield of Maryland, Inc.

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS - TWO MERRIWEATHER			
VALUATION SCENARIO:	**Prospective Market Value Upon Completion**		
GENERAL CASH FLOW ASSUMPTIONS		**GROWTH RATES**	
Cash Flow Software:	ARGUS - Version 15	Market Rent:	3.00%
Cash Flow Start Date:	December 1, 2017	Consumer Price Index (CPI):	3.00%
Calendar or Fiscal Analysis:	Fiscal	Expenses:	3.00%
Investment Holding Period:	11 Years	Tenant Improvements:	3.00%
Analysis Projection Period:	12 Years	Real Estate Taxes (After Phase-In):	3.00%
VACANCY & COLLECTION LOSS		**RATES OF RETURN**	
Global Vacancy:	5.00%	Internal Rate of Return: (Cash Flow)	7.50%
Global Collection Loss:	1.00%	Internal Rate of Return: (Reversion)	7.50%
Total Vacancy & Collection Loss:	6.00%	Terminal Capitalization Rate:	6.75%
		Reversionary Sales Cost:	2.50%
CAPITAL EXPENDITURES			
Reserves for Replacement ($/SF):	$0.15		

Compiled by Cushman & Wakefield of Maryland, Inc.

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS - BUILDING 3OA			
VALUATION SCENARIO:	**Market Value - As of July 31, 2019**		
GENERAL CASH FLOW ASSUMPTIONS		**GROWTH RATES**	
Cash Flow Software:	ARGUS - Version 15	Market Rent:	3.00%
Cash Flow Start Date:	August 1, 2019	Consumer Price Index (CPI):	3.00%
Calendar or Fiscal Analysis:	Fiscal	Expenses:	3.00%
Investment Holding Period:	11 Years	Tenant Improvements:	3.00%
Analysis Projection Period:	12 Years	Real Estate Taxes (After Phase-In):	3.00%
VACANCY & COLLECTION LOSS		**RATES OF RETURN**	
Global Vacancy:	5.00%	Internal Rate of Return: (Cash Flow)	7.75%
Global Collection Loss:	1.00%	Internal Rate of Return: (Reversion)	7.75%
Total Vacancy & Collection Loss:	6.00%	Terminal Capitalization Rate:	6.75%
		Reversionary Sales Cost:	2.50%
CAPITAL EXPENDITURES			
Reserves for Replacement ($/SF):	$0.15		

Compiled by Cushman & Wakefield of Maryland, Inc.

The following information was extracted from the PwC Investor Survey and was used to help determine our growth rate assumptions.

OTHER INVESTOR SURVEY INFORMATION			
Survey	**Data**	**Range**	**Average**
PwC Second Quarter 2017	Rent Change Rate	0.00% - 5.00%	2.03%
	Expense Change Rate	0.00% - 4.00%	2.75%

PwC - Refers to National Suburban Office market regardless of class or occupancy

Speculative Leasing Assumptions

The income and expense information that was previously presented has been used as the basis for our market leasing projections, which is summarized for each project by the exhibits presented on the following pages.

The following exhibits summarize the leasing assumptions that were used in preparing our Yield Capitalization analysis for each property.

LEASING ASSUMPTIONS - ONE MERRIWEATHER			
TENANT CATEGORY	**Office- $32.50**	**Office- $36.50**	**Retail- $50.00**
WEIGHTED ITEMS			
Renewal Probability	70.00%	70.00%	75.00%
Market Rent	$32.50	$36.50	$50.00
Months Vacant	9.00	9.00	6.00
Tenant Improvements			
New Leases (relet)	$25.00	$25.00	$25.00
Renewal Leases	$10.00	$10.00	$0.00
First Generation (shell)	$70.00	$70.00	$75.00
Leasing Commissions (1)			
New Leases	6.00%	6.00%	6.00%
Renewal Leases	3.00%	3.00%	3.00%
Free Rent (months free)			
New Leases (Existing Vacancy)	3	3	3
Renewal Leases	0	0	0
NON-WEIGHTED ITEMS			
Lease Term (years)	7	7	10
Lease Type (reimbursements)	Modified	Modified	Net
Contract Rent Increase Projection	3.00%	3.00%	2.00%

Compiled by Cushman & Wakefield, Inc.

LEASING ASSUMPTIONS- TWO MERRIWEATHER			
TENANT CATEGORY	**Office**	**Retail- $40/SF**	**Retail- $45/SF**
WEIGHTED ITEMS			
Renewal Probability	70.00%	75.00%	75.00%
Market Rent	$32.50	$40.00	$45.00
Months Vacant	9.00	6.00	6.00
Tenant Improvements			
New Leases (relet)	$25.00	$25.00	$25.00
Renewal Leases	$10.00	$0.00	$0.00
First Generation (shell)	$70.00	$75.00	$75.00
Leasing Commissions (1)			
New Leases	6.00%	6.00%	6.00%
Renewal Leases	3.00%	3.00%	3.00%
Free Rent (months free)			
New Leases (Existing Vacancy)	3	0	0
Renewal Leases	0	0	0
NON-WEIGHTED ITEMS			
Lease Term (years)	7	10	10
Lease Type (reimbursements)	Modified	Net	Net
Contract Rent Increase Projection	3.00%	3.00%	3.00%

Compiled by Cushman & Wakefield, Inc.

LEASING ASSUMPTIONS - BUILDING 3OA				
TENANT CATEGORY	**Office- $36.00/SF**	**Office- $37.50/SF**	**Retail- $35.00/SF**	**Retail- $40.00/SF**
WEIGHTED ITEMS				
Renewal Probability	70.00%	70.00%	75.00%	75.00%
Market Rent	$36.00	$37.50	$35.00	$40.00
Months Vacant	9.00	9.00	6.00	6.00
Tenant Improvements				
New Leases (relet)	$25.00	$25.00	$25.00	$25.00
Renewal Leases	$10.00	$10.00	$0.00	$0.00
First Generation (shell)	$70.00	$70.00	$75.00	$75.00
Leasing Commissions (1)				
New Leases	6.00%	6.00%	6.00%	6.00%
Renewal Leases	3.00%	3.00%	3.00%	3.00%
Free Rent (months free)				
New Leases (Existing Vacancy)	7	7	3	3
Renewal Leases	0	0	0	0
NON-WEIGHTED ITEMS				
Lease Term (years)	7	7	10	10
Lease Type (reimbursements)	Net	Net	Net	Net
Contract Rent Increase Projection	3.00%	3.00%	2.00%	2.00%

Compiled by Cushman & Wakefield, Inc.

Leasing Commissions

Leasing commissions have been modeled in accordance with local market standards. The standard leasing commission for new leases totals 6.0 percent of the scheduled rental income for the lease term, of which 4.0 percent is paid to the tenant broker and 2.0 percent is paid to the landlord broker. On renewing leases, the standard leasing commission is 3.0 percent, of which 2.0 percent is paid to the tenant broker and 1.0 percent is paid to the landlord broker. We have incorporated these standard assumptions in our cash flow projection.

Financial Assumptions – Office/Retail Properties

The financial assumptions used in the Yield Capitalization process are discussed in the following commentary.

Terminal Capitalization Rate Selection

A terminal capitalization rate was used to develop an opinion of the market value of the property at the end of the assumed investment holding period. The rate is applied to the net operating income following the last year of the holding period before making deductions for leasing commissions, tenant improvement allowances and reserves for replacement. We developed an opinion of an appropriate terminal capitalization rate based on rates in current investor surveys.

TERMINAL CAPITALIZATION RATES (OARout)			
Survey	**Date**	**Range**	**Average**
PwC	Second Quarter 2017	6.00% - 11.50%	7.45%

PwC - Refers to National Suburban Office market regardless of class or occupancy

Investors will typically use a slightly more conservative overall rate when exiting an investment versus the rate that would be used going into the investment. This accounts both for the aging associated with the improvements over the course of the holding period, and for any unforeseen risks that might arise over that time period.

Based on a review of investor survey and discussion with market participants, we applied a terminal rate of 6.75 percent in our analysis.

Reversionary Sales Costs

We estimated the cost of sale at the time of reversion to be 2.5 percent, based on discussions with market participants, review of investor underwriting criteria from properties we have appraised, and in keeping with local market practice.

Discount Rate Selection

We developed an opinion of future cash flows, including property value at reversion, and discounted that income stream at an internal rate of return (IRR) currently required by investors for similar-quality real property. The IRR (also known as yield) is the single rate that discounts all future equity benefits (cash flows and equity reversion) to an opinion of net present value.

The PwC Investor survey indicates the following internal rates of return for competitive properties:

DISCOUNT RATES (IRR)			
Survey	**Date**	**Range**	**Average**
PwC	Second Quarter 2017	6.00% - 11.50%	7.97%

PwC - Refers to National Suburban Office market regardless of class or occupancy

The above table summarizes the investment parameters of some of the most prominent investors currently acquiring similar investment properties in the United States. We realize that this type of survey reflects target rather than transactional rates. Transactional rates are usually difficult to obtain in the verification process and are actually only target rates of the buyer at the time of sale. The property's performance will ultimately determine the actual yield at the time of sale after a specific holding period.

We previously discussed all factors that would influence our selection of a discount rate for the subject properties. Given all of these factors, we discounted our cash flow and reversionary value projections at an internal rate of return from a range of 7.75 to 8.0 percent for properties As Is and Upon Completion, and 7.5 percent upon stabilization. There variance in rates between the subject properties is due in part to lease-up risk, building size, tenancy type (amount of retail versus office) and tenant quality. There is also a variance based on the forecast occupancy for each building as of the dates upon completion of public improvements funded by The Phase 1A TIF bond funds.

The ARGUS - Version 15 cash flows are presented on the following pages for each of the subject properties. Per the client's request, provide prospective market value opinions for the subject properties as of July 31, 2019. Thus, we also reflect cash flows with the analysis start date beginning August 1, 2019.

One Merriweather - Yield Capitalization Method Conclusions

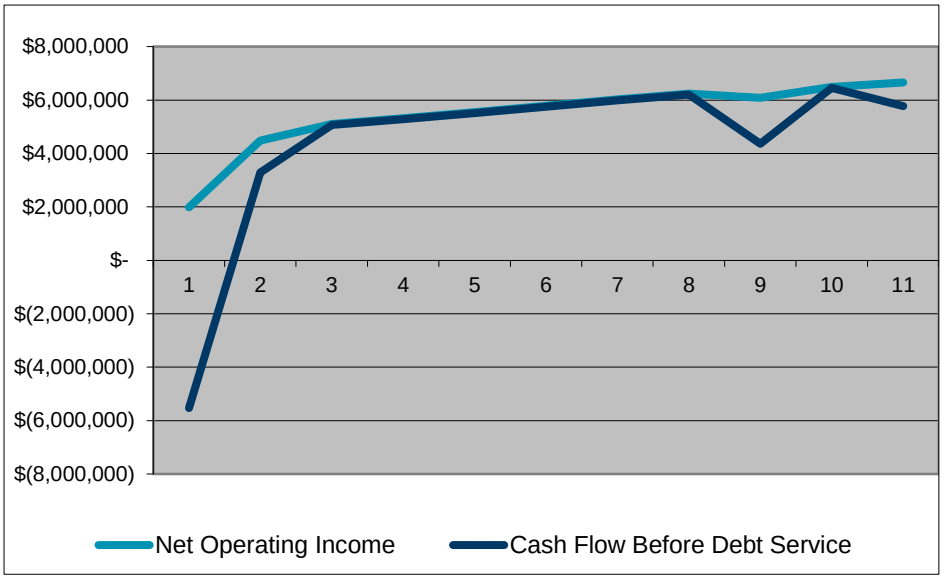
Our cash flow projections and valuation matrix are presented on the following pages.

ANNUAL CASH FLOW REPORT One Merriweather	As Is											Annual Growth	Annual Growth
	1	2	3	4	5	6	7	8	9	10	11	Year 1 -	Year 3 -
For the Years Beginnning	Jul-17	Jul-18	Jul-19	Jul-20	Jul-21	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26	Jul-27		
For the Years Ending	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Year 10	Year 10
Base Rental Revenue	$ 7,110,464	$ 7,255,504	$ 7,464,228	$ 7,683,311	$ 7,908,868	$ 8,141,096	$ 8,380,188	$ 8,626,348	$ 8,940,025	$ 9,191,490	$ 9,510,302	2.89%	3.02%
Absorption & Turnover Vacancy	(2,581,002)	(139,697)	0	0	0	0	0	(182,528)	(376,006)	0	(304,644)	-100.00%	
Base Rent Abatements	(414,025)	(439,254)	0	0	0	0	0	0	0	0	0	-100.00%	
Scheduled Base Rental Revenue	$ 4,115,437	$ 6,676,553	$ 7,464,228	$ 7,683,311	$ 7,908,868	$ 8,141,096	$ 8,380,188	$ 8,443,820	$ 8,564,019	$ 9,191,490	$ 9,205,658	9.34%	3.02%
Total Reimbursement Revenue	$ 69,679	$ 643,252	$ 762,550	$ 858,247	$ 956,815	$ 1,058,341	$ 1,162,899	$ 1,219,812	$ 980,849	$ 1,147,145	$ 1,160,452	36.51%	6.01%
Parking Income Net	250,000	257,500	265,225	273,182	281,377	289,819	298,513	307,468	316,693	326,193	335,979	3.00%	3.00%
TOTAL GROSS REVENUE	$ 4,435,116	$ 7,577,305	$ 8,492,003	$ 8,814,740	$ 9,147,060	$ 9,489,256	$ 9,841,600	$ 9,971,100	$ 9,861,561	$ 10,664,828	$ 10,702,089	10.24%	3.31%
General Vacancy	0	(10,030)	(176,393)	(181,443)	(186,639)	(191,986)	(197,489)	(20,623)	0	(217,513)	0		3.04%
Collection Loss	(4,050)	(28,548)	(35,279)	(36,289)	(37,328)	(38,397)	(39,498)	(38,805)	(38,638)	(43,503)	(42,192)	30.19%	3.04%
EFFECTIVE GROSS REVENUE	$ 4,431,066	$ 7,538,727	$ 8,280,331	$ 8,597,008	$ 8,923,093	$ 9,258,873	$ 9,604,613	$ 9,911,672	$ 9,822,923	$ 10,403,812	$ 10,659,897	9.95%	3.32%
Insurance	41,636	42,885	44,172	45,497	46,862	48,268	49,716	51,207	52,743	54,326	55,956	3.00%	3.00%
Utilities	374,262	602,927	632,842	651,827	671,382	691,523	712,269	716,788	720,938	778,315	785,226	8.48%	3.00%
Repairs & Maintenance	520,453	536,066	552,148	568,712	585,774	603,347	621,448	640,091	659,294	679,072	699,445	3.00%	3.00%
Janitorial	155,942	251,220	263,684	271,595	279,742	288,135	296,779	298,662	300,391	324,298	327,177	8.48%	3.00%
Management Fees	110,777	188,468	207,008	214,925	223,077	231,472	240,115	247,792	245,573	260,095	266,497	9.95%	3.32%
General & Administrative	52,045	53,607	55,215	56,871	58,577	60,335	62,145	64,009	65,929	67,907	69,944	3.00%	3.00%
Real Estate Taxes	1,190,232	1,379,292	1,420,671	1,463,291	1,507,190	1,552,405	1,598,977	1,646,947	1,696,355	1,747,246	1,799,663	4.36%	3.00%
TOTAL OPERATING EXPENSES	$ 2,445,347	$ 3,054,465	$ 3,175,740	$ 3,272,718	$ 3,372,604	$ 3,475,485	$ 3,581,449	$ 3,665,496	$ 3,741,223	$ 3,911,259	$ 4,003,908	5.36%	3.02%
NET OPERATING INCOME	$ 1,985,719	$ 4,484,262	$ 5,104,591	$ 5,324,290	$ 5,550,489	$ 5,783,388	$ 6,023,164	$ 6,246,176	$ 6,081,700	$ 6,492,553	$ 6,655,989	14.07%	3.50%
Capital Reserves	31,227	32,164	33,129	34,123	35,146	36,201	37,287	38,405	39,558	40,744	41,967	3.00%	3.00%
Tenant Improvements	5,911,595	859,288	0	0	0	0	0	0	1,006,538	0	363,821	-100.00%	
Leasing Commissions	1,574,369	301,468	0	0	0	0	0	0	674,184	0	472,437	-100.00%	
TOTAL LEASING & CAPITAL COSTS	$ 7,517,191	$ 1,192,920	$ 33,129	$ 34,123	$ 35,146	$ 36,201	$ 37,287	$ 38,405	$ 1,720,280	$ 40,744	$ 878,225	-44.00%	3.00%
CASH FLOW BEFORE DEBT SERVICE	$ (5,531,472)	$ 3,291,342	$ 5,071,462	$ 5,290,167	$ 5,515,343	$ 5,747,187	$ 5,985,877	$ 6,207,771	$ 4,361,420	$ 6,451,809	$ 5,777,764	--	3.50%
Implied Overall Rate	2.86%	6.45%	7.34%	7.66%	7.99%	8.32%	8.67%	8.99%	8.75%	9.34%			
Cash on Cash Return	-7.96%	4.74%	7.30%	7.61%	7.94%	8.27%	8.61%	8.93%	6.28%	9.28%			

ANNUAL CASH FLOW REPORT One Merriweather	Forecast As Of July 31, 2019										Annual Growth
	1	2	3	4	5	6	7	8	9	10	Year 1 -
For the Years Beginnning	Aug-19	Aug-20	Aug-21	Aug-22	Aug-23	Aug-24	Aug-25	Aug-26	Aug-27	Aug-28	
For the Years Ending	Jul-20	Jul-21	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26	Jul-27	Jul-28	Jul-29	Year 9
Base Rental Revenue	$ 7,482,269	$ 7,701,884	$ 7,927,992	$ 8,160,788	$ 8,400,459	$ 8,652,692	$ 8,956,039	$ 9,213,616	$ 9,538,559	$ 9,821,377	3.08%
Absorption & Turnover Vacancy	0	0	0	0	0	(370,530)	(188,004)	0	(325,696)	(171,590)	
Scheduled Base Rental Revenue	$ 7,482,269	$ 7,701,884	$ 7,927,992	$ 8,160,788	$ 8,400,459	$ 8,282,162	$ 8,768,035	$ 9,213,616	$ 9,212,863	$ 9,649,787	2.63%
Total Reimbursement Revenue	$ 770,830	$ 866,536	$ 965,348	$ 1,067,125	$ 1,169,956	$ 1,197,832	$ 994,412	$ 1,155,390	$ 1,157,853	$ 1,159,668	5.22%
Parking Income Net	265,888	273,865	282,081	290,543	299,259	308,237	317,485	327,008	336,819	346,923	3.00%
TOTAL GROSS REVENUE	$ 8,518,987	$ 8,842,285	$ 9,175,421	$ 9,518,456	$ 9,869,674	$ 9,788,231	$ 10,079,932	$ 10,696,014	$ 10,707,535	$ 11,156,378	2.90%
General Vacancy	(176,811)	(181,872)	(187,081)	(192,441)	(197,956)	0	(24,208)	(218,024)	0	(62,043)	-100.00%
Collection Loss	(35,363)	(36,374)	(37,416)	(38,488)	(39,591)	(37,077)	(40,562)	(43,605)	(42,141)	(45,011)	2.22%
EFFECTIVE GROSS REVENUE	$ 8,306,813	$ 8,624,039	$ 8,950,924	$ 9,287,527	$ 9,632,127	$ 9,751,154	$ 10,015,162	$ 10,434,385	$ 10,665,394	$ 11,049,324	3.17%
Insurance	44,282	45,611	46,979	48,389	49,840	51,335	52,875	54,462	56,096	57,778	3.00%
Utilities	634,424	653,456	673,061	693,252	714,049	701,268	740,182	780,260	785,500	813,676	2.71%
Repairs & Maintenance	553,529	570,133	587,239	604,855	623,002	641,691	660,942	680,770	701,194	722,229	3.00%
Janitorial	264,343	272,274	280,441	288,856	297,521	292,195	308,409	325,109	327,291	339,032	2.71%
Management Fees	207,670	215,601	223,774	232,187	240,804	243,778	250,379	260,860	266,635	276,233	3.17%
General & Administrative	55,353	57,013	58,724	60,486	62,300	64,169	66,094	68,077	70,119	72,223	3.00%
Real Estate Taxes	1,424,223	1,466,949	1,510,958	1,556,286	1,602,975	1,651,064	1,700,596	1,751,614	1,804,162	1,858,287	3.00%
TOTAL OPERATING EXPENSES	$ 3,183,824	$ 3,281,037	$ 3,381,176	$ 3,484,311	$ 3,590,491	$ 3,645,500	$ 3,779,477	$ 3,921,152	$ 4,010,997	$ 4,139,458	2.93%
NET OPERATING INCOME	$ 5,122,989	$ 5,343,002	$ 5,569,748	$ 5,803,216	$ 6,041,636	$ 6,105,654	$ 6,235,685	$ 6,513,233	$ 6,654,397	$ 6,909,866	3.32%
Capital Reserves	33,212	34,208	35,234	36,291	37,380	38,501	39,657	40,846	42,072	43,334	3.00%
Tenant Improvements	0	0	0	0	0	0	1,006,538	0	363,821	339,568	
Leasing Commissions	0	0	0	0	0	0	674,184	0	472,437	255,438	
TOTAL LEASING & CAPITAL COSTS	$ 33,212	$ 34,208	$ 35,234	$ 36,291	$ 37,380	$ 38,501	$ 1,720,379	$ 40,846	$ 878,330	$ 638,340	50.59%
CASH FLOW BEFORE DEBT SERVICE	$ 5,089,777	$ 5,308,794	$ 5,534,514	$ 5,766,925	$ 6,004,256	$ 6,067,153	$ 4,515,306	$ 6,472,387	$ 5,776,067	$ 6,271,526	1.59%
Implied Overall Rate	5.85%	6.10%	6.36%	6.62%	6.90%	6.97%	7.12%	7.44%	7.60%		
Cash on Cash Return	5.81%	6.06%	6.32%	6.58%	6.85%	6.93%	5.15%	7.39%	6.59%		

One Merriweather – Yield Capitalization Method Conclusion – As Is Value

The following graph depicts the forecasted change in both net income and net cash flow over the analysis period.



The results of the Yield Capitalization analysis are presented in the following:

PRICING MATRIX - Market Value As-Is					
Terminal	Discount Rate (IRR) for Cash Flow				
Cap Rates	7.50%	7.75%	8.00%	8.25%	8.50%
6.25%	$ 76,185,173	$ 74,625,038	$ 73,101,502	$ 71,613,602	$ 70,160,403
6.50%	$ 74,247,505	$ 72,731,861	$ 71,251,696	$ 69,806,075	$ 68,394,095
6.75%	$ 72,453,369	$ 70,978,920	$ 69,538,912	$ 68,132,439	$ 66,758,624
7.00%	$ 70,787,385	$ 69,351,190	$ 67,948,470	$ 66,578,348	$ 65,239,973
7.25%	$ 69,236,297	$ 67,835,716	$ 66,467,713	$ 65,131,436	$ 63,826,057

IRR Reversion	7.50%	7.75%	8.00%	8.25%	8.50%
Cost of Sale at Reversion:			2.50%		
Percent Residual:			64.04%		
Rounded to nearest	**$100,000**		**$69,500,000**	**$333.84**	

Based on the rates selected, the value via the Yield Capitalization analysis is estimated at $69,500,000, rounded. The reversion contributes 61.56 percent to this value estimate, which is reflective of the forecast lease-up period until the subject property achieves stabilization.

Additional Valuation Scenarios & Assumptions – One Merriweather

Per the Client's request, we have provide a prospective value opinion as of July 31, 2019.

One Merriweather- Prospective Market Value as of July 31, 2019

The following table summarizes the parameters used to determine the prospective value of the subject property upon completion of construction. The value conclusion is also presented in the following table:

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS - ONE MERRIWEATHER			
VALUATION SCENARIO:	**Prospective Market Value As of July 31, 2019**		
ADDITIONAL ASSUMPTIONS		**VALUATION**	
Holding Period:	9 Years	Prospective Market Value	$87,600,000
Projection Period:	10 Years	Adjustments	$0
Start Date:	August 1, 2019	Adjusted Value	$87,600,000
Internal Rate of Return: (Cash Flow)	7.50%	**Rounded to nearest $100,000**	**$87,600,000**
Internal Rate of Return: (Reversion)	7.50%	Value $/SF	$420.79
Terminal Capitalization Rate:	6.75%		
Reversionary Sales Cost:	2.50%		

Compiled by Cushman & Wakefield of Maryland, Inc.

The value matrix correlating to this valuation is presented in the following table:

PRICING MATRIX - Market Value As Of July 31, 2019					
Terminal	**Discount Rate (IRR) for Cash Flow**				
Cap Rates	**7.00%**	**7.25%**	**7.50%**	**7.75%**	**8.00%**
6.25%	$ 94,988,267	$ 93,378,122	$ 91,802,416	$ 90,260,311	$ 88,750,991
6.50%	$ 92,733,161	$ 91,169,888	$ 89,639,973	$ 88,142,607	$ 86,676,999
6.75%	$ 90,645,100	$ 89,125,226	$ 87,637,711	$ 86,181,769	$ 84,756,636
7.00%	$ 88,706,187	$ 87,226,612	$ 85,778,468	$ 84,360,992	$ 82,973,442
7.25%	$ 86,900,992	$ 85,458,937	$ 84,047,448	$ 82,665,785	$ 81,313,227

IRR Reversion	**7.00%**	**7.25%**	**7.50%**	**7.75%**	**8.00%**
Cost of Sale at Reversion:			2.50%		
Percent Residual:			59.40%		
Rounded to nearest $100,000			**$87,600,000**	**$420.79**	

Based on the rates selected, the value via the Yield Capitalization analysis is estimated at $87,600,000 rounded. The reversion contributes 59.40 percent to this value estimate.

Two Merriweather - Yield Capitalization Method Conclusions

Our cash flow projections and valuation matrix are presented on the following pages for the subject property as of the analysis start date of August 1, 2019. We also included a cash flow projection for the subject property forecasted upon completion as of December 1, 2017.

ANNUAL CASH FLOW REPORT Two Merriweather	Upon Completion												Annual Growth	Annual Growth
	1	2	3	4	5	6	7	8	9	10	11	12	Year 1 -	Year 3 -
For the Years Beginnning	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28		
For the Years Ending	Nov-18	Nov-19	Nov-20	Nov-21	Nov-22	Nov-23	Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29	Year 11	Year 11
Base Rental Revenue	$ 4,233,115	$ 4,348,429	$ 4,455,816	$ 4,578,299	$ 4,704,233	$ 4,833,716	$ 4,966,851	$ 5,103,741	$ 5,244,497	$ 5,381,878	$ 5,544,434	$ 5,812,641	2.74%	2.77%
Absorption & Turnover Vacancy	(1,740,672)	(437,627)	0	0	0	0	0	0	(245,054)	0	(84,676)	(985,492)	-26.09%	
Base Rent Abatements	0	(199,252)	0	0	0	0	0	0	0	0	0	0		
Scheduled Base Rental Revenue	$ 2,492,443	$ 3,711,550	$ 4,455,816	$ 4,578,299	$ 4,704,233	$ 4,833,716	$ 4,966,851	$ 5,103,741	$ 4,999,443	$ 5,381,878	$ 5,459,758	$ 4,827,149	8.16%	2.57%
Total Reimbursement Revenue	$ 18,503	$ 254,036	$ 367,349	$ 418,915	$ 493,868	$ 548,670	$ 594,289	$ 643,387	$ 615,198	$ 657,865	$ 693,628	$ 270,322	43.68%	8.27%
TOTAL GROSS REVENUE	$ 2,510,946	$ 3,965,586	$ 4,823,165	$ 4,997,214	$ 5,198,101	$ 5,382,386	$ 5,561,140	$ 5,747,128	$ 5,614,641	$ 6,039,743	$ 6,153,386	$ 5,097,471	9.38%	3.09%
General Vacancy	0	(73,599)	(222,821)	(228,946)	(235,244)	(241,719)	(248,377)	(173,537)	(98,769)	(269,127)	(182,690)	(98,400)		-2.45%
Collection Loss	(26,424)	(35,826)	(44,564)	(45,789)	(47,049)	(48,344)	(49,675)	(50,228)	(50,794)	(53,825)	(52,067)	(50,738)	7.02%	1.96%
EFFECTIVE GROSS REVENUE	$ 2,484,522	$ 3,856,161	$ 4,555,780	$ 4,722,479	$ 4,915,808	$ 5,092,323	$ 5,263,088	$ 5,523,363	$ 5,465,078	$ 5,716,791	$ 5,918,629	$ 4,948,333	9.07%	3.33%
Insurance	24,721	25,462	26,226	27,013	27,823	28,658	29,518	30,403	31,316	32,255	33,223	34,219	3.00%	3.00%
Utilities	219,759	269,267	308,919	318,187	327,732	337,564	347,691	358,122	346,245	379,932	391,330	327,020	5.94%	3.00%
Repairs & Maintenance	296,650	305,549	314,716	324,157	333,882	343,898	354,215	364,842	375,787	387,060	398,672	410,632	3.00%	3.00%
Janitorial	80,578	98,731	113,270	116,668	120,169	123,774	127,487	131,311	126,957	139,308	143,488	119,907	5.94%	3.00%
Management Fees	62,113	96,404	113,895	118,062	122,895	127,308	131,577	138,084	136,627	142,920	147,966	123,708	9.07%	3.33%
General & Administrative	24,721	25,462	26,226	27,013	27,823	28,658	29,518	30,403	31,316	32,255	33,223	34,219	3.00%	3.00%
Real Estate Taxes	478,908	493,688	517,336	543,940	592,644	620,979	639,608	658,796	678,560	698,917	719,885	741,481	4.16%	4.22%
TOTAL OPERATING EXPENSES	$ 1,187,450	$ 1,314,563	$ 1,420,588	$ 1,475,040	$ 1,552,968	$ 1,610,839	$ 1,659,614	$ 1,711,961	$ 1,726,808	$ 1,812,647	$ 1,867,787	$ 1,791,186	4.63%	3.48%
NET OPERATING INCOME	$ 1,297,072	$ 2,541,598	$ 3,135,192	$ 3,247,439	$ 3,362,840	$ 3,481,484	$ 3,603,474	$ 3,811,402	$ 3,738,270	$ 3,904,144	$ 4,050,842	$ 3,157,147	12.06%	3.25%
Capital Reserves	18,541	19,097	19,670	20,260	20,868	21,494	22,138	22,803	23,487	24,191	24,917	25,665	3.00%	3.00%
Tenant Improvements	837,900	2,903,962	0	0	0	0	0	0	437,328	0	57,822	1,640,360	-23.46%	
Leasing Commissions	304,709	770,498	0	0	0	0	0	0	292,924	0	161,289	1,431,741	-6.16%	
TOTAL LEASING & CAPITAL COSTS	$ 1,161,150	$ 3,693,557	$ 19,670	$ 20,260	$ 20,868	$ 21,494	$ 22,138	$ 22,803	$ 753,739	$ 24,191	$ 244,028	$ 3,097,766	-14.44%	36.99%
CASH FLOW BEFORE DEBT SERVICE	$ 135,922	$ (1,151,959)	$ 3,115,522	$ 3,227,179	$ 3,341,972	$ 3,459,990	$ 3,581,336	$ 3,788,599	$ 2,984,531	$ 3,879,953	$ 3,806,814	$ 59,381	39.55%	2.54%
Implied Overall Rate	3.36%	6.58%	8.12%	8.41%	8.71%	9.02%	9.34%	9.87%	9.68%	10.11%	10.49%			
Cash on Cash Return	0.35%	-2.98%	8.07%	8.36%	8.66%	8.96%	9.28%	9.82%	7.73%	10.05%	9.86%			

ANNUAL CASH FLOW REPORT Two Merriweather	DCF ANALYSIS AS OF JULY 31, 2019											Annual Growth
	1	2	3	4	5	6	7	8	9	10	11	Year 1 -
For the Years Beginnning	Aug-19	Aug-20	Aug-21	Aug-22	Aug-23	Aug-24	Aug-25	Aug-26	Aug-27	Aug-28	Aug-29	
For the Years Ending	Jul-20	Jul-21	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26	Jul-27	Jul-28	Jul-29	Jul-30	Year 10
Base Rental Revenue	$ 4,415,967	$ 4,537,328	$ 4,662,106	$ 4,790,401	$ 4,922,319	$ 5,057,952	$ 5,197,413	$ 5,333,464	$ 5,480,696	$ 5,728,835	$ 5,904,022	2.93%
Absorption & Turnover Vacancy	0	0	0	0	0	0	(245,054)	0	0	(1,070,168)	0	
Base Rent Abatements	0	0	0	0	0	0	0	0	0	0	0	
Scheduled Base Rental Revenue	$ 4,415,967	$ 4,537,328	$ 4,662,106	$ 4,790,401	$ 4,922,319	$ 5,057,952	$ 4,952,359	$ 5,333,464	$ 5,480,696	$ 4,658,667	$ 5,904,022	0.60%
Total Reimbursement Revenue	$ 335,941	$ 401,727	$ 468,871	$ 530,407	$ 579,087	$ 627,026	$ 635,622	$ 632,604	$ 692,265	$ 390,565	$ 402,003	1.69%
TOTAL GROSS REVENUE	$ 4,751,908	$ 4,939,055	$ 5,130,977	$ 5,320,808	$ 5,501,406	$ 5,684,978	$ 5,587,981	$ 5,966,068	$ 6,172,961	$ 5,049,232	$ 6,306,025	0.68%
General Vacancy	(220,798)	(226,867)	(233,104)	(239,521)	(246,117)	(252,898)	(14,816)	(266,674)	(274,034)	0	(295,200)	-100.00%
Collection Loss	(44,161)	(45,372)	(46,621)	(47,905)	(49,224)	(50,579)	(49,524)	(53,335)	(54,805)	(46,587)	(24,601)	0.60%
EFFECTIVE GROSS REVENUE	$ 4,486,949	$ 4,666,816	$ 4,851,252	$ 5,033,382	$ 5,206,065	$ 5,381,501	$ 5,523,641	$ 5,646,059	$ 5,844,122	$ 5,002,645	$ 5,951,784	1.22%
Insurance	25,972	26,749	27,554	28,379	29,232	30,108	31,012	31,942	32,900	33,887	34,903	3.00%
Utilities	305,920	315,098	324,550	334,286	344,316	354,646	342,664	376,242	387,531	323,106	411,132	0.61%
Repairs & Maintenance	311,660	321,010	330,640	340,560	350,777	361,298	372,140	383,302	394,802	406,644	418,846	3.00%
Janitorial	112,170	115,535	119,002	122,572	126,251	130,036	125,643	137,956	142,094	118,473	150,747	0.61%
Management Fees	112,175	116,671	121,280	125,835	130,151	134,539	138,090	141,151	146,103	125,068	148,793	1.22%
General & Administrative	25,972	26,749	27,554	28,379	29,232	30,108	31,012	31,942	32,900	33,887	34,903	3.00%
Real Estate Taxes	517,336	520,292	586,788	614,949	633,400	652,400	671,972	692,130	712,896	734,282	756,312	3.97%
TOTAL OPERATING EXPENSES	$ 1,411,205	$ 1,442,104	$ 1,537,368	$ 1,594,960	$ 1,643,359	$ 1,693,135	$ 1,712,533	$ 1,794,665	$ 1,849,226	$ 1,775,347	$ 1,955,636	2.58%
NET OPERATING INCOME	$ 3,075,744	$ 3,224,712	$ 3,313,884	$ 3,438,422	$ 3,562,706	$ 3,688,366	$ 3,811,108	$ 3,851,394	$ 3,994,896	$ 3,227,298	$ 3,996,148	0.54%
Capital Reserves	19,479	20,063	20,666	21,285	21,924	22,580	23,259	23,958	24,674	25,416	26,178	3.00%
Tenant Improvements	0	0	0	0	0	0	437,328	0	0	1,698,182	0	
Leasing Commissions	0	0	0	0	0	0	292,924	0	0	1,593,030	0	
TOTAL LEASING & CAPITAL COSTS	$ 19,479	$ 20,063	$ 20,666	$ 21,285	$ 21,924	$ 22,580	$ 753,511	$ 23,958	$ 24,674	$ 3,316,628	$ 26,178	--
CASH FLOW BEFORE DEBT SERVICE	$ 3,056,265	$ 3,204,649	$ 3,293,218	$ 3,417,137	$ 3,540,782	$ 3,665,786	$ 3,057,597	$ 3,827,436	$ 3,970,222	$ (89,330)	$ 3,969,970	--
Implied Overall Rate	6.19%	6.49%	6.67%	6.92%	7.17%	7.42%	7.67%	7.75%	8.04%	6.49%		
Cash on Cash Return	6.15%	6.45%	6.63%	6.88%	7.12%	7.38%	6.15%	7.70%	7.99%	-0.18%		

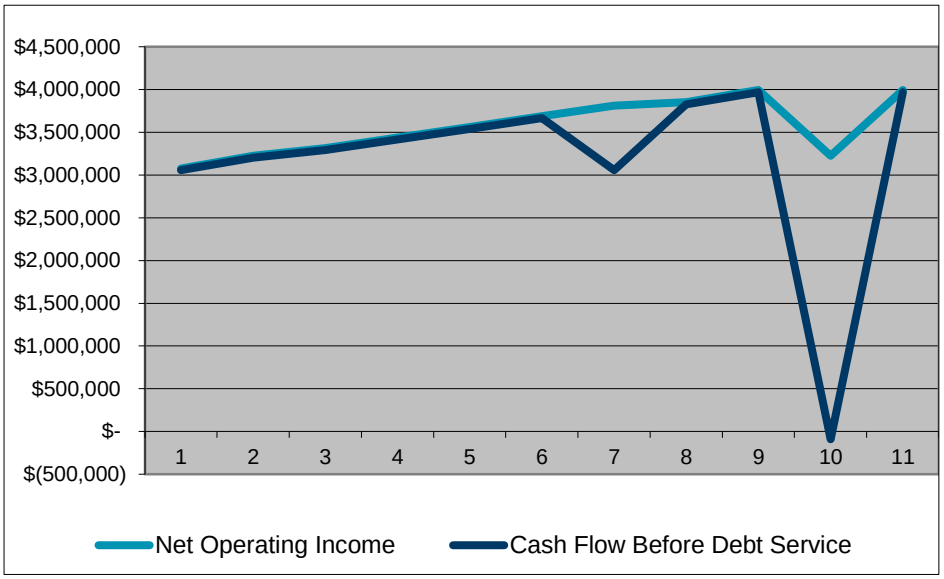
Two Merriweather- Yield Capitalization Method Conclusion – Prospective Value As of July 31, 2019

The following table summarizes the parameters used to determine the prospective value of the subject property as of July 31, 2019.

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS - TWO MERRIWEATHER			
VALUATION SCENARIO:	**Prospective Market Value As of July 31, 2019**		
ADDITIONAL ASSUMPTIONS		**VALUATION**	
Holding Period:	8 Years	Prospective Market Value	$49,690,364
Projection Period:	9 Years	Adjustments	$0
Start Date:	August 1, 2019	Adjusted Value	$49,690,364
Internal Rate of Return: (Cash Flow)	7.50%	**Rounded to nearest $100,000**	**$49,700,000**
Internal Rate of Return: (Reversion)	7.50%	Value $/SF	$402.09
Terminal Capitalization Rate:	6.75%		
Reversionary Sales Cost:	2.50%		

Compiled by Cushman & Wakefield of Maryland, Inc.

The following graph depicts the forecasted change in both net income and net cash flow over the analysis period



The value matrix correlating to this valuation is presented in the following table:

PRICING MATRIX - Prospective Market Value As of July 31, 2019					
Terminal	**Discount Rate (IRR) for Cash Flow**				
Cap Rates	**7.00%**	**7.25%**	**7.50%**	**7.75%**	**8.00%**
6.25%	$ 53,854,044	$ 52,881,225	$ 51,930,878	$ 51,002,412	$ 50,095,254
6.50%	$ 52,635,180	$ 51,690,477	$ 50,767,534	$ 49,865,780	$ 48,984,660
6.75%	$ 51,506,603	$ 50,587,933	$ 49,690,364	$ 48,813,343	$ 47,956,333
7.00%	$ 50,458,638	$ 49,564,142	$ 48,690,134	$ 47,836,079	$ 47,001,457
7.25%	$ 49,482,947	$ 48,610,957	$ 47,758,886	$ 46,926,213	$ 46,112,435

IRR Reversion	**7.00%**	**7.25%**	**7.50%**	**7.75%**	**8.00%**
Cost of Sale at Reversion:			2.50%		
Percent Residual:			56.36%		
Rounded to nearest $100,000			**$49,700,000**	**$402.09**	

Based on the rates selected, the value via the Yield Capitalization analysis is estimated at $49,700,000 rounded.

Building 3OA - Yield Capitalization Method Conclusions

Our cash flow projections and valuation matrix are presented on the following pages for the subject property as of the analysis start date of August 1, 2019.

ANNUAL CASH FLOW REPORT Building 3OA	AS OF July 31, 2019												Annual Growth	Annual Growth
	1	2	3	4	5	6	7	8	9	10	11	12	Year 1 -	Year 3 -
For the Years Beginnning For the Years Ending	Aug-19 Jul-20	Aug-20 Jul-21	Aug-21 Jul-22	Aug-22 Jul-23	Aug-23 Jul-24	Aug-24 Jul-25	Aug-25 Jul-26	Aug-26 Jul-27	Aug-27 Jul-28	Aug-28 Jul-29	Aug-29 Jul-30	Aug-30 Jul-31	Year 11	Year 11
Base Rental Revenue	$ 11,800,970	$ 12,027,360	$ 12,337,538	$ 12,674,260	$ 13,020,276	$ 13,375,841	$ 13,741,224	$ 14,116,697	$ 14,597,210	$ 14,971,217	$ 15,416,416	$ 15,861,305	2.71%	2.82%
Absorption & Turnover Vacancy	(5,260,262)	(600,976)	0	0	0	0	0	(997,927)	(844,714)	0	(109,316)	0	-32.12%	
Base Rent Abatements	(978,026)	(2,628,200)	0										-100.00%	
Scheduled Base Rental Revenue	$ 5,562,682	$ 8,798,184	$ 12,337,538	$ 12,674,260	$ 13,020,276	$ 13,375,841	$ 13,741,224	$ 13,118,770	$ 13,752,496	$ 14,971,217	$ 15,307,100	$ 15,861,305	10.65%	2.73%
Total Reimbursement Revenue	$ 65,668	$ 727,755	$ 1,043,594	$ 1,218,557	$ 1,421,836	$ 1,572,704	$ 1,728,071	$ 1,629,685	$ 1,150,944	$ 1,365,032	$ 1,511,813	$ 1,721,355	36.84%	4.74%
Parking Income Net	310,000	319,300	328,879	338,745	348,908	359,375	370,156	381,261	392,699	404,480	416,614	429,112	3.00%	3.00%
TOTAL GROSS REVENUE	$ 5,938,350	$ 9,845,239	$ 13,710,011	$ 14,231,562	$ 14,791,020	$ 15,307,920	$ 15,839,451	$ 15,129,716	$ 15,296,139	$ 16,740,729	$ 17,235,527	$ 18,011,772	11.24%	2.90%
General Vacancy	0	0	(333,208)	(342,953)	(352,984)	(363,312)	(373,944)	0	0	(411,368)	(315,882)	(438,802)		-0.67%
Collection Loss	(1,627)	(32,632)	(66,642)	(68,591)	(70,597)	(72,662)	(74,789)	(66,999)	(71,731)	(82,274)	(83,946)	(87,760)	48.34%	2.93%
EFFECTIVE GROSS REVENUE	$ 5,936,723	$ 9,812,607	$ 13,310,161	$ 13,820,018	$ 14,367,439	$ 14,871,946	$ 15,390,718	$ 15,062,717	$ 15,224,408	$ 16,247,087	$ 16,835,699	$ 17,485,210	10.99%	2.98%
Insurance	64,162	66,087	68,070	70,112	72,215	74,382	76,613	78,911	81,279	83,717	86,229	88,815	3.00%	3.00%
Utilities	518,481	902,647	979,247	1,008,624	1,038,883	1,070,049	1,102,151	1,055,381	1,101,695	1,204,350	1,240,481	1,277,695	9.12%	3.00%
Repairs & Maintenance	802,028	826,088	850,871	876,397	902,689	929,770	957,663	986,393	1,015,984	1,046,464	1,077,858	1,110,194	3.00%	3.00%
Janitorial	216,034	376,103	408,019	420,260	432,868	445,854	459,230	439,742	459,039	501,813	516,867	532,373	9.12%	3.00%
Management Fees	148,418	245,315	332,754	345,500	359,186	371,799	384,768	376,568	380,610	406,177	420,892	437,130	10.99%	2.98%
General & Administrative	80,203	82,609	85,087	87,640	90,269	92,977	95,766	98,639	101,598	104,646	107,786	111,019	3.00%	3.00%
Real Estate Taxes	1,735,357	1,830,552	1,925,736	2,018,021	2,135,586	2,199,653	2,265,643	2,333,612	2,403,620	2,475,729	2,550,001	2,626,501	3.92%	3.57%
TOTAL OPERATING EXPENSES	$ 3,564,683	$ 4,329,401	$ 4,649,784	$ 4,826,554	$ 5,031,696	$ 5,184,484	$ 5,341,834	$ 5,369,246	$ 5,543,825	$ 5,822,896	$ 6,000,114	$ 6,183,727	5.34%	3.24%
NET OPERATING INCOME	$ 2,372,040	$ 5,483,206	$ 8,660,377	$ 8,993,464	$ 9,335,743	$ 9,687,462	$ 10,048,884	$ 9,693,471	$ 9,680,583	$ 10,424,191	$ 10,835,585	$ 11,301,483	16.41%	2.84%
Capital Reserves	48,122	49,565	51,052	52,584	54,161	55,786	57,460	59,184	60,959	62,788	64,671	66,612	3.00%	3.00%
Tenant Improvements	8,288,215	3,846,246	0	0	0	0	0	1,418,817	1,469,802	0	110,310	0	-35.07%	
Leasing Commissions	1,975,122	875,188	0	0	0	0	0	1,096,534	1,135,938	0	269,319	0	-18.07%	
TOTAL LEASING & CAPITAL COSTS	$ 10,311,459	$ 4,770,999	$ 51,052	$ 52,584	$ 54,161	$ 55,786	$ 57,460	$ 2,574,535	$ 2,666,699	$ 62,788	$ 444,300	$ 66,612	-26.98%	31.06%
CASH FLOW BEFORE DEBT SERVICE	$ (7,939,419)	$ 712,207	$ 8,609,325	$ 8,940,880	$ 9,281,582	$ 9,631,676	$ 9,991,424	$ 7,118,936	$ 7,013,884	$ 10,361,403	$ 10,391,285	$ 11,234,871	--	2.38%
Implied Overall Rate	2.08%	4.81%	7.60%	7.89%	8.19%	8.50%	8.81%	8.50%	8.49%	9.14%	9.50%			
Cash on Cash Return	-6.96%	0.62%	7.55%	7.84%	8.14%	8.45%	8.76%	6.24%	6.15%	9.09%	9.12%			

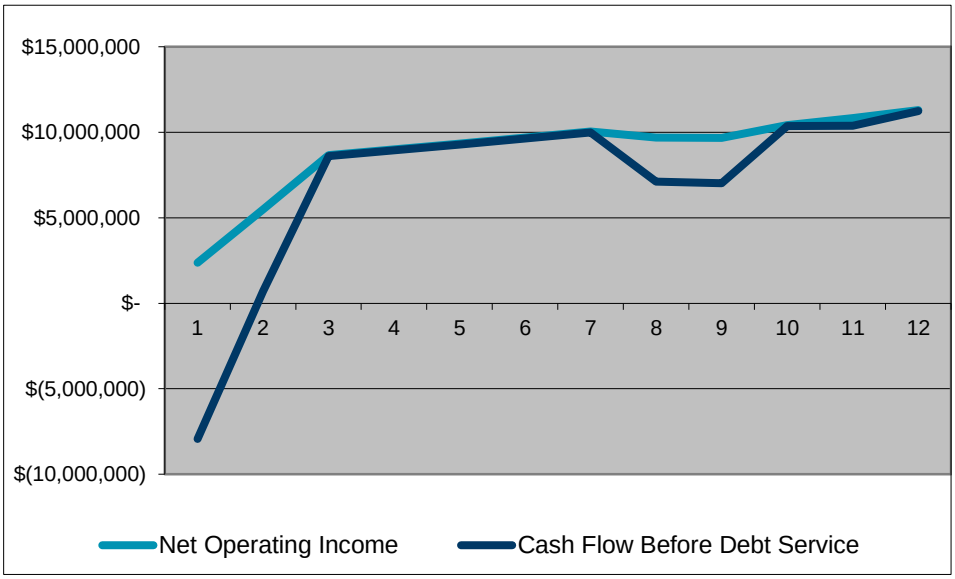
Building 3OA- Yield Capitalization Method Conclusion – Prospective Value As of July 31, 2019

The following table summarizes the parameters used to determine the prospective value of the subject property as of July 31, 2019.

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS			
VALUATION SCENARIO:	**Prospective Market Value As of July 31, 2019**		
ADDITIONAL ASSUMPTIONS		**VALUATION**	
Holding Period:	11 Years	**Prospective Market Value As of July 31, 2019**	**$114,034,921**
Projection Period:	12 Years	**Adjustments**	$0
Start Date:	August 1, 2019	Adjusted Value	$114,034,921
Internal Rate of Return: (Cash Flow)	7.75%	**Rounded to nearest $100,000**	**$114,000,000**
Internal Rate of Return: (Reversion)	7.75%	Value $/SF	$355.35
Terminal Capitalization Rate:	6.75%		
Reversionary Sales Cost:	2.50%		

Compiled by Cushman & Wakefield of Maryland, Inc.

The following graph depicts the forecasted change in both net income and net cash flow over the analysis period



The value matrix correlating to this valuation is presented in the following table:

PRICING MATRIX - Prospective Market Value As of July 31 ,2019					
Terminal	**Discount Rate (IRR) for Cash Flow**				
Cap Rates	**7.25%**	**7.50%**	**7.75%**	**8.00%**	**8.25%**
6.25%	$ 125,341,095	$ 122,524,868	$ 119,780,532	$ 117,106,039	$ 114,499,406
6.50%	$ 122,201,191	$ 119,464,359	$ 116,797,234	$ 114,197,832	$ 111,664,232
6.75%	$ 119,293,873	$ 116,630,555	$ 114,034,921	$ 111,505,047	$ 109,039,071
7.00%	$ 116,594,220	$ 113,999,166	$ 111,469,916	$ 109,004,605	$ 106,601,421
7.25%	$ 114,080,750	$ 111,549,251	$ 109,081,809	$ 106,676,606	$ 104,331,885
IRR Reversion	**7.25%**	**7.50%**	**7.75%**	**8.00%**	**8.25%**
Cost of Sale at Reversion:			2.50%		
Percent Residual:			62.98%		
Rounded to nearest $100,000			**$114,000,000**	**$355.35**	

Based on the rates selected, the value via the Yield Capitalization analysis is estimated at $114,000,000 rounded.

Reconciliation within the Income Capitalization Approach- Office/Retail Properties

The following is a summary of our concluded values in the Income Capitalization Approach: The following a summary of our concluded values in the Income Capitalization Approach for the subject's office/retail properties.

INCOME CAPITALIZATION APPROACH CONCLUSIONS - Office/Retail Properties

Methodology	Market Value As-Is	Prospective Market Value
Date of Value	**June 20, 2017**	**July 31, 2019**
Yield Capitalization		
One Merriweather	$69,500,000	$87,600,000
Two Merriweather	N/A	$49,700,000
Building 3OA	N/A	$114,000,000

Income Capitalization Approach- Apartment/Retail Project- Building 3MFB

Apartment Unit Rental Income Analysis

Earlier in the report we discussed the competitive market for apartment properties in the local area. Before we revisit the competitive properties, we will discuss certain aspects of the subject property, namely its unit mix and the quoted rent levels of its various unit types. The following is the proposed unit mix for the subject property:

UNIT MIX

No.	Plan	BR	BA	No. Units	Percent of Total	Unit (SF)	NRA (SF)
1	Studio	0	1.0	42	11%	594	24,960
2	1BR/1BA	1	1.0	190	50%	717	136,148
3	1BR/1BA/Den	1	1.0	24	6%	878	21,078
4	2BR/2BA	2	2.0	78	20%	1,164	90,799
5	3BR/2BA	3	2.0	48	13%	1,391	66,778
TOTAL/AVERAGE				**382**	**100%**	**889**	**339,763**

*All averages are weighted

The subject's first planned apartment building within the development is referred to as Building 3MFB located within Area 3. The mixed-use apartment/retail building will include 382 apartment units with a total net rentable area of 339,763 square feet improved on 7 levels. Project amenities include an interior courtyard with pool, fitness center, Yoga studio, music studio, game lounge, enclosed parking and on-site leasing and management office. Unit amenities will include balcony / patio, cable TV, fully equipped kitchens with stainless steel appliances, granite countertops, dishwasher, microwave, washer and dryer, walk-in closets and mini blinds. The project will also include 54,039 square feet of retail space. The developer plans to break ground in November 2017 with first apartment tenant occupancy by February 1, 2019, retail completion by April 1, 2019 and apartment completion by June 30, 2019.

Subject Quoted Rental Rates

The subject property will offer units ranging in size from 560 to 1,393 square feet, with an average size of 891 square feet. The owner's forecast quoted rents upon completion will range from $1,508 to $3,225 per month with no concessions. Effective asking rents range from $2.15 to $2.69 per square foot per month. The following table depicts the subject's owner's forecast quoted rental rates upon completion (as of February 2019).

SUBJECT PROPERTY - OWNER'S FORECASTED QUOTED RENTS

No.	Plan	BR	BA	Unit (SF)	Average Quoted Rent (Monthly)	Effective Monthly Rent	Effective Monthly Quoted Rent $/SF
1	Studio	0	1.0	594	$1,508	$1,508	$2.54
2	1BR/1BA	1	1.0	717	$1,806	$1,806	$2.52
3	1BR/1BA/Den	1	1.0	878	$2,209	$2,209	$2.52
4	2BR/2BA	2	2.0	1,164	$2,496	$2,496	$2.14
5	3BR/2BA	3	2.0	1,391	$3,225	$3,225	$2.32
Minimum				594	$1,508	$1,508	$2.14
Maximum				1,391	$3,225	$3,225	$2.54
Average				889	$2,118	$2,118	$2.38

*All averages are weighted

In order to ascertain if the subject's quoted rents and concessions, if any, will be market-oriented, we analyzed rent levels at competing apartment complexes.

Establishing Market Rental Rates

In an effort to estimate the forecast market rent achievable for the subject's units, we surveyed several competitive apartment complexes. We discussed these complexes in greater detail in the Apartment Market Analysis of this report. In the following table we present a summary of the competitive properties.

RENT COMPARABLE SUMMARY

No.	Project Name	Year Built	Total Units	NRA	Average Unit Size (SF)	Occupancy Rate (%)
1	The Gramercy At Town Center	1997	210	211,386	1,007	90.5%
2	Alta Wilde Lake	2017	230	227,150	988	86.1%
3	Paragon At Columbia Overlook	2014	320	306,525	958	99.0%
4	Columbia Town Center	2001	531	548,635	1,033	93.0%
5	The Elms At Kendall Ridge	1990	184	173,854	945	96.2%
6	The Metropolitan Downtown Columbia	2015	380	387,834	1,021	95.3%
Subject Property		**2019**	**382**	**339,763**	**889**	**0.0%**
STATISTICS (EXCLUDING SUBJECT)						
Low:		1990	184	173,854	945	86.1%
High:		2017	531	548,635	1,033	99.0%
Unweighted Average:		2006	309	309,231	992	93.4%
Totals:			**1,855**	**1,855,384**		

Compiled by Cushman & Wakefield of Maryland, Inc.

The competitive property surveyed contain 1,855 units. The comparable projects were constructed between 1990 and 2017 and range in size from 184 to 531 units. The comparables exhibit occupancy levels ranging from 86.1 percent to 99.0 percent, with an unweighted average of 93.4 percent. Most leasing managers report vacancies in the low-to-mid 90s percent over the past year, with seasonal variances.

Analysis by Unit Type

In order to estimate the market rates for the various floor plans, the subject unit types have been compared with similar units in the comparable projects. The following is a discussion of each unit type.

Analysis of Studio Units

The subject property will have 42 studio units. Each of the competitive projects surveyed lacked comparable studio apartment units, which are typically not included in the subject's suburban market. Thus, we surveyed other comparable projects within more urban submarkets that typically include studio units. We found comparable studio units ranging in size from 405 to 642 square feet. Quoted asking rents range from $1,282 to $1,923 per month with an average rental rate of $1,550 per month. Concessions for studio units at the comparable complexes are limited. Effective rents range from $2.43 to $3.84 per square foot per month, with an average of $3.04 per square foot per month. The owner's forecast quoted average market rent for the subject's studio units upon completion of $1,508 per month, or $2.54 per square foot per month is within the indicated range of the most similar size units and is considered to be market-oriented.

Analysis of One Bedroom Units

The subject property has one bedroom units that compete in the marketplace against the various competing projects. The quoted rents, concessions and effective rents for one bedroom units in the marketplace are depicted in the following table:

COMPETITIVE RENTAL SUMMARY

One Bedroom Units

			Quoted Rents		Effective Rents	
Name	**BEDS/ BATHS**	**AVE. UNIT SIZE**	**Average Quoted Rent (Month)**	**Average Quoted Rent Per SF/Month**	**Average Effective Rent (month)**	**Average Effective Rent Per SF/Month**
Subject - Owner Quoted Rents	**1BR/1BA**	**717**	**$1,806**	**$2.52**	**$1,806**	**$2.52**
Subject - Owner Quoted Rents	**1BR/1BA/Den**	**878**	**$2,209**	**$2.52**	**$2,209**	**$2.52**
The Gramercy At Town Center	1BR/1BA	808	$1,781	$2.20	$1,781	$2.20
Alta Wilde Lake	1BR/1BA	765	$1,687	$2.21	$1,687	$2.21
Paragon At Columbia Overlook	1BR/1BA	813	$1,487	$1.83	$1,487	$1.83
Columbia Town Center	1BR/1BA	809	$1,453	$1.80	$1,453	$1.80
The Elms At Kendall Ridge	1BR/1BA	750	$1,295	$1.73	$1,295	$1.73
The Metropolitan Downtown Columbia	1BR/1BA	819	$1,786	$2.18	$1,786	$2.18
Low		750	$1,295	$1.73	$1,295	$1.73
High		819	$1,786	$2.21	$1,786	$2.21
Average		794	$1,582	$1.99	$1,582	$1.99
One Bedroom Units - CONCLUDED MARKET RENTS					**Per Unit**	**PSF**
1BR/1BA - MARKET RENT CONCLUSION	1BR/1BA	717		**Conclusion:**	$1,806	$2.52
1BR/1BA/Den - MARKET RENT CONCLUSION	1BR/1BA/Den	878		**Conclusion:**	$2,209	$2.52

The comparable one bedroom units range in size from 750 to 819 square feet. Quoted asking rents range from $1,295 to $1,786 per month. Concessions for one bedroom units at the competing complexes are limited. Effective rents range from $1.73 to $2.21 per square foot per month, with an average of $1.99 per square foot per month. The Metropolitan Downtown Columbia and Alta Wilde Lake apartment projects are considered the most comparable to the subject's proposed development, which reflect average asking rental rates at the high end of the range.

The owner's forecast quoted rents upon completion for the subject's 1BR/1BA units are above the current indicated range of the most similar size units, but are considered to be market oriented based on forecast rent appreciation.

Analysis of Two Bedroom Units

The subject property has two bedroom units that compete in the marketplace against the various competing projects. The quoted rents, concessions and effective rents for two bedroom units in the marketplace are depicted following table:

COMPETITIVE RENTAL SUMMARY						
Two Bedroom Units						
			Quoted Rents		**Effective Rents**	
Name	**BEDS/ BATHS**	**AVE. UNIT SIZE**	**Average Quoted Rent (Month)**	**Average Quoted Rent Per SF/Month**	**Average Effective Rent (month)**	**Average Effective Rent Per SF/Month**
Subject - Owner Quoted Rents	**2BR/2BA**	**1,164**	**$2,496**	**$2.14**	**$2,496**	**$2.14**
The Gramercy At Town Center	2BR/2BA	1,049	$1,862	$1.78	$1,862	$1.78
Alta Wilde Lake	2BR/2BA	1,145	$2,321	$2.03	$2,321	$2.03
Paragon At Columbia Overlook	2BR/2BA	1,094	$1,859	$1.70	$1,859	$1.70
Columbia Town Center	2BR/2BA	1,107	$1,711	$1.55	$1,711	$1.55
The Elms At Kendall Ridge	2BR/2BA	1,043	$1,478	$1.42	$1,478	$1.42
The Metropolitan Downtown Columbia	2BR/2BA	1,129	$2,231	$1.98	$2,231	$1.98
Low		1,043	$1,478	$1.42	$1,478	$1.42
High		1,145	$2,321	$2.03	$2,321	$2.03
Average		1,095	$1,910	$1.74	$1,910	$1.74
Two Bedroom Units - CONCLUDED TO MARKET RENTS					**Per Unit**	**PSF**
2BR/2BA - MARKET RENT CONCLUSION	2BR/2BA	1,164		**Conclusion:**	$2,496	$2.14
				Rounded Conclusion	**$2,496**	

The comparable two bedroom units range in size from 1,043 to 1,145 square feet. Quoted asking rents range from $1,478 to $2,321 per month. Concessions for two bedroom units at the competing complexes range are limited. Effective rents range from $1.42 to $2.03 per square foot per month, with an average of $1.74 per square foot per month. The owner's forecast quoted rents upon completion for the subject's two bedroom units are above the current indicated range of the most similar size units, but are considered to be market oriented based on forecast rent appreciation.

Analysis of Three Bedroom Units

The subject property has three bedroom units that compete in the marketplace against the various competing projects. The quoted rents, concessions and effective rents for three bedroom units in the marketplace are depicted in the following table:

COMPETITIVE RENTAL SUMMARY						
Three Bedroom Units						
			Quoted Rents		**Effective Rents**	
Name	**BEDS/ BATHS**	**AVE. UNIT SIZE**	**Average Quoted Rent (Month)**	**Average Quoted Rent Per SF/Month**	**Average Effective Rent (month)**	**Average Effective Rent Per SF/Month**
Subject - Owner Quoted Rents	**3BR/2BA**	**1,391**	**$3,225**	**$2.32**	**$3,225**	**$2.32**
The Gramercy At Town Center	3BR/2BA	1,401	$2,229	$1.59	$2,229	$1.59
Alta Wilde Lake	3BR/2BA	1,439	$3,040	$2.11	$3,040	$2.11
Columbia Town Center	3BR/2BA	1,403	$2,033	$1.45	$2,033	$1.45
The Elms At Kendall Ridge	3BR/2BA	1,250	$1,795	$1.44	$1,795	$1.44
The Metropolitan Downtown Columbia	3BR/2BA	1,388	$2,794	$2.01	$2,794	$2.01
Low		1,250	$1,795	$1.44	$1,795	$1.44
High		1,439	$3,040	$2.11	$3,040	$2.11
Average		1,376	$2,378	$1.72	$2,378	$1.72
Three Bedroom Units - CONCLUDED TO MARKET RENTS					**Per Unit**	**PSF**
3BR/2BA - MARKET RENT CONCLUSION	3BR/2BA	1,391			$3,225	$2.32
				Rounded Conclusion	**$3,225**	

The comparable three bedroom units range in size from 1,250 to 1,439 square feet. Quoted asking rents range from $1,795 to $3,040 per month. Concessions for three bedroom units at the competing complexes are limited. Effective rents range from $1.44 to $2.11 per square foot per month, with an average of $1.72 per square foot per month.

The owner's forecast quoted rents upon completion for the subject's three bedroom units are above the current indicated range of the most similar size units, but are considered to be market oriented based on forecast rent appreciation.

Market Rent Estimate & Potential Rent at Market (All Units)

After analyzing the quoted rents and concessions at the subject property and comparables, and after detailed review of the asking rents at the subject property, we are able to estimate an effective market rent for each unit type. Included in these figures are rents for model units and employee units, if applicable, so we can fully account for all potential revenue. We determined an effective market rent for each of the subject's unit types as presented by the following exhibit.

CUSHMAN & WAKEFIELD - EFFECTIVE RENT AT MARKET (ALL UNITS)

No.	Plan	BR	BA	Potential Gross Rent	Effective Monthly Rent (No Concessions)	Effective Gross Rent (No Concessions)	Effective Average Monthly Rent $/SF
1	Studio	0	1.0	$760,032	$1,508	$760,032	$2.54
2	1BR/1BA	1	1.0	$4,117,680	$1,806	$4,117,680	$2.52
3	1BR/1BA/Den	1	1.0	$636,192	$2,209	$636,192	$2.52
4	2BR/2BA	2	2.0	$2,336,256	$2,496	$2,336,256	$2.14
5	3BR/2BA	3	2.0	$1,857,600	$3,225	$1,857,600	$2.32
TOTAL/AVERAGE				**$9,707,760**	**$2,118**	**$9,707,760**	**$2.38**

(1) Effective rents are utilized after accounting for concessions
*All averages are weighted

The subject's forecast effective gross rental revenue is projected to be $9,707,760, which includes no market rent concessions. This equates to an effective average monthly rent of $2,118 per unit or $2.38 per square foot per month.

Gain/ Loss-to-Lease/ Lag Adjustments

A lag adjustment is generally applied to current contract rental income on the occupied units to account for near term rollover of tenants within a complex. The lag adjustment suggests that many of the units will rollover during the first twelve months of the analysis period, and would be re-leased at a higher or lower rental rate. In a market with forecast rent growth similar to the subject's market, there is typically a loss-to-lease adjustment used by market participants. Aggressive marketing and management of the subject upon stabilization to maintain stabilized occupancy at market rent levels would limit loss-to-lease adjustment. We included a modest loss-to-lease factor in forecasting the subject rental revenue upon stabilization of 0.50 percent in our analysis, which equates to $48,539 in year one of the analysis.

Concessions

Rental concessions are defined as a discount or other benefit offered by a landlord to induce a prospective tenant to enter into a lease. Rental concessions are typically features of slow rental markets and tend to disappear as the market tightens. As indicated in the analysis of quoted rents and concessions for the subject and comparable properties, there are limited concessions offered in the market. Often projects within the initial lease-up phase will offer concessions to spur absorption. In addition, owners will offer concessions to limit tenant turnover. Many

comparable properties in the market offer no concessions as they utilize the Yieldstar or LRO rent management system, which allows for daily revisions of asking rents.

According to REIS data presented in the Market Analysis section, annual concessions currently stand at 1.9 percent of face rents in the subject's submarket. Based on our review of the market, we reflect concessions of 1.50 percent of potential gross income over the analysis period. This estimate is to provide incentives for future inplace tenants to renewal at lease expiration as well as provide for referrals, and support initial lease-up, etc. The adjustment for concessions in the first year of the analysis equates to $145,616.

Non-Revenue Units

Non-revenue units can include model units, employee units and units out of service. The owner provided no information regarding potential non-revenue units. Based on the size of the project, it is likely that an adjustment for non-revenue units will be required. The apartment component will include a separate leasing and management office in the entry of the complex and not within a unit. We included one model unit and one employee unit in our estimate of non-revenue units as reflected by the following table.

Non Revenue Units

Category	Plan Name	BR	BA	Unit (SF)	Potential Effective Monthly Rent Loss	Discount	Annual Rent Loss
Model Unit	1BR/1BA	1	1	758	$1,806	100%	$21,672
Totals:				**758**	**$1,806**		**$21,672**

Forecast Rental Revenue – Apartment Units

The following table summarizes the potential gross income anticipated in year one for the apartment units at the subject property.

FORECAST RENTAL REVENUE - APARTMENT UNITS

Rental Revenue and Adjustments		Annual Rent
Potential Year One Rental Income		$9,633,600
Less: Loss to Lease	0.5%	($48,168)
Potential Gross Rental Revenue		$9,585,432
Less: Concessions	1.50%	($144,504)
Less: Non-Revenue Units		($21,672)
Forecast Adjusted Gross Rental Revenue		$9,419,256

Compiled by Cushman & Wakefield of Maryland, Inc.

Revenue & Expense Analysis

We developed an opinion of the subject's forecast annual income and operating expenses upon completion and stabilization after reviewing the operating performance of similar buildings we have appraised. The owner did not provide a pro forma for the proposed project. We analyzed each item of expense and developed an opinion regarding what an informed investor would consider typical. Our opinion of future income and expenses is presented on the following charts, followed by an analysis of subject property's revenue and expenses and expense levels at competing properties. Our expense forecast is presented in the following table, followed by a discussion of each expense line item.

REVENUE AND EXPENSE ANALYSIS	SUBJECT PROPERTY	
BUILDING 3MFB	C & W Forecast Stabilized Year	
REVENUE	**Total**	**Per Unit**
Base Rental Revenue		
Potential Rent at Market	$9,707,760	$25,413
Lease Gain/Loss (Loss to Lease)	($48,539)	($127)
Total Potential Gross Rental Revenue	$9,659,221	$25,286
Base Rent Adjustments		
Less: Other Non Revenue	($21,672)	($57)
Less: Concessions	($145,616)	($381)
Total Adjusted Rental Revenue	$9,491,933	$24,848
Other Income		
Retail (Net Reimbursements)	$3,049,839	$7,984
Other Income	$265,000	$694
Total Other Income	$3,314,839	$8,678
POTENTIAL GROSS REVENUE	$12,806,772	$33,526
Vacancy (Total Income)	($640,339)	($1,676)
Collection Loss (Total Income)	($64,034)	($168)
Total Vacancy and Collection Loss	($704,372)	($1,844)
EFFECTIVE GROSS REVENUE	$12,102,400	$31,682
OPERATING EXPENSES		
Property Insurance	$114,600	$300
Utilities	$267,400	$700
Repairs & Maintenance	$420,200	$1,100
Management Fees	$363,072	$950
Payroll & Benefits	$555,000	$1,453
Advertising & Marketing	$125,000	$327
General & Administrative	$114,600	$300
Turnover	$105,050	$275
Replacement Reserves	$95,500	$250
Total Operating Expenses	$2,160,422	$5,656
Real Estate Taxes	$1,417,814	$3,712
TOTAL EXPENSES	$3,578,236	$9,367
NET OPERATING INCOME	**$8,524,163**	**$22,315**

Compiled by Cushman & Wakefield of Maryland, Inc.

Operating Expense Comparables

The following table illustrates detailed expense levels of comparable apartment projects. Each of the comparables presented below is located within the subject's market and are of similar property class and effective age as the subject.

In our judgment, a reconciled expense figure of $5,656 per unit (excluding real estate taxes) is reasonable for the subject property considering its age, size and historical expense figures.

		COMPARABLES EXPENSE ANALYSIS					
Property Name	SUBJECT	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential
Year of Record		2016	2016	2016	2016	2016	T12-1/2017
Actual/Budget/Annualized		Actual	Actual	Actual	Actual	Actual	Actual

	Cushman & Wakefield Forecast Stabilized (1)	Comp1		Comp2		Comp3		Comp 4		Comp 5		Comp 6		Min	Max	Average
	Per Unit	Per Unit	% EGI	Per Unit	% EGI	Per Unit	% EGI	Per Unit	% EGI	Per Unit	% EGI	Per Unit	% EGI	Per Unit	Per Unit	Per Unit
EFFECTIVE GROSS REVENUE	$31,682	$34,540	100.00%	$33,456	100.00%	$32,121	100.00%	$31,550	100.00%	$29,500	100.00%	$32,566	100.00%	$29,500	$34,540	$32,289
OPERATING EXPENSES																
Property Insurance	$300	$321	0.93%	$320	0.96%	$325	1.01%	$295	0.94%	$318	1.08%	$350	1.07%	$295	$350	$322
Utilities	$700	$705	2.04%	$725	2.17%	$569	1.77%	$775	2.46%	$600	2.03%	$645	1.98%	$569	$775	$670
Repairs & Maintenance	$1,100	$1,105	3.20%	$1,146	3.43%	$1,205	3.75%	$958	3.04%	$909	3.08%	$1,125	3.45%	$909	$1,205	$1,075
Management Fees	$950	$1,036	3.00%	$1,004	3.00%	$964	3.00%	$947	3.00%	$885	3.00%	$977	3.00%	$885	$1,036	$969
Payroll & Benefits	$1,453	$1,650	4.78%	$1,458	4.36%	$1,345	4.19%	$1,554	4.93%	$1,358	4.60%	$1,523	4.68%	$1,345	$1,650	$1,481
Advertising & Marketing	$327	$350	1.01%	$300	0.90%	$325	1.01%	$378	1.18%	$350	1.19%	$298	0.92%	$298	$378	$334
General & Administrative	$300	$312	0.90%	$350	1.05%	$325	1.01%	$245	0.78%	$315	1.07%	$275	0.84%	$245	$350	$304
Replacement Reserves	$250	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%	$0	$0	$0
Total Operating Expenses	**$5,656**	**$5,479**	**15.86%**	**$5,303**	**15.85%**	**$5,058**	**15.75%**	**$5,152**	**16.33%**	**$4,735**	**16.05%**	**$5,193**	**15.95%**	**$4,735**	**$5,479**	**$5,153**
Real Estate Taxes	$3,712	$3,798	11.00%	$3,105	9.28%	$3,789	11.80%	$3,775	11.97%	$3,609	12.23%	$2,850	8.75%	$2,850	$3,798	$3,488
TOTAL EXPENSES	**$9,367**	**$9,277**	**26.86%**	**$8,408**	**25.13%**	**$8,847**	**27.54%**	**$8,927**	**28.29%**	**$8,344**	**28.28%**	**$8,043**	**24.70%**	**$8,043**	**$9,277**	**$8,641**

(1) Fiscal Year Beginning: 8/01/2019
Fiscal Year Ending: 7/31/2020

Compiled by Cushman & Wakefield of Maryland, Inc.

The six expense comparables reflect operating expenses, excluding real estate taxes and replacement reserves, ranging from $4,735 to $5,479. Based on our analysis of the expense levels at comparable properties, we concluded that there is adequate support for our operating expense conclusions.

Discussion of Revenue Items

Apartment Rental Revenue

We analyzed each revenue item in making our forecast of potential gross revenue, with our conclusions summarized on the previously represented Revenue and Expense Analysis exhibit. Based on our analysis of market rent, the projected potential gross rental revenue for the subject property, adjusted for non-revenue units and concessions as previously discussed equates to $9,491,933 in the first stabilized year, or $24,848 per unit.

Total Other Revenue

Retail Revenue- As previously discussed, the project will also include 56,619 square feet of street-level retail space. The developer is forecasting rental rates of $50.00 to $55.00 per square foot on a net rental basis. The space will be delivered as cold dark shell, with the owner offering tenant improvement packages ranging from $75.00 or higher per square foot depending on the tenant and lease terms. Comparable retail rentals were previously presented. In our opinion and market rent for the subject retail space forecast upon stabilization will be $50.00 per square foot on a net rental basis as reflected by the following table, which equates to $2,830,950. The estimated adjustment for vacancy and credit loss and lease-up costs required as of the analysis start date (August 1, 2019) is presented later in this section.

RENTAL REVENUE SUMMARY - RETAIL INCOME

	Non-Apt. Total SF	Market Rent $/SF Annual	Total Rent Annual
Retail Revenue	56,619	$50.00	$2,830,950
Expense Reimbursements (Pro Rata RET/INS)	14.3%		$218,889
Total/Average			**$3,049,839**

Compiled by Cushman & Wakefield of Maryland, Inc.

We have assumed that retail tenants will be responsible for their own metered utilities, janitorial and other operating expenses and a pro rata share of real estate taxes and insurance. We have assumed real estate tax and insurance reimbursement on a pro rata share of the building size (net rentable area), of which the subject's retail space equates to 13.7 percent. Thus, the estimated total expense reimbursements from retail tenants in the first stabilized year of the analysis equates to $218,889.

Other Income- Other income typically includes charges from a variety of tenant related services. According to the owner's representative, they anticipate other revenue from miscellaneous charges and fees, amenity fees, storage space (20 units at $50/month) and 2nd space parking revenue (96 spaces at $50/month). Miscellaneous revenue includes month-to-month fees, cable revenue, reimbursement of tenant damage and cleaning costs, late charges, pet fees, telephone revenue, termination fees and other miscellaneous income. The owner estimates total other income in the first stabilized year at $264,897, or $693 per unit. Based on our review of comparable projects, the subject's estimate of other revenue sources appears reasonable. Our analysis in the first stabilized year reflects Other Income totaling $265,000, or $694 per unit.

Potential Gross Revenue

Therefore, the estimated potential gross revenue, inclusive of apartment revenue, retail revenue and other income as discussed equates to $12,806,772, or $33,526 in the first stabilized year of the analysis as previously presented.

Vacancy and Collection Loss

Vacancy and collection loss is a function of the interrelationship between absorption, lease expiration, renewal probability, estimated downtime between leases, and a collection loss factor based on the relative stability and credit of the subject's tenant base. Earlier in the report we discussed the vacancy rates for the market in which the subject property is located. The current market vacancy rate for the region, local market and competitive properties were previously presented in the Market Analysis section.

Based on the current and forecast vacancy in the market as discussed in the Market Analysis section, and our perception of future market vacancy, we projected a global stabilized vacancy rate of 5.0 percent. We also deducted a collection loss of 0.5 percent. After accounting for all factors, the total vacancy and collection loss is calculated as 5.50 percent. The selected total vacancy and credit loss factor of 5.5 percent is slightly higher than the Baltimore regional market of 3.8 percent, the subject's local market vacancy rate of 4.8 percent is lower than the competitive set of 6.6 percent. Property managers of competitive properties surveyed indicate occupancy averaging in the low-to-mid 90s on an annualized basis in the subject's market with seasonal variances.

Investors indicate that rather than attempting to pro forma the probable peaks and valleys of vacancy over a holding period, they take vacancy risk into account in their investment rate requirements. We also considered risks associated with vacancy and collection loss in the selection of the overall capitalization rate presented in this section. For the subject property vacancy and collection loss are applied against all income sources. In year one, vacancy and collection loss is projected to be $704,372.

Discussion of Expenses

We analyzed each expense item in making our forecast, with our conclusions summarized on the previous table.

Property Insurance

Property insurance expenses include coverage for general liability and loss or damage to the property caused by fire, lightning, vandalism malicious mischief, additional perils fire, extended coverage and owner's liability coverage. We estimated this expense in the first stabilized year to be $114,600, which equates to $300 per unit, which is in line with comparable expense data as previously presented.

Utilities

This expense category includes expenses for fuel, gas, electricity, water and sewer, trash removal and other utilities. Utilities are generally property specific and vary considerably from property to property in the subject's market based on the utilities paid by the tenant and the owner, and the efficiency of the HVAC systems. Based on our analysis, we estimated this expense in the first stabilized year to be $267,400, which equates to $700 per unit. Our estimate is in line with comparable expense data as previously presented.

Repairs & Maintenance

This expense category includes all expenses incurred for general repairs and maintenance, including HVAC, electrical, plumbing, safety systems, roads and grounds, and pest control/exterminating. This expense category also typically includes all outside maintenance service contracts and the cost of maintenance and repairs supplies. Our estimate excludes tenant turnover-make ready costs such as interior painting and other unit repairs and maintenance, which is estimated separately. Based on our analysis, we estimated this expense for the first stabilized year to be $420,200, which equates to $1,100 per unit. This estimate is in line with expense comparables as previously presented.

Management Fees

Management expenses typically include the costs paid for professional management services. Management services may be contracted for or provided by the property owner. Management fees for this type of property typically range from 2.50 to 4.00 percent of effective gross income. We utilized a management fee of 3.0 percent of effective gross income, which is considered to be market-oriented. Based on our analysis, we estimated this expense for the first stabilized year to be $363,072, which equates to $950 per unit. Our forecast for Management Fees is within the range of comparable properties and market parameters.

Payroll & Benefits

This expense category includes total payroll costs for on-site management and maintenance personnel including employee salaries, bonuses, payroll taxes, insurance and other benefits. In estimating payroll expenses, we relied on comparable expense data as previously presented. Based on our analysis, we estimated this expense for the first stabilized year to be $555,000, which equates to $1,453 per unit.

Advertising & Marketing

This expense category includes expenses related to advertising, promotion, sales, and publicity and all related printing, stationary, artwork, magazine space, internet/web site, broadcasting, and postage related to marketing. Based on our analysis, we estimated this expense for the first stabilized year to be $125,000, which equates to $327 per unit.

General & Administrative

This expense category includes general and administrative expenses including professional fees and other administrative expenses and services needed to operate the property such as telephone, legal, audit and accounting, as well as furniture, fixtures and equipment, and other miscellaneous supplies and expenses. In estimating this expense item, we relied on comparable expense data as previously presented. Based on our analysis, we estimated this expense for the first stabilized year to be $114,600, which equates to $300 per unit.

Turnover- Make Ready

Our estimate excludes tenant turnover-make ready costs such as interior painting and other unit repairs and maintenance. In estimating this expense item, we relied on comparable expense data as previously presented. Based on our analysis, we estimated this expense for the first stabilized year to be $105,050, which equates to $275 per unit

Replacement Reserves

This expense category includes funds set aside by the owner for short-term replacements of various items due to normal wear and tear of the property such as appliances, carpet, fixtures, etc. Typical replacements for reserves range from $150 to $450 per unit and are based upon condition and age of the property, average unit size and a number of other variables that must be considered. We utilized a reserve estimate of $250 per unit, which equates to $95,500.

Real Estate Taxes

A complete discussion of taxes for the subject property is included in the Real Property Taxes and Assessments section of this report. Based on our analysis, we estimated this expense for the first stabilized year at $1,417,814, or $3,712. Our forecast of this expense is in line with the expense comparables as presented in the table above.

Operating Expense Conclusion

We thoroughly analyzed the subject's operating expense history and we used this information to make our projections. We forecast total operating expenses for the subject property including real estate taxes to be $5,640 per unit. The operating expenses including real estate taxes projected for the subject property reflect an operating expense ratio at stabilization of 29.57 percent of effective gross income. The operating expense comparisons presented in the operating expense analysis table in the beginning of this section support our opinion of operating expenses for the subject property.

Income and Expense Pro Forma

The following chart summarizes our opinion of income and expenses for year one, which is the first stabilized year in this analysis.

SUMMARY OF REVENUE AND EXPENSES - BUILDING 3MFB				
Stabilized Year For Direct Capitalization:		**Year One**		
REVENUE	**Adjustments**	**Annual**	**$/Per Unit**	**% of EGI**
Base Rental Revenue				
Potential Rent at Market		$9,707,760	$25,413	
Lease Gain/Loss (Loss to Lease)	0.50%	($48,539)	($127)	
Total Base Rental Revenue		$9,659,221	$25,286	
Base Rent Adjustments				
Less: Other Non Revenue		($21,672)	($57)	
Less: Concessions	1.50%	($145,616)	($381)	
Total Base Rent Adjustments		$9,491,933	$24,848	
Other Income				
Retail (Net Reimbursements)		$3,049,839	$7,984	
Other Income		$265,000	$694	
Total Other Income		$3,314,839	$8,678	
POTENTIAL GROSS REVENUE		**$12,806,772**	**$33,526**	
Vacancy (Total Income)	5.00%	($640,339)	($1,676)	
Collection Loss (Total Income)	0.50%	($64,034)	($168)	
EFFECTIVE GROSS REVENUE		**$12,102,400**	**$31,682**	**100.00%**
OPERATING EXPENSES				
Property Insurance		$114,600	$300	0.95%
Utilities		$267,400	$700	2.21%
Repairs & Maintenance		$420,200	$1,100	3.47%
Management Fees		$363,072	$950	3.00%
Payroll & Benefits		$555,000	$1,453	4.59%
Advertising & Marketing		$125,000	$327	1.03%
General & Administrative		$114,600	$300	0.95%
Turnover		$105,050	$275	0.87%
Replacement Reserves		$95,500	$250	0.79%
Total Operating Expenses		**$2,160,422**	**$5,656**	**17.85%**
Real Estate Taxes		$1,417,814	$3,712	11.72%
TOTAL EXPENSES		**$3,578,236**	**$9,367**	**29.57%**
NET OPERATING INCOME		**$8,524,163**	**$22,315**	**70.43%**

Compiled by Cushman & Wakefield of Maryland, Inc.

The factors listed in the following table have been considered in our valuation of this property and will have an impact on our selection of all investor rates.

INVESTMENT CONSIDERATIONS	
Real Estate Market Trends:	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently improving.
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.
Location Rating:	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is good.
Overall Investment Appeal:	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has good overall investment appeal.

Prospective Market Value As of July 31, 2019

Per the client's request, we provide a prospective market value opinion of the subject's apartment as of July 31, 2019. As previously discussed, the owner anticipates first tenant occupancy at the subject property in February 2019 and construction completion in June 2019. We made an adjustment from the prospective value upon stabilization to account for rent loss over the estimated absorption period.

Apartment Absorption Forecast- To calculate rent loss, the first step is to estimate forecast absorption of the subject's units. Construction has yet to commence. The developer is estimating apartment floors will be completed available for tenant occupancy by the first quarter of 2019.

As presented in the Market Analysis section, historical net absorption for apartment projects in region has averaged 15 units per month. Recent projects under lease-up reflect absorption rates ranging mostly from 10 to 20 units per month, with an average of 15 units per month. The recently stabilized project known as The Metropolitan Downtown Columbia reflected an averaged absorption pace of 26 units per month. Based on our analysis, given the amount of existing and new projects expected to come on line within the next 36 months, we reflect an absorption rate at 15 units per month. Based on a stabilized occupancy rate of 95 percent and an absorption rate of 15 units per month, it will take about 25 months for the subject to achieve stabilized occupancy (from the first occupancy date) as reflected by the following exhibits.

ABSORPTION ANALYSIS	
Total No. of Units	382 units
Stabilized Occupancy	95%
Total Units Leased at Stabilized Occupancy	363 units
Occupancy Forecast as of 2/1/2019	0 units
Remaining Units To Be Leased Until Stabilization	363 units
Absorption Rate- Units/ Month (net turnover)	15 units
Absorption Period until Stabilized Occupancy	25 months
Analysis Start Date	2/1/2019
Estimated Date of Stabilization	12/31/2020

Calculation of Rent Loss- As will be presented in the Income Capitalization Approach, the forecast average market rent upon completion is estimated to be $2,118 per month. The following table reflects the estimated total rent loss between the dates of completion and stabilization, inclusive of an adjustment for entrepreneurial profit.

ESTIMATED ABSORPTION SCHEDULE- RENT LOSS DUE TO LEASE-UP- APARTMENTS

	Month-Ending	Net Units Leased	Units Remaining to Stabilization	Average Market Rent/ Mo.	Total Lease-Up Costs
Pre-Lease Start:	12/1/2018	0	363	$2,118	$0
	1/1/2019	0	363	$2,118	$0
Occupancy Date:	2/1/2019	30	333	$2,118	$704,999
	3/1/2019	15	318	$2,118	$673,232
	4/1/2019	15	303	$2,118	$641,466
	5/1/2019	15	288	$2,118	$609,700
Completion Date:	6/1/2019	15	273	$2,118	$577,934
	7/1/2019	15	258	$2,118	$546,167
	8/1/2019	15	243	$2,118	$514,401
	9/1/2019	15	228	$2,118	$482,635
	10/1/2019	15	213	$2,118	$450,869
	11/1/2019	15	198	$2,118	$419,102
	12/1/2019	15	183	$2,118	$387,336
	1/1/2020	15	168	$2,118	$355,570
	2/1/2020	15	153	$2,181	$333,518
	3/1/2020	15	138	$2,181	$300,799
	4/1/2020	15	123	$2,181	$268,079
	5/1/2020	15	108	$2,181	$235,360
	6/1/2020	15	93	$2,181	$202,641
	7/1/2020	15	78	$2,181	$169,922
	8/1/2020	15	63	$2,181	$137,203
	9/1/2020	15	48	$2,181	$104,483
	10/1/2020	15	33	$2,181	$71,764
	11/1/2020	15	18	$2,181	$39,045
	12/1/2020	15	3	$2,181	$6,326
	Total Rent Loss:				$8,232,551
	Entrepreneurial Profit @:	15.0%			$1,234,883
	Total Rent Loss:				**$9,467,434**
	Rounded:				**$9,500,000**

The resulting adjustment for apartment rent loss from the date of first occupancy (February 1, 2019) through the prospective date of stabilization December 31, 2020, equates to $9,500,000, rounded.

We also adjusted for rent loss from retail revenue, which reflects an adjustment for a 9-month lease-up period total $2,026,463 as presented below.

RENT LOSS DURING LEASE-UP- RETAIL INCOME

	Rent Loss Period	Market Rent $/SF Annual	Total Rent Annual
Rent Loss- Base Revenue	9 Months	$50.00	-$2,123,213
Rent Loss- Reimbursements	9 Months		-$164,167
Total/Average			**-$2,123,213**

Compiled by Cushman & Wakefield of Maryland, Inc.

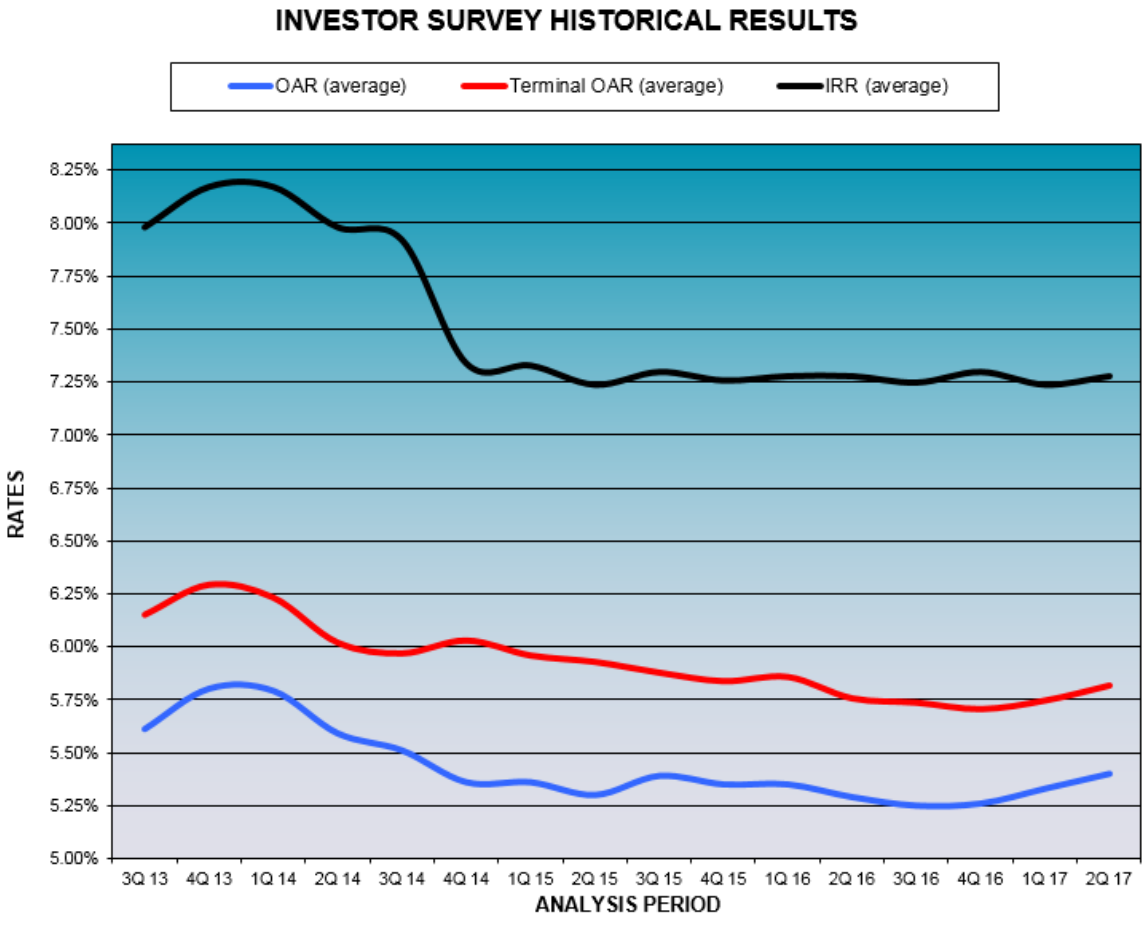
Investor Survey Trends

Historic trends in real estate investment help us understand the current and future direction of the market. Investors' return requirements are a benchmark by which real estate assets are bought and sold. The following graph shows the historic trends for the subject's asset class spanning a period of four years as reported in the PwC Real Estate Investor Survey published by PricewaterhouseCoopers.

INVESTOR SURVEY HISTORICAL RESULTS

Survey:	PwC	End Quarter:
Property Type:	NATIONAL APARTMENT	2Q 17

Quarter	3Q 13	4Q 13	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17
OAR (average)	5.61%	5.80%	5.79%	5.59%	5.51%	5.36%	5.36%	5.30%	5.39%	5.35%	5.35%	5.29%	5.25%	5.26%	5.33%	5.40%
Terminal OAR (average)	6.15%	6.29%	6.23%	6.02%	5.97%	6.03%	5.96%	5.93%	5.88%	5.84%	5.86%	5.76%	5.74%	5.71%	5.75%	5.82%
IRR (average)	7.98%	8.17%	8.17%	7.98%	7.92%	7.34%	7.33%	7.24%	7.30%	7.26%	7.28%	7.28%	7.25%	7.30%	7.24%	7.28%



Source: PwC Real Estate Investor Survey

Capitalization Rate Analysis

In this section we discuss the process of how we determine an appropriate overall capitalization rate to apply to the subject's forecast net income.

Capitalization Rate from Comparable Sales

The following table summarizes overall capitalization rates derived from the improved property sales.

CAPITALIZATION RATE SUMMARY			
No.	Name and Location	Sale Date	Capitalization Rate
1	Beacon at Waugh Chapel 1443 S. Main Street Gambrills MD 21054	3/2017	5.66%
2	Hanover Brewers Hill 3700 Toone Street Baltimore MD 21224	9/2016	4.68%
3	Paragon at Columbia Overlook 8151 Robinson Jefferson Drive Elkridge MD 21075	8/2016	5.25%
4	Flats at 8300 8300 Wisconsin Avenue Bethesda MD 20814	7/2016	4.45%
5	The Monterey Apartments 5901 Montrose Road Rockville MD 20852	5/2015	5.77%
6	Union Wharf 915 S. Wolfe Street Baltimore MD 21231	3/2015	4.55%
STATISTICS			
Sample Size		6	6
Low		3/2015	4.45%
High		3/2017	5.77%
Median		7/2016	4.97%
Average		3/2016	5.06%

Compiled by Cushman & Wakefield of Maryland, Inc.

Capitalization Rate from Investor Surveys

We considered data extracted from the PwC Real Estate Investor Survey for competitive properties. Earlier in the report, we presented historical capitalization rates for the prior four-year period. The most recent information from this survey is listed in the following table:

CAPITALIZATION RATES			
Survey	Date	Range	Average
PwC	Second Quarter 2017	3.50% - 8.00%	5.40%

PwC - Refers to National Apartment market regardless of class or occupancy

This survey reflects mostly institutional investors acquiring Class A quality assets. The subject property is considered a Class A, institutional-quality asset by market participants, which would reflect an overall rate near the industry average of 5.26 percent as reflected by the table above.

Market Participants Survey

C&W Investor Survey- We interviewed regional and local investors of comparable properties, as well as other market participants including investment sales brokers and comparable property owners, for their opinion on overall capitalization rates. The respondent's opinions are reflected as follows-

1) Regional investor/owner- 5.00% to 5.50%
2) Regional owner/developer- 5.25% to 5.75%
3) Regional owner- 4.75% to 5.25%
4) Regional investment sales broker- 5.5% to 6.00%
5) Local Investor- 5.00% to 5.50%

Our market participant survey indicates a likely market overall rate range of 5.0 to 5.5 percent for the subject.

Capitalization Rate Conclusion

We considered OARs indicated by sales of comparable properties, national investor surveys, and the opinions of brokers, owners, and prospective purchasers. We believe that data derived from our discussions with market participants most clearly reflects current market parameters. Given the property attributes and prevailing market return rates, we conclude that a 5.50 percent OAR is applicable to the subject NOI forecast. The rate selected is near the midpoint of the investor survey and reflective of most recent sales comparables identified and is reflective of the subject's mixed-use design inclusive of street-level retail space.

Direct Capitalization Method Conclusion – Building 3MFB

In the Direct Capitalization Method, we developed an opinion of market value by dividing the forecast first stabilized year net operating income by our selected overall capitalization rate. Our conclusion using the Direct Capitalization Method, inclusive of lease-up costs associated from the analysis start date of August 1, 2019 is as follows:

DIRECT CAPITALIZATION METHOD - BUILDING 3MFB		
Market Value As-Is		
NET OPERATING INCOME	**$8,524,163**	**$22,315**
Sensitivity Analysis (0.25% OAR Spread)	**Value**	**$/Per Unit**
Based on Low-Range of 5.25%	$162,365,016	$425,039
Based on Most Probable Range of 5.50%	$154,984,788	$405,719
Based on High-Range of 5.75%	$148,246,319	$388,079
Preliminary Value	$154,984,788	$405,719
LESS Rent Loss During Lease-Up- Apartment	($9,500,000)	($24,869)
LESS Rent Loss During Lease-Up- Retail	($2,123,213)	($5,558)
Adjusted Value	$143,361,575	$375,292
Rounded to nearest $100,000	**$143,400,000**	**$375,393**

Compiled by Cushman & Wakefield of Maryland, Inc.

Hypothetical Value Opinions

(A) The Client has also requested three hypothetical market value opinions including: The hypothetical market value of the Property as of the date of the appraisal (June 20, 2017), including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) Building 3OA is completed and 46.8 percent leased, completion of Phase 1A Public Improvements and related private infrastructure, (4) no vertical construction of any other building;

(B) The hypothetical market value of the Property as of the date of the appraisal, including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) Building 3OA is completed and 46.8 percent leased, (4) Building 3MFB is completed and 27.5 percent leased, (5) completion of Phase 1A Public Improvements and related private infrastructure, (6) no vertical construction of any other building;

(C) The hypothetical market value of the Property as of the date of the appraisal, including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) no vertical construction of any other building, including neither Building 3OA nor Building 3MFB.

Public Improvements: The subject property is currently being improved with public improvements that will support future development of The Crescent area including roads, walkways, intersection improvements, wetland mitigation and restoration and utilities. Planned public improvements to be funded by the first tax increment financing (TIF) bond issuance (“First Issuance”) are forecast for construction to be completed by July 31, 2019. The developer’s construction schedule and “Total Forecast” costs for the public improvements appears reasonable and were included in our analysis as agreed to by the Client. For purposes of this appraisal, we assume the subject's public and private project components will be completed within the time frames and for the costs and in the manner as presented in this report.

The Downtown Columbia Plan includes specific recommendations for development of a new street framework, including new major collector roadways and other public improvements in The Crescent neighborhood. These new major collectors will provide direct access to the subject’s planned development components. The new roads will also provide alternative access to/from U.S. Route 29 facilitating access to The Crescent development and the rest of Downtown Columbia. In addition, The Crescent will be improved with a privately financed public parking garage and a second garage supporting civic and cultural facilities in The Crescent neighborhood including a new public library containing 95,000 square feet, an EMT Rapid Fire Station and a refurbished Merriweather Post Pavilion.

PUBLIC IMPROVEMENT COSTS AND COMPLETION SCHEDULE									
Public Improvement Item	Total Public Improvement Budget [1]	Phase #1A TIF Bonds Proceeds	Phase #1B TIF Bonds Proceeds	Total TIF Bonds Proceeds	Remaining Costs To Be Funded	Monies Spent To Date	Remaing Costs To Complete As of 6/20/2017	Forecast Date of Completion	Remaing Costs To Complete As of 7/31/2019
Road Segment 1	$18,739,664	$16,194,034	$0	$16,194,034	$2,545,630	$12,246,859	$6,492,805	4/30/2019	$0
Road Segment 2	$14,103,393	$13,245,037	$0	$13,245,037	$858,356	$773,297	$13,330,096	4/30/2019	$0
Road Segment 3 (Public Roads)	$3,848,695	$0	$0	$0	$3,848,695	$422,928	$3,425,767	11/30/2018	$0
Road Segment 3 (Private Roads)	$3,712,927	$0	$0	$0	$3,712,927	$0	$0	11/30/2018	$0
Area 3: Park & Plaza	$3,889,514	$0	$3,889,514	$3,889,514	$0	$48,062	$3,841,452	3/31/2019	$0
Multi-Use Pathways	$1,062,381	$0	$0	$0	$1,062,381	$8,657	$1,053,724	12/31/2018	$0
Road Segment 4	$17,316,017	$1,971,715	$12,116,980	$14,088,695	$3,227,322	$94,642	$17,221,375	9/30/2021	$15,249,660
Area Two Internal Roads	$4,329,004	$0	$4,329,004	$4,329,004	$0	$0	$4,329,004	9/30/2019	$4,329,004
Area Four Internal Roads	$2,164,502	$0	$2,164,502	$2,164,502	$0	$0	$2,164,502	9/30/2019	$2,164,502
EMT Rapid Fire Station	$4,329,004	$4,329,004	$0	$4,329,004	$0	$0	$4,329,004	3/31/2019	$0
Subtotal Improvements	$73,495,101	$35,739,790	$22,500,000	$58,239,790	$15,255,311	$13,594,445	$56,187,729		$21,743,166
Developer's Fee	$3,674,755	$1,786,990	$0	$1,786,990	$1,887,766	$0	$3,674,755		$1,887,766
Contingency	$3,674,755	$973,221	$0	$973,221	$2,701,535	$0	$3,674,755		$2,701,535
Total Costs	$80,844,611	$38,500,000	$22,500,000	$61,000,000	$19,844,611	$13,594,445	$63,537,239		$26,332,466
Total Adjustment For As Is Value (Assuming No TIF is available)						**Rounded:**	**$63,500,000**		
Total Adjustment For Remaining Costs to Complete as of July 31, 2019								**Rounded:**	**$26,300,000**

[1] Source: The Howard Research and Development Corporation

Hypothetical Prospective Values: To estimate the Hypothetical Value Opinions requested, we reflect the total forecast costs to complete public improvements from Phase #1A TIF Bond proceeds totaling $38,500,000 as if completed as of June 20, 2017. We also estimated the market value of Merriweather One and Merriweather Two as if completed and stabilized as of June 20, 2017. Cash flows for both properties are presented in this section.

Yield Capitalization Method Conclusion – One Merriweather and Two Merriweather

Our cash flow projections and valuation matrix are presented on the following pages.

ANNUAL CASH FLOW REPORT One Merriweather	Hypothetical As If Stabilized											Annual Growth
	1	2	3	4	5	6	7	8	9	10	11	Year 1 -
For the Years Beginnning	Jul-17	Jul-18	Jul-19	Jul-20	Jul-21	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26	Jul-27	
For the Years Ending	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Year 10
Base Rental Revenue	$ 7,110,463	$ 7,319,105	$ 7,533,912	$ 7,755,072	$ 7,982,764	$ 8,217,193	$ 8,458,552	$ 8,707,046	$ 8,946,465	$ 9,209,383	$ 9,538,439	2.92%
Absorption & Turnover Vacancy	0	0	0	0	0	0	0	(547,582)	0	0	(491,674)	
Scheduled Base Rental Revenue	$ 7,110,463	$ 7,319,105	$ 7,533,912	$ 7,755,072	$ 7,982,764	$ 8,217,193	$ 8,458,552	$ 8,159,464	$ 8,946,465	$ 9,209,383	$ 9,046,765	2.92%
Total Reimbursement Revenue	$ 86,771	$ 329,722	$ 422,680	$ 518,423	$ 617,035	$ 718,604	$ 823,217	$ 645,353	$ 834,664	$ 948,960	$ 818,644	30.45%
Parking Income Net	250,000	257,500	265,225	273,182	281,377	289,819	298,513	307,468	316,693	326,193	335,979	3.00%
TOTAL GROSS REVENUE	$ 7,447,234	$ 7,906,327	$ 8,221,817	$ 8,546,677	$ 8,881,176	$ 9,225,616	$ 9,580,282	$ 9,112,285	$ 10,097,822	$ 10,484,536	$ 10,201,388	3.87%
General Vacancy	(170,003)	(174,870)	(179,877)	(185,031)	(190,334)	(195,791)	(201,407)	0	(212,312)	(218,408)	0	2.82%
Collection Loss	(34,001)	(34,974)	(35,975)	(37,006)	(38,067)	(39,158)	(40,281)	(35,961)	(42,462)	(43,682)	(40,603)	2.82%
EFFECTIVE GROSS REVENUE	$ 7,243,230	$ 7,696,483	$ 8,005,965	$ 8,324,640	$ 8,652,775	$ 8,990,667	$ 9,338,594	$ 9,076,324	$ 9,843,048	$ 10,222,446	$ 10,160,785	3.90%
Insurance	41,636	42,885	44,172	45,497	46,862	48,268	49,716	51,207	52,743	54,326	55,956	3.00%
Utilities	596,514	614,409	632,842	651,827	671,382	691,523	712,269	683,091	755,646	778,315	769,853	3.00%
Repairs & Maintenance	520,453	536,066	552,148	568,712	585,774	603,347	621,448	640,091	659,294	679,072	699,445	3.00%
Janitorial	248,548	256,004	263,684	271,595	279,742	288,135	296,779	284,621	314,853	324,298	320,772	3.00%
Management Fees	181,081	192,412	200,149	208,116	216,319	224,767	233,465	226,908	246,076	255,561	254,020	3.90%
General & Administrative	52,045	53,607	55,215	56,871	58,577	60,335	62,145	64,009	65,929	67,907	69,944	3.00%
Real Estate Taxes	1,190,232	1,379,292	1,420,671	1,463,291	1,507,190	1,552,405	1,598,977	1,646,947	1,696,355	1,747,246	1,799,663	4.36%
TOTAL OPERATING EXPENSES	$ 2,830,509	$ 3,074,675	$ 3,168,881	$ 3,265,909	$ 3,365,846	$ 3,468,780	$ 3,574,799	$ 3,596,874	$ 3,790,896	$ 3,906,725	$ 3,969,653	3.65%
NET OPERATING INCOME	$ 4,412,721	$ 4,621,808	$ 4,837,084	$ 5,058,731	$ 5,286,929	$ 5,521,887	$ 5,763,795	$ 5,479,450	$ 6,052,152	$ 6,315,721	$ 6,191,132	4.06%
Capital Reserves	31,227	32,164	33,129	34,123	35,146	36,201	37,287	38,405	39,558	40,744	41,967	3.00%
Tenant Improvements	0	0	0	0	0	0	0	977,222	0	0	693,499	
Leasing Commissions	0	0	0	0	0	0	0	654,548	0	0	720,434	
TOTAL LEASING & CAPITAL COSTS	$ 31,227	$ 32,164	$ 33,129	$ 34,123	$ 35,146	$ 36,201	$ 37,287	$ 1,670,175	$ 39,558	$ 40,744	$ 1,455,900	3.00%
CASH FLOW BEFORE DEBT SERVICE	$ 4,381,494	$ 4,589,644	$ 4,803,955	$ 5,024,608	$ 5,251,783	$ 5,485,686	$ 5,726,508	$ 3,809,275	$ 6,012,594	$ 6,274,977	$ 4,735,232	4.07%
Implied Overall Rate	5.66%	5.93%	6.20%	6.49%	6.78%	7.08%	7.39%	7.02%	7.76%	8.10%		
Cash on Cash Return	5.62%	5.88%	6.16%	6.44%	6.73%	7.03%	7.34%	4.88%	7.71%	8.04%		

ANNUAL CASH FLOW REPORT Two Merriweather	Hypothetical Value As If Stabilized											Annual Growth
	1	2	3	4	5	6	7	8	9	10	11	Year 1 -
For the Years Beginnning	Jul-17	Jul-18	Jul-19	Jul-20	Jul-21	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26	Jul-27	
For the Years Ending	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Year 10
Base Rental Revenue	$ 4,233,116	$ 4,349,322	$ 4,468,800	$ 4,591,643	$ 4,717,946	$ 4,847,809	$ 4,981,335	$ 5,118,628	$ 5,252,659	$ 5,397,602	$ 5,681,380	2.74%
Absorption & Turnover Vacancy	0	0	0	0	0	0	0	(237,917)	0	0	(241,592)	
Scheduled Base Rental Revenue	$ 4,233,116	$ 4,349,322	$ 4,468,800	$ 4,591,643	$ 4,717,946	$ 4,847,809	$ 4,981,335	$ 4,880,711	$ 5,252,659	$ 5,397,602	$ 5,439,788	2.74%
Total Reimbursement Revenue	$ 194,251	$ 217,152	$ 277,113	$ 337,781	$ 399,169	$ 442,928	$ 487,997	$ 445,340	$ 517,078	$ 566,303	$ 573,374	12.62%
TOTAL GROSS REVENUE	$ 4,427,367	$ 4,566,474	$ 4,745,913	$ 4,929,424	$ 5,117,115	$ 5,290,737	$ 5,469,332	$ 5,326,051	$ 5,769,737	$ 5,963,905	$ 6,013,162	3.37%
General Vacancy	(211,656)	(217,466)	(223,440)	(229,582)	(235,897)	(242,390)	(249,067)	(18,014)	(262,633)	(269,880)	(42,477)	2.74%
Collection Loss	(42,331)	(43,493)	(44,688)	(45,916)	(47,179)	(48,478)	(49,813)	(48,807)	(52,527)	(53,976)	(54,398)	2.74%
EFFECTIVE GROSS REVENUE	$ 4,173,380	$ 4,305,515	$ 4,477,785	$ 4,653,926	$ 4,834,039	$ 4,999,869	$ 5,170,452	$ 5,259,230	$ 5,454,577	$ 5,640,049	$ 5,916,287	3.40%
Insurance	24,721	25,462	26,226	27,013	27,823	28,658	29,518	30,403	31,316	32,255	33,223	3.00%
Utilities	291,186	299,922	308,919	318,187	327,732	337,564	347,691	336,161	368,866	379,932	391,330	3.00%
Repairs & Maintenance	296,650	305,549	314,716	324,157	333,882	343,898	354,215	364,842	375,787	387,060	398,672	3.00%
Janitorial	106,768	109,971	113,270	116,668	120,169	123,774	127,487	123,259	135,251	139,308	143,488	3.00%
Management Fees	104,335	107,638	111,945	116,348	120,851	124,997	129,261	131,481	136,364	141,001	147,907	3.40%
General & Administrative	24,721	25,462	26,226	27,013	27,823	28,658	29,518	30,403	31,316	32,255	33,223	3.00%
Real Estate Taxes	478,908	478,908	514,380	549,852	585,324	602,884	620,970	639,599	658,787	678,551	698,907	3.95%
TOTAL OPERATING EXPENSES	$ 1,327,289	$ 1,352,912	$ 1,415,682	$ 1,479,238	$ 1,543,604	$ 1,590,433	$ 1,638,660	$ 1,656,148	$ 1,737,687	$ 1,790,362	$ 1,846,750	3.38%
NET OPERATING INCOME	$ 2,846,091	$ 2,952,603	$ 3,062,103	$ 3,174,688	$ 3,290,435	$ 3,409,436	$ 3,531,792	$ 3,603,082	$ 3,716,890	$ 3,849,687	$ 4,069,537	3.41%
Capital Reserves	18,541	19,097	19,670	20,260	20,868	21,494	22,138	22,803	23,487	24,191	24,917	3.00%
Tenant Improvements	0	0	0	0	0	0	0	424,590	0	0	222,939	
Leasing Commissions	0	0	0	0	0	0	0	284,392	0	0	595,205	
TOTAL LEASING & CAPITAL COSTS	$ 18,541	$ 19,097	$ 19,670	$ 20,260	$ 20,868	$ 21,494	$ 22,138	$ 731,785	$ 23,487	$ 24,191	$ 843,061	3.00%
CASH FLOW BEFORE DEBT SERVICE	$ 2,827,550	$ 2,933,506	$ 3,042,433	$ 3,154,428	$ 3,269,567	$ 3,387,942	$ 3,509,654	$ 2,871,297	$ 3,693,403	$ 3,825,496	$ 3,226,476	3.42%
Implied Overall Rate	5.64%	5.85%	6.06%	6.29%	6.52%	6.75%	6.99%	7.13%	7.36%	7.62%		
Cash on Cash Return	5.60%	5.81%	6.02%	6.25%	6.47%	6.71%	6.95%	5.69%	7.31%	7.58%		

One Merriweather - Yield Capitalization Method Conclusion – Hypothetical Value Assuming Stabilization

The value matrix correlating to this valuation is presented in the following table:

PRICING MATRIX - One Merriweather- Hypothetical Market Value As If Stabilized					
Terminal	Discount Rate (IRR) for Cash Flow				
Cap Rates	7.00%	7.25%	7.50%	7.75%	8.00%
6.25%	$ 84,598,893	$ 83,040,566	$ 81,518,523	$ 80,031,809	$ 78,579,491
6.50%	$ 82,710,538	$ 81,195,770	$ 79,716,184	$ 78,270,853	$ 76,858,876
6.75%	$ 80,962,062	$ 79,487,625	$ 78,047,351	$ 76,640,338	$ 75,265,714
7.00%	$ 79,338,476	$ 77,901,492	$ 76,497,720	$ 75,126,288	$ 73,786,349
7.25%	$ 77,826,863	$ 76,424,746	$ 75,054,960	$ 73,716,656	$ 72,409,009
IRR Reversion	**7.00%**	**7.25%**	**7.50%**	**7.75%**	**8.00%**
Cost of Sale at Reversion:			2.50%		
Percent Residual:			55.59%		
Rounded to nearest $100,000			**$78,000,000**	**$374.67**	

Based on the rates selected, the hypothetical value via the Yield Capitalization analysis is estimated at $78,000,000 rounded.

Two Merriweather - Yield Capitalization Method Conclusion – Hypothetical Value Assuming Stabilization

The value matrix correlating to this valuation is presented in the following table:

PRICING MATRIX - Hypothetical Market Value As-If Stabilized					
Terminal	Discount Rate (IRR) for Cash Flow				
Cap Rates	7.00%	7.25%	7.50%	7.75%	8.00%
6.25%	$ 54,766,376	$ 53,752,797	$ 52,762,872	$ 51,795,977	$ 50,851,504
6.50%	$ 53,525,128	$ 52,540,181	$ 51,578,163	$ 50,638,470	$ 49,720,514
6.75%	$ 52,375,824	$ 51,417,388	$ 50,481,211	$ 49,566,705	$ 48,673,302
7.00%	$ 51,308,614	$ 50,374,795	$ 49,462,612	$ 48,571,494	$ 47,700,890
7.25%	$ 50,315,004	$ 49,404,105	$ 48,514,261	$ 47,644,919	$ 46,795,541
IRR Reversion	**7.00%**	**7.25%**	**7.50%**	**7.75%**	**8.00%**
Cost of Sale at Reversion:			2.50%		
Percent Residual:			56.50%		
Rounded to nearest $100,000			**$50,500,000**	**$408.56**	

Based on the rates selected, the hypothetical value via the Yield Capitalization analysis is estimated at $50,500,000 rounded.

Building 3OA (Completed, 46.8% leased) - In estimating the Hypothetical Value of Building 3OA assuming the project was completed and the anchor tenant has leased space as of June 20, 2017, we discounted back the estimated prospective market value of the project from the appraised value as of July 31, 2019 as previously presented ($114,000,000) at a safe rate of 5.0 percent, which equates to $102,800,000, rounded. The indicated safe rate was selected after review of municipal bond yields and discussions with market participants. In estimating Hypothetical Value (B) of Building 3OA as is, we utilized the estimated land value for the project as previously presented, which equates to $10.8 million.

Building 3MFB (Completed, 27.5% leased) - In estimating the Hypothetical Value of Building 3MFB assuming the project was completed as of June 20, 2017, we discounted back the estimated prospective market value of the project from the appraised value as of July 31, 2019 as previously presented ($143,400,000) at a safe rate of 5.0 percent, which equates to $129,400,000, rounded. In estimating Hypothetical Value (B) of Building 3MFB as is, we utilized the estimated land value for the project as previously presented, which equates to $17.2 million.

Excess Land - We estimated the Hypothetical Values of the subject's excess land as of June 20, 2017, assuming Phase 1A TIF improvements have been completed. We utilized the estimated market value of the subject's excess land as is as previously presented totaling $120,600,000, and deducted the remaining estimated costs of public improvements after the Phase 1A public improvement have been funded, which total $26.3 million, rounded. Thus, the estimated hypothetical value of the subject's excess land equates to $94,300,000 ($120,600,000 less $26,300,000).

The resulting aggregate hypothetical values inclusive of public improvements Phase 1A funded by the First Issuance of TIF Bonds are presented by the following table:

Hypothetical Value Conclusions

Appraisal Premise	Project Component (completion, leasing status)	Real Property Interest	Date Of Value	Value Conclusion
Hypothetical Value 1 - With TIF; Assumes Merriweather One and Two are completed and stabilized and no other development				
Hypothetical Value	Merriweather One (completed, stabilized)	Fee Simple	June 20, 2017	$78,000,000
Hypothetical Value	Merriweather Two (completed, stabilized)	Fee Simple	June 20, 2017	$50,500,000
Hypothetical Value	Parcel 3OA (land)	Fee Simple	June 20, 2017	$10,700,000
Hypothetical Value	Parcel 3MFB (land)	Fee Simple	June 20, 2017	$17,200,000
Hypothetical Value	Excess Land	Fee Simple	June 20, 2017	$94,300,000
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$250,700,000**
Hypothetical Value 2 - With TIF; Merriweather One and Two completed and stabilized, Building 3OA is completed and 46.8% leased, and no other development				
Hypothetical Value	Merriweather One (completed, stabilized)	Fee Simple	June 20, 2017	$78,000,000
Hypothetical Value	Merriweather Two (completed, stabilized)	Fee Simple	June 20, 2017	$50,500,000
Hypothetical Value	Building 3OA (completed, 46.8% leased)	Fee Simple	June 20, 2017	$102,800,000
Hypothetical Value	Parcel 3MFB (land only)	Fee Simple	June 20, 2017	$17,200,000
Hypothetical Value	Excess Land	Fee Simple	June 20, 2017	$94,300,000
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$342,800,000**
Hypothetical Value 3 - With TIF; Merriweather One and Two completed and stabilized, Building 3OA is completed and 46.8% leased, Building 3MFB is completed and 27.5% leased, and no other development				
Hypothetical Value	Merriweather One (completed, stabilized)	Fee Simple	June 20, 2017	$78,000,000
Hypothetical Value	Merriweather Two (completed, stabilized)	Fee Simple	June 20, 2017	$50,500,000
Hypothetical Value	Building 3OA (completed, 46.8% leased)	Fee Simple	June 20, 2017	$102,800,000
Hypothetical Value	Building 3MFB (completed, 27.5% leased)	Fee Simple	June 20, 2017	$129,400,000
Hypothetical Value	Excess Land	Fee Simple	June 20, 2017	$94,300,000
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$455,000,000**

Reconciliation and Final Value Opinion

Valuation Methodology Review and Reconciliation

This appraisal employs all three typical approaches to value: the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that all approaches should be considered meaningful and applicable in developing a credible value conclusion. The approaches indicated the following:

FINAL VALUE RECONCILIATION

	Market Value As-Is	Prospective Market Value
Date of Value	**June 20, 2017**	**July 31, 2019**
Land Valuation		
One Merriweather	$8,700,000	$9,300,000
Two Merriweather	$5,300,000	$5,600,000
Building 3OA	$10,700,000	$11,400,000
Building 3MFB	$17,200,000	$18,300,000
Cost Approach		
One Merriweather	$71,000,000	N/A
Two Merriweather	$22,400,000	N/A
Building 3OA	N/A	N/A
Building 3MFB	N/A	N/A
Sales Comparison Approach		
One Merriweather	$73,400,000	$87,600,000
Two Merriweather	N/A	N/A
Building 3OA	N/A	N/A
Building 3MFB	N/A	N/A
Income Capitalization Approach		
Yield Capitalization		
One Merriweather	$69,500,000	$87,600,000
Two Merriweather	N/A	$49,700,000
Building 3OA	N/A	$114,000,000
Direct Capitalization		
Building 3MFB	N/A	$143,400,000
Final Value Conclusion - One Merriweather	**$69,500,000**	**$87,600,000**
Final Value Conclusion - Two Merriweather	**$22,400,000**	**$49,700,000**
Final Value Conclusion - Building 3OA	**$10,700,000**	**$114,000,000**
Final Value Conclusion - Building 3MFB	**$17,200,000**	**$143,400,000**
Excess Land Valuation		
Excess Land - Office/Retail (Excl. Building 3OA)	$68,400,000	$72,800,000
Excess Land - Apt./Retail (Excl. Building 3MFB)	$45,200,000	$48,100,000
Excess Land - Hotel/Retail	$7,000,000	$7,400,000
Total Excess Land Valuation (Aggregate)	$120,600,000	$128,300,000
Less Remaining Costs of Public Improvements (Rounded)	($63,500,000)	($26,300,000)
Total Excess Land Valuation:	$57,100,000	$102,000,000
Total Excess Land Valuation (Rounded)	**$57,100,000**	**$102,000,000**
Final Value Conclusions - Total Project	**$176,900,000**	**$496,700,000**

Compiled by Cushman & Wakefield of Maryland, Inc.

We gave weight to the Cost, Sales Comparison and Income Capitalization Approaches because this mirrors the methodologies used by purchasers of this property type (i.e., an income-producing property). The quantity and quality of the data for the Income Capitalization Approach is considered very good. This includes the presence of multiple comparable properties in the subject's submarket, utilized for our rental estimates, and data regarding occupancy and expenses extracted from similar properties throughout the market. Investment rates of return used for converting net income into value were derived via extraction from recent sales of similar properties in the market, investor surveys (national) and discussions with local market participants. The value from the Income Capitalization Approach is well supported by the secondary approach to value – the Sales Comparison Approach. The quantity and quality of date used for this approach is good and consisted of multiple recent comparable sales in the subject's market.

The subject's land value (as vacant) is based on the sales comparison technique – as reflected in the Land Valuation Section of this report. This is an integral part of the Cost Approach. The data used in the Cost Approach also included nationally recognized cost figures (adjusted for location and current multipliers). Investors typically use the Cost Approach as a metric in determining whether they can acquire the property below replacement costs. We have placed some weight to the value indicated by the Cost Approach, although we have placed less reliance than in the Income Capitalization Approach, as this is the primary method that purchasers rely upon.

Finally, we reconciled the approaches and estimated the final value opinion. We are of the opinion that the most meaningful value indicator for the subject is the Income Capitalization Approach for the subject's improved properties because this mirrors the methodology used by purchasers of this property type. The Sales Comparison Approach was relied on to determine the market value of the subject's excess land parcels.

Public Improvements: The subject property is currently being improved with site improvements that will support future development of The Crescent area including roads, walkways, intersection improvements, wetland mitigation and restoration and utilities. Per the client's request, we provide an As-Is market value opinion, which excludes tax increment financing (TIF) to fund the planned public improvements for the proposed development. The As Is Value opinion assumes the developer would fund the costs of the public improvements required to support the proposed development. The estimated budgeted costs for public improvements reported is $80,844,611, of which the owner reports they have spent $13,594,446 as of the effective date of this appraisal. Based on our analysis and discussions with market participants, the owner's monies spent to date for public improvement costs is reflected in the As Is Value opinion. The estimated remaining costs to complete the public improvements required to support the proposed development equates to $63,500,000, rounded, which is considered in determining the excess land valuation.

Per the client's request, we provide a prospective market value of the Property as of July 31, 2019, including component values for each completed building and the remaining excess land, assuming: 1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, 2) completion of Merriweather One, Merriweather Two, Building 3OA, Building 3MFB, Phase 1A Public Improvements and related private infrastructure, 3) no vertical construction of any other building, 4) stabilized occupancy of Merriweather One and Merriweather Two, and 5) occupancy by an anchor tenant for 150,000 square feet of office space in Building 3OA.

The Client has also requested three hypothetical market value opinions including:

(A) The hypothetical market value of the Property as of the date of the appraisal (June 20, 2017), including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) Building 3OA is completed and 46.8 percent leased, completion of Phase 1A Public Improvements and related private infrastructure, (4) no vertical construction of any other building;

(B) The hypothetical market value of the Property as of the date of the appraisal, including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) Building 3OA is completed and 46.8 percent leased, (4) Building 3MFB is completed and 27.5 percent leased, (5) completion of Phase 1A Public Improvements and related private infrastructure, (6) no vertical construction of any other building;

(C) The hypothetical market value of the Property as of the date of the appraisal, including component values for each completed building and the excess land, assuming: (1) funding of $38,500,000 of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, (2) completion and stabilization of Merriweather One and Merriweather Two, (3) no vertical construction of any other building, including neither Building 3OA nor Building 3MFB;

Per the client's request, for purposes of this analysis in estimating the prospective market values and hypothetical values upon completion of public improvements, we considered the analysis by MuniCap, Inc. regarding projected special taxes required to cover debt service for the TIF Bonds. The analysis results indicates there will be no special taxes required over the analysis period as real estate taxes from assessed property will cover the TIF Bond debt service.

Reconciled Market Value Opinions

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinions of value and Hypothetical Values as reflected on the following page.

Hypothetical Value Conclusions

Appraisal Premise	Project Component (completion, leasing status)	Real Property Interest	Date Of Value	Value Conclusion
Hypothetical Value 1 - With TIF; Assumes Merriweather One and Two are completed and stabilized and no other development				
Hypothetical Value	Merriweather One (completed, stabilized)	Fee Simple	June 20, 2017	$78,000,000
Hypothetical Value	Merriweather Two (completed, stabilized)	Fee Simple	June 20, 2017	$50,500,000
Hypothetical Value	Parcel 3OA (land)	Fee Simple	June 20, 2017	$10,700,000
Hypothetical Value	Parcel 3MFB (land)	Fee Simple	June 20, 2017	$17,200,000
Hypothetical Value	Excess Land	Fee Simple	June 20, 2017	$94,300,000
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$250,700,000**
Hypothetical Value 2 - With TIF; Merriweather One and Two completed and stabilized, Building 3OA is completed and 46.8% leased, and no other development				
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$342,800,000**
Hypothetical Value 3 - With TIF; Merriweather One and Two completed and stabilized, Building 3OA is completed and 46.8% leased, Building 3MFB is completed and 27.5% leased, and no other development				
Hypothetical Value	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$455,000,000**

Market Value Conclusions

Appraisal Premise	Project Component (completion, leasing status)	Real Property Interest	Date Of Value	Value Conclusion
Prospective Market Value - With TIF; Merriweather One and Merriweather Two completed and stabilized, Building 3OA completed and 46.8% leased and Building 3MBF completed and 27.5% leased and no other development				
Prospective Market Value	Merriweather One (completed, stabilized)	Fee Simple	July 31, 2019	$87,600,000
Prospective Market Value	Merriweather Two (completed, stabilized)	Fee Simple	July 31, 2019	$49,700,000
Prospective Market Value	Building 3OA (completed, 46.8% leased)	Fee Simple	July 31, 2019	$114,000,000
Prospective Market Value	Building 3MFB (completed, 27.5% leased)	Fee Simple	July 31, 2019	$143,400,000
Prospective Market Value	Excess Land	Fee Simple	July 31, 2019	$102,000,000
Prospective Market Value	**Aggregate Value**	**Fee Simple**	**July 31, 2019**	**$496,700,000**
Market Value As Is - With no TIF; Merriweather One completed and 58.5% leased, Merriweather Two under construction and 59.3% pre-leased, no other development				
Market Value As-Is	**Aggregate Value**	**Fee Simple**	**June 20, 2017**	**$176,900,000**

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"Cushman & Wakefield" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of Cushman & Wakefield who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor Cushman & Wakefield shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of Cushman & Wakefield any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of Cushman & Wakefield is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without Cushman & Wakefield's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by Cushman & Wakefield in writing to use or rely thereon, hereby agrees to indemnify and hold Cushman & Wakefield, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. Cushman & Wakefield assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. Cushman & Wakefield recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and Cushman & Wakefield make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. Cushman & Wakefield recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. Cushman & Wakefield recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of Cushman & Wakefield, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against Cushman & Wakefield or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by Cushman & Wakefield or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and Cushman & Wakefield, its employees and the Appraiser have no liability to such recipients. Cushman & Wakefield disclaims any and all liability to any party other than the party that retained Cushman & Wakefield to prepare the Report.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil’s load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site’s use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

Certification of Appraisal

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- David J. Masters, MAI, FRICS did make a personal inspection of the property that is the subject of this report. Brian M. Johnson did not make a personal inspection of the property that is the subject of this report.
- I have not performed prior services involving the subject property within the three-year period immediately preceding the acceptance of the assignment.
- Brian M. Johnson, Senior Director, Valuation & Advisory, provided significant real property appraisal assistance to the person signing this report.
- As of the date of this report, David J. Masters, MAI, FRICS has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Brian M. Johnson has completed all the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



David J. Masters, MAI, FRICS
Senior Director, Valuation & Advisory
Maryland Certified General Appraiser
License No. 1512
david.masters@cushwake.com
(410) 685-9248 Office Direct

Addenda Contents

Glossary of Terms & Definitions
Engagement Letter
Property Survey – Legal Description
Comparable Office Land Sales
Comparable Apartment Land Sales
Comparable Office Building Sales
Owner Reports
Argus Reports- One Merriweather
Argus Reports- Two Merriweather
Argus Reports- Building 3OA
Certifications & Qualifications of the Appraiser

Glossary of Terms & Definitions

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Sixth Edition (2015), published by the Appraisal Institute, Chicago, IL, as well as other sources.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Proposed Interagency Appraisal and Evaluation Guidelines, OCC-4810-33-P 20%)

Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

Cash Equivalency

An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.

Depreciation

1. In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2. In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method.

Disposition Value

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

- Consummation of a sale will occur within a limited future marketing period specified by the client.
- The actual market conditions currently prevailing are those to which the appraised property interest is subject.
- The buyer and seller is each acting prudently and knowledgeably.
- The seller is under compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider their best interest.
- An adequate marketing effort will be made in the limited time allowed for the completion of a sale.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Note that this definition differs from the definition of market value. The most notable difference relates to the motivation of the seller. In the case of Disposition value, the seller would be acting under compulsion within a limited future marketing period.

Ellwood Formula

A yield capitalization method that provides a formulaic solution for developing a capitalization rate for various combinations of equity yields and mortgage terms. The formula is applicable only to properties with stable or stabilized income streams and properties with income streams expected to change according to the J- or K-factor pattern. The formula is
RO = [YE – M (YE + P 1/Sn¬ – RM) – ΔO 1/S n¬] / [1 + ΔI J]
where
RO = Overall Capitalization Rate
YE = Equity Yield Rate
M = Loan-to-Value Ratio
P = Percentage of Loan Paid Off
1/S n¬ = Sinking Fund Factor at the Equity Yield Rate
RM =Mortgage Capitalization Rate
ΔO = Change in Total Property Value
ΔI = Total Ratio Change in Income
J = J Factor
Also called mortgage-equity formula.

Exposure Time

1. The time a property remains on the market. 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. See also marketing time.

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Highest and Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Hypothetical Conditions

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Insurable Replacement Cost/Insurable Value

A type of value for insurance purposes.

Intended Use

The use or uses of an appraiser's reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended User

The client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

Leasehold Interest

The tenant's possessory interest created by a lease. See also negative leasehold; positive leasehold.

Liquidation Value

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

- Consummation of a sale will occur within a severely limited future marketing period specified by the client.

- The actual market conditions currently prevailing are those to which the appraised property interest is subject.
- The buyer is acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- The buyer is acting in what he or she considers his or her best interest.
- A limited marketing effort and time will be allowed for the completion of a sale.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Note that this definition differs from the definition of market value. The most notable difference relates to the motivation of the seller. Under market value, the seller would be acting in his or her own best interests. The seller would be acting prudently and knowledgeably, assuming the price is not affected by undue stimulus or atypical motivation. In the case of liquidation value, the seller would be acting under extreme compulsion within a severely limited future marketing period.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market Value

As defined in the Agencies' appraisal regulations, the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[1]

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) See also exposure time.

Mortgage-Equity Analysis

Capitalization and investment analysis procedures that recognize how mortgage terms and equity requirements affect the value of income-producing property.

Operating Expenses

Other Taxes, Fees & Permits - Personal property taxes, sales taxes, utility taxes, fees and permit expenses.

Property Insurance – Coverage for loss or damage to the property caused by the perils of fire, lightning, extended coverage perils, vandalism and malicious mischief, and additional perils.

Management Fees - The sum paid for management services. Management services may be contracted for or provided by the property owner. Management expenses may include supervision, on-site offices or apartments for resident managers, telephone service, clerical help, legal or accounting services, printing and postage, and advertising. Management fees may occasionally be included among recoverable operating expenses

Total Administrative Fees – Depending on the nature of the real estate, these usually include professional fees and other general administrative expenses, such as rent of offices and the services needed to operate the property. Administrative expenses can be provided either in the following expense subcategories or in a bulk total. 1) Professional Fees – Fees paid for any professional services contracted for or incurred in property operation; or 2) Other Administrative – Any other general administrative expenses incurred in property operation.

Heating Fuel - The cost of heating fuel purchased from outside producers. The cost of heat is generally a tenant expense in single-tenant, industrial or retail properties, and apartment projects with individual heating units. It is a major expense item shown in operating statements for office buildings and many apartment properties. The fuel consumed may be coal, oil, or public steam. Heating supplies, maintenance, and workers' wages are included in this expense category under certain accounting methods.

[1] "Interagency Appraisal and Evaluation Guidelines." Federal Register 75:237 (December 10, 2010) p. 77472.

Electricity - The cost of electricity purchased from outside producers. Although the cost of electricity for leased space is frequently a tenant expense, and therefore not included in the operating expense statement, the owner may be responsible for lighting public areas and for the power needed to run elevators and other building equipment.

Gas - The cost of gas purchased from outside producers. When used for heating and air conditioning, gas can be a major expense item that is either paid by the tenant or reflected in the rent.

Water & Sewer - The cost of water consumed, including water specially treated for the circulating ice water system, or purchased for drinking purposes. The cost of water is a major consideration for industrial plants that use processes depending on water and for multifamily projects, in which the cost of sewer service usually ties to the amount of water used. It is also an important consideration for laundries, restaurants, taverns, hotels, and similar operations.

Other Utilities - The cost of other utilities purchased from outside producers.

Total Utilities - The cost of utilities net of energy sales to stores and others. Utilities are services rendered by public and private utility companies (e.g., electricity, gas, heating fuel, water/sewer and other utilities providers). Utility expenses can be provided either in expense subcategories or in a bulk total.

Repairs & Maintenance - All expenses incurred for the general repairs and maintenance of the building, including common areas and general upkeep. Repairs and maintenance expenses include elevator, HVAC, electrical and plumbing, structural/roof, and other repairs and maintenance expense items. Repairs and Maintenance expenses can be provided either in the following expense subcategories or in a bulk total. 1) Elevator - The expense of the contract and any additional expenses for elevator repairs and maintenance. This expense item may also include escalator repairs and maintenance. 2) HVAC – The expense of the contract and any additional expenses for heating, ventilation and air-conditioning systems. 3) Electrical & Plumbing - The expense of all repairs and maintenance associated with the property's electrical and plumbing systems. 4) Structural/Roof - The expense of all repairs and maintenance associated with the property's building structure and roof. 5) Pest Control – The expense of insect and rodent control. 6). Other Repairs & Maintenance - The cost of any other repairs and maintenance items not specifically included in other expense categories.

Common Area Maintenance - The common area is the total area within a property that is not designed for sale or rental, but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. Common Area Maintenance (CAM) expenses can be entered in bulk or through the sub-categories. 1) Utilities – Cost of utilities that are included in CAM charges and passed through to tenants. 2) Repair & Maintenance – Cost of repair and maintenance items that are included in CAM charges and passed through to tenants. 3) Parking Lot Maintenance – Cost of parking lot maintenance items that are included in CAM charges and passed through to tenants. 4) Snow Removal – Cost of snow removal that are included in CAM charges and passed through to tenants. 5) Grounds Maintenance – Cost of ground maintenance items that are included in CAM charges and passed through to tenants. 6) Other CAM expenses are items that are included in CAM charges and passed through to tenants.

Painting & Decorating - This expense category is relevant to residential properties where the landlord is required to prepare a dwelling unit for occupancy in between tenancies.

Cleaning & Janitorial - The expenses for building cleaning and janitorial services, for both daytime and night-time cleaning and janitorial service for tenant spaces, public areas, atriums, elevators, restrooms, windows, etc. Cleaning and Janitorial expenses can be provided either in the following subcategories or entered in a bulk total. 1) Contract Services - The expense of cleaning and janitorial services contracted for with outside service providers. 2) Supplies, Materials & Misc. - The cost any cleaning materials and any other janitorial supplies required for property cleaning and janitorial services and not covered elsewhere. 3) Trash Removal - The expense of property trash and rubbish removal and related services. Sometimes this expense item includes the cost of pest control and/or snow removal .4) Other Cleaning/Janitorial - Any other cleaning and janitorial related expenses not included in other specific expense categories.

Advertising & Promotion - Expenses related to advertising, promotion, sales, and publicity and all related printing, stationary, artwork, magazine space, broadcasting, and postage related to marketing.

Professional Fees - All professional fees associated with property leasing activities including legal, accounting, data processing, and auditing costs to the extent necessary to satisfy tenant lease requirements and permanent lender requirements.

Total Payroll - The payroll expenses for all employees involved in the ongoing operation of the property, but whose salaries and wages are not included in other expense categories. Payroll expenses can be provided either in the following subcategories or entered in a bulk total. 1) Administrative Payroll - The payroll expenses for all employees involved in on-going property administration. 2) Repair & Maintenance Payroll - The expense of all employees involved in on-going repairs and maintenance of the property. 3) Cleaning Payroll - The expense of all employees involved in providing on-going cleaning and janitorial services to the property 4) Other Payroll - The expense of any other employees involved in providing services to the property not covered in other specific categories.

Security - Expenses related to the security of the Lessees and the Property. This expense item includes payroll, contract services and other security expenses not covered in other expense categories. This item also includes the expense of maintenance of security systems such as alarms and closed circuit television (CCTV), and ordinary supplies necessary to operate a security program, including batteries, control forms, access cards, and security uniforms.

Roads & Grounds - The cost of maintaining the grounds and parking areas of the property. This expense can vary widely depending on the type of property and its total area. Landscaping improvements can range from none to extensive beds, gardens and trees. In addition, hard-surfaced public parking areas with drains, lights, and marked car spaces are subject to intensive wear and can be costly to maintain.

Other Operating Expenses - Any other expenses incurred in the operation of the property not specifically covered elsewhere.

Real Estate Taxes - The tax levied on real estate (i.e., on the land, appurtenances, improvements, structures and buildings); typically by the state, county and/or municipality in which the property is located.

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Prospective Value upon Reaching Stabilized Occupancy

The value of a property as of a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy. At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs and other carrying charges are assumed to have been incurred.

Special, Unusual, or Extraordinary Assumptions

Before completing the acquisition of a property, a prudent purchaser in the market typically exercises due diligence by making customary enquiries about the property. It is normal for a Valuer to make assumptions as to the most likely outcome of this due diligence process and to rely on actual information regarding such matters as provided by the client. Special, unusual, or extraordinary assumptions may be any additional assumptions relating to matters covered in the due diligence process, or may relate to other issues, such as the identity of the purchaser, the physical state of the property, the presence of environmental pollutants (e.g., ground water contamination), or the ability to redevelop the property.

Engagement Letter

From: Betnun, Nathan S
To: David Masters
Cc: Moe Diaz (mauricio.diaz@howardhughes.com); Gabriel Chung (gabriel.chung@howardhughes.com); Scott Rando; Keenan S. Rice (keenan.rice@municap.com)
Subject: Appraiser Instruction Letter Adjustment
Date: Thursday, July 06, 2017 5:11:54 PM

David-

As you pointed out, while Building 3MFB will be complete by July 31, 2019, it will have not reached stabilized occupancy. Consequently, please delete Building 3MFB from item "4)" of value "(b)".

Thank you.

Nate

Nathan S. Betnun
Managing Director

STIFEL

Stifel, Nicolaus & Company, Incorporated
18 West Street
Annapolis, MD 21401
(410) 280-9711 Office
(443) 994-1941 Mobile
(443) 280-9312 Fax
nbetnun@stifel.com

This message, and any of its attachments, is for the intended recipient(s) only, and it may contain information that is privileged, confidential, and/or proprietary and subject to important terms and conditions available at http://www.stifel.com/disclosures/emaildisclaimers/. If you are not the intended recipient, please delete this message and immediately notify the sender. No confidentiality, privilege, or property rights are waived or lost by any errors in transmission.

June 29, 2017

Mr. Scott Rando, MAI
Senior Managing Director
Cushman & Wakefield of Texas, Inc.
1330 Post Oak Blvd, Suite 2700
Houston, TX 77056

Re: Market Value Appraisal for the Real Property in the Crescent Special Taxing District, Columbia, Maryland

Dear Mr. Rando:

By this letter, I hereby request Cushman & Wakefield of Texas, Inc. or its designated affiliate ("C&W") to prepare an appraisal of the privately-owned real property (the "Property") in the Crescent Special Taxing District (the "District").

The purpose ("Intended Use") of this appraisal will be for inclusion in a preliminary limited offering memorandum ("PLOM") or limited offering memorandum ("LOM") for the issuance of tax increment/special tax bonds (the "Bonds") to be issued by Howard County for the purpose of financing the Phase 1A Public Improvements, as described below. Incremental County property taxes will be used to repay the Bonds. If these tax revenues are insufficient to meet the debt service requirements on the Bonds, the property owners will be responsible for the payment of special taxes in the amount of the deficiency. The offering document will be provided to Accredited Investors or Qualified Institutional Buyers who are potential buyers of the Bonds, and the appraisal will provide the investors with information on the property and its estimated value.

The appraisal will be prepared for Stifel, Nicolaus & Company, Incorporated (the "Client"). In addition to the Client, intended users include The Howard Research And Development Corporation, Howard County and buyers of the Bonds that are (with the Client, collectively, "Intended Users").

The appraisal should estimate the following values based upon fee simple ownership of the Property:

(a) The "as is" market value of the Property as of the date of the appraisal assuming that Tax Increment Financing is not available, including the office buildings known as Merriweather One and Merriweather Two and including a breakdown between the value of each of these two buildings and the value of the excess land;

(b) The prospective market value of the Property as of July 31, 2019, including component values for each completed building and the excess land, assuming: 1) funding of $45 million of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, 2) completion of Merriweather One, Merriweather Two, Building 3OA, Building 3MFB, Phase 1A Public Improvements and related private infrastructure, 3) no vertical construction of any other building, 4) stabilized occupancy of Merriweather One, Merriweather Two and Building 3MFB and 5) occupancy by an anchor tenant for 50% of the office space in Building 3OA;

(c) The hypothetical market value of the Property as of the date of the appraisal, including component values for each completed building and the excess land, assuming: 1) funding of $45 million of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, 2) completion of Merriweather One, Merriweather Two, Building

3OA, Building 3MFB, Phase 1A Public Improvements and related private infrastructure, 3) no vertical construction of any other building, 4) stabilized occupancy of Merriweather One, Merriweather Two and Building 3MFB and 5) occupancy by an anchor tenant for 50% of the office space in Building 3OA; and

(d) The hypothetical market value of the Property as of the date of the appraisal, including component values for each completed building, the Building 3OA land, the Building 3MFB land and the remaining excess land, assuming: 1) funding of $45 million of the cost of the Phase 1A Public Improvements with the proceeds of the Phase 1A TIF Bonds, 2) completion of Merriweather One, Merriweather Two, Phase 1A Public Improvements and related private infrastructure, 3) no vertical construction of any other building, including neither Building 3OA nor Building 3MFB, and 4) stabilized occupancy of Merriweather One and Merriweather Two.

The District consists of tax account numbers 15-019921, 15-598795, 15-598796 and 15-598797, the latter three of which were subdivided from 15-019921. The District contains a total of approximately 65.208 acres and is located in the Columbia area of Howard County, Maryland that is generally bounded by Little Patuxent Parkway on the north, Broken Land Parkway on the west, Route 29 Interchange #18 and Broken Land Parkway on the south and existing property owners on the east. It was originally used as surface parking for the adjoining Merriweather Post Pavilion.

The Property within the District will be developed with private and public improvements. The private development is expected to contain approximately 4,782,500 square feet, including 1,387 multifamily residential units and other commercial space in approximately the following amounts:

- Office – 2,720,543 square feet
- Market-rate multifamily residential units – 1,430,160 square feet (1,236 units)
- Moderate-income multifamily residential units – 120,930 square feet (105 units)
- Low-income multifamily residential units – 53,447 square feet (46 units)
- Retail – 307,419 square feet
- Hotel – 150,000 square feet (250 keys)

The 1A Public Improvements, approximately $45 million of which are expected to be funded by the Phase 1A TIF Bond issue, are expected to include:

- All of the road improvements for Merriweather Drive, Divided Sky Lane, Symphony Woods Road, and the extension of Hickory Ridge Road in Areas 1 and 2, the portion of the North-South Connector in Area 2, and all of the public roads in Area 3, including:
  - Earthwork
  - Utilities (water and sewer)
  - Roadway construction
  - Stormwater improvements,
- At-grade improvements to multiple intersections,
- Road Segment 1 wetland mitigation and restoration,
- Multi-Use Pathway Segments 1 & 2,
- Design/engineering for the jug handle and the portion of the North-South connector in Area 4, and
- EMT Rapid Fire Station.

The related private infrastructure is expected to include:

- Dry utilities under the road segments shown above and
- A portion of Area 3 internal roads.

The scope and content of the appraisal should be prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board. The appraisal shall contain a certification that the reported analyses, opinions and conclusions were developed, and that the report was prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

In arriving at the appraised value, please utilize all three standard approaches to value (cost, income, and sales comparison); if one of these approaches is not applicable, explain your reasons for not using that specific approach.

The findings, analysis, supporting data and documentation, and conclusions should be conveyed in a written appraisal format that is self-contained and logically leads the reader to the value conclusion. The report should be signed by the appraiser who prepares the report and by any individuals who provide significant assistance with its preparation. An appraiser who is a Member of the Appraisal Institute (MAI) must sign the report and take full responsibility for its contents. The appraiser must certify that neither the assignment nor the remuneration was based on a requested minimum or specific valuation or the approval of any financing.

The appraisal should include a detailed specific description of the Property and should thoroughly address the characteristics of the property and its environment. The appraisal should identify and reflect any neighborhood or area influences that affect the property's marketability or value. The appraisal should report any prior sales of the property in the preceding three years. The person preparing the report should be familiar with the market data used in the valuation and should verify sales prices of comparable properties. The marketing period presumed in the report should be stated. Any market conditions or trends that may affect the absorption period or the value of the property should be reported. The report should include and describe appropriate deductions and discounts for the subject property compared to comparable properties.

The developer of the Property is The Howard Research And Development Corporation ("HRD"), a subsidiary of the Howard Hughes Corporation. HRD will provide you with the following information:

- A detailed description of the Public Improvements
- A detailed description of the planned private improvements
- Cost estimates for the Public Improvements
- Cost estimates for the private improvements
- Absorption schedule for the Project
- Development timeline for the Project

You should review cost estimates and income projections but rely on your own judgment or research as to their veracity.

The schedule for the preparation of the appraisal is as follows:

Distribution of first draft of the appraisal – July 6, 2017
Meeting or conference call to review the first draft - As requested by client

Completion of the appraisal report - Within 4 days of request of final

Please address the appraisal report to:

Stifel, Nicolaus & Company, Incorporated
18 West Street
Annapolis, MD 21401
Attn: Nathan Betnun

Please also send copies to:
Howard County
3430 Courthouse Drive
Ellicott City, MD 21043
Attn: Stanley Milesky, Director of Finance

The Howard Research And Development Corporation
10221 Wincopin Circle
Suite 300
Columbia, MD 21044
Attn: Gregory Fitchitt & Gabriel Chung

The fee for preparing the appraisal will be $15,000, subject to the attached terms and conditions. HRD will take full responsibility for paying all costs of the appraisal once the final study is received and neither the County nor Stifel will pay any. For information about the amount of the special tax, please contact Emily Metzler of MuniCap at (443) 539-4112 or at Emily.metzler@municap.com. For any additional information about the Property, please contact Mr. Chung at gabriel.chung@howardhughes.com or at (410) 964-5440 or Mauricio Diaz at mauricio.diaz@howardhughes.com or at (410) 964-4986. For any additional information about the County, please contact Mr. Milesky at (410) 313-3217 or at smilesky@howardcountymd.gov. For more information about the Bonds, please contact me as shown above.

This agreement is further subject to the Conditions of Engagement attached hereto as well as the following additional conditions:

Additional Conditions:

Any consent to the Intended Use is subject to the following:

1. C&W's approval of the reference to the appraisal, such approval not to be unreasonably withheld. (The Client is not required to receive authorization/approval from C&W to attach the appraisal to the PLOM and LOM or to include a summary discussion of the appraisal in the PLOM or LOM, but rather, it is required to allow C&W to review and approve the content of the summary/discussion (and reference) to the appraisal.) If necessary, Client agrees to pay the reasonable fees of C&W's legal counsel for the review of the form and content of a Consent Letter and a summary of the reports contained in the Offering.
2. Receipt of a duly executed indemnity agreement from The Howard Research And Development Corporation ("HRD") and in the form attached hereto from the Client

with the Exhibit A thereto appropriately completed to the satisfaction of C&W, acting reasonably.

This agreement may be signed in counterpart. It supersedes all previous agreements related to this assignment. Notice to proceed shall be deemed to have been given upon the delivery of all signatures by hand delivery, U.S. Postal Service, e-mail or facsimile to each of the other parties to this agreement.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

Nathan S. Betnun
Managing Director

Accepted:

CUSHMAN & WAKEFIELD OF TEXAS, INC.

By: Scott Rando, MAI
Title: Senior Managing Director
Date:

By signature below, HRD acknowledges its obligation for the payment of fees and expenses as set forth above.

THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION

By:
Title:
Date:

CONDITIONS OF ENGAGEMENT

1) Each Intended User identified herein should consider the appraisal as only one factor together with its independent investment considerations and underwriting criteria in its overall investment decision. The appraisal cannot be used by any party or for any purpose other than the Intended User (s) identified herein for the Intended Use described herein.

2) Federal banking regulations require banks and savings and loan associations to employ appraisers where a FIRREA compliant appraisal must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions, including mortgage bankers/brokers. Because of that requirement, an appraisal, if ordered independent of a financial institution or agent, may not be accepted by a federally regulated financial institution. The appraisal prepared pursuant to this Engagement will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation, the Standards of Professional Practice and the Code of Ethics of the Appraisal Institute.

3) The appraisal report will be subject to our standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal. All users of the appraisal report are specifically cautioned to understand the standard Assumptions and Limiting Conditions as well as any Extraordinary Assumptions and Hypothetical Conditions which may be employed by the appraiser and incorporated into the appraisal.

4) The appraisal report or our name may not be used in any offering memoranda or other investment material without the prior written consent of C&W, which may be given at the sole discretion of C&W. Any such consent, if given, shall be conditioned upon our receipt of an indemnification agreement from a party satisfactory to us and in a form satisfactory to us. Furthermore, Client agrees to pay the fees of C&W's legal counsel for the review of the material which is the subject of the requested consent. C&W disclaims any and all liability with regard to the appraisal prepared pursuant to the engagement to any party other than the Intended User (s). (The Client is not required to receive authorization/approval from C&W to attach the appraisal to the PLOM and LOM or to include a summary discussion of the appraisal in the PLOM or LOM, but rather, it is required to allow C&W to review and approve the content of the summary/discussion (and reference) to the appraisal.)

5) The balance of the fee for the appraisal will be due upon delivery of a report. Payment of the fee is not contingent on the appraised value, a loan closing, or any other prearranged condition. Additional fees will be charged on an hourly basis for any work, which exceeds the scope of this proposal, including performing additional valuation scenarios, additional research and conference calls or meetings with any party, which exceed the time allotted by C&W for an assignment of this nature. If we are requested to stop working on this assignment, for any reason, prior to our completion of the appraisal, C&W will be entitled to bill the Client for the time expended to date at C&W's hourly rates for the personnel involved.

6) If C&W or any of its affiliates or any of their respective employees receives a subpoena or other judicial command to produce documents or to provide testimony involving this assignment in connection with a lawsuit or proceeding, C&W will use reasonable efforts to notify the Client of our receipt of same. However, if C&W or any of its affiliates are not a party to these proceedings, Client agrees to compensate C&W or its affiliate for the professional time and reimburse C&W or its affiliate for the actual expense that it incurs in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred. C&W or its affiliate will be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or command for testimony.

7) By signing this agreement Client expressly agrees that its sole and exclusive remedy for any and all losses or damages relating to this agreement or the appraisal shall be limited to the amount of the appraisal fee paid by the Client. In the event that the Client, or any other party entitled to do so, makes a claim against C&W or any of its affiliates or any of their respective officers or employees in connection with or in any way relating to this engagement or the appraisal, the maximum damages recoverable from C&W or any of its affiliates or their respective officers or employees shall be the amount of the monies actually collected by C&W or any of its affiliates for this assignment and under no circumstances shall any claim for consequential damages be made.

8) C&W disclaims any and all liability to any party with regard to this Report other than an Intended User identified herein.

9) The fees and expenses shall be due C&W as agreed in this letter. If it becomes necessary to place collection of the fees and expenses due C&W in the hands of a collection agent and/or an attorney (whether or not a legal action is filed) The Howard Research And Development Corporation ("HRD") agrees to pay all fees and expenses including attorney's fees incurred by C&W in connection with the collection or attempted collection thereof.

INDEMNITY AGREEMENT

To induce Cushman & Wakefield of Texas, Inc. or one or more of its designated affiliates to consent to the reference to the appraisal report described in the annexed Exhibit "A" (the "Report") in the materials also described in Exhibit "A," the undersigned indemnitor(s) ("Indemnitor") agrees to the provisions of this Indemnity Agreement.

1. Indemnitor agrees to indemnify and hold harmless Cushman & Wakefield of Texas, Inc., its designated affiliates and their respective directors, officers, employees, agents, contractors and controlling persons (each an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, to which any Indemnified Party may become subject solely arising out of or relating to the reference to, or inclusion of, the Report, or portions thereof, or to Cushman & Wakefield of Texas, Inc. or one or more of its subsidiaries or affiliates, in the materials described in Exhibit "A," or any actions taken or omitted, services performed or matters contemplated by or in connection with the such inclusion or reference, and to reimburse each Indemnified Party promptly upon demand for out-of-pocket expenses (including reasonable fees and out-of-pocket expenses of legal counsel) as they are incurred in connection with the investigation of, preparation for or defense of any pending or threatened claim, or any litigation, proceeding or other action in respect thereof, including any amount paid in settlement of any litigation or other action (commenced or threatened), to which the Indemnitor shall have consented in writing (such consent not to be unreasonably withheld), whether or not any Indemnified Party is a party and whether or not liability resulted; provided, however, that the Indemnitor shall not be liable under the foregoing indemnity agreement in respect of any loss, claim, damage or liability to the extent that a court having competent jurisdiction shall have determined by a final judgment that such loss, claim, damage or liability resulted from the willful misconduct or gross negligence of such Indemnified Party or the incorrectness of any certification made by Indemnified Party with respect to the appraisal (in which event Indemnified Party shall indemnify the Indemnitor therefor); and provided further, however, that Indemnitor shall not be liable for any incidental, consequential, indirect or special damages.

2. An Indemnified Party shall have the right to retain separate legal counsel of its own choice to conduct the defense and all related matters in connection with any such litigation, proceeding or other action. The Indemnitor shall pay the reasonable fees and out-of-pocket expenses of such legal counsel and such legal counsel shall to the fullest extent consistent with its professional responsibilities cooperate with the Indemnitor and any legal counsel designated by the Indemnitor.

3. In the event that the indemnity provided for herein is unenforceable, then the Indemnitor shall contribute to amounts paid or payable by an Indemnified Party in respect of such Indemnified Party's expenses, losses, claims, damages and liabilities as to which the indemnity provided for herein is unavailable (i) in such proportion as appropriately reflects the relative benefits received by the Indemnitor, on the one hand, and Indemnified Party, on the other hand, in connection with the matters as to which such losses, claims, damages or liabilities relate, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as appropriately reflects not only the relative benefits referred to in clause (i) but also the relative fault of the Indemnitor, on the one hand, and the Indemnified Party, on the other hand, as well as any other equitable considerations. The amount paid or payable by the party in respect of losses, claims, damages and liabilities referred to above shall be deemed to include any reasonable legal or other fees and out-of-pocket expenses incurred by the Indemnified Party in defending any litigation, proceeding or other action or claim. Notwithstanding the provisions hereof (but without expanding Indemnitor's obligations hereunder), the Indemnified Party shall not be required to contribute any amount in excess of the amount of fees actually received by the Indemnified Party in connection with the Report.

4. All notices under this Agreement shall be in writing and shall be deemed to have been given when sent by certified mail, return receipt requested, postage prepaid, or when personally delivered.

5. The liability of the Indemnitor hereunder, if more than one party, shall be joint and several.

6. Any provision of this Agreement which is prohibited or unenforceable shall not affect or invalidate the remaining provisions hereof which shall continue in full force and effect.

7. This Agreement shall be governed by, and construed in accordance with, the laws of the State

of New York applicable to contracts executed in and to be performed in that state.

8. Rights of an Indemnified Party hereunder may not be assigned without a prior written consent of the Indemnitor.

This Agreement dated as of the ___day of _____, 20__shall inure to the benefit of each Indemnified Party, its successors and assigns, and be binding upon Indemnitor and its successors and assigns.

Indemnitor(s):
THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION

By _____

Exhibit "A"
to
Indemnity Agreement given by
The Howard Research And Development Corporation (**"Indemnitor"**)
in favor of
Cushman & Wakefield of Texas, Inc., its subsidiaries and affiliates and their respective directors, officers, employees, agents and controlling persons

Appraisal of property in the Crescent Special Taxing District in Columbia, Howard County, prepared by Cushman & Wakefield of Texas, Inc. in connection with the issuance by Howard County, Maryland of the Bonds (as defined in the letter of instruction dated _____, 2016 from Stifel, Nicolaus & Company, Incorporated and accepted by, among others, Cushman & Wakefield of Texas, Inc.

To be referenced in the following material:

Preliminary Limited Offering Memorandum and Limited Offering Memorandum for the Bonds

SAMPLE APPRAISAL REPORT REFERENCE LANGUAGE

Any reference to the report in the limited offering memorandum shall be accompanied by the following statement as the context may require:

"An appraisal is only an estimate of value, as of the date stated in the appraisal, and is subject to the Assumptions and Limiting Conditions, as well as any Extraordinary Assumptions and Hypothetical Conditions, stated in the report. Changes since that date in external and market factors or in the property itself can significantly affect the conclusions. As an opinion, it is not a measure of realizable value and may not reflect the amount which would be received if the property were sold. Reference should be made to the entire appraisal report because relying solely on excerpts or portions of a report do not necessarily convey all of the limitations, conditions, assumptions or qualifications of the report that influenced the opinion of value."

Property Survey – Legal Description

NOTES

1. THE PROPERTY DELINEATED HEREON IS LOCATED ON HOWARD COUNTY TAX ASSESSMENT MAP NO. 36, PARCEL 81 AND IS CURRENTLY ZONED NT (NEW TOWN) PER HOWARD COUNTY ZONING MAP, EFFECTIVE DATE JULY 28, 2006.

2. THIS PLAT IS PREPARED IN REFERENCE TO COMMITMENT FOR TITLE INSURANCE, CASE NO. NCS-339009-MD61, HAVING AN EFFECTIVE DATE OF DECEMBER 30, 2007, ISSUED BY FIRST AMERICAN TITLE INSURANCE COMPANY. PER SUCH REPORT THIS PROPERTY IS SUBJECT TO THE FOLLOWING:

(9) RIGHT OF WAY DATED MARCH 26, 1942 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 174, FOLIO 145 BY AND BETWEEN WALTER L. GONCE AND ELIZABETH GONCE AND SINCLAIR REFINING COMPANY.
– THIS EASEMENT IS LOCATED OFFSITE TO THE EAST OF OLD COLUMBIA ROAD AND DOES NOT AFFECT SUBJECT PROPERTY.

(10) RIGHT OF WAY DATED MARCH 11, 1942 AND RECORDED AMONG THE LAND RECORDS OF HOWARD COUNTY IN LIBER 174, FOLIO 147 BY AND BETWEEN NICK AND BEULAH B. MABE; ANNA M. AND JAMES HEPBURN; J. CLAYTON AND CATHERINE GONCE; JAMES P. AND WILLIE B. GONCE AND WILLIAM K. GONCE AND SINCLAIR REFINING COMPANY.
– THIS EASEMENT IS LOCATED OFFSITE TO THE EAST OF OLD COLUMBIA ROAD AND DOES NOT AFFECT SUBJECT PROPERTY.

(11) RIGHT OF WAY AGREEMENT DATED NOVEMBER 27, 1944 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 185, FOLIO 145 BY AND BETWEEN WILLIAM K. GONCE, ET AL. AND CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE.
– THIS EASEMENT IS LOCATED OFFSITE TO THE NORTHEAST OF THE SUBJECT PROPERTY AND DOES NOT AFFECT.

(12) RIGHT OF WAY AGREEMENT DATED MAY 23, 1958 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 333, FOLIO 198 BY AND BETWEEN LUCIEN MORRE AND AUDREY M. MORREE, ET AL. AND BALTIMORE GAS AND ELECTRIC COMPANY.
– THE GAS LINE CANNOT BE PROPERLY LOCATED ON THE SUBJECT PROPERTY, THIS EASEMENT IS NOT LOCATABLE.
NOTE: THIS EASEMENT IS LOCATED UNDER THE ROAD BEDS OF THE SUBDIVISION "SEBRING" WHICH IS LOCATED SOUTH OF BROKEN LAND PARKWAY, HOWEVER AN UNNAMED STREET IS MENTIONED IN THIS DOCUMENT WHICH MAY REFER TO BROKEN LAND PARKWAY.

(13) RIGHT OF WAY, COVENANTS, AGREEMENTS AND EASEMENTS SET FORTH IN DEED DATED OCTOBER 14, 1963 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 409, FOLIO 8 BY AND BETWEEN G & S ENTERPRISES, INC. AND THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION:
– 30' RIGHT-OF-WAY FOR OLD COLUMBIA PIKE GRANTED WITH THIS INSTRUMENT IS LOCATED TO THE EAST OF THE SUBJECT PROPERTY AND DOES NOT AFFECT.
– COVENANTS AND EASEMENTS CONTAINED IN STATE HIGHWAY ADMINISTRATION INQUISITIONS MAY AFFECT SUBJECT PROPERTY, COPIES OF THESE INQUISITIONS WERE UNABLE TO BE FOUND IN LAND RECORDS.

(14) DEED, AGREEMENT AND DECLARATION OF COVENANTS, EASEMENTS, CHARGES AND LIENS DATED DECEMBER 13, 1966 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 463, FOLIO 198 BY AND BETWEEN THE COLUMBIA PARK AND RECREATION ASSOCIATION, INC. AND C. AILEEN AMES.
– COVENANTS, EASEMENTS, CHARGES AND LIENS GRANTED WITH THIS INSTRUMENT ARE BLANKET IN NATURE AND ARE NOT PLOTTABLE ON THE SURVEY

(15) RIGHT OF WAY AGREEMENT DATED APRIL 26, 1967 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 468, FOLIO 239 BY AND BETWEEN THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION AND BALTIMORE GAS AND ELECTRIC COMPANY.
– THIS AGREEMENT AFFECTS THE SUBJECT PROPERTY BUT IS NOT LOCATABLE.

(16) DEED AND AGREEMENT OF EASEMENT DATED OCTOBER 18, 1967 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 477, FOLIO 287 BY AND BETWEEN THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION AND HOWARD COUNTY METROPOLITAN COMMISSION.
– THESE EASEMENTS ARE LOCATED OFFSITE AND DO NOT AFFECT THE SUBJECT PROPERTY

(17) DEED AND AGREEMENT OF EASEMENT DATED OCTOBER 4, 1967 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 477, FOLIO 303 BY AND BETWEEN THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION AND HOWARD COUNTY METROPOLITAN COMMISSION.
– SANITARY SEWER EASEMENT REFERRED TO IN PARCEL EIGHT – PART 4 IS SHOWN ON SURVEY. ALL OTHER EASEMENTS GRANTED WITH THIS DOCUMENT ARE OFFSITE AND DO NOT AFFECT THE SUBJECT PROPERTY

(18) DEED OF EASEMENT DATED JULY 12, 1968 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 497, FOLIO 7 BY AND BETWEEN THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION AND RICHARD J. WILSON AND MARJORIE WILSON.
– THIS EASEMENT IS LOCATED OFFSITE AND DOES NOT AFFECT THE SUBJECT PROPERTY

(19) RIGHT OF WAY AGREEMENT DATED DECEMBER 31, 1969 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 537, FOLIO 249 BY AND BETWEEN HOWARD RESEARCH AND DEVELOPMENT CORPORATION AND BALTIMORE GAS AND ELECTRIC COMPANY.
– THIS EASEMENT IS LOCATED OFFSITE AND DOES NOT AFFECT THE SUBJECT PROPERTY

(20) RIGHT OF WAY AGREEMENT DATED DECEMBER 31, 1969 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 537, FOLIO 251 BY AND BETWEEN HOWARD RESEARCH AND DEVELOPMENT CORPORATION AND BALTIMORE GAS AND ELECTRIC COMPANY.
– THIS EASEMENT IS LOCATED OFFSITE AND DOES NOT AFFECT THE SUBJECT PROPERTY

(21) DEED AND AGREEMENT OF EASEMENT DATED SEPTEMBER 3, 1970 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 540, FOLIO 310 BY AND BETWEEN THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION AND HOWARD COUNTY, MARYLAND.
– SANITARY SEWER EASEMENTS PART 2 & 5, AND WATER EASEMENTS PART 7 SHOWN ON SURVEY. ALL OTHER EASEMENTS ARE LOCATED OFFSITE AND DO NOT AFFECT THE SUBJECT PROPERTY

(22) DEED AND AGREEMENT DATED JULY 30, 1971 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 566, FOLIO 343 BY AND BETWEEN THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION AND THE COLUMBIA PARK AND RECREATION ASSOCIATION, INC. AND HOWARD COUNTY, MARYLAND.
– A PORTION OF A SANITARY SEWER EASEMENT, PART 1 IS SHOWN ON THE SURVEY. ALL OTHER EASEMENTS ARE LOCATED OFFSITE AND DO NOT AFFECT THE SUBJECT PROPERTY.

(23) RIGHT OF WAY AGREEMENT DATED JUNE 16, 1972 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 600, FOLIO 623 BY AND BETWEEN HOWARD RESEARCH AND DEVELOPMENT CORPORATION AND BALTIMORE GAS AND ELECTRIC COMPANY.
– THIS EASEMENT AFFECTS THE SUBJECT PROPERTY BUT IS NOT LOCATABLE.

(24) RIGHT OF WAY EASEMENT DATED SEPTEMBER 16, 1985 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 1388, FOLIO 635 BY AND BETWEEN THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION AND CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF MARYLAND.
– THIS EASEMENT IS LOCATED OFFSITE AND DOES NOT AFFECT THE SUBJECT PROPERTY

NOTES

(25) DEED OF EASEMENT DATED JUNE 19, 1986 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 1491, FOLIO 275 BY AND BETWEEN THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION AND JOHN W. METZLER AND DOROTHY L. METZLER.
– THIS EASEMENT IS LOCATED OFFSITE AND DOES NOT AFFECT THE SUBJECT PROPERTY

(26) DEED OF EASEMENT AND AGREEMENT DATED AUGUST 7, 1985 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 1785, FOLIO 158 BY AND BETWEEN THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION AND HOWARD COUNTY, MARYLAND.
– SHOWN ON SURVEY

3. PORTIONS OF THE PROPERTY SHOWN HEREON ARE LOCATED IN FLOOD ZONES "AS" & "A11", WHICH ARE AREAS OF 100 YEAR FLOOD HAZARD AREA. THE REMAINDER OF THE PROPERTY IS LOCATED IN A FLOOD ZONE "C", WHICH IS AN AREA OF MINIMAL FLOODING, ALL IN ACCORDANCE WITH FLOOD INSURANCE RATE MAP OF HOWARD COUNTY, MARYLAND, COMMUNITY PANEL NUMBER 240044 0034 B, EFFECTIVE DATE, DECEMBER 4, 1986.

4. NO VISIBLE EVIDENCE OF CEMETERIES, BURIAL GROUNDS, RAILROAD TRACKS OR SIDINGS ON, BORDERING, OR RUNNING THROUGH THE SURVEYED PREMISES WERE FOUND.

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF THAT THE PLAT SHOWN HEREON IS CORRECT AND CONFORMS TO THE MARYLAND MINIMUM STANDARDS ACCORDING TO COMAR 09.13.06.03 FOR BOUNDARY SURVEYS; THIS BOUNDARY SURVEY OF REQUIRE OF THE PROPERTY AS CONVEYED UNTO THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION, A MARYLAND CORPORATION, AS ACQUIRED IN LIBER 409, FOLIO 8 AND LIBER 409, FOLIO 549, AMONG THE LAND RECORDS OF HOWARD COUNTY, MARYLAND. THE REQUIREMENTS OF SECTION 3-108 OF THE ANNOTATED CODE OF MARYLAND (REAL PROPERTY ARTICLE) AS FAR AS IT CONCERNS THE MAKING OF THE PLAT AND THE SETTING OF THE MARKERS REQUIRED THEREIN, HAVE BEEN COMPLIED WITH TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

TO: GENERAL GROWTH PROPERTIES, INC., AND FIRST AMERICAN TITLE INSURANCE COMPANY

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE "MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS," JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS IN 2005, AND INCLUDES ITEMS 1, 2, 3, 4, 6, 7a, 7b, 8, 9, 10, 11a, 11b and 13 OF TABLE A THEREOF. PURSUANT TO THE ACCURACY STANDARDS AS ADOPTED BY ALTA AND NSPS AND IN EFFECT ON THE DATE OF THIS CERTIFICATION, UNDERSIGNED FURTHER CERTIFIES THAT IN MY PROFESSIONAL OPINION, AS A LAND SURVEYOR REGISTERED IN THE STATE OF MARYLAND, THE RELATIVE POSITIONAL ACCURACY OF THIS SURVEY DOES NOT EXCEED THAT WHICH IS SPECIFIED THEREIN.

PHILLIP W. BLEVINS, P.L.S. DATE

PROPERTY LINE SURVEYOR NO. 231-0

STATE OF MARYLAND — PHILIP A. BLEVINS — REGISTERED PROPERTY LINE SURVEYOR

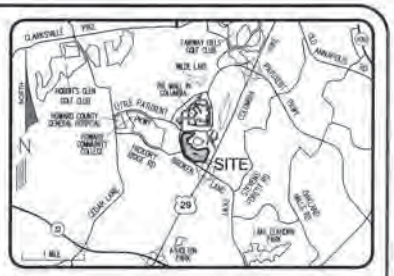
DESCRIPTION

ALL OF THOSE LOTS OR PARCELS OF LAND LOCATED IN HOWARD COUNTY, MARYLAND AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PORTION OF THE RESIDUE OF THE 801.198 ACRE PARCEL OF LAND CONVEYED BY G & S ENTERPRISES, INC. TO THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION BY DEED DATED OCTOBER 14, 1963 AND RECORDED AMONG THE LAND RECORDS OF HOWARD COUNTY IN LIBER 409, FOLIO 8, AND THE 53 ACRE PARCEL OF LAND CONVEYED BY SEBRING, INC. TO THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION BY DEED DATED NOVEMBER 7, 1963 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 409, FOLIO 549.

MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERN RIGHT-OF-WAY LINE OF BROKEN LAND PARKWAY, AS RECORDED IN PLAT NO. 6598 AMONG THE LAND RECORDS OF HOWARD COUNTY, MARYLAND, SAID POINT BEING ON THE SOUTHERN RIGHT-OF-WAY LINE OF LITTLE PATUXENT PARKWAY, ROUTE 175, WIDTH VARIES, AS RECORDED IN PLAT BOOK 12, PLAT NO. 60; THENCE DEPARTING SAID BROKEN LAND PARKWAY AND RUNNING WITH THE SOUTHERN LINES OF SAID LITTLE PATUXENT PARKWAY
174.04 FEET ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 676.29 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 87°37'00" EAST 173.56 FEET TO A POINT; THENCE
NORTH 85°00'38" EAST 665.90 FEET TO A POINT ON THE EASTERN LINE OF LOT 9B, AS RECORDED IN PLAT BOOK 15, PLAT NO. 32; THENCE DEPARTING SAID LITTLE PATUXENT PARKWAY AND RUNNING WITH THE WESTERN LINE OF SAID LOT 9B
SOUTH 04°59'21" EAST 27.00 FEET TO A POINT BEING THE NORTHWEST CORNER OF THE EXTERIOR BOUNDARY OF LOT 23, COLUMBIA, TOWN CENTER, SECTION 1, AS RECORDED IN PLAT BOOKS 13535 AND 13536; THENCE DEPARTING SAID LOT 9B AND RUNNING WITH THE LINES OF SAID LOT 23
200.24 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 260.75 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 17°00'39" WEST 185.36 FEET TO A POINT; THENCE
SOUTH 38°00'38" WEST 20.04 FEET TO A POINT; THENCE
358.03 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 905.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 50°20'39" WEST 355.70 FEET TO A POINT; THENCE
SOUTH 61°40'39" WEST 102.78 FEET TO A POINT; THENCE
251.96 FEET ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 225.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 29°35'39" WEST 239.03 FEET TO A POINT; THENCE
SOUTH 02°29'21" EAST 272.12 FEET TO A POINT; THENCE
SOUTH 82°37'23" EAST 315.82 FEET TO A POINT; THENCE
SOUTH 16°14'38" EAST 275.00 FEET TO A POINT; THENCE
SOUTH 69°24'27" EAST 516.84 FEET TO A POINT; THENCE WITH THE LINE OF SAID LOT 23, AND THE TERMINUS LINE OF SYMPHONY WOODS ROAD, A PUBLIC RIGHT-OF-WAY, UNIMPROVED, AS RECORDED IN PLAT BOOK 30, PLAT NO. 45, AND THE SOUTHERN LINE OF LOT 11C, RECORDED IN PLAT BOOK 30, PLAT NO. 45
NORTH 79°01'05" EAST 891.63 FEET TO A POINT ON A WESTERN LINE OF LOT 1, COLUMBIA TOWN CENTER, SECTION 5, AREA A, AS RECORDED IN PLAT NO. 14054; THENCE DEPARTING SAID LOT 11C AND RUNNING WITH THE LINES OF SAID LOT 1
SOUTH 08°22'37" WEST 199.00 FEET TO A POINT; THENCE
SOUTH 56°51'37" EAST 633.42 FEET TO A POINT; THENCE
SOUTH 21°05'06" WEST 934.31 FEET TO A POINT ON THE NORTHERN RIGHT-OF-WAY LINE OF BROKEN LAND PARKWAY, AS RECORDED ON MARYLAND STATE HIGHWAY ADMINISTRATION RIGHT-OF-WAY MAPS 51765, 51704, 51705 & 52147; THENCE DEPARTING SAID LOT 1 AND RUNNING WITH THE RIGHT-OF-WAY OF SAID BROKEN LAND PARKWAY
SOUTH 76°09'42" WEST 239.27 FEET TO A POINT; THENCE
SOUTH 85°19'11" WEST 75.00 FEET TO A POINT; THENCE
NORTH 58°13'05" WEST 86.02 FEET TO A POINT; THENCE
SOUTH 88°19'11" WEST 234.41 FEET TO A POINT; THENCE
SOUTH 59°28'56" WEST 53.89 FEET TO A POINT; THENCE
339.05 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 535.62 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 77°37'57" WEST 333.45 FEET TO A POINT; THENCE
NORTH 60°39'20" WEST 378.10 FEET TO A POINT; THENCE
425.83 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 1,359.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 49°20'57" WEST 424.07 FEET TO A POINT; THENCE
SOUTH 47°39'26" WEST 33.45 FEET TO A POINT ON THE EASTERN RIGHT-OF-WAY LINE OF BROKEN LAND PARKWAY AS RECORDED IN PLAT NO. 8598; THENCE RUNNING WITH SAID BROKEN LAND PARKWAY
346.21 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 1,070.92 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 23°00'44" WEST 344.70 FEET TO A POINT; THENCE
NORTH 13°45'03" WEST 972.71 FEET TO A POINT; THENCE
524.31 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 806.47 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 04°52'27" EAST 515.13 FEET TO A POINT; THENCE
NORTH 23°28'57" EAST 147.00 FEET TO A POINT; THENCE
NORTH 61°35'15" EAST 193.74 FEET TO THE POINT OF BEGINNING CONTAINING 3,843,633 SQUARE FEET OR 85.2808 ACRES, MORE OR LESS.



VICINITY MAP

SCALE: 1" = 2000'

PARKING

THERE ARE NO STRIPED PARKING AREAS WITHIN THE BOUNDS OF THE LAND SURVEYED. A GRAVEL AND DIRT PARKING AREA EXISTS WITH NO DETERMINATE NUMBER OF SPACES.

CURVE DATA

NO.	RADIUS	ARC	DELTA	TANGENT	CHORD	BEARING
1	260.75'	200.24'	44°00'00"	105.35'	195.36'	S17°00'39"W
2	805.00'	358.03'	25°40'00"	181.38'	355.70'	S50°29'39"W
3	225.00'	251.96'	64°10'00"	141.05'	239.03'	S29°35'39"W
4	536.62'	339.05'	36°12'07"	175.40'	333.45'	N77°33'57"W
5	1350.00'	425.83'	18°04'22"	214.70'	424.07'	N49°20'57"W
6	1070.92'	346.20'	18°31'21"	174.63'	344.70'	N23°00'44"W
7	806.47'	524.31'	37°15'00"	271.80'	515.13'	N04°52'27"E
8	676.29'	174.04'	14°44'45"	87.50'	173.56'	S87°37'00"E

ZONING

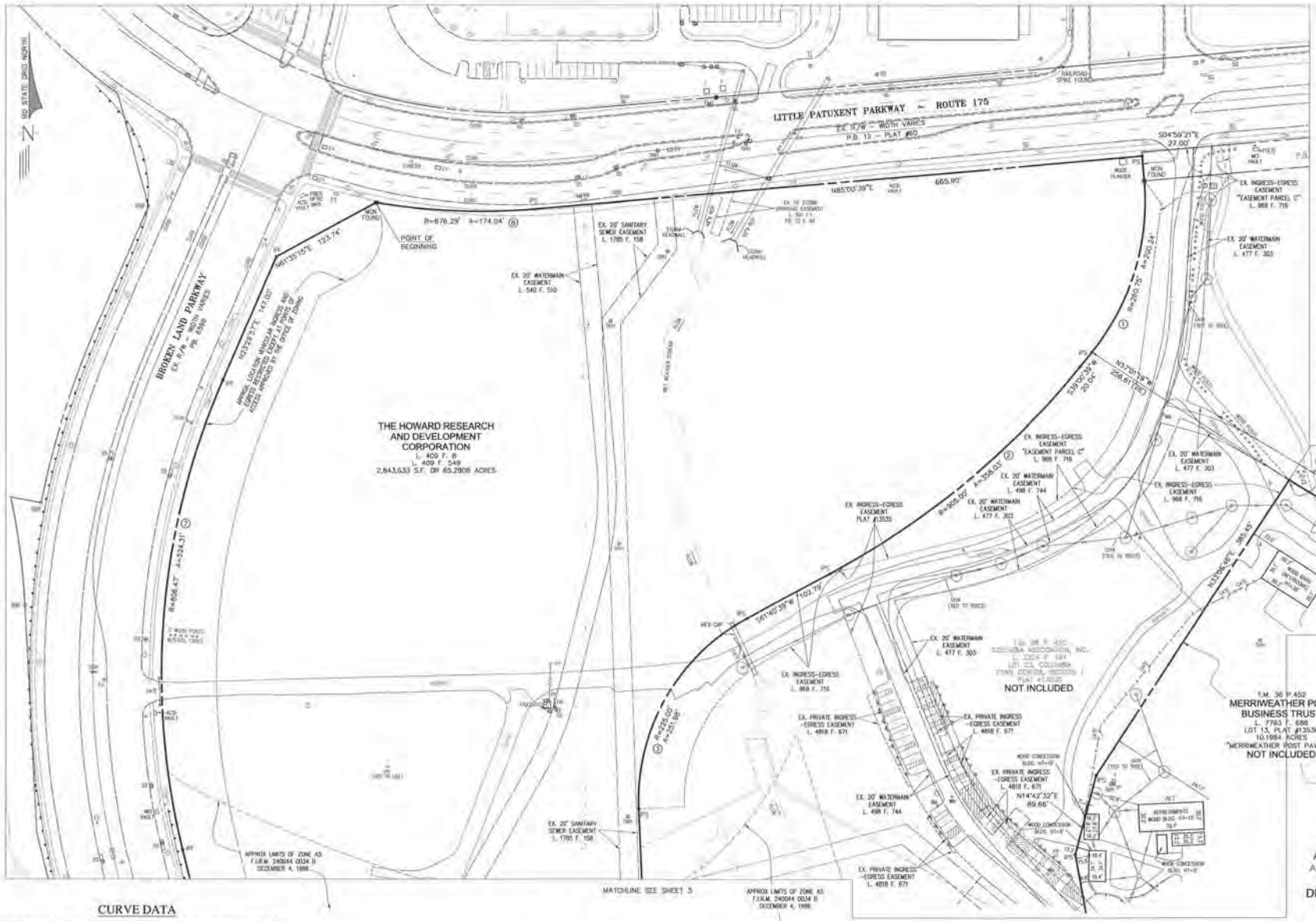
ZONED: NEW TOWN

SETBACK, HEIGHT AND BULK RESTRICTIONS ARE SET FORTH IN THE COMPREHENSIVE SKETCH PLAN AND FINAL DEVELOPMENT PLAN FOR THIS DISTRICT.

ALTA/ACSM LAND TITLE SURVEY
A PORTION OF THE PROPERTY OF
HOWARD RESEARCH AND DEVELOPMENT CORPORATION
LIBER 409 FOLIO 8 (CRESCENT)
LIBER 409 FOLIO 549
HOWARD COUNTY, MARYLAND
SCALE: N/A DATE: MAY, 2008

urban
Planners Engineers Landscape Architects Land Surveyors
Urban, Ltd.
7712 Little River Turnpike
Annandale, Virginia 22003
Tel. 703.642.8080
Fax 703.642.8081
www.urban-ltd.com

SHEET 1 OF 6



LEGEND

L	INDICATES LIBER
F	INDICATES FOLIO
PB	INDICATES PLAT BOOK
TP	INDICATES TRAFFIC POLE
TCB	INDICATES TRAFFIC CONTROL BOX
LP	INDICATES LIGHT POLE
	INDICATES SIGN
ACSI	INDICATES AMERICAN CABLE
MCI	INDICATES COMMUNICATION UTILITY
FO	INDICATES FIBER OPTIC BOX
COMM.	INDICATES COMMUNICATION
	INDICATES WTER VALVE
WM	INDICATES WATER METER
WMH	INDICATES WATER MANHOLE
FH	INDICATES FIRE HYDRANT
IPF	INDICATES IRON PIPE FOUND
RBF	INDICATES REBAR FOUND
MON	INDICATES SURVEY MONUMENT
IPS	INDICATES IRON PIPE SET
PKS	INDICATES PK NAIL SET
DHS	INDICATES DRILL HOLE SET
	INDICATES CENTERLINE OF DITCH
SG	INDICATES STORM GRATE
SS	INDICATES STORM STRUCTURE
RCP	INDICATES REINFORCED CONC. PIPE
CMP	INDICATES CORRUGATED METAL PIPE
SMH	INDICATES SANITARY MANHOLE
C/O	INDICATES SANITARY CLEAN OUT
EMH	INDICATES ELECTRICAL MANHOLE
EV	INDICATES ELECTRICAL VAULT
EB	INDICATES ELECTRICAL BOX
EM	INDICATES ELECTRICAL METER
OHW	INDICATES OVERHEAD WIRES
PP	INDICATES POWER POLE
T	INDICATES TRANSFORMER
	INDICATES OVERHEAD WIRES
	INDICATES BOLLARD / POST
	INDICATES TREE
	INDICATES TRANSFORMER

CURVE DATA

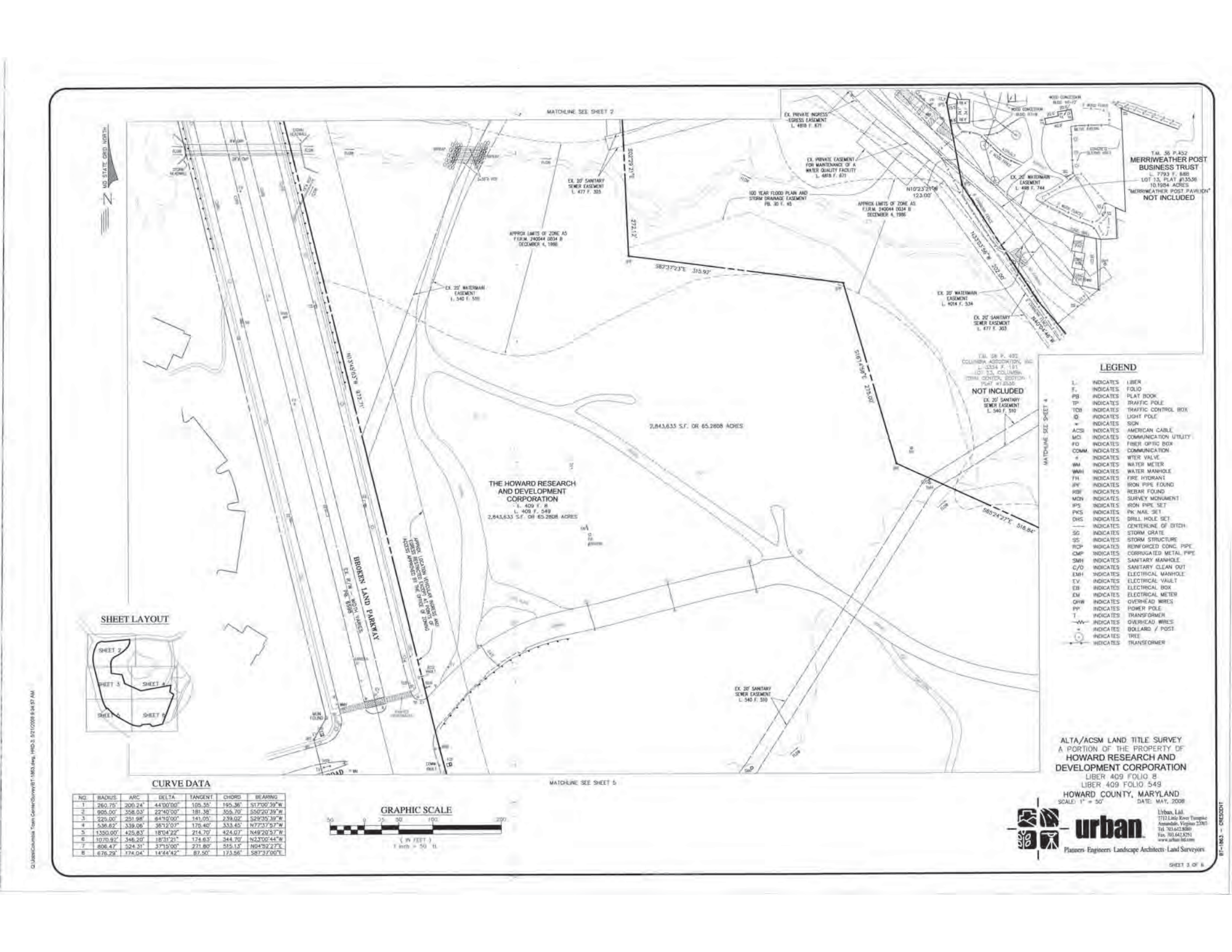
NO.	RADIUS	ARC	DELTA	TANGENT	CHORD	BEARING
1	260.79'	260.24'	44°00'00"	105.35'	185.36'	S17°00'39"W
2	905.00'	358.03'	22°40'00"	181.36'	355.70'	S50°20'39"W
3	225.00'	251.88'	64°10'00"	141.05'	239.02'	S29°35'39"W
4	536.62'	339.06'	36°12'00"	175.40'	333.45'	N77°37'57"W
5	1350.00'	425.83'	18°04'22"	214.70'	424.07'	N49°20'57"W
6	1070.92'	346.20'	18°31'21"	174.63'	344.70'	N23°00'44"W
7	806.43'	524.31'	37°15'00"	271.80'	515.13'	N04°52'27"E
8	676.29'	174.04'	14°44'42"	87.50'	173.56'	S87°37'00"E

GRAPHIC SCALE
50 0 25 50 100 200
(IN FEET)
1 inch = 50 ft.

ALTA/ACSM LAND TITLE SURVEY
A PORTION OF THE PROPERTY OF
HOWARD RESEARCH AND DEVELOPMENT CORPORATION
LIBER 409 FOLIO 8
LIBER 409 FOLIO 549
HOWARD COUNTY, MARYLAND
SCALE: 1" = 50' DATE: MAY, 2008

urban
Planners · Engineers · Landscape Architects · Land Surveyors
Urban, Ltd.
7712 Little River Turnpike
Annandale, Virginia 22003
Tel. 703.642.8080
Fax. 703.642.8251
www.urban-ltd.com

C:\Users\Columbia Town Center\Surveys\81-1863 dwg, HRD-2, 9/2/2008 8:34:39 AM



LEGEND

L.	INDICATES LIBER
F.	INDICATES FOLIO
PB	INDICATES PLAT BOOK
TP	INDICATES TRAFFIC POLE
TCB	INDICATES TRAFFIC CONTROL BOX
☼	INDICATES LIGHT POLE
▪	INDICATES SIGN
ACS	INDICATES AMERICAN CABLE
MCI	INDICATES COMMUNICATION UTILITY
FO	INDICATES FIBER OPTIC BOX
COMM.	INDICATES COMMUNICATION
⊗	INDICATES WTER VALVE
WM	INDICATES WATER METER
WMH	INDICATES WATER MANHOLE
FH	INDICATES FIRE HYDRANT
IPF	INDICATES IRON PIPE FOUND
RBF	INDICATES REBAR FOUND
MON	INDICATES SURVEY MONUMENT
IPS	INDICATES IRON PIPE SET
PKS	INDICATES PK NAIL SET
DHS	INDICATES DRILL HOLE SET
——	INDICATES CENTERLINE OF DITCH
SG	INDICATES STORM GRATE
SS	INDICATES STORM STRUCTURE
RCP	INDICATES REINFORCED CONC. PIPE
CMP	INDICATES CORRUGATED METAL PIPE
SMH	INDICATES SANITARY MANHOLE
C/O	INDICATES SANITARY CLEAN OUT
EMH	INDICATES ELECTRICAL MANHOLE
EV	INDICATES ELECTRICAL VAULT
EB	INDICATES ELECTRICAL BOX
EM	INDICATES ELECTRICAL METER
OHW	INDICATES OVERHEAD WIRES
PP	INDICATES POWER POLE
T	INDICATES TRANSFORMER
~~	INDICATES OVERHEAD WIRES
●	INDICATES BOLLARD / POST
○	INDICATES TREE
●T●	INDICATES TRANSFORMER

CURVE DATA

NO.	RADIUS	ARC	DELTA	TANGENT	CHORD	BEARING
1	260.75'	200.24'	44°00'00"	105.35'	195.36'	S17°00'39"W
2	905.00'	358.03'	22°40'00"	181.38'	355.70'	S50°20'39"W
3	225.00'	251.98'	64°10'00"	141.05'	239.02'	S29°35'39"W
4	536.62'	339.06'	36°12'07"	176.40'	333.45'	N72°37'57"W
5	1350.00'	425.83'	18°04'22"	214.70'	424.07'	N49°20'57"W
6	1070.92'	346.20'	18°31'21"	174.63'	344.70'	N23°06'44"W
7	806.47'	524.31'	37°15'00"	271.80'	515.13'	N04°52'27"E
8	676.29'	174.04'	14°44'42"	87.50'	173.56'	S87°37'00"E

GRAPHIC SCALE

50 0 25 50 100 200

(IN FEET)

1 inch = 50 ft.

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF THE PROPERTY OF

HOWARD RESEARCH AND DEVELOPMENT CORPORATION

LIBER 409 FOLIO 8

LIBER 409 FOLIO 549

HOWARD COUNTY, MARYLAND

SCALE: 1" = 50' DATE: MAY, 2008

urban

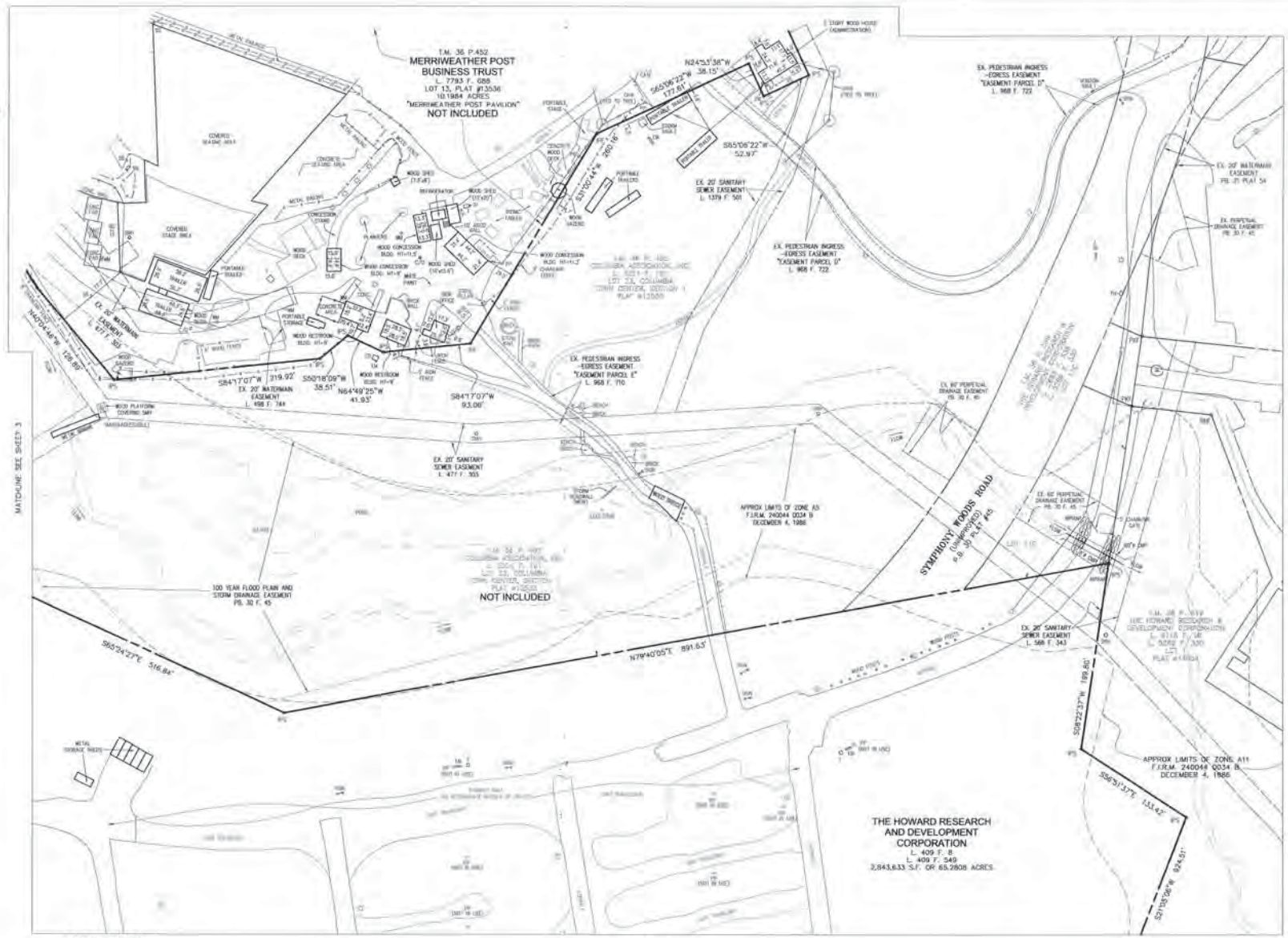
Planners·Engineers·Landscape Architects·Land Surveyors

Urban, Ltd.
7712 Little River Turnpike
Annandale, Virginia 22003
Tel. 703.642.8080
Fax. 703.642.8251
www.urban-ltd.com

SHEET 3 OF 6

87-1863 - CRESCENT

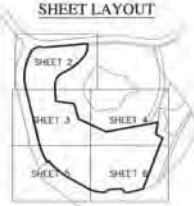
Q:\Jobs\Columbia Town Center\Survey\87-1863.dwg, HWD-3, 5/21/2009 8:34:57 AM



LEGEND

L.	INDICATES LIBER
F.	INDICATES FOLIO
PB	INDICATES PLAT BOOK
TP	INDICATES TRAFFIC POLE
TCB	INDICATES TRAFFIC CONTROL BOX
☼	INDICATES LIGHT POLE
▬	INDICATES SIGN
ACSI	INDICATES AMERICAN CABLE
MCI	INDICATES COMMUNICATION UTILITY
FO	INDICATES FIBER OPTIC BOX
COMM.	INDICATES COMMUNICATION
⋈	INDICATES WTER VALVE
WM	INDICATES WATER METER
WMH	INDICATES WATER MANHOLE
FH	INDICATES FIRE HYDRANT
IPF	INDICATES IRON PIPE FOUND
REF	INDICATES REBAR FOUND
MON	INDICATES SURVEY MONUMENT
IPS	INDICATES IRON PIPE SET
PKS	INDICATES PK NAIL SET
DHS	INDICATES DRILL HOLE SET
——	INDICATES CENTERLINE OF DITCH
SG	INDICATES STORM GRATE
SS	INDICATES STORM STRUCTURE
RCP	INDICATES REINFORCED CONC. PIPE
CMP	INDICATES CORRUGATED METAL PIPE
SMH	INDICATES SANITARY MANHOLE
C/O	INDICATES SANITARY CLEAN OUT
EMH	INDICATES ELECTRICAL MANHOLE
EV	INDICATES ELECTRICAL VAULT
EB	INDICATES ELECTRICAL BOX
EM	INDICATES ELECTRICAL METER
OHW	INDICATES OVERHEAD WIRES
PP	INDICATES POWER POLE
T	INDICATES TRANSFORMER
~W~	INDICATES OVERHEAD WIRES
●	INDICATES BOLLARD / POST
⊙	INDICATES TREE
▼	INDICATES TRANSFORMER

SHEET LAYOUT



CURVE DATA

NO.	RADIUS	ARC	DELTA	TANGENT	CHORD	BEARING
1	260.75'	200.24'	44°00'00"	105.35'	195.36'	S17°00'39"W
2	905.00'	358.03'	22°40'00"	181.38'	355.70'	S00°20'39"W
3	225.00'	291.98'	64°10'00"	141.05'	239.02'	S29°35'39"W
4	536.62'	339.06'	36°12'07"	175.40'	333.45'	N77°37'57"W
5	1350.00'	425.83'	18°04'22"	214.70'	424.07'	N49°20'57"W
6	1070.92'	346.20'	18°31'21"	174.63'	344.70'	N23°00'44"W
7	806.47'	524.31'	37°15'00"	271.80'	515.13'	N04°32'27"E
8	676.29'	174.04'	14°44'42"	87.50'	173.56'	S87°37'00"E

GRAPHIC SCALE

0 25 50 100 200
(IN FEET)
1 inch = 50 ft

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF THE PROPERTY OF

HOWARD RESEARCH AND DEVELOPMENT CORPORATION

LIBER 409 FOLIO 8

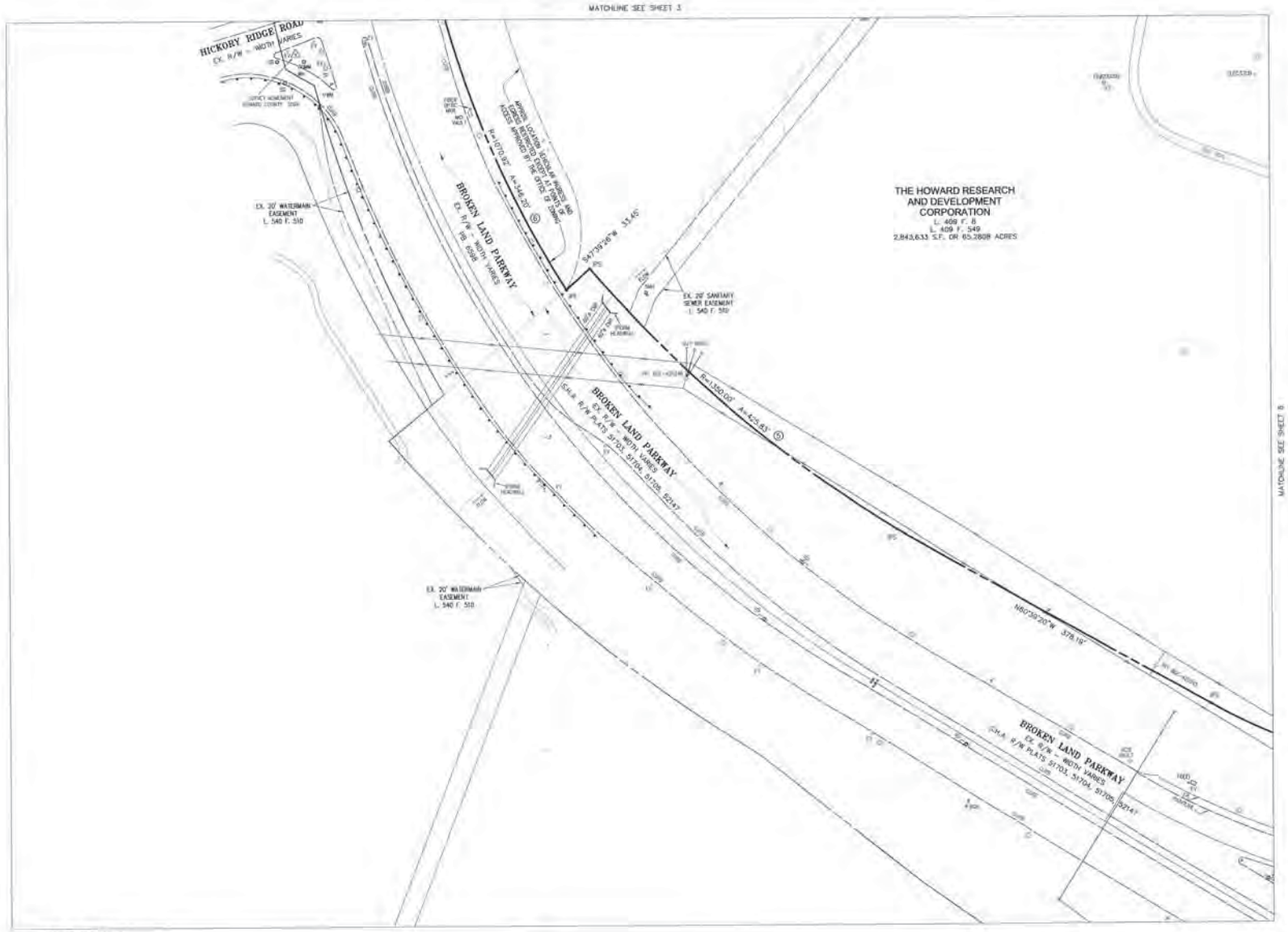
LIBER 409 FOLIO 549

HOWARD COUNTY, MARYLAND

SCALE: 1" = 50' DATE: MAY, 2008

urban
Urban, Ltd.
7712 Little River Turnpike
Annandale, Virginia 22003
Tel: 703.642.8080
Fax: 703.642.8251
www.urban-ltd.com
Planners Engineers Landscape Architects Land Surveyors

SHEET 4 OF 8



LEGEND

L.	INDICATES	LIBER
F.	INDICATES	FOLIO
PB	INDICATES	PLAT BOOK
TP	INDICATES	TRAFFIC POLE
TCB	INDICATES	TRAFFIC CONTROL BOX
☼	INDICATES	LIGHT POLE
▬	INDICATES	SIGN
ACS	INDICATES	AMERICAN CABLE
MCI	INDICATES	COMMUNICATION UTILITY
FO	INDICATES	FIBER OPTIC BOX
COMM.	INDICATES	COMMUNICATION
⊗	INDICATES	WTER VALVE
WM	INDICATES	WATER METER
WMH	INDICATES	WATER MANHOLE
FH	INDICATES	FIRE HYDRANT
IPF	INDICATES	IRON PIPE FOUND
RBF	INDICATES	REBAR FOUND
MON	INDICATES	SURVEY MONUMENT
IPS	INDICATES	IRON PIPE SET
PKS	INDICATES	PK NAIL SET
DHS	INDICATES	DRILL HOLE SET
—	INDICATES	CENTERLINE OF DITCH
SG	INDICATES	STORM GRATE
SS	INDICATES	STORM STRUCTURE
RCP	INDICATES	REINFORCED CONC. PIPE
CMP	INDICATES	CORRUGATED METAL PIPE
SMH	INDICATES	SANITARY MANHOLE
C/O	INDICATES	SANITARY CLEAN OUT
EMH	INDICATES	ELECTRICAL MANHOLE
EV	INDICATES	ELECTRICAL VAULT
EB	INDICATES	ELECTRICAL BOX
EM	INDICATES	ELECTRICAL METER
OHW	INDICATES	OVERHEAD WIRES
PP	INDICATES	POWER POLE
T	INDICATES	TRANSFORMER
-W-	INDICATES	OVERHEAD WIRES
•	INDICATES	BOLLARD / POST
	INDICATES	TREE
	INDICATES	TRANSFORMER

SHEET LAYOUT



CURVE DATA

NO.	RADIUS	ARC	DELTA	TANGENT	CHORD	BEARING
1	260.75'	200.24'	44°00'00"	105.35'	195.36'	S17°00'39"W
2	905.00'	358.03'	22°40'00"	181.35'	355.70'	S50°20'39"W
3	225.00'	251.98'	64°10'00"	141.05'	239.02'	S29°35'39"W
4	536.62'	339.06'	36°12'07"	175.40'	333.45'	N77°17'57"W
5	1350.00'	425.83'	18°04'22"	214.70'	424.07'	N68°20'57"W
6	1070.92'	346.20'	18°31'21"	174.63'	344.70'	N23°00'44"W
7	806.47'	524.31'	37°15'00"	271.80'	515.13'	N04°52'27"E
8	676.29'	174.04'	14°44'42"	87.50'	173.56'	S87°37'00"E

GRAPHIC SCALE

50 0 25 50 100 200

(IN FEET)
1 inch = 50 ft.

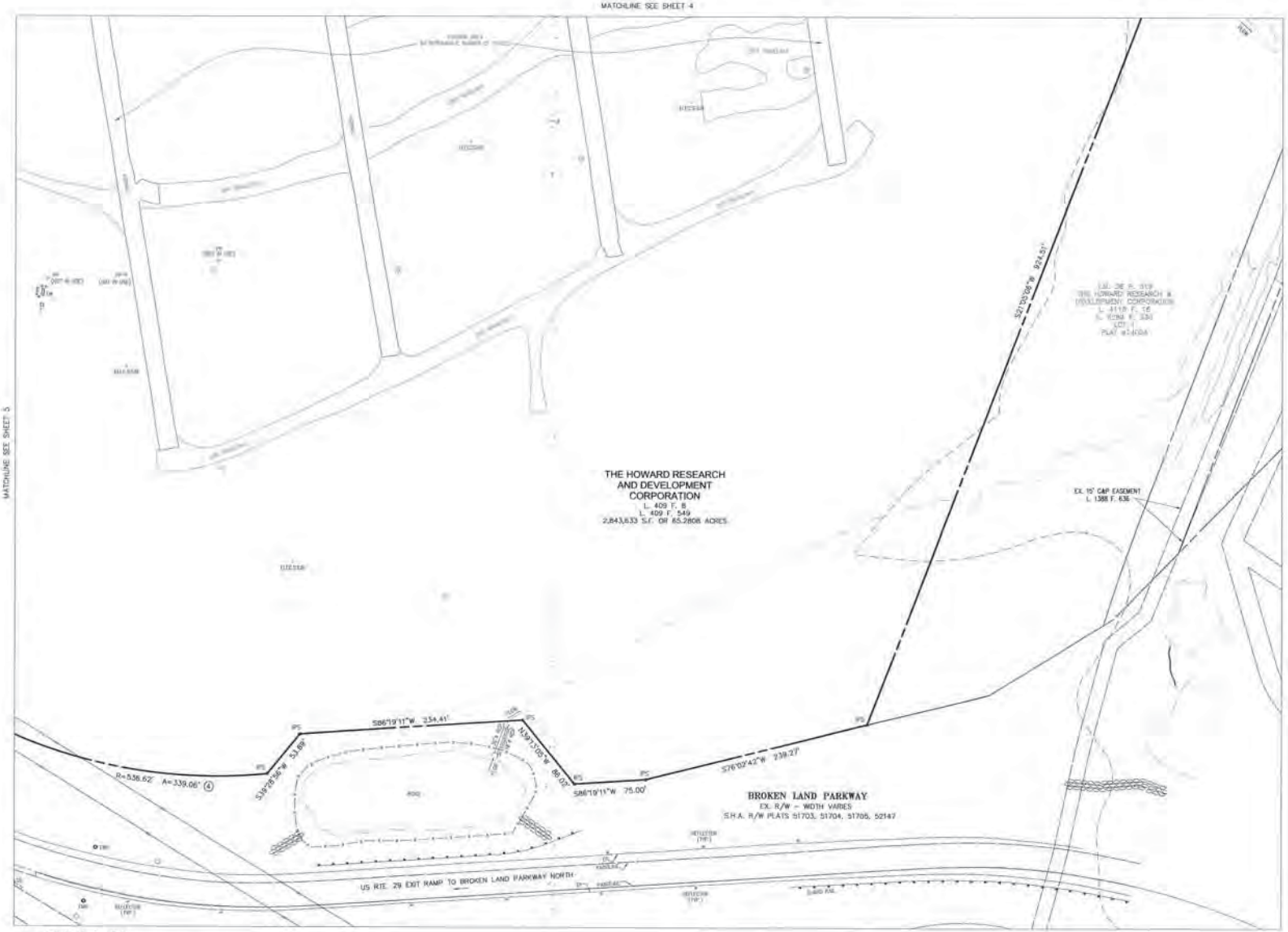
ALTA/ACSM LAND TITLE SURVEY
A PORTION OF THE PROPERTY OF
HOWARD RESEARCH AND DEVELOPMENT CORPORATION
LIBER 409 FOLIO 8
LIBER 409 FOLIO 549
HOWARD COUNTY, MARYLAND
SCALE: 1" = 50' DATE: MAY, 2008

urban
Planners Engineers Landscape Architects Land Surveyors
Urban, Ltd.
7112 Little River Turnpike
Annandale, Virginia 22003
Tel. 703.642.8080
Fax. 703.642.8231
www.urban-ltd.com

SHEET 5 OF 6

31-1863 - CKESDIT

D:\Jobs\Clarmtie Town Center\Survey\87-1863.dwg, HHDA 5, 5/21/2009 8:35:33 AM



LEGEND

L	INDICATES	LIBER
F	INDICATES	FOLIO
PB	INDICATES	PLAT BOOK
TP	INDICATES	TRAFFIC POLE
TCB	INDICATES	TRAFFIC CONTROL BOX
	INDICATES	LIGHT POLE
	INDICATES	SIGN
ACSI	INDICATES	AMERICAN CABLE
MCI	INDICATES	COMMUNICATION UTILITY
FO	INDICATES	FIBER OPTIC BOX
COMM.	INDICATES	COMMUNICATION
	INDICATES	WTER VALVE
WM	INDICATES	WATER METER
WMH	INDICATES	WATER MANHOLE
FH	INDICATES	FIRE HYDRANT
IPF	INDICATES	IRON PIPE FOUND
RBF	INDICATES	REBAR FOUND
MON	INDICATES	SURVEY MONUMENT
IPS	INDICATES	IRON PIPE SET
PKS	INDICATES	PK NAIL SET
DHS	INDICATES	DRILL HOLE SET
	INDICATES	CENTERLINE OF DITCH
SG	INDICATES	STORM GRATE
SS	INDICATES	STORM STRUCTURE
RCP	INDICATES	REINFORCED CONC. PIPE
CMP	INDICATES	CORRUGATED METAL PIPE
SMH	INDICATES	SANITARY MANHOLE
C/O	INDICATES	SANITARY CLEAN OUT
EMH	INDICATES	ELECTRICAL MANHOLE
EV	INDICATES	ELECTRICAL VAULT
EB	INDICATES	ELECTRICAL BOX
EM	INDICATES	ELECTRICAL METER
OHW	INDICATES	OVERHEAD WIRES
PP	INDICATES	POWER POLE
T	INDICATES	TRANSFORMER
	INDICATES	OVERHEAD WIRES
	INDICATES	BOLLARD / POST
	INDICATES	TREE
	INDICATES	TRANSFORMER

SHEET LAYOUT



CURVE DATA

NO.	RADIUS	ARC	DELTA	TANGENT	CHORD	BEARING
1	260.75'	200.24'	44°00'00"	105.35'	195.36'	S17°00'39"W
2	905.00'	358.03'	22°40'00"	181.38'	355.70'	S50°20'39"W
3	225.00'	251.98'	64°10'00"	141.05'	239.02'	S29°35'39"W
4	536.62'	339.06'	36°12'07"	175.40'	333.45'	N77°37'57"W
5	1350.00'	425.83'	18°04'22"	214.70'	424.07'	N49°20'57"W
6	1070.92'	346.20'	18°31'21"	174.63'	344.70'	N23°00'44"W
7	806.47'	524.31'	37°15'00"	271.80'	515.13'	N04°52'27"E
8	676.29'	174.04'	14°44'42"	87.50'	173.56'	S87°37'00"E

GRAPHIC SCALE

50 0 25 50 100 200

(IN FEET)
1 inch = 50 ft.

ALTA/ACSM LAND TITLE SURVEY
A PORTION OF THE PROPERTY OF
HOWARD RESEARCH AND DEVELOPMENT CORPORATION
LIBER 409 FOLIO 8
LIBER 409 FOLIO 549
HOWARD COUNTY, MARYLAND
SCALE: 1" = 50' DATE: MAY, 2008

urban
Urban, Ltd.
7712 Little River Turnpike
Annandale, Virginia 22003
Tel. 703.642.8080
Fax. 703.642.8251
www.urban-ltd.com
Planners Engineers Landscape Architects Land Surveyors

ST-1863 - CRESCENT

Q:\Jobs\Columbia Town Center\Survey\ST-1863.dwg, 1863-6, 9/21/2008 9:38:11 AM

Comparable Office Land Sales



JHU Applied Physics Land Parcel
10905 Johns Hopkins Road
Fulton MD 20723
MSA: Baltimore
Howard County

Property Type:	Land
Property Subtype:	Commercial
ID:	351293
APN:	05-363810
	05-383676

PROPERTY INFORMATION

Site Area (Acres):	54.11	Public Utilities:	All Needed
Site Area (SqFt):	2,357,118	Electricity:	Yes
Zoning:	RR-MXD-3	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	Yes
Frontage:	Good	Proposed Use:	Mixed Use
Visibility:	Good	Maximum FAR:	0.35
Shape:	Irregular	Building Area:	825,000
Topography:	Gently Sloping	Potential Units:	N/A

SALE INFORMATION

Sale Status:	Recorded Sale	Price per SqFt:	$10.61
Transaction Date:	3/2015	Price per Acre:	$462,005
Sale Price:	$25,000,000	Price per Building Area:	$30.30
Grantor:	Mildred B Price Family Living Trust	Price per Potential Units:	N/A
Grantee:	Johns Hopkins University		
Value Interest:	Fee Simple		
Condition of Sale:	None		

VERIFICATION COMMENTS

Public Records, Reliable Third Party

COMMENTS

This was the sale of a 54-acre parcel of land located at the southwest quadrant of Johns Hopkins Road and Old Columbia Road, within the Fulton area of Howard County. The property is located southwest of the interchange of U.S. Route 29 and Johns Hopkins Road within the Baltimore-Washington Corridor. Johns Hopkins University acquired the site for future expansion of its Applied Physics Laboratory campus. The buyer confirmed they plan to hold the property for at least 5 years before considering development to expand their campus, which is located directly adjacent to the property. The university had heard that the seller received unsolicited offers for the land and decided to approach the seller. The property was not listed on the market at the time of sale, but the sale price was market-oriented according to market participants. The site was partially cleared for farming use and was improved with a small house, which offered no contributory value. The site is zoned RR-MXD-3, which allows for mixed use development up to an FAR of 0.35, or about 825,000 square feet of potential gross building area.



Columbia Gateway Parcel
7005 Columbia Gateway Drive
Columbia MD 21046
MSA: Baltimore
Howard County

Property Type:	Land
Property Subtype:	Office
ID:	309171
APN:	06-583989

PROPERTY INFORMATION

Site Area (Acres):	4.50	Public Utilities:	All Available
Site Area (SqFt):	196,020	Electricity:	Yes
Zoning:	M-1	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	Yes
Frontage:	Good	Proposed Use:	Office
Visibility:	Good	Maximum FAR:	N/A
Shape:	Irregular	Building Area:	70,000
Topography:	Level	Potential Units:	N/A

SALE INFORMATION

Sale Status:	Recorded Sale	Price per SqFt:	$15.30
Transaction Date:	6/2014	Price per Acre:	$666,667
Sale Price:	$3,000,000	Price per Building Area:	$42.86
Grantor:	Merkle, Inc.	Price per Potential Units:	N/A
Grantee:	Corporate Office Properties Trust		
Value Interest:	Fee Simple		
Condition of Sale:	None		

VERIFICATION COMMENTS

Public Records, Reliable Third Party

COMMENTS

This was the sale of a finished parcel of land located within the Columbia Gateway business park, centrally located within the Baltimore-Washington Corridor. The site was excess land that the seller had previously acquired as part of their build-to-suit office/data center located adjacent to the property. The seller had approvals to expand their facility on this site with up to 70,000 square feet. The buyer, COPT, owns adjacent office properties within Columbia Gateway including low-rise and mid-rise office buildings.



Harbor Point Parcel
1000 Wills Street
Land Unit 2 at Harbor Point
Baltimore MD 21231
MSA: Baltimore
Baltimore City County

Property Type:	Land
Property Subtype:	Planned Development (PUD)
ID:	322552
APN:	Harbor Point PUD- Land Unit 2 (Ward: 3, Section: 07, Block: 1815, Lot: 002)

PROPERTY INFORMATION

Site Area (Acres):	1.74	Public Utilities:	All Available
Site Area (SqFt):	75,965	Electricity:	Yes
Zoning:	PUD	Water:	Yes
Utility:	Excellent	Sewer:	Yes
Access:	Good	Gas:	Yes
Frontage:	Good	Proposed Use:	Mixed Use
Visibility:	Good	Maximum FAR:	N/A
Shape:	Irregular	Building Area:	636,121
Topography:	Level	Potential Units:	N/A

SALE INFORMATION

Sale Status:	Recorded Sale	Price per SqFt:	$309.68
Transaction Date:	4/2014	Price per Acre:	$13,489,755
Sale Price:	$23,525,000	Price per Building Area:	$36.98
Grantor:	Honeywell International, Inc.	Price per Potential Units:	N/A
Grantee:	Beatty Development Group, LLC		
Value Interest:	Fee Simple		
Condition of Sale:	None		

VERIFICATION COMMENTS

Public Records, Confidential

COMMENTS

This is the land acquisition costs associated with development of a mixed-use development within the Harbor Point planned unit development located along the Inner Harbor in downtown Baltimore City. The site was approved at the time of sale for development of a mixed-use 21-story tower, which will include 477,182 square feet of office space, 38,497 square feet of retail space, 103 apartment units (120,442 square feet) and a 750 space parking garage.



Annapolis Junction Business Park
8201 Dorsey Run Road
Annapolis Junction MD 20701
MSA: Baltimore
Anne Arundel County

Property Type:	Land
Property Subtype:	Office
ID:	284718
APN:	04-000-90221373

PROPERTY INFORMATION

Site Area (Acres):	5.82	Public Utilities:	All Available
Site Area (SqFt):	253,519	Electricity:	Yes
Zoning:	W2	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	Yes
Frontage:	Good	Proposed Use:	Office
Visibility:	Good	Maximum FAR:	N/A
Shape:	Irregular	Building Area:	129,000
Topography:	Level	Potential Units:	N/A

SALE INFORMATION

Sale Status:	Recorded Sale	Price per SqFt:	$21.22
Transaction Date:	4/2014	Price per Acre:	$924,324
Sale Price:	$5,379,562	Price per Building Area:	$41.70
Grantor:	Konterra Limited Partnership	Price per Potential Units:	N/A
Grantee:	Boston Properties/ Konterra Realty JV		
Value Interest:	Fee Simple		
Condition of Sale:	None		

VERIFICATION COMMENTS

Public Records, Seller

COMMENTS

This was the sale of a finished parcel of land located within the Annapolis Junction Business Park, which is centrally located within the Baltimore-Washington Corridor. The business park is located at the southwest quadrant of MD Routes 32 and 295 and is within three miles of Fort Meade and NSA. The buyer, a joint venture of Boston Properties and Konterra Realty, acquired the finished site for development of a +/-129,000 square foot, four-story office building. Konterra and BP already delivered three office/R&D buildings within the business park, which are well-leased to government defense and security contractors affiliated with the NSA complex and Fort Meade.



Emerson Corporate Commons North
9601 Eternal Rings Drive
9951 Eternal Rings Drive
Laurel MD 20723
MSA: Baltimore
Howard County
Baltimore - Columbia South

Property Type:	Land
Property Subtype:	Office
ID:	310128
APN:	06-594004, 06-594005, 06-594006, 06-587151

PROPERTY INFORMATION

Site Area (Acres):	58.27	Public Utilities:	All Available
Site Area (SqFt):	2,538,328	Electricity:	Yes
Zoning:	PEC-MXD-3	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	Yes
Frontage:	Good	Proposed Use:	Office
Visibility:	Good	Maximum FAR:	N/A
Shape:	Irregular	Building Area:	567,600
Topography:	Gently Sloping	Potential Units:	N/A

SALE INFORMATION

Sale Status:	Recorded Sale	Price per SqFt:	$7.17
Transaction Date:	1/2014	Price per Acre:	$312,328
Sale Price:	$18,200,000	Price per Building Area:	$32.06
Grantor:	Howard Research and Development	Price per Potential Units:	N/A
Grantee:	Knott Realty Group		
Value Interest:	Fee Simple		
Condition of Sale:	None		

VERIFICATION COMMENTS

Public Records, Seller, Buyer

COMMENTS

This was the sale of about 58 acres of land within the Emerson Corporate Commons development located north of MD Route 216 at the southwest quadrant of Gorman Road and Stephens Road in Laurel, in two separate transactions totaling $13 million. The two contiguous land parcels had entitlements in place for development of up to four office buildings totaling 567,600 square feet of building area. The developer indicated the land could potential yield additional FAR with a mix of office and retail uses; however, a precise plan had not been drafted or submitted for preliminary approvals at the time of sale. The indicated FAR is reflective of planned secured office space for federal government-related tenancy (GSA). The parcels were partially cleared and graded at the time of sale. Although the recorded purchase price was $13 million, the buyer anticipated spending $5.2 million in site development costs to extend public utilities and roads to the project, as well as other costs including site engineering, grading and fill. The buyer previously acquired the remaining land parcels within the Emerson development and developed multiple mid-rise office buildings. These two remaining parcels have direct frontage and visibility along Interstate 95. Approximately 9.524 acres of the land will be reserved for open space and 2.105 acres will be dedicated for public roads.



Annapolis Junction Business Park
8197 Dorsey Run Road
Annapolis Junction MD 20701
MSA: Baltimore
Anne Arundel County
Baltimore - BWI/Anne Arundel

Property Type:	Land
Property Subtype:	Office
ID:	242493
APN:	04-000-90221372; Lot: 7RR

PROPERTY INFORMATION

Site Area (Acres):	13.55	Public Utilities:	All Available
Site Area (SqFt):	590,063	Electricity:	Yes
Zoning:	W2	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	Yes
Frontage:	Good	Proposed Use:	Office
Visibility:	Good	Maximum FAR:	N/A
Shape:	Irregular	Building Area:	150,000
Topography:	Level	Potential Units:	N/A

SALE INFORMATION

Sale Status:	Recorded Sale	Price per SqFt:	$9.12
Transaction Date:	11/2012	Price per Acre:	$397,133
Sale Price:	$5,379,562	Price per Building Area:	$35.86
Grantor:	Konterra Limited Partnership	Price per Potential Units:	N/A
Grantee:	Boston Properties		
Value Interest:	Fee Simple		
Condition of Sale:	None		

VERIFICATION COMMENTS

Public Records (recorded deed); Reliable Third Party

COMMENTS

This was the sale of a finished parcel of land located within the Annapolis Junction Business Park, which is centrally located within the Baltimore-Washington Corridor. The business park is located at the southwest quadrant of MD Routes 32 and 295 and is within three miles of Fort Meade and NSA. The property sold with entitlements in place to develop a 4-story, 150,000 square foot office building.

Comparable Apartment Land Sales



Apartment Land- m.flats
10100 Twin Rivers Road
10101 Twin Rivers Road
Columbia MD 21044
MSA: Baltimore
Howard County
Baltimore - Columbia Town Center

Property Type:	Land
Property Subtype:	Multi-Family - Apartment
ID:	378371
APN:	15-130156; (Parcel C1) 15-595159 (Parcel C2)

PROPERTY INFORMATION

Site Area (Acres):	4.96	Public Utilities:	All Available
Site Area (SqFt):	215,896	Electricity:	Yes
Zoning:	NT	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	N/A
Frontage:	Good	Proposed Use:	Residential-Multi-Family
Visibility:	Good	Maximum FAR:	N/A
Shape:	Rectangular	Building Area:	573,946
Topography:	Gently Sloping	Potential Units:	437
Density (Units/Acre):	88.10		

SALE INFORMATION

Sale Status:	Recorded Sale	Price per SqFt:	$108.29
Transaction Date:	1/2016	Price per Acre:	$4,717,238
Sale Price:	$23,380,000	Price per Building Area:	$40.74
Grantor:	The Howard Hughes Corporation	Price per Potential Units:	$53,501
Grantee:	Kettler, Inc.		
Value Interest:	Fee Simple		
Condition of Sale:	None		

VERIFICATION COMMENTS

Seller

COMMENTS

This was the sale of a site proposed for development of a 437-unit multi-family mid-rise property with ground level retail space located at the northeast intersection of Broken Land Parkway and Town Center Avenue in downtown Columbia, just west of the Mall in Columbia. The proposed project consists of two 5-6 story mid-rise wood/frame wrap-design apartment buildings, improved around an above-grade structured parking. The project also includes with 28,756 square-feet of ground-level retail space. The site was rough-graded at the time of the sale and the purchase price reflects costs of in-place grading, road infrastructure and utilities. Entitlements for the project were approved in 2012. Kettler joined a joint venture with The Howard Hughes Corporation. Since the sale represents a joint venture, no deed was recorded. The project does not have an affordable housing component and the retail component is forecast to represent about 5.0 percent of the net operating income. The developer broke ground in mid 2016 and is scheduled for completion in 2018.



Apartment Land- Hanover Stadium Square
101 West Cross Street
1112 Race Street
Baltimore MD 21230
MSA: Baltimore
Baltimore City County

Property Type:	Land
Property Subtype:	Multi-Family - Apartment
ID:	364842
APN:	23-07-0947-001, 003, 012, 013, 014, 015, 016, 030, 039, 043

PROPERTY INFORMATION

Site Area (Acres):	2.33	Public Utilities:	All Available
Site Area (SqFt):	101,421	Electricity:	Yes
Zoning:	M-2-2	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	Yes
Frontage:	Good	Proposed Use:	Residential-Multi-Family
Visibility:	Good	Maximum FAR:	N/A
Shape:	Irregular	Building Area:	N/A
Topography:	Level	Potential Units:	299
Density (Units/Acre):	128.33		

SALE INFORMATION

Sale Status:	Recorded Sale	Price per SqFt:	$162.15
Transaction Date:	1/2016	Price per Acre:	$7,063,078
Sale Price:	$16,445,000	Price per Building Area:	N/A
Grantor:	Caves Valley Partners	Price per Potential Units:	$55,000
Grantee:	The Hanover Company		
Value Interest:	Fee Simple		
Condition of Sale:	None		

VERIFICATION COMMENTS

Public Records, Reliable Third Party

COMMENTS

This was the purchase of two parcels of land located at the southwest quadrant of W. Cross Street and Race Street within the South Baltimore neighborhood of Sharp-Leadenhall. The site is located just east of the Interstate 395 overpass and M&T Bank Ravens Stadium. The assembled parcels were partially improved with industrial buildings at time of sale, which were razed for development of a 299-unit mid-rise apartment building with street level retail space and a structured parking garage. The purchase agreement was signed in December 2014, which was contingent on the buyer receiving entitlement approval from Baltimore City to develop the proposed project. Pricing was based on $55,000 per apartment unit. The retail space is forecast to generate about 10 percent of the net operating income upon stabilization. The project broke ground during the 2Q-2016 and is scheduled for completion by September 2017.



Apartment Land- Alexan Concorde
811 Concorde Circle
Lot B
Linthicum MD 21090
MSA: Baltimore
Anne Arundel County
Baltimore - BWI North/Linthicum

Property Type:	Land
Property Subtype:	Multi-Family - Apartment
ID:	364712
APN:	05-017-90046586

PROPERTY INFORMATION

Site Area (Acres):	11.38	Public Utilities:	All Available
Site Area (SqFt):	495,713	Electricity:	Yes
Zoning:	MXDT	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	Yes
Frontage:	Good	Proposed Use:	Residential-Multi-Family
Visibility:	Good	Maximum FAR:	N/A
Shape:	Irregular	Building Area:	N/A
Topography:	Level	Potential Units:	310
Density (Units/Acre):	27.24		

SALE INFORMATION

Sale Status:	Recorded Sale	Price per SqFt:	$26.95
Transaction Date:	3/2015	Price per Acre:	$1,173,989
Sale Price:	$13,360,000	Price per Building Area:	N/A
Grantor:	Home Properties, Inc.	Price per Potential Units:	$43,097
Grantee:	Trammell Crow Residential Co.		
Value Interest:	Fee Simple		
Condition of Sale:	None		

VERIFICATION COMMENTS

Public Records, Reliable Third Party

COMMENTS

This was the sale of a vacant parcel of land located on Concorde Circle, just south of Winterson Road in Linthicum. The site is located proximate to the interchange of MD Route 295 and I-195, and about one mile north of the BWI Airport. The site was unimproved and partially wooded at the time of sale. The seller had entitlements in place to develop up to 310 apartment units. The proposed apartment project known as Alexan Concorde Circle was subsequently completed in July 2016, which includes five mid-rise buildings, 48 garage spaces, 440 surface parking spaces a swimming pool and clubhouse. A confidential private equity real estate fund placed about $22 million in joint venture equity for the development on behalf of the project developer, Trammell Crow Residential.



Apartment Land- Danac/Stiles Tract
9515 Key West Avenue
Rockville MD 20850
MSA: Washington
Montgomery County
Suburban Maryland - North Bethesda/Rockville

Property Type:	Land
Property Subtype:	Multi-Family - Apartment
ID:	340601
APN:	09-03628223 and 09-03321720

PROPERTY INFORMATION

Site Area (Acres):	7.62	Public Utilities:	All Available
Site Area (SqFt):	332,048	Electricity:	Yes
Zoning:	I3; CR	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	Yes
Frontage:	Good	Proposed Use:	Residential-Multi-Family
Visibility:	Good	Maximum FAR:	1.50
Shape:	Irregular	Building Area:	498,072
Topography:	Gently Sloping	Potential Units:	475
Density (Units/Acre):	62.34		

SALE INFORMATION

Sale Status:	Recorded Sale	Price per SqFt:	$71.74
Transaction Date:	4/2014	Price per Acre:	$3,125,175
Sale Price:	$23,822,496	Price per Building Area:	$47.83
Grantor:	DANAC Realty Advisors	Price per Potential Units:	$50,153
Grantee:	Camden Property Trust		
Value Interest:	Fee Simple		
Condition of Sale:	None		

VERIFICATION COMMENTS

Listing Broker, Public Records

COMMENTS

This was the sale of a finished parcel of land located at Key West Avenue and Diamondback Drive in the Shady Grove neighborhood of Rockville, Maryland. The site is about two miles southwest of the Shady Grove Metrorail station. The site is part of a larger mixed-use project and was improved with a parking lot supporting an adjacent office building at the time of sale. Entitlement approvals were in-place at the time of sale for development of a 475-unit mid-rise apartment complex (wrap-design with structured parking) with 5,000 square feet of commercial space. Less than five percent of the net operating income was forecast to be attributable to the commercial space upon completion. Approximately 12.5% of the units must comprise Moderately Priced Dwelling Units (MPDU).



Apartment Land- Oxford Square
7301 Coca Cola Drive
Park Circle Drive
Hanover MD 21076
MSA: Baltimore
Anne Arundel County

Property Type:	Land
Property Subtype:	Multi-Family - Apartment
ID:	295943
APN:	01-595457; Oxford Square- Parcel K

PROPERTY INFORMATION

Site Area (Acres):	9.03	Public Utilities:	All Available
Site Area (SqFt):	393,347	Electricity:	Yes
Zoning:	TOD	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	Yes
Frontage:	Good	Proposed Use:	Residential-Multi-Family
Visibility:	Good	Maximum FAR:	N/A
Shape:	Irregular	Building Area:	N/A
Topography:	Level	Potential Units:	248
Density (Units/Acre):	27.46		

SALE INFORMATION

Sale Status:	Recorded Sale	Price per SqFt:	$25.22
Transaction Date:	3/2014	Price per Acre:	$1,098,560
Sale Price:	$9,920,000	Price per Building Area:	N/A
Grantor:	Preston Scheffenacker Properties	Price per Potential Units:	$40,000
Grantee:	Woodfield Investment		
Value Interest:	Fee Simple		
Condition of Sale:	None		

VERIFICATION COMMENTS

Seller, Public Records

COMMENTS

This was the sale of a vacant parcel of land centrally located within the Baltimore-Washington Corridor, just north of an interchange of MD Route 100 and Coca Cola Drive in Hanover. The site is part of a planned unit development known as Oxford Square. The site was sold with preliminary site approvals in-place to develop a 248 unit mid-rise apartment complex, including 38 affordable housing units. The seller reported pricing was based on $40,000 per allowable unit. The seller had received approval for its rezoning from industrial to mixed use prior to the sale based on its location to the nearby Dorsey MARC Station, which is a commuter rail service between Baltimore and Washington, D.C.



Apartment Land- The Metropolitan
10000 Town Center Avenue
Columbia MD 21044
MSA: Baltimore
Howard County
Baltimore - Columbia Town Center

Property Type:	Land
Property Subtype:	Multi-Family - Apartment
ID:	378370
APN:	15-130164 (Parcel D)

PROPERTY INFORMATION

Site Area (Acres):	4.50	Public Utilities:	All Available
Site Area (SqFt):	195,946	Electricity:	Yes
Zoning:	NT	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	N/A
Frontage:	Good	Proposed Use:	Residential-Multi-Family
Visibility:	Good	Maximum FAR:	N/A
Shape:	Rectangular	Building Area:	N/A
Topography:	Gently Sloping	Potential Units:	380
Density (Units/Acre):	84.44		

SALE INFORMATION

Sale Status:	Recorded Sale	Price per SqFt:	$103.60
Transaction Date:	7/2013	Price per Acre:	$4,512,815
Sale Price:	$20,300,000	Price per Building Area:	N/A
Grantor:	The Howard Hughes Corporation	Price per Potential Units:	$53,421
Grantee:	Kettler, Inc.		
Value Interest:	Fee Simple		
Condition of Sale:	None		

VERIFICATION COMMENTS

Seller

COMMENTS

This was the sale of an apartment site located adjacent to The Mall in Columbia in downtown Columbia. The site was proposed for development of a 380-unit mid-rise apartment building (wrap-design improved around an above-grade structured parking garage). The project also includes 13,764 square-feet of ground-level retail space. The site was rough-graded at the time of the sale and the purchase price reflects costs of in-place grading, road infrastructure and utilities. In April 2012 the Howard County Planning Board approved the Final Development Plan (FDP) for the project, the first under the new master plan in downtown Columbia. The FDP allowed for up to 817 residential units and more than 76,000 square feet of retail space on two adjacent Parcels C and D located adjacent to The Mall in Columbia. Kettler joined a joint venture with The Howard Hughes Corporation. Since the sale represents a joint venture, no deed was recorded. The project does not have an affordable housing component and the retail component was forecast to represent about 5.0 percent of the net operating income upon stabilization.

Comparable Office Building Sales



One Dulles
10740 Parkridge Boulevard
Reston VA
MSA: Washington
Fairfax County
Northern Virginia - Reston/Herndon

Property Type:	Office
Property Subtype:	Office Building - Mid Rise
ID:	370255
APN:	0183-01-0007B1, 0183-01-0007B2

PROPERTY INFORMATION

Site Area (Acres):	7.60	Number of Buildings:	1
Site Area (SqFt):	331,056	Number of Stories:	7
Gross Bldg Area:	215,715	Class:	A
Net Bldg Area:	215,715	Number of Parking Spaces:	647
Year Built:	2008	Parking Ratio:	3.00:1,000
Last Renovation:	N/A	Tenancy Type:	Multi-Tenant
Quality:	Good		
Condition:	Good		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	6.40%
Transaction Date:	8/2016	NOI:	$4,358,400
Sale Price:	$68,100,000	NOI per SqFt:	$20.20
Price per SqFt:	$315.69	Occupancy:	85.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Westbrook Partners	EGIM:	N/A
Grantee:	WAFRA Investments	Buying Entity:	Investor
Condition of Sale:	N/A		

VERIFICATION COMMENTS

Knowledgeable Third Party

COMMENTS

This transaction involved a Class A office building in the Reston area of Fairfax County, Virginia. The building, which was constructed in 2008, is situated on the south side of the Dulles Toll Road at its intersection with Hunter Mill Road. Minutes away from the Tysons Corner and Washington International Airport, the building was 85.0 percent leased at the time sale to a variety of tenants including CST Group, MiCore Solutions, and Network Services. Amenities include food service and a fitness center.



Baltimore FBI Building
2600 Lord Baltimore Drive
Baltimore MD 21244
MSA: Baltimore
Baltimore County

Property Type:	Office
Property Subtype:	Office Building - Mid Rise
ID:	339146
APN:	02-2400001697

PROPERTY INFORMATION

Site Area (Acres):	10.98	Number of Buildings:	1
Site Area (SqFt):	478,288	Number of Stories:	4
Gross Bldg Area:	155,755	Class:	A
Net Bldg Area:	155,755	Number of Parking Spaces:	432
Year Built:	2004	Parking Ratio:	2.77:1,000
Last Renovation:	N/A	Tenancy Type:	Single-Tenant
Quality:	Good		
Condition:	Good		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	6.00%
Transaction Date:	12/2015	NOI:	$3,606,000
Sale Price:	$60,100,000	NOI per SqFt:	$23.15
Price per SqFt:	$385.86	Occupancy:	100.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Rubicon US REIT, Inc.	EGIM:	N/A
Grantee:	USAA Real Estate Company	Buying Entity:	Investor
Condition of Sale:	None		

VERIFICATION COMMENTS

Public Records, Reliable Third Party

COMMENTS

This was the sale of an office building fully leased by the FBI (U.S. Government- General Services Administration), which is located within the Woodlawn submarket in western Baltimore. The property was leased as of June 1, 2015 for a 15-year term expiring May 30, 2030. The listing broker reported an in-place cap rate of 5.9 percent. The buyer's pro-forma cap rate was reported as 6.0 percent.



1881 at Wiehle Metro
1881 Campus Commons Drive
Reston VA 20191
MSA: Washington
Fairfax County
Northern Virginia - Reston/Herndon

Property Type:	Office
Property Subtype:	Office Building - Mid Rise
ID:	339230
APN:	0262 01 0100

PROPERTY INFORMATION

Site Area (Acres):	6.50	Number of Buildings:	1
Site Area (SqFt):	283,201	Number of Stories:	5
Gross Bldg Area:	244,565	Class:	A
Net Bldg Area:	244,565	Number of Parking Spaces:	978
Year Built:	1999	Parking Ratio:	4.00:1,000
Last Renovation:	2013	Tenancy Type:	Multi-Tenant
Quality:	Good		
Condition:	Good		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	6.40%
Transaction Date:	12/2015	NOI:	$4,985,600
Sale Price:	$77,900,000	NOI per SqFt:	$20.39
Price per SqFt:	$318.52	Occupancy:	91.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Columbia Property Trust	EGIM:	N/A
Grantee:	TA Realty	Buying Entity:	Investor
Condition of Sale:	None		

VERIFICATION COMMENTS

Knowlegeable Third Party

COMMENTS

This suburban office building is located near the intersection of Sunrise Valley Drive and Wiehle Avenue within the Campus Commons business park, proximate to the new Wiehle-Reston Metrorail station in the Dulles Corridor. The property sold for $65 million, $266 per square foot of NRA, but there were outstanding leasing costs due to recent leasing and additional costs to bring the property to stabilization. Those costs were estimated to be $12.9 million. The contract rents were generally at market, but there was upcoming lease roll over. The OAR is based on pro forma NOI.



Summitt at Washingtonian
9711 Washingtonian Boulevard
Gaithersburg MD 20878
MSA: Washington
Montgomery County

Property Type:	Office
Property Subtype:	Office Building - Mid Rise
ID:	344434
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	7.39	Number of Buildings:	1
Site Area (SqFt):	321,908	Number of Stories:	8
Gross Bldg Area:	193,199	Class:	A
Net Bldg Area:	193,199	Number of Parking Spaces:	774
Year Built:	2009	Parking Ratio:	4.01:1,000
Last Renovation:	N/A	Tenancy Type:	Multi-Tenant
Quality:	Good		
Condition:	Good		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	7.03%
Transaction Date:	10/2015	NOI:	$4,428,900
Sale Price:	$63,000,000	NOI per SqFt:	$22.92
Price per SqFt:	$326.09	Occupancy:	94.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	AREP 9711 Washingtonian South, LLP	EGIM:	N/A
Grantee:	Principal Life	Buying Entity:	Investor
Condition of Sale:	None		

VERIFICATION COMMENTS

Public Records, Reliable Third Party

COMMENTS

This was the sale of an 8-story, Class A office building located with good exposure to I-270. Major tenants are GSX with 88,737 square feet and Edgewood Management with 24,105 square feet. Average rents were above market with little rollover in the first five years. Total expenses were just under $11.00 per square foot. The overall rate was based on in-place net operating income at the time of sale.



South Lake at Dulles Center
13820 Sunrise Valley Drive
Herndon VA 20171
MSA: Washington
Fairfax County
Northern Virginia - Reston/Herndon

Property Type:	Office
Property Subtype:	Office Building - High Rise
ID:	370605
APN:	015-4-01-0001-B2

PROPERTY INFORMATION

Site Area (Acres):	7.00	Number of Buildings:	1
Site Area (SqFt):	304,920	Number of Stories:	10
Gross Bldg Area:	268,240	Class:	A
Net Bldg Area:	268,240	Number of Parking Spaces:	N/A
Year Built:	2007	Parking Ratio:	N/A
Last Renovation:	N/A	Tenancy Type:	Single-Tenant
Quality:	Good		
Condition:	Good		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	6.86%
Transaction Date:	6/2015	NOI:	$6,461,176
Sale Price:	$94,186,233	NOI per SqFt:	$24.09
Price per SqFt:	$351.13	Occupancy:	100.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Signature Office REIT	EGIM:	N/A
Grantee:	Griddin Capital Essential Asset REIT	Buying Entity:	N/A
Condition of Sale:	None		

VERIFICATION COMMENTS

N/A

COMMENTS

South Lake at Dulles Corner is a Class A office tower located at the southeast quadrant of the Dulles Toll Road and Sully Road (Route 28), just east of Dulles Airport, in Herndon. The building is located in the Dulles Corner Business Park and tenants within the park include Northrop Grumman Logicon, Radian, Perot Systems and Deltek Systems. South Lake at Dulles Corner was developed in 2007 and contains 268,240 square feet of net rentable area within ten stories. The building is fully leased to two tenants, with Time Warner Cable taking nearly the entire building and an expiration date of July 2019. The building transferred in June 2015 as part of a 13 property portfolio. The allocated purchase price was reported at $94,186,233 or $351.13 per square foot of net rentable area. The overall capitalization rate is $6.86 percent and reflects the near term roll of the anchor tenant.



Thames Street Wharf
1300 Thames Street
Baltimore MD 21231
MSA: Baltimore
Baltimore City County

Property Type:	Office
Property Subtype:	Office Building - Mid Rise
ID:	279841
APN:	03-07-1825-001 03-07-1825-002

PROPERTY INFORMATION

Site Area (Acres):	2.41	Number of Buildings:	1
Site Area (SqFt):	104,979	Number of Stories:	8
Gross Bldg Area:	260,651	Class:	A
Net Bldg Area:	260,651	Number of Parking Spaces:	50
Year Built:	2010	Parking Ratio:	0.19:1,000
Last Renovation:	N/A	Tenancy Type:	Multi-Tenant
Quality:	Excellent		
Condition:	Excellent		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	6.72%
Transaction Date:	4/2014	NOI:	$5,978,775
Sale Price:	$89,000,000	NOI per SqFt:	$22.94
Price per SqFt:	$341.45	Occupancy:	86.00%
Value Interest:	Leased Fee	Expense Ratio:	28.34%
Grantor:	Beatty Development Group, LLC	EGIM:	10.67
Grantee:	KBS Realty Advisors	Buying Entity:	Investor
Condition of Sale:	None		

VERIFICATION COMMENTS

Listing Broker- CBRE, Seller, Public Records

COMMENTS

This was the sale of an 8-story, multi-tenant office building located along the Inner Harbor waterfront in downtown Baltimore. The building was completed in 2010 and was the first building improved within the 27-acre Harbor Point planned mixed-use project being developed by the seller, Beatty Development Group. The masonry and glass building is LEED® Gold certified for Core and Shell. The waterfront office building known as Thames Street Wharf is anchored by Morgan Stanley & Company, who initially leased about 134,500 square feet of the building upon completion and has since expanded and leased 172,312 square feet at the time of sale on a triple-net basis through June 2025. The other anchor tenant in the building is Johns Hopkins Medicine, which leases 31,336 square feet through August 2024. The overall rate was based on in-place NOI at the time of sale. There was 36,263 square feet vacant at the time of sale, including the entire 2nd level containing 31,336 square feet. The asking rent was $24.50/SF on a triple-net basis.

Owner Reports

Merriweather District - Public Improvement Budget

DRAFT SUBJECT TO CHANGE

Total Forecast
By Project

6/15/2017

Project	Design		Permit		Construction		Status	
	Start	*Complete CD's*	*Submission*	*Approval*	*Start*	*Completion*		
First Issuance								
Road Segment 1								
Road Segment 1A	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	Construction complete through base paving; open to traffic	
Road Costs	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	Construction complete through base paving; open to traffic	
SW Piping, Treatment & Storage	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	Construction complete	0
Water & Sewer	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	Construction complete	
Dry Utilities	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	Construction complete	
Divided Sky Lane	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	Construction complete through base paving; open to traffic	
Road Segment 1B	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	11/2017	Clearing complete, grading advanced, bridge and utility installation in progress	
Road Costs	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	11/2017	Clearing complete, grading advanced, bridge and utility installation in progress	
SW Piping, Treatment & Storage	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	11/2017	Improvement under construction; following schedule with road construction	
Water & Sewer	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	11/2017	Improvement under construction; following schedule with road construction	
Dry Utilities	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	11/2017	Improvement under construction; following schedule with road construction	
Intersection Improvements	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	10/2017	LPP & MD complete; all others permitted and contracted with HTI; expect work to commence Q2 2017	
Wetland Mitigation & Restoration	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	04/2019	MDE Permits obtained; WLM & Stream Restoration efforts surrounding Area One complete; invasive species removal advanced for other areas	
Road Segment 2								
Road Segment 2A	COMPLETE	COMPLETE	COMPLETE	06/2017	07/2017	03/2018	Permit Engineering Technically Complete; Grading Permit obtained by mid-June; grading to commence early July; Contract with HTI executed	
Road Costs	COMPLETE	COMPLETE	COMPLETE	06/2017	07/2017	03/2018	Permit Engineering Technically Complete; Grading Permit obtained by mid-June; grading to commence early July; Contract with HTI executed	
SW Piping, Treatment & Storage	COMPLETE	COMPLETE	COMPLETE	06/2017	07/2017	03/2018	Permit Engineering Technically Complete; Grading Permit obtained by mid-June; grading to commence early July; Contract with HTI executed	
Water & Sewer	COMPLETE	COMPLETE	COMPLETE	06/2017	07/2017	03/2018	Permit Engineering Technically Complete; Grading Permit obtained by mid-June; grading to commence early July; Contract with HTI executed	
Dry Utilities	COMPLETE	COMPLETE	COMPLETE	06/2017	07/2017	03/2018	Permit Engineering Technically Complete; Grading Permit obtained by mid-June; grading to commence early July; Contract with HTI executed	
Road Segment 2B	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November	
Road Costs	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November	
SW Piping, Treatment & Storage	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November	
Water & Sewer	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November	
Dry Utilities	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November	
Wetland Mitigation & Restoration	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	04/2019	GLW design on track for a Q1 2017 permit application; expected construction start in Q3 2017; current estimate by HHC pre-construction	
Road Segment 3 Public Roads	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	08/2018	Full permit secured by October; contract and notice to proceed expected November	
Road Costs	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November	
SW Piping, Treatment & Storage	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November	
Water & Sewer	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November	
Dry Utilities	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November	
Road Segment 3 Private Roads	COMPLETE	COMPLETE	COMPLETE	10/2017	11/2017	11/2018	Full permit secured by October; contract and notice to proceed expected November	
Area 3: Park & Plaza	COMPLETE	COMPLETE	COMPLETE	10/2017	09/2018	03/2019	Design tracking permit and construction schedule of 3MFB	
EMT Rapid Fire Station	COMPLETE	04/2018	04/2018	06/2018	06/2018	03/2019	Schematic Design completed by Fox Architects; permitting & construction to follow 3OA schedule	
Multi-Use Pathway: Segment I	06/2017	09/2017	09/2017	12/2017	01/2018	06/2018	Design by Toole Design expected to begin Q3 2017	
Multi-Use Pathway: Segment II	09/2017	01/2018	01/2018	04/2018	04/2018	12/2018	Design by Toole Design expected to begin Q4 2017	
Road Segment 4 Design	COMPLETE	06/2019	NA	NA	NA	NA	RFP Issued and engineer selected; design commence Q2 2017	
Second Issuance								
Road Segment 4 Construction	NA	NA	06/2019	08/2019	09/2019	09/2021	RFP Issued and engineer selected; design commence Q2 2017	
Area 2 Internal Roads	01/2019	06/2019	06/2019	08/2019	09/2019	09/2021		
Area 4 Internal Roads	01/2019	06/2019	06/2019	08/2019	09/2019	09/2021		
Total								

TWO MERRIWEATHER
Under Construction
Report as of: **5/31/2017**

	TOTAL PROJECT BUDGET					COMMITMENT STATUS			CURRENT ESTIMATED COST					VARIANCE
	Board Approved Budget	Revisions	Revised Total Budget	Actual Spent To Date	Remaining to be Spent	Revised Total Budget	Committed Costs	Non-Committed Costs	JTD 12/31/16	Year to Date Actual Costs	2017 Remaining Projected	2018 Projected	Estimated Total Cost	Budget versus Estimate
Hard Costs														
General Contractor	19,500,000	1,654,402	21,154,402	13,351,142	7,803,260	21,154,402	20,920,061	234,341	2,277,494	11,073,648	7,803,260	-	21,154,402	-
Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impact Fees	195,000	-	195,000	53,097	141,903	195,000	64,778	130,222	-	53,097	141,903	-	195,000	-
Tenant Allowance	9,357,894	812,069	10,169,963	165,040	10,004,923	10,169,963	5,874,205	4,295,758	-	165,040	7,055,882	2,949,041	10,169,963	-
TA Overage Reimbursement	-	(812,069)	(812,069)	(24,362)	(787,707)	(812,069)	(812,069)	-	-	(24,362)	(787,707)	-	(812,069)	-
FF&E	247,373	(147,373)	100,000	4,292	95,708	100,000	4,292	95,708	-	4,292	95,708	-	100,000	-
Hard Cost Contingency	2,930,027	(1,327,903)	1,602,124	-	1,602,124	1,602,124	-	1,602,124	-	-	1,119,696	482,428	1,602,124	-
Total Hard Costs	**32,230,294**	**179,127**	**32,409,420**	**13,549,209**	**18,860,211**	**32,409,420**	**26,051,267**	**6,358,153**	**2,277,494**	**11,271,715**	**15,428,742**	**3,431,469**	**32,409,420**	**-**
Soft Costs														
Architectural/Engineering	1,418,378	(212,209)	1,206,170	962,623	243,546	1,206,170	1,135,128	71,041	844,356	118,268	243,546	-	1,206,170	0
Permits/Bonds/LOC	204,687	-	204,687	71,174	133,513	204,687	71,174	133,513	70,751	422	133,513	-	204,687	-
Pre Con Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development Fee	1,899,413	19,317	1,918,730	359,762	1,558,968	1,918,730	1,918,730	-	-	359,762	839,444	719,524	1,918,730	-
Third Party Inspections	-	33,500	33,500	16,000	17,500	33,500	16,000	17,500	-	16,000	17,500	-	33,500	-
Owner's Cost	296,748	226,855	523,603	281,796	241,807	523,603	285,420	238,183	196,107	85,689	236,631	5,176	523,603	(0)
Marketing	98,234	-	98,234	15,717	82,517	98,234	15,717	82,517	10,000	5,717	38,400	44,117	98,234	-
Excise Taxes	152,100	-	152,100	151,458	642	152,100	151,458	642	151,458	-	642	-	152,100	-
Surveyor	32,745	-	32,745	-	32,745	32,745	-	32,745	-	-	-	32,745	32,745	-
Commissions	2,930,644	-	2,930,644	1,165,445	1,765,199	2,930,644	1,165,445	1,765,199	1,165,445	-	1,513,175	252,024	2,930,644	-
Soft Cost Contingency	493,234	(237,925)	255,309	-	255,309	255,309	-	255,309	-	-	255,309	-	255,309	(0)
Total Soft Costs	**7,526,183**	**(203,962)**	**7,322,221**	**3,007,974**	**4,314,247**	**7,322,221**	**4,743,071**	**2,579,150**	**2,438,117**	**569,858**	**3,260,661**	**1,053,586**	**7,322,221**	**(0)**
Financing Costs														
Capitalized External Interest	720,897	-	720,897	6,648	714,249	720,897	6,648	714,249	12	6,636	278,402	435,847	720,897	(0)
Loan Financing Costs	463,626	24,835	488,461	486,804	1,658	488,461	486,804	1,658	485,961	843	1,658	-	488,461	-
Total Financing Costs	**1,184,523**	**24,835**	**1,209,358**	**493,452**	**715,906**	**1,209,358**	**493,452**	**715,906**	**485,973**	**7,479**	**280,059**	**435,847**	**1,209,358**	**(0)**
PROJECT TOTAL COST (incl. Retainage)	**40,941,000**	**(0)**	**40,941,000**	**17,050,636**	**23,890,364**	**40,941,000**	**31,287,790**	**9,653,210**	**5,201,584**	**11,849,052**	**18,969,462**	**4,920,902**	**40,941,000**	**(0)**
Construction Payable-AP	-	-	-	(1,726,400)	1,726,400	-	-	-	(131,512)	(1,594,887)	1,726,400	-	-	-
Accr Cap SD Expenditures	-	-	-	(3,534,911)	3,534,911	-	-	-	(761,005)	(2,773,905)	2,938,750	596,161	-	-
Accr Cap Tenant Imp	-	-	-	(124,174)	124,174	-	-	-	-	(124,174)	124,174	-	-	-
Acc Lease Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Project Costs	-	-	-	-	-	-	-	-	826,681	(826,681)	-	-	-	-
Retainage Payable DEV - Voucher	-	-	-	(939,012)	939,012	-	-	-	(215,710)	(723,302)	939,012	-	-	-
Retainage Payable DEV - Adjust (Pearson TI)	-	-	-	(16,504)	16,504	-	-	-	-	(16,504)	16,504	-	-	-
Retainage Payable DEV - Adjust	-	-	-	(212,524)	212,524	-	-	-	(65,675)	(146,848)	(2,324,576)	2,537,100	-	-
PROJECT TOTAL COST (Adjusted)	**40,941,000**	**(0)**	**40,941,000**	**10,497,111**	**30,443,889**	**40,941,000**	**31,287,790**	**9,653,210**	**4,854,361**	**5,642,750**	**22,389,725**	**8,054,163**	**40,941,000**	**(0)**
Financing Proceeds	(33,156,000)	-	(33,156,000)	(1,580,640)	(31,575,360)	(33,156,000)	(1,580,640)	(31,575,360)	(1,012)	(1,579,628)	(23,521,196)	(8,054,163)	(33,156,000)	-
NET CASH REQUIRED	**7,785,000**	**(0)**	**7,785,000**	**8,916,471**	**(1,131,471)**	**7,785,000**	**29,707,150**	**(21,922,150)**	**4,853,349**	**4,063,122**	**(1,131,471)**	**-**	**7,785,000**	**(0)**
Cap Internal Interest	-	-	-	213,231	-	-	-	-	50,313	162,919	-	-	213,231	-
Cap Internal Interest-Swap	-	-	-	3,502	-	-	-	-	699	2,803	-	-	3,502	-
Payroll Allocations	-	-	-	885,363	-	-	-	-	512,713	372,649	-	-	885,363	-

ONE MERRIWEATHER

Under Construction
Report as of: 5/31/2017

	TOTAL PROJECT BUDGET					COMMITMENT STATUS			CURRENT ESTIMATED COST					VARIANCE
	Board Approved Budget	Revisions	Revised Total Budget	Actual Spent to Date	Remaining to be Spent	Revised Total Budget	Committed Costs	Non-Committed Costs	JTD 12/31/16	Year to Date Actual Costs	Remaining 2017 Projected	2018 Projected	Estimated Total Cost	Budget versus Estimate
Hard Costs														
General Contractor	30,966,000	2,280,627	33,246,627	32,435,543	811,084	33,246,627	32,435,543	811,084	31,033,060	1,402,484	811,084	-	33,246,627	-
Parking above Grade	14,784,000	(870,413)	13,913,587	13,910,263	3,324	13,913,587	13,910,263	3,324	13,629,598	280,665	3,324	-	13,913,587	-
Landlord Work/Other	-	191,117	191,117	3,709	187,408	191,117	166,617	24,500	-	3,709	187,408	-	191,117	-
Materials	-	600,000	600,000	584,637	15,363	600,000	591,636	8,364	575,055	9,582	15,363	-	600,000	-
Impact Fees	277,810	3,190	281,000	94,581	186,419	281,000	281,000	-	71,889	22,692	186,419	-	281,000	-
Tenant Allowance	13,467,000	2,550,897	16,017,897	8,967,968	7,049,930	16,017,897	8,967,968	7,049,930	7,166,475	1,801,493	3,846,027	3,203,903	16,017,897	-
FF&E	220,000	(140,000)	80,000	57,118	22,882	80,000	57,118	22,882	-	57,118	22,882	-	80,000	-
Hard Cost Contingency	3,279,000	(3,022,643)	256,357	-	256,357	256,357	-	256,357	-	-	256,357	-	256,357	-
Total Hard Costs	**62,993,810**	**1,592,776**	**64,586,586**	**56,053,818**	**8,532,768**	**64,586,586**	**56,410,144**	**8,176,442**	**52,476,075**	**3,577,743**	**5,328,865**	**3,203,903**	**64,586,586**	**-**
Soft Costs														
Architectural/Engineering	2,145,700	583,152	2,728,852	2,558,438	170,414	2,728,852	2,636,982	91,870	2,442,884	115,555	170,414	-	2,728,852	(0)
Permits/Bonds/LOC	550,000	(235,513)	314,487	272,202	42,285	314,487	272,202	42,285	271,511	691	42,285	-	314,487	-
Pre Con Services	45,000	10	45,010	45,010	-	45,010	45,010	-	45,010	-	-	-	45,010	-
Development Fee	3,635,000	(395,005)	3,239,995	3,239,995	-	3,239,995	3,239,995	-	3,239,995	-	-	-	3,239,995	-
Owner's Cost	375,937	503,335	879,272	871,851	7,421	879,272	874,954	4,318	803,128	68,723	7,421	-	879,272	-
Marketing	176,971	(55,000)	121,971	68,942	53,029	121,971	81,442	40,529	41,940	27,002	53,029	-	121,971	-
Excise Taxes	-	267,451	267,451	267,451	-	267,451	267,451	-	267,451	-	-	-	267,451	-
Surveyor	50,000	(50,000)	-	-	-	-	-	-	-	-	-	-	-	-
Commissions	4,069,000	110,335	4,179,335	2,574,357	1,604,978	4,179,335	2,574,357	1,604,978	2,574,357	-	1,066,323	538,655	4,179,335	0
Soft Cost Contingency	2,053,582	(2,053,107)	474	-	474	474	-	474	-	-	474	-	474	-
Total Soft Costs	**13,101,190**	**(1,324,342)**	**11,776,848**	**9,898,247**	**1,878,602**	**11,776,848**	**9,992,394**	**1,784,455**	**9,686,276**	**211,971**	**1,339,946**	**538,655**	**11,776,848**	**(0)**
Financing Costs														
Capitalized External Interest	1,207,000	(183,752)	1,023,248	531,491	491,757	1,023,248	1,023,248	0	184,393	347,098	382,961	108,796	1,023,248	0
Loan Financing Costs	885,000	(84,682)	800,318	798,164	2,154	800,318	798,164	2,154	797,286	878	2,154	-	800,318	-
Total Financing Costs	**2,092,000**	**(268,434)**	**1,823,566**	**1,329,655**	**493,911**	**1,823,566**	**1,821,412**	**2,154**	**981,679**	**347,975**	**385,115**	**108,796**	**1,823,566**	**0**
PROJECT TOTAL COST (incl. Retainage)	**78,187,000**	**0**	**78,187,000**	**67,281,720**	**10,905,280**	**78,187,000**	**68,223,950**	**9,963,050**	**63,144,031**	**4,137,689**	**7,053,926**	**3,851,354**	**78,187,000**	**0**
Retainage Payable DEV-Voucher	-	-	-	(3,855,810)	3,855,810	-	-	-	(3,833,292)	(22,518)	3,855,810	-	-	-
Retainage Payable DEV - Adjust	-	-	-	3,898,001	(3,898,001)	-	-	-	88,715	3,809,287	(3,898,001)	-	-	-
Retainage Payable MPC - Adjust	-	-	-	(354,201)	354,201	-	-	-	-	(354,201)	354,201	-	-	-
Construction Payable-AP	-	-	-	(872,122)	872,122	-	-	-	(3,233,497)	2,361,375	872,122	-	-	-
Accr Cap SD Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accr Cap SD Expenditures	-	-	-	(4,626,959)	4,626,959	-	-	-	(10,090,512)	5,463,553	4,396,532	230,427	0	(0)
Accr Cap Tenant Imp	-	-	-	(1,110,976)	1,110,976	-	-	-	-	(1,110,976)	1,110,976	-	-	-
Accrued Project Costs	-	-	-	-	-	-	-	-	-	-	(0)	-	(0)	0
PROJECT TOTAL COST (Adjusted)	**78,187,000**	**0**	**78,187,000**	**60,359,653**	**17,827,347**	**78,187,000**	**68,223,950**	**9,963,050**	**46,075,444**	**14,284,209**	**13,745,566**	**4,081,781**	**78,187,000**	**(0)**
Financing Proceeds	(49,929,100)	-	(49,929,100)	(34,253,225)	(15,675,875)	(49,929,100)	(49,929,100)	-	(23,588,304)	(10,664,921)	(11,594,093)	(4,081,781)	(49,929,100)	(0)
NET CASH REQUIRED	**28,257,900**	**0**	**28,257,900**	**26,106,428**	**2,151,472**	**28,257,900**	**18,294,850**	**9,963,050**	**22,487,141**	**3,619,287**	**2,151,472**	**-**	**28,257,900**	**(0)**
Cap Internal Interest	-	-	-	998,913	-	-	-	-	838,462	160,451	-	-	998,913	-
Payroll Allocations	-	-	-	1,809,284	-	-	-	-	1,595,049	214,235	-	-	1,809,284	-

Appendix M
Downtown Columbia
Howard County, Maryland

Public Improvement Budget

	Public Improvement Budget - Crescent Special Taxing District/Phase One Properties					
	Series 2017A		Future Series B Bonds		TOTAL	
Item	Total[1]	Qualified[2]	Total[1]	Qualified[2]	Total[1]	Qualified[2]
Roads Segment 1A:						
Merriweather Drive, Divided Sky Lane	$2,998,677	$2,998,677	$0	$0	$2,998,677	$2,998,677
Road segment 1A SW piping, treatment & storage	$641,180	$641,180	$0	$0	$641,180	$641,180
Road segment 1A water & sewer	$537,414	$537,414	$0	$0	$537,414	$537,414
Dry utilities	$821,607	$0	$0	$0	$821,607	$0
Sub-total segment 1A	$4,998,878	$4,177,271	$0	$0	$4,998,878	$4,177,271
Developer's fee (5%)	$249,944	$208,864	$0	$0	$249,944	$208,864
Total	$5,248,822	$4,386,135	$0	$0	$5,248,822	$4,386,135
Roads Segment 1B:						
Merriweather Drive, Hickory Ridge Road	$6,098,243	$6,098,243	$0	$0	$6,098,243	$6,098,243
Road segment 1B SW piping, treatment & storage	$2,341,851	$2,341,851	$0	$0	$2,341,851	$2,341,851
Road segment 1B water & sewer	$842,144	$842,144	$0	$0	$842,144	$842,144
Dry utilities	$1,724,023	$0	$0	$0	$1,724,023	$0
Sub-total segment 1B	$11,006,261	$9,282,238	$0	$0	$11,006,261	$9,282,238
Developer's fee (5%)	$550,313	$464,112	$0	$0	$550,313	$464,112
Total	$11,556,574	$9,746,350	$0	$0	$11,556,574	$9,746,350
At-grade intersection improvements (multiple intersections):						
Little Patuxent Parkway/Merriweather Drive	$339,348	$339,348	$0	$0	$339,348	$339,348
Developer's fee (5%)	$16,967	$16,967	$0	$0	$16,967	$16,967
Total	$356,315	$356,315	$0	$0	$356,315	$356,315
Governor Warfield Parkway/Twin Rivers Road	$108,894	$108,894	$0	$0	$108,894	$108,894
Developer's fee (5%)	$5,445	$5,445	$0	$0	$5,445	$5,445
Total	$114,339	$114,339	$0	$0	$114,339	$114,339
Little Patuxant Parkway/Swift Stream	$51,615	$51,615	$0	$0	$51,615	$51,615
Developer's fee (5%)	$2,581	$2,581	$0	$0	$2,581	$2,581
Total	$54,196	$54,196	$0	$0	$54,196	$54,196
Broken Land Parkway/Twin Rivers Road	$67,162	$67,162	$0	$0	$67,162	$67,162
Developer's fee (5%)	$3,358	$3,358	$0	$0	$3,358	$3,358
Total	$70,520	$70,520	$0	$0	$70,520	$70,520
Broken Land Parkway/Hickory Ridge	$773,703	$773,703	$0	$0	$773,703	$773,703
Developer's fee (5%)	$38,685	$38,685	$0	$0	$38,685	$38,685
Total	$812,388	$812,388	$0	$0	$812,388	$812,388
Road segment 1 wetland mitigation and restoration	$1,393,803	$1,393,803	$0	$0	$1,393,803	$1,393,803
Developer's fee (5%)	$69,690	$69,690	$0	$0	$69,690	$69,690
Total	$1,463,493	$1,463,493	$0	$0	$1,463,493	$1,463,493
Roads Segment 2A:						
Completion of Merriweather Drive, South section of North-South Connector	$4,208,440	$4,208,440	$0	$0	$4,208,440	$4,208,440
Road segment 2A SW piping, treatment & storage	$863,285	$863,285	$0	$0	$863,285	$863,285
Road segment 2A water & sewer	$240,631	$240,631	$0	$0	$240,631	$240,631
Dry utilities	$428,073	$0	$0	$0	$428,073	$0
Sub-total segment 2A	$5,740,429	$5,312,356	$0	$0	$5,740,429	$5,312,356
Developer's fee (5%)	$287,021	$265,618	$0	$0	$287,021	$265,618
Total	$6,027,450	$5,577,974	$0	$0	$6,027,450	$5,577,974
Roads Segment 2B:						
North section of North-South Connector (Symphony Woods Rd.)	$6,263,125	$6,263,125	$0	$0	$6,263,125	$6,263,125
Road segment 2B SW piping, treatment & storage	$1,416,981	$1,416,981	$0	$0	$1,416,981	$1,416,981
Road segment 2B water & sewer	$252,575	$252,575	$0	$0	$252,575	$252,575
Dry utilities	$430,283	$0	$0	$0	$430,283	$0
Sub-total segment 2B	$8,362,964	$7,932,681	$0	$0	$8,362,964	$7,932,681
Developer's fee (5%)	$418,148	$396,634	$0	$0	$418,148	$396,634
Total	$8,781,112	$8,329,315	$0	$0	$8,781,112	$8,329,315
Road segment 3 (Area 3 internal roads) - public roads only						
Road segment 3 road costs	$0	$0	$2,300,263	$2,300,263	$2,300,263	$2,300,263
Road segment 3 SW piping, treatment and storage	$0	$0	$738,413	$738,413	$738,413	$738,413
Road segment 3 water and sewer	$0	$0	$810,019	$810,019	$810,019	$810,019
Dry utilities	$0	$0	$0	$0	$0	$0
Sub-total road segment 3 - public	$0	$0	$3,848,695	$3,848,695	$3,848,695	$3,848,695
Developer's fee (5%)	$0	$0	$192,435	$192,435	$192,435	$192,435
Total	$0	$0	$4,041,130	$4,041,130	$4,041,130	$4,041,130
Roads segment 3 (Area 3 internal roads) - private	$3,712,927	$0	$0	$0	$3,712,927	$0
Developer's fee (5%)	$185,646	$0	$0	$0	$185,646	$0
Total	$3,898,573	$0	$0	$0	$3,898,573	$0
Area 3 park	$0	$0	$3,889,514	$3,889,514	$3,889,514	$3,889,514
Developer's fee (5%)	$0	$0	$194,476	$194,476	$194,476	$194,476
Total	$0	$0	$4,083,990	$4,083,990	$4,083,990	$4,083,990
Multi-use pathway: segment 1	$0	$0	$622,619	$622,619	$622,619	$622,619
Developer's fee (5%)	$0	$0	$31,131	$31,131	$31,131	$31,131
Total	$0	$0	$653,750	$653,750	$653,750	$653,750
Multi-use pathway: segment 2	$0	$0	$439,762	$439,762	$439,762	$439,762
Developer's fee (5%)	$0	$0	$21,988	$21,988	$21,988	$21,988
Total	$0	$0	$461,750	$461,750	$461,750	$461,750
Road segment 4 (Jug Handle and N-S Connector)						
Design	$1,971,715	$1,971,715	$0	$0	$1,971,715	$1,971,715
Construction	$0	$0	$15,344,302	$15,344,302	$15,344,302	$15,344,302
Sub-total road segment 4	$1,971,715	$1,971,715	$15,344,302	$15,344,302	$17,316,017	$17,316,017
Developer's fee (5%)	$98,586	$98,586	$767,215	$767,215	$865,801	$865,801
Total	$2,070,301	$2,070,301	$16,111,517	$16,111,517	$18,181,818	$18,181,818
Area 2 roads	$0	$0	$4,329,004	$4,329,004	$4,329,004	$4,329,004
Developer's fee (5%)	$0	$0	$216,450	$216,450	$216,450	$216,450
Total	$0	$0	$4,545,454	$4,545,454	$4,545,454	$4,545,454
Area 4 roads	$0	$0	$2,164,502	$2,164,502	$2,164,502	$2,164,502
Developer's fee (5%)	$0	$0	$108,225	$108,225	$108,225	$108,225
Total	$0	$0	$2,272,727	$2,272,727	$2,272,727	$2,272,727
EMT Rapid Fire Station	$4,329,004	$4,329,004	$0	$0	$4,329,004	$4,329,004
Developer's fee (5%)	$216,450	$216,450	$0	$0	$216,450	$216,450
Total	$4,545,454	$4,545,454	$0	$0	$4,545,454	$4,545,454
Total Budget						
Sub-total hard and soft costs	$42,856,703	$35,739,790	$30,638,398	$30,638,398	$73,495,101	$66,378,188
Sub-total contingency	$2,142,835	$973,220	$1,531,920	$1,531,920	$3,674,755	$2,505,140
Sub-total developer's fee	$2,142,835	$1,786,990	$1,531,920	$1,531,920	$3,674,755	$3,318,909
Total costs	**$47,142,373**	**$38,500,000**	**$33,702,238**	**$33,702,238**	**$80,844,611**	**$72,202,237**

THE HOWARD HUGHES CORPORATION
Project 3OA

HHC Vertical Development Cost Summary
June 15, 2017

COST SUMMARY

Item		Total	Total Office3OA	Total Retail3ORA
Program			Office3OA	Retail3ORA
Phase			PHASE I	PHASE I
Parcel			3OA	3ORA
Use			Office	Retail
Gross Square Footage		343,905	316,597	27,307
Net Square Footage		323,267	299,543	23,724
Land Costs		$/ GSF		
Land Value		$10,617	$9,774	$843
Land Sales		$0	-	-
Due Diligence Costs		$0	-	-
Acquisition/Disposition Legal		$0	-	-
Closing Costs		$0	-	-
Total Land Cost		$10,617	$9,774	$843
	$ / GSF	*$30.87*	*$30.87*	*$30.87*
	$ / NSF	*$32.84*	*$32.63*	*$35.54*
Hard Costs				
Contractor Preconstruction Services		$0	-	-
Offsite Work		$0	-	-
Sitework		$0	-	-
Parking		$0	-	-
Core & Shell		$48,417	$44,572	$3,844
Landlord Work for Tenants (Cap Exp Not Leasing TA's)		$0	-	-
Tenant Allowance		$25,609	$23,230	$2,378
Furniture, Fixtures & Equipment		$317	$317	-
Other Hard Costs		$484	$446	$38
Escalation		$0	-	-
Hard Cost Contingency		$4,922	$4,533	$388
Total Hard Costs		$79,748	$73,098	$6,650
	$ / GSF	*$231.89*	*$230.89*	*$243.51*
	$ / NSF	*$246.69*	*$244.03*	*$280.29*
Soft Costs				
Architecture & Engineering		$2,615	$2,408	$208
Consultants		$206	$190	$16
Market Research/Feasibility		$0	-	-
Development Legal		$86	$79	$7
Marketing		$172	$158	$14
Insurance		$103	$95	$8
Capitalized Operating Expenses		$688	$633	$55
Permits, Impact Fees, Municipal Contributions, Bonds		$1,035	$952	$83
Leasing/Sales Commissions		$5,671	$5,325	$345
Tenant Coordination		$0	-	-
Tenant Buyout		$3,788	$3,788	-
Leasing Legal		$0	-	-
Leasing - Other		$38	$38	-
Financing Legal		$0	-	-
Financing - Closing Costs		$430	$396	$34
Soft Cost Contingency		$537	$495	$42
Development Fee		$4,756	$4,383	$373
Total Soft Costs		$20,125	$18,940	$1,185
	$ / GSF	*$58.52*	*$59.82*	*$43.41*
	$ / NSF	*$62.26*	*$63.23*	*$49.97*
Land, Hard & Soft Costs		$110,491	$101,812	$8,678
	$ / GSF	*$321.28*	*$321.58*	*$317.79*
	$ / NSF	*$341.79*	*$339.89*	*$365.79*
Financing Cost				
Loan Fees		$514	$474	$40
Mortgage Recording Taxes		$342	$316	$27
Capitalized Interest		$2,791	$2,665	$126
Total - Financing Costs		$3,647	$3,454	$193
TOTAL PROJECT COST		$114,138	$105,267	$8,871
	$ / GSF	*$331.89*	*$332.49*	*$324.85*
	$ / NSF	*$353.08*	*$351.42*	*$373.92*

Notes:

Argus Reports- One Merriweather

Supporting Schedule -- Detailed Lease Expiration Schedule (First Term Only)

No.	Tenant	Suite	Market Leasing	Base Rent /SqFt/Yr	Expiration Date	Square Feet	Percent of Total
10	Spec Office	300	Office- $32	35.57	5/31/25	27,399	13.2
11	Spec Office	400	Office- $32	35.57	5/31/25	27,399	13.2
Total for Year Ending Jun-						54,798	26.3%
2	Retail- Restaurant	2	Retail	54.76	8/31/27	8,254	4.0
3	Retail- Deli	4	Retail	54.76	8/31/27	1,089	0.5
8	Spec Office	240	Office- $36	36.19	11/30/27	4,651	2.2
9	Spec Office	250	Office- $36	36.19	11/30/27	4,992	2.4
7	Spec Office	230	Office- $36	35.84	2/29/28	5,000	2.4
6	Spec Office	220	Office- $36	43.66	5/31/28	5,000	2.4
Total for Year Ending Jun-						28,986	13.9%
Building Total						83,784	40.2%

Supporting Schedule -- Square Feet Expiring -- (All Terms)

For the Years Ending		Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Year 11 Jun-2028
Tenant	Suite											
Spec Office	300								27,399			
Spec Office	400								27,399			
Retail- Restaurant	2											8,254
Retail- Deli	4											1,089
Spec Office	240											4,651
Spec Office	250											4,992
Spec Office	230											5,000
Spec Office	220											5,000
Total SqFt Expiring									54,798			28,986
Percent Of Total Expiring									26.3%			13.9%

Created with ARGUS SOFTWARE

Supporting Schedule - Occupancy & Absorption Rates
Physical Occupancy Based on Absorption & Turnover Vacancy Assumptions

For the Years Ending	Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Year 11 Jun-2028
SqFt Occupied											
July	112,479	196,263	208,181	208,181	208,181	208,181	208,181	208,181	153,383	208,181	208,181
August	112,479	196,263	208,181	208,181	208,181	208,181	208,181	208,181	153,383	208,181	208,181
September	121,822	201,263	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	198,838
October	121,822	201,263	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	198,838
November	121,822	201,263	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181
December	131,465	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	198,538
January	131,465	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	198,538
February	131,465	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	198,538
March	136,465	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	203,181
April	136,465	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	203,181
May	136,465	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	208,181	203,181
June	196,263	208,181	208,181	208,181	208,181	208,181	208,181	153,383	208,181	208,181	203,181
Average Occupied For The Year	132,540	204,465	208,181	208,181	208,181	208,181	208,181	203,615	199,048	208,181	202,546
Net Absorption											
Annual Square Feet Absorbed	83,784	11,918						(54,798)	54,798		(5,000)
Average Monthly Absorption	6,982	993						(4,567)	4,567		(417)

For the Years Ending	Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Year 11 Jun-2028
Percentage Occupancy											
July	54.03%	94.28%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	73.68%	100.00%	100.00%
August	54.03%	94.28%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	73.68%	100.00%	100.00%
September	58.52%	96.68%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	95.51%
October	58.52%	96.68%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	95.51%
November	58.52%	96.68%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
December	63.15%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	95.37%
January	63.15%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	95.37%
February	63.15%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	95.37%
March	65.55%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	97.60%
April	65.55%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	97.60%
May	65.55%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	97.60%
June	94.28%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	73.68%	100.00%	100.00%	97.60%
Average Occupancy For The Year	63.67%	98.22%	100.00%	100.00%	100.00%	100.00%	100.00%	97.81%	95.61%	100.00%	97.29%
Net Absorption											
Annual Percentage Absorbed	40.25%	5.72%						(26.32%)	26.32%		(2.40%)
Average Monthly Percentage	3.35%	0.48%						(2.19%)	2.19%		(0.20%)

Created with ARGUS SOFTWARE

Supporting Schedule -- Average Square Feet Occupancy

For the Years Ending		Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Year 11 Jun-2028
Tenant	Suite											
MedStar Health	1	112,479	112,479	112,479	112,479	112,479	112,479	112,479	112,479	112,479	112,479	112,479
Retail- Restaurant	2	6,878	8,254	8,254	8,254	8,254	8,254	8,254	8,254	8,254	8,254	6,878
Retail- Deli	4	908	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	908
Spec Office	200		4,036	6,918	6,918	6,918	6,918	6,918	6,918	6,918	6,918	6,918
Spec Office	210		4,167	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Spec Office	220	417	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	4,583
Spec Office	230	1,667	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	3,750
Spec Office	240	2,713	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	3,488
Spec Office	250	2,912	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	3,744
Spec Office	300	2,283	27,399	27,399	27,399	27,399	27,399	27,399	25,116	22,833	27,399	27,399
Spec Office	400	2,283	27,399	27,399	27,399	27,399	27,399	27,399	25,116	22,833	27,399	27,399
Total Amount Per Year		132,540	204,465	208,181	208,181	208,181	208,181	208,181	203,615	199,048	208,181	202,546
Average Percent Occupancy		63.67%	98.22%	100.00%	100.00%	100.00%	100.00%	100.00%	97.81%	95.61%	100.00%	97.29%

Created with ARGUS SOFTWARE

Supporting Schedule -- Scheduled Base Rental Revenue

For the Years Ending		Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Year 11 Jun-2028
Tenant	Suite											
MedStar Health	1	3,710,401	3,821,713	3,936,364	4,054,455	4,176,089	4,301,372	4,430,413	4,563,325	4,700,225	4,841,232	4,986,469
Retail- Restaurant	2	240,742	419,578	427,970	436,529	445,260	454,165	463,248	472,513	481,964	491,603	451,959
Retail- Deli	4	31,763	55,358	56,465	57,594	58,746	59,921	61,119	62,342	63,588	64,860	59,630
Spec Office	200		86,694	264,634	272,573	280,750	289,172	297,848	306,783	315,986	325,466	335,230
Spec Office	210		109,652	192,674	198,455	204,408	210,540	216,857	223,362	230,063	236,965	244,074
Spec Office	220		152,540	188,445	194,098	199,921	205,919	212,096	218,459	225,013	231,764	218,278
Spec Office	230	15,208	184,325	189,855	195,550	201,417	207,459	213,683	220,094	226,697	233,497	179,186
Spec Office	240	56,587	172,732	177,914	183,252	188,749	194,412	200,244	206,251	212,439	218,812	168,340
Spec Office	250	60,736	185,397	190,959	196,687	202,588	208,666	214,926	221,373	228,014	234,855	180,682
Spec Office	300		744,282	919,474	947,059	975,470	1,004,735	1,034,877	974,659	940,015	1,156,218	1,190,905
Spec Office	400		744,282	919,474	947,059	975,470	1,004,735	1,034,877	974,659	940,015	1,156,218	1,190,905
Total Amount Per Year		4,115,437	6,676,553	7,464,228	7,683,311	7,908,868	8,141,096	8,380,188	8,443,820	8,564,019	9,191,490	9,205,658
Weighted Average Per SqFt		19.77	32.07	35.85	36.91	37.99	39.11	40.25	40.56	41.14	44.15	44.22

Created with ARGUS SOFTWARE

Supporting Schedule -- Base Rent Abatements

For the Years Ending		Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Year 11 Jun-2028
Tenant	Suite											
MedStar Health	1											
Retail- Restaurant	2	103,175										
Retail- Deli	4	13,613										
Spec Office	200		65,021									
Spec Office	210		46,994									
Spec Office	220	15,208	30,417									
Spec Office	230	45,625										
Spec Office	240	42,440										
Spec Office	250	45,552										
Spec Office	300	74,206	148,411									
Spec Office	400	74,206	148,411									
Total Amount Per Year		414,025	439,254									
Weighted Average Per SqFt		1.99	2.11									

Created with ARGUS SOFTWARE

Supporting Schedule -- Absorption & Turnover Vacancy

For the Years Ending		Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Year 11 Jun-2028
Tenant	Suite											
MedStar Health	1											
Retail- Restaurant	2	68,783										92,439
Retail- Deli	4	9,075										12,196
Spec Office	200	252,507	108,368									
Spec Office	210	182,500	31,329									
Spec Office	220	167,292										20,439
Spec Office	230	121,667										61,316
Spec Office	240	70,734										57,036
Spec Office	250	75,920										61,218
Spec Office	300	816,262							91,264	188,003		
Spec Office	400	816,262							91,264	188,003		
Total Amount Per Year		2,581,002	139,697						182,528	376,006		304,644
Weighted Average Per SqFt		12.40	0.67						0.88	1.81		1.46

Supporting Schedule -- Expense Reimbursement Revenue

For the Years Ending		Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Year 11 Jun-2028
Tenant	Suite											
MedStar Health	1		329,104	394,626	447,023	500,990	556,577	613,828	659,238	700,154	792,024	842,082
Retail- Restaurant	2	61,557	85,112	88,177	90,890	93,685	96,563	99,527	102,530	105,225	108,665	93,225
Retail- Deli	4	8,122	11,229	11,634	11,992	12,360	12,740	13,131	13,527	13,884	14,337	12,300
Spec Office	200			4,029	7,252	10,572	13,992	17,511	20,306	22,822	28,470	31,550
Spec Office	210			2,912	5,240	7,641	10,113	12,656	14,675	16,495	20,577	22,802
Spec Office	220		14,630	17,542	19,871	22,271	24,742	27,287	29,305	31,123	35,207	34,313
Spec Office	230		14,630	17,542	19,871	22,271	24,742	27,287	29,305	31,123	35,207	24,955
Spec Office	240		13,610	16,318	18,484	20,716	23,013	25,382	27,260	28,950	32,750	14,509
Spec Office	250		14,605	17,516	19,840	22,235	24,703	27,242	29,258	31,073	35,152	15,572
Spec Office	300		80,166	96,127	108,892	122,037	135,578	149,524	147,204		22,378	34,572
Spec Office	400		80,166	96,127	108,892	122,037	135,578	149,524	147,204		22,378	34,572
Total Amount Per Year		69,679	643,252	762,550	858,247	956,815	1,058,341	1,162,899	1,219,812	980,849	1,147,145	1,160,452
Weighted Average Per SqFt		0.33	3.09	3.66	4.12	4.60	5.08	5.59	5.86	4.71	5.51	5.57

Created with ARGUS SOFTWARE

Supporting Schedule -- Tenant Improvements

For the Years Ending		Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Year 11 Jun-2028
Tenant	Suite											
MedStar Health	1											
Retail- Restaurant	2	619,050										69,329
Retail- Deli	4	81,675										9,147
Spec Office	200		498,788									
Spec Office	210		360,500									
Spec Office	220	350,000										
Spec Office	230	350,000										97,434
Spec Office	240	325,570										90,633
Spec Office	250	349,440										97,278
Spec Office	300	1,917,930								503,269		
Spec Office	400	1,917,930								503,269		
Total Amount Per Year		5,911,595	859,288							1,006,538		363,821
Weighted Average Per SqFt		28.40	4.13							4.83		1.75

Supporting Schedule -- Leasing Commissions

For the Years Ending		Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Year 11 Jun-2028
Tenant	Suite											
MedStar Health	1											
Retail- Restaurant	2	264,946										227,741
Retail- Deli	4	34,956										30,047
Spec Office	200		174,992									
Spec Office	210		126,476									
Spec Office	220	122,792										
Spec Office	230	122,792										73,294
Spec Office	240	114,221										68,178
Spec Office	250	122,596										73,177
Spec Office	300	396,033								337,092		
Spec Office	400	396,033								337,092		
Total Amount Per Year		1,574,369	301,468							674,184		472,437
Weighted Average Per SqFt		7.56	1.45							3.24		2.27

Input Assumptions

Property Description

Name:	One Merriweather - AS IS
Address:	10980 Divided Sky Lane
Address2:	
City:	Columbia
State:	MD
Zip:	
Country:	
Portfolio:	
Property Type:	Office/Industrial
Property Reference:	
Property Version:	

Property Timing

Analysis Start Date:	7/17
Reporting Start Date:	7/17
Years to Report or End Date:	10

Comment Section

Area Measures

Label	Area
Property Size	208,181 SqFt
Alt. Prop. Size	1 SqFt

Constants

Label	
Total Purchase Price	0

General Inflation

Inflation Month:	Analysis Start
Reimbursement Method:	Fiscal reimbursement using fiscal inflation
Inflation Rate:	3

Miscellaneous Revenues

Name	Acct Code	Actuals	Budgeted	Units	Area/Constant	Frequency	% Fixed	Inflation	Ref Acct	Notes
Parking Income Net			250,000	$Amount		/Year	100			Yes

Revenue/Expense Notes

Parking Income Net — Transient Parking Revenue

Reimbursable Expenses

Name	Acct Code	Actuals	Budgeted	Units	Area/Constant	Frequency	% Fixed	Inflation	Ref Acct	Notes
Insurance			0.2	$/Area	Property Size	/Year	100			
Utilities			3	$/Area	Occupied Office	/Year	100			Yes
Repairs & Maintenance			2.5	$/Area	Property Size	/Year	100			Yes
Janitorial			1.25	$/Area	Occupied Office	/Year	100			Yes
Management Fees			2.5	% of EGR						
General & Administrative			0.25	$/Area	Property Size	/Year	100			Yes
Real Estate Taxes			Detail	$Amount			100			Yes

Gross Up for Reimbursement: No

Revenue/Expense Notes

Utilities — common area and office tenant utilities
Retail tenant - net

(continued on next page)

Input Assumptions
(continued from previous page)

Revenue/Expense Notes

Repairs & Maintenance	Inclusive of common area maintenance (CAM), contract services and non-janitorial payroll.
Janitorial	common area and tenant spaces (gross)
General & Administrative	Misc. admni
Real Estate Taxes	Based on 7/2017 assessment for 1MW and Area 1 garage

Detail Of Real Estate Taxes

	Jun-2018	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2024	Jun-2025	Jun-2026	Jun-2027	Jun-2028	Jun-2029	Jun-2030
July	99186.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00
August	99186.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00
September	99186.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00
October	99186.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00
November	99186.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00
December	99186.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00
January	99186.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00
February	99186.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00
March	99186.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00
April	99186.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00
May	99186.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00
June	99186.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00	114941.00
Annual Total	1190232	1379292	1379292	1379292	1379292	1379292	1379292	1379292	1379292	1379292	1379292	1379292	1379292
Inflation		0.0000											
Inflated Total	1190232	1379292	1420671	1463291	1507190	1552405	1598977	1646947	1696355	1747246	1799663	1853653	1909263

Capital Expenditures

Name	Acct Code	Actuals	Budgeted	Units	Area/Constant	Frequency	% Fixed	Inflation	Ref Acct	Notes
Capital Reserves			0.15	$/Area	Property Size	/Year	100			

General Vacancy

Method:	Percent of Scheduled Base Rental Revenue
Primary Rate:	5
Based On:	Tenant Groups
Overrides Affect Primary Rate As:	Replace

Group	Rate	Exclude Upon Rollover
CreditTenants	0	No

Percent Based on Revenue Minus Absorption and Turnover Vacancy: No
Reduce General Vacancy Result by Absorption & Turnover Vacancy: Yes

Credit & Collection Loss

Method:	Percent of Scheduled Base Rental Revenue
Primary Rate:	1
Based On:	Tenant Groups
Overrides Affect Primary Rate As:	Replace

Group	Rate	Exclude Upon Rollover
CreditTenants	0	No

(continued on next page)

Input Assumptions
(continued from previous page)

Rent Roll

No.	Tenant Name/ Description	Suite	Lease Type	Lease Status	Total Area	Start Date	Term/ Expir	Base/Min Rent	Unit of Measure	Rent Chng	Rtl Sls	Reimbur- sements	Unit of Measure	Rent Abatement
1	MedStar Health	1	Office	Contract	112,479	1/17	12/29	Detail				Full Service		
2	Retail- Restaurant	2	Retail	Contract	8,254	3	10	Detail				Retail- Net		3 months
3	Retail- Deli	4	Retail	Contract	1,089	3	10	Detail				Retail- Net		3 months
4	Spec Office	200	Office	Speculative	6,918	18	10	Detail				Full Service		3 months
5	Spec Office	210	Office	Speculative	5,000	15	10	Detail				Full Service		3 months
6	Spec Office	220	Office	Speculative	5,000	12	10	Detail				Full Service		3 months
7	Spec Office	230	Office	Speculative	5,000	9	10	Detail				Full Service		3 months
8	Spec Office	240	Office	Speculative	4,651	6	10	Detail				Full Service		3 months
9	Spec Office	250	Office	Speculative	4,992	6	10	Detail				Full Service		3 months
10	Spec Office	300	Office	Speculative	27,399	12	7	Detail				Full Service		3 months
11	Spec Office	400	Office	Speculative	27,399	12	7	Detail				Full Service		3 months

No.	Tenant Name/ Description	Leasing Cost	Security Deposit	Market Leasing	Upon Expiration	Rnwl Prob	More/ Notes
1	MedStar Health			Office- $32.50	Market		Yes
2	Retail- Restaurant	Yes		Retail	Market		Yes
3	Retail- Deli	Yes		Retail	Market		Yes
4	Spec Office	Yes		Office- $36.50	Market		Yes
5	Spec Office	Yes		Office- $36.50	Market		Yes
6	Spec Office	Yes		Office- $36.50	Market		Yes
7	Spec Office	Yes		Office- $36.50	Market		Yes
8	Spec Office	Yes		Office- $36.50	Market		Yes
9	Spec Office	Yes		Office- $36.50	Market		Yes
10	Spec Office	Yes		Office- $32.50	Market		Yes
11	Spec Office	Yes		Office- $32.50	Market		Yes

Detail Base Rent
MedStar Health

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

More Information
MedStar Health

Floor:
SIC Code:
Notes: Lease start 12/15/2016; Assumes TI and LC are funded;
Tenant has 2 5-year renewal options;
Suites 100 & 130 (conference center- fitness center) 5,953 SF,
500- 9,923 SF, 520- 17,226 SF, 600/700/800- 27,149 SF each floor

Detail Base Rent
Retail- Restaurant

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

Leasing Cost
Retail- Restaurant
Tenant Improvements: TI- Retail Shell
Leasing Commissions: LC- 6%/3%

More Information
Retail- Restaurant

Floor:
SIC Code:
Notes: Completed lease- 10 years, 6 months- restaurant

Detail Base Rent
Retail- Deli

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

Leasing Cost
Retail- Deli
Tenant Improvements: TI- Retail Shell
Leasing Commissions: LC- 6%/3%

More Information
Retail- Deli

Floor:
SIC Code:
Notes: Tenant has signed lease

Detail Base Rent
Spec Office

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

(continued on next page)

Input Assumptions
(continued from previous page)

Leasing Cost
Spec Office
Tenant Improvements: TI- Office Shell
Leasing Commissions: LC- 6%/3%

More Information
Spec Office

Floor:
SIC Code:
Notes: Negotiating with prospective tenant for space
Floor will be subdivided for up to six tenants

Detail Base Rent
Spec Office

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

Leasing Cost
Spec Office
Tenant Improvements: TI- Office Shell
Leasing Commissions: LC- 6%/3%

More Information
Spec Office

Floor:
SIC Code:
Notes: Negotiating with prospective tenant for space
Floor will be subdivided for up to six tenants

Detail Base Rent
Spec Office

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

Leasing Cost
Spec Office
Tenant Improvements: TI- Office Shell
Leasing Commissions: LC- 6%/3%

More Information
Spec Office

Floor:
SIC Code:
Notes: Negotiating with prospective tenant for space
Floor will be subdivided for up to six tenants

Detail Base Rent
Spec Office

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

Leasing Cost
Spec Office
Tenant Improvements: TI- Office Shell
Leasing Commissions: LC- 6%/3%

More Information
Spec Office

Floor:
SIC Code:
Notes: Negotiating with prospective tenant for space
Floor will be subdivided for up to six tenants

Detail Base Rent
Spec Office

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

Leasing Cost
Spec Office
Tenant Improvements: TI- Office Shell
Leasing Commissions: LC- 6%/3%

More Information
Spec Office

Floor:
SIC Code:
Notes: Negotiating with prospective tenant for space
Floor will be subdivided for up to six tenants

Detail Base Rent
Spec Office

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

Leasing Cost
Spec Office
Tenant Improvements: TI- Office Shell
Leasing Commissions: LC- 6%/3%

More Information
Spec Office

Floor:
SIC Code:
Notes: Negotiating with prospective tenant for space
Floor will be subdivided for up to six tenants

Detail Base Rent
Spec Office

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

Leasing Cost
Spec Office
Tenant Improvements: TI- Office Shell
Leasing Commissions: LC- 6%/3%

More Information
Spec Office

Floor:
SIC Code:
Notes: Prospective full floor tenant

Detail Base Rent
Spec Office

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

(continued on next page)

Input Assumptions
(continued from previous page)

Leasing Cost
Spec Office
Tenant Improvements: TI- Office Shell
Leasing Commissions: LC- 6%/3%

More Information
Spec Office

Floor:
SIC Code:
Notes: Prospective full floor tenant

Tenant Groups

Group: CreditTenants
MedStar Health 1

Rent Abatements

Rent Abatement Category:
2 months
Modifier: Standard

Date	Pct	Mos
1	100	2.00

Rent Abatement Category:
3 months
Modifier: Standard

Date	Pct	Mos
1	100	3.00

Rent Abatement Category:
Months 2-7
Modifier: Standard

Date	Pct	Mos
2	100	6.00

Detailed Reimbursement Methods

Reimbursement Category: Full Service

Base Category on Another Method: No

Reimbursable Expenses	Reimbursement Method	Amount	Pro -rata	Area Measure	Area Minimum	Reimburse After	Charg-able %
Insurance	Increases over Base Yr St		Natural	Property Size			100
Management Fees	Increases over Base Yr St		Natural	Property Size			100
Utilities	Increases over Base Yr St		Natural	Property Size			100
Repairs & Maintenance	Increases over Base Yr St		Natural	Property Size			100
Janitorial	Increases over Base Yr St		Natural	Property Size			100
General & Administrative	Increases over Base Yr St		Natural	Property Size			100
Real Estate Taxes	Increases over Base Yr St		Natural	Property Size			100

Reimbursable Expenses	Reimb. Minimum	Unit of Measure	Min. Growth	Reimb. Max	Unit of Measure	Max Growth	% Rent Offset
Insurance							
Management Fees							
Utilities							
Repairs & Maintenance							
Janitorial							
General & Administrative							
Real Estate Taxes							

Number of terms to apply method: 1
Gross up Expenses: Global

(continued on next page)

Input Assumptions
(continued from previous page)

Reimbursement Category: Retail- Net

Base Category on Another Method: No

Reimbursable Expenses	Reimbursement Method	Amount	Pro -rata	Area Measure	Area Minimum	Reimburse After	Charg-able %
CAM	Net (Pays Pro Rata Share)		Natural	Property Size			100
Real Estate Taxes	Net (Pays Pro Rata Share)		Natural	Property Size			100

Reimbursable Expenses	Reimb. Minimum	Unit of Measure	Min. Growth	Reimb. Max	Unit of Measure	Max Growth	% Rent Offset
CAM	3	$/SqFt/Yr					
Real Estate Taxes							

Number of terms to apply method: 1
Gross up Expenses: Global

Reimbursement Category: Retail- Deli

Base Category on Another Method: No

Reimbursable Expenses	Reimbursement Method	Amount	Pro -rata	Area Measure	Area Minimum	Reimburse After	Charg-able %
CAM	Net (Pays Pro Rata Share)		Natural	Property Size			100
Real Estate Taxes	Net (Pays Pro Rata Share)		Natural	Property Size			100

Reimbursable Expenses	Reimb. Minimum	Unit of Measure	Min. Growth	Reimb. Max	Unit of Measure	Max Growth	% Rent Offset
CAM	3	$/SqFt/Yr	4			4	
Real Estate Taxes							

Number of terms to apply method: 1
Gross up Expenses: Global

Reimbursement Category: Full Service-Yr +1 Stp

Base Category on Another Method: No

Reimbursable Expenses	Reimbursement Method	Amount	Pro -rata	Area Measure	Area Minimum	Reimburse After	Charg-able %
Insurance	Increases over Base Yr+1		Natural	Property Size			100
Management Fees	Increases over Base Yr+1		Natural	Property Size			100
Utilities	Increases over Base Yr+1		Natural	Property Size			100
Repairs & Maintenance	Increases over Base Yr+1		Natural	Property Size			100
Janitorial	Increases over Base Yr+1		Natural	Property Size			100
Real Estate Taxes	Increases over Base Yr+1		Natural	Property Size			100

Reimbursable Expenses	Reimb. Minimum	Unit of Measure	Min. Growth	Reimb. Max	Unit of Measure	Max Growth	% Rent Offset

(continued on next page)

Input Assumptions
(continued from previous page)

Reimbursable Expenses	Reimb. Minimum	Unit of Measure	Min. Growth	Reimb. Max	Unit of Measure	Max Growth	% Rent Offset
Insurance							
Management Fees							
Utilities							
Repairs & Maintenance							
Janitorial							
Real Estate Taxes							

Number of terms to apply method: 1
Gross up Expenses: Global

Step Rent Adjustments

Step Adjustment:
StepRent-5Yrs-$0.50

Date	Amount	Units
61	0.5	$/SqFt/Yr
121	1	$/SqFt/Yr
181	1.5	$/SqFt/Yr
241	2	$/SqFt/Yr
301	2.5	$/SqFt/Yr

Expense Groups

Group: NNN

Insurance	100
Management Fees	100
Repairs & Maintenance	95
Real Estate Taxes	100

(continued on next page)

Input Assumptions
(continued from previous page)

Group: CAM

Management Fees	100
Repairs & Maintenance	100
Insurance	100

Market Leasing Assumptions

Leasing Assumptions Category: Office- $32.50

Lease Status: Speculative

	New Market	Renewal Mkt	Unit of Measure
Renewal Probability		70%	
Market Rent	32.50		$/SqFt/Yr
Months Vacant	9 months	0	
Tenant Improvements	TI- Office Relet- $25/$10 PSF		
Leasing Commissions	LC- 6%/3%		
Rent Abatements	0		Months
Security Deposit	None	None	

Non-Weighted Items

Rent Changes	Yes		
Retail Sales	No		
Reimbursements	Full Service		
Term Lengths	7	Years	

Rent Changes: Office- $32.50,current term

Changing Base:	3.0% per Year
Step:	
Porters' Wage:	
Miscellaneous:	
CPI Rent	
Category:	
Parking	
Spaces:	Continue Prior
Amount:	

Leasing Assumptions Category: Office- $36.50

Lease Status: Speculative

	New Market	Renewal Mkt	Unit of Measure
Renewal Probability		70%	
Market Rent	36.50		$/SqFt/Yr
Months Vacant	9 months	0	
Tenant Improvements	TI- Office Relet- $25/$10 PSF		
Leasing Commissions	LC- 6%/3%		
Rent Abatements	0		Months
Security Deposit	None	None	

Non-Weighted Items

Rent Changes	Yes		
Retail Sales	No		
Reimbursements	Full Service		
Term Lengths	7	Years	

(continued on next page)

Input Assumptions
(continued from previous page)

Rent Changes: Office- $36.50,current term

Changing Base:	3.0% per Year
Step:	
Porters' Wage:	
Miscellaneous:	
CPI Rent	
Category:	
Parking	
Spaces:	Continue Prior
Amount:	

Leasing Assumptions Category: Retail

Lease Status: Speculative

	New Market	Renewal Mkt	Unit of Measure
Renewal Probability		75%	
Market Rent	50.00		$/SqFt/Yr
Months Vacant	6 months	0	
Tenant Improvements	TI- Retail Relet- $25/$0 PSF		
Leasing Commissions	LC- 6%/3%		
Rent Abatements	0		Months
Security Deposit	None	None	

Non-Weighted Items

Rent Changes	Yes	
Retail Sales	No	
Reimbursements	Retail- Net	
Term Lengths	10	Years

Rent Changes: Retail,current term

Changing Base:	2.0% per Year
Step:	
Porters' Wage:	
Miscellaneous:	
CPI Rent	
Category:	
Parking	
Spaces:	Continue Prior
Amount:	

Renewal Probability

Renewal Probability Category: 70%

	Jun-2018	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2024	Jun-2025	Jun-2026	Jun-2027	Jun-2028	Jun-2029
% to Renew	70	70	70	70	70	70	70	70	70	70	70	70

Renewal Probability Category: 75%

	Jun-2018	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2024	Jun-2025	Jun-2026	Jun-2027	Jun-2028	Jun-2029
% to Renew	75	75	75	75	75	75	75	75	75	75	75	75

(continued on next page)

Input Assumptions
(continued from previous page)

Changing Base Rent

Changing Base: 2.0% per Year

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

Changing Base: 3.0% per Year

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

Changing Base: 10% Every 5 Years

Date	Amount	Units
1	100	% Market
61	10	% Increase
121	10	% Increase

Months Vacant

Months Vacant Category: 9 months

	Jun-2018	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2024	Jun-2025	Jun-2026	Jun-2027	Jun-2028	Jun-2029
# of Months	9	9	9	9	9	9	9	9	9	9	9	9

Months Vacant Category: 6 months

	Jun-2018	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2024	Jun-2025	Jun-2026	Jun-2027	Jun-2028	Jun-2029
# of Months	6	6	6	6	6	6	6	6	6	6	6	6

Tenant Improvements

Tenant Improvements Category: TI- Office Shell- $70/$10 PSF

Payment Made: PMT-1
Unit of Measure: $/SqFt

	Jun-2018	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2024	Jun-2025	Jun-2026	Jun-2027	Jun-2028	Jun-2029
New	70	70	70	70	70	70	70	70	70	70	70	70
Renewal	10	10	10	10	10	10	10	10	10	10	10	10
Inflation												

Tenant Improvements Category: TI- Office Relet- $25/$10 PSF

Payment Made: PMT-1
Unit of Measure: $/SqFt

	Jun-2018	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2024	Jun-2025	Jun-2026	Jun-2027	Jun-2028	Jun-2029
New	25	25	25	25	25	25	25	25	25	25	25	25
Renewal	10	10	10	10	10	10	10	10	10	10	10	10
Inflation												

Tenant Improvements Category: TI- Retail Shell- $75/$0 PSF

Payment Made: PMT-1
Unit of Measure: $/SqFt

	Jun-2018	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2024	Jun-2025	Jun-2026	Jun-2027	Jun-2028	Jun-2029
New	75	75	75	75	75	75	75	75	75	75	75	75
Renewal	0	0	0	0	0	0	0	0	0	0	0	0
Inflation												

(continued on next page)

Input Assumptions
(continued from previous page)

Tenant Improvements Category: TI- Retail Relet- $25/$0 PSF

Payment Made: PMT-1
Unit of Measure: $/SqFt

	Jun-2018	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2024	Jun-2025	Jun-2026	Jun-2027	Jun-2028	Jun-2029
New	25	25	25	25	25	25	25	25	25	25	25	25
Renewal	0	0	0	0	0	0	0	0	0	0	0	0
Inflation												

Leasing Commissions

Leasing Commissions Category: LC- 6%/3%

Payment Made: PMT-1
Unit of Measure: Percent

	Jun-2018	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2024	Jun-2025	Jun-2026	Jun-2027	Jun-2028	Jun-2029
New	6	6	6	6	6	6	6	6	6	6	6	6
Renewal	3	3	3	3	3	3	3	3	3	3	3	3
Inflation												

Calculation includes:

Base Rent:	Yes
Free Rent:	Yes
Step Rent:	Yes
Reimbursements:	No
Retail Sales:	No
CPI Rent:	No

Payment Options

Detail Of PMT-1

	Year -2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
Month 1															
Month 2															
Month 3															
Month 4															
Month 5															
Month 6															
Month 7															
Month 8															
Month 9															
Month 10															
Month 11															
Month 12		100.00													
Annual Total		100.00													
Cumulative		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(continued on next page)

Input Assumptions
(continued from previous page)

Property Resale
- Option: Capitalize Net Operating Income
- Cap Rate: 6.75
- Resale Adjustment(s): 2.5
- Apply Rate to following year income: Yes
- Calculate Resale for All Years: Yes

Present Value Discounting
- Primary Discount Rate: 8
- Discount Rate Range
  - Number of Rates: 5
  - Increment: 0.25
- Discount Method: Annually (Endpoint on Cash Flow & Resale)
- Advanced
  - Unleveraged Discount Range
    - Cash Flow Rate: 8
    - Resale Rate: 8
  - Leveraged Discount Range
    - Cash Flow Rate: 8
    - Resale Rate: 8

Argus Reports- Two Merriweather

Supporting Schedule -- Detailed Lease Expiration Schedule (First Term Only)

No.	Tenant	Suite	Market Leasing	Base Rent /SqFt/Yr	Expiration Date	Square Feet	Percent of Total
2	Spec Office Tenant	Fl. 5	Office	29.98	4/30/26	23,809	19.3
Total for Year Ending Jul-						23,809	19.3%
3	Spec Retail	Concourse	Retail- $40	47.80	7/31/28	3,500	2.8
5	Spec Retail	100	Retail- $45	53.78	7/31/28	3,384	2.7
Total for Year Ending Jul-						6,884	5.6%
4	Spec Retail	Concourse	Retail- $40	44.25	10/31/28	4,288	3.5
1	Pearson	Fl. 2-4	Office	33.30	11/30/28	73,253	59.3
6	Spec Retail	110-120	Retail- $40	43.08	1/31/29	15,370	12.4
Total for Year Ending Jul-						92,911	75.2%
Building Total						123,604	100.0%

Supporting Schedule -- Square Feet Expiring -- (All Terms)

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030
Tenant	Suite											
Spec Office Tenant	Fl. 5							23,809				
Spec Retail	Concours									3,500		
Spec Retail	100									3,384		
Spec Retail	Concours										4,288	
Pearson	Fl. 2-4										73,253	
Spec Retail	110-120										15,370	
Total SqFt Expiring								23,809		6,884	92,911	
Percent Of Total Expiring								19.3%		5.6%	75.2%	

Supporting Schedule - Occupancy & Absorption Rates
Physical Occupancy Based on Absorption & Turnover Vacancy Assumptions

For the Years Ending	Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030
SqFt Occupied											
August	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	116,720	123,604
September	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	116,720	123,604
October	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604
November	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	119,316	123,604
December	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	46,063	123,604
January	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	50,351	123,604
February	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	34,981	123,604
March	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	108,234	123,604
April	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604	123,604
May	123,604	123,604	123,604	123,604	123,604	123,604	99,795	123,604	123,604	123,604	123,604
June	123,604	123,604	123,604	123,604	123,604	123,604	99,795	123,604	123,604	123,604	123,604
July	123,604	123,604	123,604	123,604	123,604	123,604	99,795	123,604	123,604	123,604	123,604
Average Occupied For The Year	123,604	123,604	123,604	123,604	123,604	123,604	117,652	123,604	123,604	100,867	123,604
Net Absorption											
Annual Square Feet Absorbed							(23,809)	23,809			
Average Monthly Absorption							(1,984)	1,984			

For the Years Ending	Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030
Percentage Occupancy											
August	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	94.43%	100.00%
September	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	94.43%	100.00%
October	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
November	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	96.53%	100.00%
December	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	37.27%	100.00%
January	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	40.74%	100.00%
February	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	28.30%	100.00%
March	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	87.57%	100.00%
April	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
May	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	80.74%	100.00%	100.00%	100.00%	100.00%
June	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	80.74%	100.00%	100.00%	100.00%	100.00%
July	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	80.74%	100.00%	100.00%	100.00%	100.00%
Average Occupancy For The Year	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	95.18%	100.00%	100.00%	81.61%	100.00%
Net Absorption											
Annual Percentage Absorbed							(19.26%)	19.26%			
Average Monthly Percentage							(1.61%)	1.61%			

Created with ARGUS SOFTWARE

Supporting Schedule -- Average Square Feet Occupancy

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030
Tenant	Suite											
Pearson	Fl. 2-4	73,253	73,253	73,253	73,253	73,253	73,253	73,253	73,253	73,253	54,940	73,253
Spec Office Tenant	Fl. 5	23,809	23,809	23,809	23,809	23,809	23,809	17,857	23,809	23,809	23,809	23,809
Spec Retail	Concours	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	2,917	3,500
Spec Retail	Concours	4,288	4,288	4,288	4,288	4,288	4,288	4,288	4,288	4,288	3,573	4,288
Spec Retail	100	3,384	3,384	3,384	3,384	3,384	3,384	3,384	3,384	3,384	2,820	3,384
Spec Retail	110-120	15,370	15,370	15,370	15,370	15,370	15,370	15,370	15,370	15,370	12,808	15,370
Total Amount Per Year		123,604	123,604	123,604	123,604	123,604	123,604	117,652	123,604	123,604	100,867	123,604
Average Percent Occupancy		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	95.18%	100.00%	100.00%	81.61%	100.00%

Created with ARGUS SOFTWARE

Supporting Schedule -- Scheduled Base Rental Revenue

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030
Tenant	Suite											
Pearson	Fl. 2-4	2,501,188	2,576,223	2,653,510	2,733,113	2,815,109	2,899,561	2,986,548	3,076,145	3,168,428	2,439,613	3,336,671
Spec Office Tenant	Fl. 5	802,984	827,074	851,886	877,442	903,765	930,879	713,750	980,218	1,009,622	1,039,912	1,071,111
Spec Retail	Concours	142,799	145,656	148,570	151,540	154,572	157,663	160,815	164,032	167,314	156,790	191,284
Spec Retail	Concours	174,093	177,576	181,125	184,750	188,443	192,213	196,057	199,978	203,977	189,742	240,193
Spec Retail	100	155,326	158,432	161,600	164,832	168,131	171,491	174,922	178,419	181,990	170,542	208,063
Spec Retail	110-120	639,577	652,367	665,415	678,724	692,299	706,145	720,267	734,672	749,365	662,068	856,700
Total Amount Per Year		4,415,967	4,537,328	4,662,106	4,790,401	4,922,319	5,057,952	4,952,359	5,333,464	5,480,696	4,658,667	5,904,022
Weighted Average Per SqFt		35.73	36.71	37.72	38.76	39.82	40.92	40.07	43.15	44.34	37.69	47.77

Supporting Schedule -- Absorption & Turnover Vacancy

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030
Tenant	Suite											
Pearson	Fl. 2-4										823,869	
Spec Office Tenant	Fl. 5							245,054				
Spec Retail	Concours										31,358	
Spec Retail	Concours										38,994	
Spec Retail	100										34,109	
Spec Retail	110-120										141,838	
Total Amount Per Year								245,054			1,070,168	
Weighted Average Per SqFt								1.98			8.66	

Supporting Schedule -- Expense Reimbursement Revenue

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030
Tenant	Suite											
Pearson	Fl. 2-4	117,216	159,683	201,228	239,487	270,192	300,509	316,711	353,558	392,307	134,398	72,998
Spec Office Tenant	Fl. 5	13,615	27,419	40,915	53,354	63,334	73,187	58,603	11,023	23,614	22,352	38,640
Spec Retail	Concours	27,051	28,301	29,897	31,324	32,383	33,407	34,325	35,341	36,443	30,866	38,287
Spec Retail	Concours	33,137	34,672	36,629	38,380	39,671	40,929	42,055	43,300	44,645	37,783	46,911
Spec Retail	100	26,151	27,364	28,906	30,291	31,306	32,298	33,187	34,174	35,234	29,840	37,021
Spec Retail	110-120	118,771	124,288	131,296	137,571	142,201	146,696	150,741	155,208	160,022	135,326	168,146
Total Amount Per Year		335,941	401,727	468,871	530,407	579,087	627,026	635,622	632,604	692,265	390,565	402,003
Weighted Average Per SqFt		2.72	3.25	3.79	4.29	4.69	5.07	5.14	5.12	5.60	3.16	3.25

Supporting Schedule -- Tenant Improvements

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030
Tenant	Suite											
Pearson	Fl. 2-4										1,470,290	
Spec Office Tenant	Fl. 5							437,328				
Spec Retail	Concours										29,398	
Spec Retail	Concours										37,097	
Spec Retail	100										28,424	
Spec Retail	110-120										132,973	
Total Amount Per Year								437,328			1,698,182	
Weighted Average Per SqFt								3.54			13.74	

Supporting Schedule -- Leasing Commissions

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030
Tenant	Suite											
Pearson	Fl. 2-4										984,807	
Spec Office Tenant	Fl. 5							292,924				
Spec Retail	Concours										77,256	
Spec Retail	Concours										97,490	
Spec Retail	100										84,033	
Spec Retail	110-120										349,444	
Total Amount Per Year								292,924			1,593,030	
Weighted Average Per SqFt								2.37			12.89	

Input Assumptions

Property Description

Name:	Two Merriweather
Address:	10960 Divided Sky Lane
Address2:	
City:	Columbia
State:	MD
Zip:	
Country:	
Portfolio:	
Property Type:	Office/Industrial
Property Reference:	
Property Version:	

Property Timing

Analysis Start Date:	12/17
Reporting Start Date:	8/19
Years to Report or End Date:	10

Comment Section

Area Measures

Label	Area
Property Size	123,604 SqFt
Alt. Prop. Size	1 SqFt

Constants

Label	
Total Purchase Price	0

General Inflation

Inflation Month:	Analysis Start
Reimbursement Method:	Fiscal reimbursement using fiscal inflation
Inflation Rate:	3

Reimbursable Expenses

Name	Acct Code	Actuals	Budgeted	Units	Area/Constant	Frequency	% Fixed	Inflation	Ref Acct	Notes
Insurance			0.2	$/Area	Property Size	/Year	100			
Utilities			3	$/Area	Occupied Office	/Year	100			Yes
Repairs & Maintenance			2.4	$/Area	Property Size	/Year	100			Yes
Janitorial			1.1	$/Area	Occupied Office	/Year	100			Yes
Management Fees			2.5	% of EGR						
General & Administrative			0.2	$/Area	Property Size	/Year	100			Yes
Real Estate Taxes			Detail	$Amount			100			

Gross Up for Reimbursement: No

Revenue/Expense Notes

Utilities	common area and office tenant utilities Retail tenant utilities are assumed to be directly billed net
Repairs & Maintenance	Inclusive of common area maintenance (CAM), contract services (Grounds and Security) and non-janitorial payroll.
Janitorial	common area and office tenant spaces (gross). Retail tenants net
General & Administrative	Misc. admni

(continued on next page)

Input Assumptions
(continued from previous page)

Detail Of Real Estate Taxes

	Nov-2018	Nov-2019	Nov-2020	Nov-2021	Nov-2022	Nov-2023	Nov-2024	Nov-2025	Nov-2026	Nov-2027	Nov-2028	Nov-2029	Nov-2030	Nov-2031
December	39909.00	39909.00	42865.00	42865.00	48777.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00
January	39909.00	39909.00	42865.00	42865.00	48777.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00
February	39909.00	39909.00	42865.00	42865.00	48777.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00
March	39909.00	39909.00	42865.00	42865.00	48777.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00
April	39909.00	39909.00	42865.00	42865.00	48777.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00
May	39909.00	39909.00	42865.00	42865.00	48777.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00
June	39909.00	39909.00	42865.00	42865.00	48777.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00
July	39909.00	42865.00	45821.00	48777.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00
August	39909.00	42865.00	42865.00	48777.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00
September	39909.00	42865.00	42865.00	48777.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00
October	39909.00	42865.00	42865.00	48777.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00
November	39909.00	42865.00	42865.00	48777.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00	50241.00
Annual Total	478908.00	493688.00	517336.00	543940.00	592644.00	602892.00	602892.00	602892.00	602892.00	602892.00	602892.00	602892.00	602892.00	602892.00
Inflation		0.0000	0.0000	0.0000	0.0000									
Inflated Total	478908	493688	517336	543940	592644	620979	639608	658796	678560	698917	719885	741481	763726	786637

Capital Expenditures

Name	Acct Code	Actuals	Budgeted	Units	Area/Constant	Frequency	% Fixed	Inflation	Ref Acct	Notes
Capital Reserves			0.15	$/Area	Property Size	/Year	100			

General Vacancy

Method: Percent of Scheduled Base Rental Revenue
Primary Rate: 5
Based On: Tenant Groups
Overrides Affect Primary Rate As: Replace

Group	Rate	Exclude Upon Rollover
CreditTenants	0	No

Percent Based on Revenue Minus Absorption and Turnover Vacancy: No
Reduce General Vacancy Result by Absorption & Turnover Vacancy: Yes

Credit & Collection Loss

Method: Percent of Scheduled Base Rental Revenue
Primary Rate: 1
Based On: Tenant Groups
Overrides Affect Primary Rate As: Replace

Group	Rate	Exclude Upon Rollover
CreditTenants	0	No

Rent Roll

No.	Tenant Name/ Description	Suite	Lease Type	Lease Status	Total Area	Start Date	Term/ Expir	Base/Min Rent	Unit of Measure	Rent Chng	Rtl Sls	Reimbur- sements	Unit of Measure	Rent Abatement
1	Pearson	Fl. 2-	Office	Contract	73,253	12/17	11/28	Detail				Full Service		
2	Spec Office Tenant	Fl. 5	Office	Speculative	23,809	18	7	Detail				Full Service		3 months
3	Spec Retail	Concou	Retail	Speculative	3,500	9	10	Detail				Retail- Net		
4	Spec Retail	Concou	Retail	Speculative	4,288	12	10	Detail				Retail- Net		
5	Spec Retail	100	Retail	Speculative	3,384	9	10	Detail				Retail- Net		
6	Spec Retail	110-12	Retail	Speculative	15,370	15	10	Detail				Retail- Net		

Created with ARGUS SOFTWARE

Input Assumptions
(continued from previous page)

Rent Roll

No.	Tenant Name/ Description	Leasing Cost	Security Deposit	Market Leasing	Upon Expiration	Rnwl Prob	More/ Notes
1	Pearson	Yes		Office	Market		Yes
2	Spec Office Tenant	Yes		Office	Market		
3	Spec Retail	Yes		Retail- $40/SF	Market		
4	Spec Retail	Yes		Retail- $40/SF	Market		
5	Spec Retail	Yes		Retail- $45/SF	Market		Yes
6	Spec Retail	Yes		Retail- $40/SF	Market		Yes

Detail Base Rent
Pearson

Date	Amount	Units
12/17	100	% Market
12/18	3	% Inc, Annual

Leasing Cost
Pearson
Tenant Improvements: TI- Office Shell
Leasing Commissions: LC- 6%/3%

More Information
Pearson

Floor:
SIC Code:
Notes: Lease start 11/15/2017 - estimated substantial completion by owner;
2 5-year renewal options
Includes 1,723 SF on Concourse Level

Detail Base Rent
Spec Office Tenant

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

Leasing Cost
Spec Office Tenant
Tenant Improvements: TI- Office Shell
Leasing Commissions: LC- 6%/3%

Detail Base Rent
Spec Retail

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

Leasing Cost
Spec Retail
Tenant Improvements: TI- Retail Shell
Leasing Commissions: LC- 6%/3%

Detail Base Rent
Spec Retail

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

Leasing Cost
Spec Retail
Tenant Improvements: TI- Retail Shell
Leasing Commissions: LC- 6%/3%

Detail Base Rent
Spec Retail

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

Leasing Cost
Spec Retail
Tenant Improvements: TI- Retail Shell
Leasing Commissions: LC- 6%/3%

More Information
Spec Retail

Floor:
SIC Code:
Notes: Considered upside of potential bank space in selection of investment rates

Detail Base Rent
Spec Retail

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

Leasing Cost
Spec Retail
Tenant Improvements: TI- Retail Shell
Leasing Commissions: LC- 6%/3%

More Information
Spec Retail

Floor:
SIC Code:
Notes: Prospective tenant

(continued on next page)

Input Assumptions
(continued from previous page)

Tenant Groups

Group: CreditTenants

Rent Abatements

Rent Abatement Category:
3 months
Modifier: Standard

Date	Pct	Mos
1	100	3.00

Rent Abatement Category:
12 months
Modifier: Standard

Date	Pct	Mos
1	100	12

Detailed Reimbursement Methods

Reimbursement Category: Full Service

Base Category on Another Method: No

Reimbursable Expenses	Reimbursement Method	Amount	Pro -rata	Area Measure	Area Minimum	Reimburse After	Charg- able %
Insurance	Increases over Base Yr St		Natural	Property Size			100
Management Fees	Increases over Base Yr St		Natural	Property Size			100
Utilities	Increases over Base Yr St		Natural	Property Size			100
Repairs & Maintenance	Increases over Base Yr St		Natural	Property Size			100
Janitorial	Increases over Base Yr St		Natural	Property Size			100
General & Administrative	Increases over Base Yr St		Natural	Property Size			100
Real Estate Taxes	Increases over Base Yr St		Natural	Property Size			100

Reimbursable Expenses	Reimb. Minimum	Unit of Measure	Min. Growth	Reimb. Max	Unit of Measure	Max Growth	% Rent Offset
Insurance							
Management Fees							
Utilities							
Repairs & Maintenance							
Janitorial							
General & Administrative							
Real Estate Taxes							

Number of terms to apply method: 1
Gross up Expenses: Global

Reimbursement Category: Retail- Net

Base Category on Another Method: No

Reimbursable Expenses	Reimbursement Method	Amount	Pro -rata	Area Measure	Area Minimum	Reimburse After	Charg- able %
CAM	Net (Pays Pro Rata Share)		Natural	Property Size			100

(continued on next page)

Input Assumptions
(continued from previous page)

Reimbursable Expenses	Reimbursement Method	Amount	Pro -rata	Area Measure	Area Minimum	Reimburse After	Charg- able %
Real Estate Taxes	Net (Pays Pro Rata Share)		Natural	Property Size			100

Reimbursable Expenses	Reimb. Minimum	Unit of Measure	Min. Growth	Reimb. Max	Unit of Measure	Max Growth	% Rent Offset
CAM	3	$/SqFt/Yr					
Real Estate Taxes							

Number of terms to apply method: 1
Gross up Expenses: Global

(continued on next page)

Input Assumptions
(continued from previous page)

Reimbursement Category: Full Service-Yr +1 Stp

Base Category on Another Method: No

Reimbursable Expenses	Reimbursement Method	Amount	Pro -rata	Area Measure	Area Minimum	Reimburse After	Charg-able %
Insurance	Increases over Base Yr+1		Natural	Property Size			100
Management Fees	Increases over Base Yr+1		Natural	Property Size			100
Utilities	Increases over Base Yr+1		Natural	Property Size			100
Repairs & Maintenance	Increases over Base Yr+1		Natural	Property Size			100
Janitorial	Increases over Base Yr+1		Natural	Property Size			100
Real Estate Taxes	Increases over Base Yr+1		Natural	Property Size			100

Reimbursable Expenses	Reimb. Minimum	Unit of Measure	Min. Growth	Reimb. Max	Unit of Measure	Max Growth	% Rent Offset
Insurance							
Management Fees							
Utilities							
Repairs & Maintenance							
Janitorial							
Real Estate Taxes							

Number of terms to apply method: 1
Gross up Expenses: Global

Step Rent Adjustments

Step Adjustment:
StepRent-5Yrs-$0.50

Date	Amount	Units
61	0.5	$/SqFt/Yr
121	1	$/SqFt/Yr
181	1.5	$/SqFt/Yr
241	2	$/SqFt/Yr
301	2.5	$/SqFt/Yr

Expense Groups

Group: NNN

Insurance	100
Management Fees	100
Repairs & Maintenance	95
Real Estate Taxes	100

Group: CAM

Management Fees	100
Repairs & Maintenance	100
Insurance	100

(continued on next page)

Input Assumptions
(continued from previous page)

Market Leasing Assumptions

Leasing Assumptions Category: Office

Lease Status: Speculative

	New Market	Renewal Mkt	Unit of Measure
Renewal Probability		70%	
Market Rent	32.50		$/SqFt/Yr
Months Vacant	9 months	0	
Tenant Improvements	TI- Office Relet- $25/$10 PSF		
Leasing Commissions	LC- 6%/3%		
Rent Abatements	0		Months
Security Deposit	None	None	

Non-Weighted Items

Rent Changes	Yes
Retail Sales	No
Reimbursements	Full Service
Term Lengths	7 Years

Rent Changes: Office,current term

Changing Base:	3.0% per Year
Step:	
Porters' Wage:	
Miscellaneous:	
CPI Rent Category:	
Parking Spaces:	Continue Prior
Amount:	

Leasing Assumptions Category: Retail- $40/SF

Lease Status: Speculative

	New Market	Renewal Mkt	Unit of Measure
Renewal Probability		75%	
Market Rent	40.00		$/SqFt/Yr
Months Vacant	6 months	0	
Tenant Improvements	TI- Retail Relet- $25/$0 PSF		
Leasing Commissions	LC- 6%/3%		
Rent Abatements	0		Months
Security Deposit	None	None	

Non-Weighted Items

Rent Changes	Yes
Retail Sales	No
Reimbursements	Retail- Net
Term Lengths	10 Years

(continued on next page)

Input Assumptions
(continued from previous page)

Rent Changes: Retail- $40/SF,current term

Changing Base:	2.0% per Year
Step:	
Porters' Wage:	
Miscellaneous:	
CPI Rent	
Category:	
Parking	
Spaces:	Continue Prior
Amount:	

Leasing Assumptions Category: Retail- $45/SF

Lease Status: Speculative

	New Market	Renewal Mkt	Unit of Measure
Renewal Probability		75%	
Market Rent	45.00		$/SqFt/Yr
Months Vacant	6 months	0	
Tenant Improvements	TI- Retail Relet- $25/$0 PSF		
Leasing Commissions	LC- 6%/3%		
Rent Abatements	0		Months
Security Deposit	None	None	

Non-Weighted Items

Rent Changes	Yes
Retail Sales	No
Reimbursements	Retail- Net
Term Lengths	10 Years

Rent Changes: Retail- $45/SF,current term

Changing Base:	2.0% per Year
Step:	
Porters' Wage:	
Miscellaneous:	
CPI Rent	
Category:	
Parking	
Spaces:	Continue Prior
Amount:	

Renewal Probability

Renewal Probability Category: 70%

	Nov-2018	Nov-2019	Nov-2020	Nov-2021	Nov-2022	Nov-2023	Nov-2024	Nov-2025	Nov-2026	Nov-2027	Nov-2028	Nov-2029	Nov-2030
% to Renew	70	70	70	70	70	70	70	70	70	70	70	70	70

Renewal Probability Category: 75%

	Nov-2018	Nov-2019	Nov-2020	Nov-2021	Nov-2022	Nov-2023	Nov-2024	Nov-2025	Nov-2026	Nov-2027	Nov-2028	Nov-2029	Nov-2030
% to Renew	75	75	75	75	75	75	75	75	75	75	75	75	75

(continued on next page)

Input Assumptions
(continued from previous page)

Changing Base Rent

Changing Base: 2.0% per Year

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

Changing Base: 3.0% per Year

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

Changing Base: 10% Every 5 Years

Date	Amount	Units
1	100	% Market
61	10	% Increase
121	10	% Increase

Months Vacant

Months Vacant Category: 9 months

	Nov-2018	Nov-2019	Nov-2020	Nov-2021	Nov-2022	Nov-2023	Nov-2024	Nov-2025	Nov-2026	Nov-2027	Nov-2028	Nov-2029	Nov-2030
# of Months	9	9	9	9	9	9	9	9	9	9	9	9	9

Months Vacant Category: 6 months

	Nov-2018	Nov-2019	Nov-2020	Nov-2021	Nov-2022	Nov-2023	Nov-2024	Nov-2025	Nov-2026	Nov-2027	Nov-2028	Nov-2029	Nov-2030
# of Months	6	6	6	6	6	6	6	6	6	6	6	6	6

Tenant Improvements

Tenant Improvements Category: TI- Office Shell- $70/$10 PSF

Payment Made: PMT-1
Unit of Measure: $/SqFt

	Nov-2018	Nov-2019	Nov-2020	Nov-2021	Nov-2022	Nov-2023	Nov-2024	Nov-2025	Nov-2026	Nov-2027	Nov-2028	Nov-2029	Nov-2030
New	70	70	70	70	70	70	70	70	70	70	70	70	70
Renewal	10	10	10	10	10	10	10	10	10	10	10	10	10
Inflation													

Tenant Improvements Category: TI- Office Relet- $25/$10 PSF

Payment Made: PMT-1
Unit of Measure: $/SqFt

	Nov-2018	Nov-2019	Nov-2020	Nov-2021	Nov-2022	Nov-2023	Nov-2024	Nov-2025	Nov-2026	Nov-2027	Nov-2028	Nov-2029	Nov-2030
New	25	25	25	25	25	25	25	25	25	25	25	25	25
Renewal	10	10	10	10	10	10	10	10	10	10	10	10	10
Inflation													

Tenant Improvements Category: TI- Retail Shell- $75/$0 PSF

Payment Made: PMT-1
Unit of Measure: $/SqFt

	Nov-2018	Nov-2019	Nov-2020	Nov-2021	Nov-2022	Nov-2023	Nov-2024	Nov-2025	Nov-2026	Nov-2027	Nov-2028	Nov-2029	Nov-2030
New	75	75	75	75	75	75	75	75	75	75	75	75	75
Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0
Inflation													

(continued on next page)

Input Assumptions
(continued from previous page)

Tenant Improvements Category: TI- Retail Relet- $25/$0 PSF

Payment Made: PMT-1
Unit of Measure: $/SqFt

	Nov-2018	Nov-2019	Nov-2020	Nov-2021	Nov-2022	Nov-2023	Nov-2024	Nov-2025	Nov-2026	Nov-2027	Nov-2028	Nov-2029	Nov-2030
New	25	25	25	25	25	25	25	25	25	25	25	25	25
Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0
Inflation													

Leasing Commissions

Leasing Commissions Category: LC- 6%/3%

Payment Made: PMT-1
Unit of Measure: Percent

	Nov-2018	Nov-2019	Nov-2020	Nov-2021	Nov-2022	Nov-2023	Nov-2024	Nov-2025	Nov-2026	Nov-2027	Nov-2028	Nov-2029	Nov-2030
New	6	6	6	6	6	6	6	6	6	6	6	6	6
Renewal	3	3	3	3	3	3	3	3	3	3	3	3	3
Inflation													

Calculation includes:

Base Rent:	Yes
Free Rent:	Yes
Step Rent:	Yes
Reimbursements:	No
Retail Sales:	No
CPI Rent:	No

Payment Options

Detail Of PMT-1

	Year -2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
Month 1															
Month 2															
Month 3															
Month 4															
Month 5															
Month 6															
Month 7															
Month 8															
Month 9															
Month 10															
Month 11															
Month 12		100.00													
Annual Total		100.00													
Cumulative		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(continued on next page)

Input Assumptions
(continued from previous page)

Detail Of PMT-1

	Year 14
Month 1	
Month 2	
Month 3	
Month 4	
Month 5	
Month 6	
Month 7	
Month 8	
Month 9	
Month 10	
Month 11	
Month 12	
Annual Total	
Cumulative	100.00

Property Resale
- Option: Capitalize Net Operating Income
- Cap Rate: 6.75
- Resale Adjustment(s): 2.5
- Apply Rate to following year income: Yes
- Calculate Resale for All Years: Yes

Present Value Discounting
- Primary Discount Rate: 7.5
- Discount Rate Range
  - Number of Rates: 5
  - Increment: 0.25
- Discount Method: Annually (Endpoint on Cash Flow & Resale)
- Advanced
  - Unleveraged Discount Range
    - Cash Flow Rate: 7.5
    - Resale Rate: 7.5
  - Leveraged Discount Range
    - Cash Flow Rate: 7.5
    - Resale Rate: 7.5

Argus Reports- Building 3OA

Supporting Schedule -- Detailed Lease Expiration Schedule (First Term Only)

No.	Tenant	Suite	Market Leasing	Base Rent /SqFt/Yr	Expiration Date	Square Feet	Percent of Total
7	Spec Office	500	Office- $37	33.58	4/30/27	27,231	8.4
6	Spec Office	400	Office- $37	41.05	6/30/27	27,231	8.4
Total for Year Ending Jul-						54,462	16.8%
5	Spec Office	300	Office- $37	35.40	9/30/27	27,231	8.4
4	Spec Office	200	Office- $37	35.05	12/31/27	27,231	8.4
Total for Year Ending Jul-						54,462	16.8%
2	Retail- Level 1	100	Retail- $35	37.90	10/31/29	16,600	5.1
3	Retail- Lower Level	LL	Retail- $40	43.31	10/31/29	7,126	2.2
Total for Year Ending Jul-						23,726	7.3%
1	Anchor (Confidential)	600-1200	Office- $36	47.24	7/31/31	190,617	59.0
Total for Year Ending Jul-						190,617	59.0%
Building Total						323,267	100.0%

Created with ARGUS SOFTWARE

Supporting Schedule -- Square Feet Expiring -- (All Terms)

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030	Year 12 Jul-2031
Tenant	Suite												
Spec Office	500								27,231				
Spec Office	400								27,231				
Spec Office	300									27,231			
Spec Office	200									27,231			
Retail- Level 1	100											16,600	
Retail- Lower Level	LL											7,126	
Anchor (Confidential)	600-1200												190,617
Total SqFt Expiring									54,462	54,462		23,726	190,617
Percent Of Total Expiring									16.8%	16.8%		7.3%	59.0%

Created with ARGUS SOFTWARE

Supporting Schedule - Occupancy & Absorption Rates
Physical Occupancy Based on Absorption & Turnover Vacancy Assumptions

For the Years Ending	Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030	Year 12 Jul-2031
SqFt Occupied												
August	190,617	268,805	323,267	323,267	323,267	323,267	323,267	323,267	296,036	323,267	323,267	323,267
September	190,617	268,805	323,267	323,267	323,267	323,267	323,267	323,267	296,036	323,267	323,267	323,267
October	190,617	296,036	323,267	323,267	323,267	323,267	323,267	323,267	296,036	323,267	323,267	323,267
November	214,343	296,036	323,267	323,267	323,267	323,267	323,267	323,267	296,036	323,267	299,541	323,267
December	214,343	296,036	323,267	323,267	323,267	323,267	323,267	323,267	296,036	323,267	299,541	323,267
January	214,343	323,267	323,267	323,267	323,267	323,267	323,267	323,267	296,036	323,267	323,267	323,267
February	214,343	323,267	323,267	323,267	323,267	323,267	323,267	323,267	296,036	323,267	323,267	323,267
March	214,343	323,267	323,267	323,267	323,267	323,267	323,267	323,267	296,036	323,267	323,267	323,267
April	214,343	323,267	323,267	323,267	323,267	323,267	323,267	323,267	323,267	323,267	323,267	323,267
May	241,574	323,267	323,267	323,267	323,267	323,267	323,267	296,036	323,267	323,267	323,267	323,267
June	241,574	323,267	323,267	323,267	323,267	323,267	323,267	296,036	323,267	323,267	323,267	323,267
July	268,805	323,267	323,267	323,267	323,267	323,267	323,267	268,805	323,267	323,267	323,267	323,267
Average Occupied For The Year	217,489	307,382	323,267	323,267	323,267	323,267	323,267	314,190	305,113	323,267	319,313	323,267
Net Absorption												
Annual Square Feet Absorbed	78,188	54,462						(54,462)	54,462			
Average Monthly Absorption	6,516	4,539						(4,539)	4,539			

For the Years Ending	Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030	Year 12 Jul-2031
Percentage Occupancy												
August	58.97%	83.15%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	91.58%	100.00%	100.00%	100.00%
September	58.97%	83.15%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	91.58%	100.00%	100.00%	100.00%
October	58.97%	91.58%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	91.58%	100.00%	100.00%	100.00%
November	66.31%	91.58%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	91.58%	100.00%	92.66%	100.00%
December	66.31%	91.58%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	91.58%	100.00%	92.66%	100.00%
January	66.31%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	91.58%	100.00%	100.00%	100.00%
February	66.31%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	91.58%	100.00%	100.00%	100.00%
March	66.31%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	91.58%	100.00%	100.00%	100.00%
April	66.31%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
May	74.73%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	91.58%	100.00%	100.00%	100.00%	100.00%
June	74.73%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	91.58%	100.00%	100.00%	100.00%	100.00%
July	83.15%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	83.15%	100.00%	100.00%	100.00%	100.00%
Average Occupancy For The Year	67.28%	95.09%	100.00%	100.00%	100.00%	100.00%	100.00%	97.19%	94.38%	100.00%	98.78%	100.00%
Net Absorption												
Annual Percentage Absorbed	24.19%	16.85%						(16.85%)	16.85%			
Average Monthly Percentage	2.02%	1.40%						(1.40%)	1.40%			

Created with ARGUS SOFTWARE

Supporting Schedule -- Average Square Feet Occupancy

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030	Year 12 Jul-2031
Tenant	Suite												
Anchor (Confidential)	600-1200	190,617	190,617	190,617	190,617	190,617	190,617	190,617	190,617	190,617	190,617	190,617	190,617
Retail- Level 1	100	12,450	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600	13,833	16,600
Retail- Lower Level	LL	5,345	7,126	7,126	7,126	7,126	7,126	7,126	7,126	7,126	7,126	5,938	7,126
Spec Office	200		15,885	27,231	27,231	27,231	27,231	27,231	27,231	20,423	27,231	27,231	27,231
Spec Office	300		22,693	27,231	27,231	27,231	27,231	27,231	27,231	20,423	27,231	27,231	27,231
Spec Office	400	2,269	27,231	27,231	27,231	27,231	27,231	27,231	24,962	22,693	27,231	27,231	27,231
Spec Office	500	6,808	27,231	27,231	27,231	27,231	27,231	27,231	20,423	27,231	27,231	27,231	27,231
Total Amount Per Year		217,489	307,382	323,267	323,267	323,267	323,267	323,267	314,190	305,113	323,267	319,313	323,267
Average Percent Occupancy		67.28%	95.09%	100.00%	100.00%	100.00%	100.00%	100.00%	97.19%	94.38%	100.00%	98.78%	100.00%

Created with ARGUS SOFTWARE

Supporting Schedule -- Scheduled Base Rental Revenue

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030	Year 12 Jul-2031
Tenant	Suite												
Anchor (Confidential)	600-1200	6,862,212	7,033,767	7,209,611	7,389,852	7,574,598	7,763,963	7,958,062	8,157,014	8,360,939	8,569,962	8,784,212	9,003,817
Retail- Level 1	100	290,500	589,715	601,509	613,539	625,810	638,326	651,093	664,115	677,397	690,945	629,063	789,925
Retail- Lower Level	LL	142,520	289,316	295,102	301,004	307,024	313,165	319,428	325,816	332,333	338,979	308,620	387,539
Spec Office	200			1,070,204	1,102,310	1,135,379	1,169,441	1,204,524	1,240,660	954,485	1,306,514	1,345,709	1,386,081
Spec Office	300		262,949	1,078,092	1,110,435	1,143,748	1,178,061	1,213,402	1,249,804	963,904	1,316,216	1,355,702	1,396,373
Spec Office	400		513,134	1,054,427	1,086,060	1,118,641	1,152,201	1,186,767	1,117,711	1,077,982	1,325,918	1,365,695	1,406,666
Spec Office	500		688,434	1,059,686	1,091,476	1,124,221	1,157,947	1,192,686	914,491	1,293,578	1,332,385	1,372,357	1,413,528
Total Amount Per Year		7,295,232	9,377,315	12,368,631	12,694,676	13,029,421	13,373,104	13,725,962	13,669,611	13,660,618	14,880,919	15,161,358	15,783,929
Weighted Average Per SqFt		22.57	29.01	38.26	39.27	40.31	41.37	42.46	42.29	42.26	46.03	46.90	48.83

Created with ARGUS SOFTWARE

Supporting Schedule -- Base Rent Abatements

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030	Year 12 Jul-2031
Tenant	Suite												
Anchor (Confidential)	600-1200												
Retail- Level 1	100	145,250											
Retail- Lower Level	LL	71,260											
Spec Office	200		613,548										
Spec Office	300		613,548										
Spec Office	400	85,097	510,581										
Spec Office	500	255,291	340,388										
Total Amount Per Year		556,898	2,078,065										
Weighted Average Per SqFt		1.72	6.43										

Created with ARGUS SOFTWARE

Supporting Schedule -- Absorption & Turnover Vacancy

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030	Year 12 Jul-2031
Tenant	Suite												
Anchor (Confidential)	600-1200												
Retail- Level 1	100	145,250										130,136	
Retail- Lower Level	LL	71,260										63,845	
Spec Office	200	1,021,163	438,249							323,395			
Spec Office	300	1,021,163	175,300							323,395			
Spec Office	400	936,066							104,658	215,596			
Spec Office	500	765,872							313,975				
Total Amount Per Year		3,960,774	613,549						418,633	862,386		193,981	
Weighted Average Per SqFt		12.25	1.90						1.30	2.67		0.60	

Supporting Schedule -- Expense Reimbursement Revenue

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030	Year 12 Jul-2031
Tenant	Suite												
Anchor (Confidential)	600-1200		342,745	524,896	628,466	748,742	838,123	930,166	993,817	1,049,516	1,216,060	1,320,014	1,427,730
Retail- Level 1	100	107,916	153,430	163,574	170,381	178,577	184,013	189,609	195,100	199,968	206,811	177,617	219,720
Retail- Lower Level	LL	46,325	65,864	70,218	73,141	76,658	78,991	81,395	83,751	85,842	88,779	76,248	94,321
Spec Office	200			26,021	40,818	57,999	70,768	83,917	93,010	42,069	23,792	38,643	54,031
Spec Office	300			26,021	40,818	57,999	70,768	83,917	93,010	16,828	23,792	38,643	54,031
Spec Office	400		48,963	74,985	89,782	106,963	119,731	132,882	130,144		23,792	38,643	54,031
Spec Office	500		48,963	74,985	89,782	106,963	119,731	132,882	106,480		23,792	38,643	54,031
Total Amount Per Year		154,241	659,965	960,700	1,133,188	1,333,901	1,482,125	1,634,768	1,695,312	1,394,223	1,606,818	1,728,451	1,957,895
Weighted Average Per SqFt		0.48	2.04	2.97	3.51	4.13	4.58	5.06	5.24	4.31	4.97	5.35	6.06

Supporting Schedule -- Tenant Improvements

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030	Year 12 Jul-2031
Tenant	Suite												
Anchor (Confidential)	600-1200												
Retail- Level 1	100	1,245,000										139,431	
Retail- Lower Level	LL	534,450										59,855	
Spec Office	200		1,963,355							500,184			
Spec Office	300		1,963,355							500,184			
Spec Office	400	1,906,170								500,184			
Spec Office	500	1,906,170							500,184				
Total Amount Per Year		5,591,790	3,926,710						500,184	1,500,552		199,286	
Weighted Average Per SqFt		17.30	12.15						1.55	4.64		0.62	

Created with ARGUS SOFTWARE

Supporting Schedule -- Leasing Commissions

For the Years Ending		Year 1 Jul-2020	Year 2 Jul-2021	Year 3 Jul-2022	Year 4 Jul-2023	Year 5 Jul-2024	Year 6 Jul-2025	Year 7 Jul-2026	Year 8 Jul-2027	Year 9 Jul-2028	Year 10 Jul-2029	Year 11 Jul-2030	Year 12 Jul-2031
Tenant	Suite												
Anchor (Confidential)	600-1200												
Retail- Level 1	100	372,992										320,614	
Retail- Lower Level	LL	182,991										157,294	
Spec Office	200		446,749							386,568			
Spec Office	300		446,749							386,568			
Spec Office	400	433,736								386,568			
Spec Office	500	433,736							386,568				
Total Amount Per Year		1,423,455	893,498						386,568	1,159,704		477,908	
Weighted Average Per SqFt		4.40	2.76						1.20	3.59		1.48	

Created with ARGUS SOFTWARE

Input Assumptions

Property Description

Name:	Building 3OA
Address:	
Address2:	
City:	Columbia
State:	MD
Zip:	
Country:	
Portfolio:	
Property Type:	Office/Industrial
Property Reference:	
Property Version:	

Property Timing

Analysis Start Date:	8/19
Reporting Start Date:	8/19
Years to Report or End Date:	11

Comment Section

Area Measures

Label	Area
Property Size	323,267 SqFt
Alt. Prop. Size	1 SqFt

Constants

Label	
Total Purchase Price	0

General Inflation

Inflation Month:	Analysis Start
Reimbursement Method:	Fiscal reimbursement using fiscal inflation
Inflation Rate:	3

Miscellaneous Revenues

Name	Acct Code	Actuals	Budgeted	Units	Area/Constant	Frequency	% Fixed	Inflation	Ref Acct	Notes
Parking Income Net			310,000	$Amount		/Year	100			Yes

Revenue/Expense Notes
Parking Income Net — Transient Parking Revenue

Reimbursable Expenses

Name	Acct Code	Actuals	Budgeted	Units	Area/Constant	Frequency	% Fixed	Inflation	Ref Acct	Notes
Insurance			0.2	$/Area	Property Size	/Year	100			
Utilities			3	$/Area	Occupied Office	/Year	100			Yes
Repairs & Maintenance			2.5	$/Area	Property Size	/Year	100			Yes
Janitorial			1.25	$/Area	Occupied Office	/Year	100			Yes
Management Fees			2.5	% of EGR						
General & Administrative			0.25	$/Area	Property Size	/Year	100			Yes
Real Estate Taxes			Detail	$Amount			100			

Gross Up for Reimbursement: No

Revenue/Expense Notes
Utilities — common area and office tenant utilities
Retail tenant - net

(continued on next page)

Input Assumptions
(continued from previous page)

Revenue/Expense Notes

Repairs & Maintenance	Inclusive of common area maintenance (CAM), contract services and non-janitorial payroll.
Janitorial	common area and tenant spaces (gross)
General & Administrative	Misc. admni

Detail Of Real Estate Taxes

	Jul-2020	Jul-2021	Jul-2022	Jul-2023	Jul-2024	Jul-2025	Jul-2026	Jul-2027	Jul-2028	Jul-2029	Jul-2030	Jul-2031	Jul-2032	Jul-2033
August	143952.00	151885.00	159817.00	167749.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00
September	143952.00	151885.00	159817.00	167749.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00
October	143952.00	151885.00	159817.00	167749.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00
November	143952.00	151885.00	159817.00	167749.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00
December	143952.00	151885.00	159817.00	167749.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00
January	143952.00	151885.00	159817.00	167749.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00
February	143952.00	151885.00	159817.00	167749.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00
March	143952.00	151885.00	159817.00	167749.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00
April	143952.00	151885.00	159817.00	167749.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00
May	143952.00	151885.00	159817.00	167749.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00
June	143952.00	151885.00	159817.00	167749.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00
July	151885.00	159817.00	167749.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00	172782.00
Annual Total	1735357	1830552	1925736	2018021	2073384	2073384	2073384	2073384	2073384	2073384	2073384	2073384	2073384	2073384
Inflation		0.0000	0.0000	0.0000										
Inflated Total	1735357	1830552	1925736	2018021	2135586	2199653	2265643	2333612	2403620	2475729	2550001	2626501	2705296	2786455

Capital Expenditures

Name	Acct Code	Actuals	Budgeted	Units	Area/Constant	Frequency	% Fixed	Inflation	Ref Acct	Notes
Capital Reserves			0.15	$/Area	Property Size	/Year	100			

General Vacancy

Method:	Percent of Scheduled Base Rental Revenue
Primary Rate:	5
Based On:	Tenant Groups
Overrides Affect Primary Rate As:	Replace

Group	Rate	Exclude Upon Rollover
CreditTenants	0	No

Percent Based on Revenue Minus Absorption and Turnover Vacancy: No
Reduce General Vacancy Result by Absorption & Turnover Vacancy: Yes

Credit & Collection Loss

Method:	Percent of Scheduled Base Rental Revenue
Primary Rate:	1
Based On:	Tenant Groups
Overrides Affect Primary Rate As:	Replace

Group	Rate	Exclude Upon Rollover
CreditTenants	0	No

(continued on next page)

Input Assumptions
(continued from previous page)

Rent Roll

No.	Tenant Name/ Description	Suite	Lease Type	Lease Status	Total Area	Start Date	Term/ Expir	Base/Min Rent	Unit of Measure	Rent Chng	Rtl Sls	Reimbur- sements	Unit of Measure	Rent Abatement
1	Anchor (Confidential)	600-12	Office	Contract	190,617	8/19	12	Detail				Full Service		
2	Retail- Level 1	100	Retail	Speculative	16,600	4	10	Detail				Retail- Net		3 months
3	Retail- Lower Level	LL	Retail	Speculative	7,126	4	10	Detail				Retail- Net		3 months
4	Spec Office	200	Office	Speculative	27,231	18	7	Detail				Full Service		7 months
5	Spec Office	300	Office	Speculative	27,231	15	7	Detail				Full Service		7 months
6	Spec Office	400	Office	Speculative	27,231	12	7	Detail				Full Service		7 months
7	Spec Office	500	Office	Speculative	27,231	10	7	Detail				Full Service		7 months

No.	Tenant Name/ Description	Leasing Cost	Security Deposit	Market Leasing	Upon Expiration	Rnwl Prob	More/ Notes
1	Anchor (Confidential)			Office- $36.00/	Market		Yes
2	Retail- Level 1	Yes		Retail- $35.00/	Market		
3	Retail- Lower Level	Yes		Retail- $40.00/	Market		
4	Spec Office	Yes		Office- $37.50/	Market		
5	Spec Office	Yes		Office- $37.50/	Market		
6	Spec Office	Yes		Office- $37.50/	Market		
7	Spec Office	Yes		Office- $37.50/	Market		

Detail Base Rent
Anchor (Confidential)

Date	Amount	Units
1	100	% Market
13	2.5	% Inc, Annual

More Information
Anchor (Confidential)

Floor:
SIC Code:
Notes: Assumes TI and LC is paid as of the analysis start date and revenue begins as of the analysis start date (Fee simple valuation)

Detail Base Rent
Retail- Level 1

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

Leasing Cost
Retail- Level 1
Tenant Improvements: TI- Retail Shell
Leasing Commissions: LC- 6%/3%

Detail Base Rent
Retail- Lower Level

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

Leasing Cost
Retail- Lower Level
Tenant Improvements: TI- Retail Shell
Leasing Commissions: LC- 6%/3%

Detail Base Rent
Spec Office

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

Leasing Cost
Spec Office
Tenant Improvements: TI- Office Shell
Leasing Commissions: LC- 6%/3%

Detail Base Rent
Spec Office

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

Leasing Cost
Spec Office
Tenant Improvements: TI- Office Shell
Leasing Commissions: LC- 6%/3%

Detail Base Rent
Spec Office

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

(continued on next page)

Input Assumptions
(continued from previous page)

Leasing Cost
Spec Office
Tenant Improvements: TI- Office Shell
Leasing Commissions: LC- 6%/3%

Detail Base Rent
Spec Office

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

Leasing Cost
Spec Office
Tenant Improvements: TI- Office Shell
Leasing Commissions: LC- 6%/3%

Tenant Groups

Group: CreditTenants
Anchor (Confidential) 600

Rent Abatements

Rent Abatement Category:
2 months
Modifier: Standard

Date	Pct	Mos
1	100	2.00

Rent Abatement Category:
3 months
Modifier: Standard

Date	Pct	Mos
1	100	3.00

Rent Abatement Category:
Months 2-7
Modifier: Standard

Date	Pct	Mos
2	100	6.00

Rent Abatement Category:
7 months
Modifier: Standard

Date	Pct	Mos
1	100	7.00

Detailed Reimbursement Methods

Reimbursement Category: Full Service

Base Category on Another Method: No

Reimbursable Expenses	Reimbursement Method	Amount	Pro -rata	Area Measure	Area Minimum	Reimburse After	Charg- able %
Insurance	Increases over Base Yr St		Natural	Property Size			100
Management Fees	Increases over Base Yr St		Natural	Property Size			100
Utilities	Increases over Base Yr St		Natural	Property Size			100
Repairs & Maintenance	Increases over Base Yr St		Natural	Property Size			100
Janitorial	Increases over Base Yr St		Natural	Property Size			100
General & Administrative	Increases over Base Yr St		Natural	Property Size			100
Real Estate Taxes	Increases over Base Yr St		Natural	Property Size			100

Reimbursable Expenses	Reimb. Minimum	Unit of Measure	Min. Growth	Reimb. Max	Unit of Measure	Max Growth	% Rent Offset
Insurance							
Management Fees							
Utilities							
Repairs & Maintenance							
Janitorial							
General & Administrative							
Real Estate Taxes							

Number of terms to apply method: 1
Gross up Expenses: Global

(continued on next page)

Input Assumptions
(continued from previous page)

Reimbursement Category: Retail- Net

Base Category on Another Method: No

Reimbursable Expenses	Reimbursement Method	Amount	Pro -rata	Area Measure	Area Minimum	Reimburse After	Charg-able %
CAM	Net (Pays Pro Rata Share)		Natural	Property Size			100
Real Estate Taxes	Net (Pays Pro Rata Share)		Natural	Property Size			100

Reimbursable Expenses	Reimb. Minimum	Unit of Measure	Min. Growth	Reimb. Max	Unit of Measure	Max Growth	% Rent Offset
CAM	3	$/SqFt/Yr					
Real Estate Taxes							

Number of terms to apply method: 1
Gross up Expenses: Global

Step Rent Adjustments

Step Adjustment:
StepRent-5Yrs-$0.50

Date	Amount	Units
61	0.5	$/SqFt/Yr
121	1	$/SqFt/Yr
181	1.5	$/SqFt/Yr
241	2	$/SqFt/Yr
301	2.5	$/SqFt/Yr

Expense Groups

Group: NNN

Insurance	100
Management Fees	100
Repairs & Maintenance	95
Real Estate Taxes	100

Group: CAM

Management Fees	100
Repairs & Maintenance	100
Insurance	100

Market Leasing Assumptions

Leasing Assumptions Category: Office- $36.00/SF

Lease Status: Speculative

	New Market	Renewal Mkt	Unit of Measure
Renewal Probability		70%	
Market Rent	36.00		$/SqFt/Yr
Months Vacant	9 months	0	
Tenant Improvements	TI- Office Relet- $25/$10 PSF		
Leasing Commissions	LC- 6%/3%		
Rent Abatements	0		Months
Security Deposit	None	None	

Non-Weighted Items

Rent Changes	Yes	
Retail Sales	No	
Reimbursements	Full Service	
Term Lengths	7	Years

(continued on next page)

Input Assumptions
(continued from previous page)

Rent Changes: Office- $36.00/SF,current term

Changing Base:	3.0% per Year
Step:	
Porters' Wage:	
Miscellaneous:	
CPI Rent	
Category:	
Parking	
Spaces:	Continue Prior
Amount:	

Leasing Assumptions Category: Office- $37.50/SF

Lease Status: Speculative

	New Market	Renewal Mkt	Unit of Measure
Renewal Probability		70%	
Market Rent	37.50		$/SqFt/Yr
Months Vacant	9 months	0	
Tenant Improvements	TI- Office Relet- $25/$10 PSF		
Leasing Commissions	LC- 6%/3%		
Rent Abatements	0		Months
Security Deposit	None	None	

Non-Weighted Items

Rent Changes	Yes	
Retail Sales	No	
Reimbursements	Full Service	
Term Lengths	7	Years

Rent Changes: Office- $37.50/SF,current term

Changing Base:	3.0% per Year
Step:	
Porters' Wage:	
Miscellaneous:	
CPI Rent	
Category:	
Parking	
Spaces:	Continue Prior
Amount:	

Leasing Assumptions Category: Retail- $35.00/SF

Lease Status: Speculative

	New Market	Renewal Mkt	Unit of Measure
Renewal Probability		75%	
Market Rent	35.00		$/SqFt/Yr
Months Vacant	6 months	0	
Tenant Improvements	TI- Retail Relet- $25/$0 PSF		
Leasing Commissions	LC- 6%/3%		
Rent Abatements	0		Months
Security Deposit	None	None	

Non-Weighted Items

Rent Changes	Yes	
Retail Sales	No	
Reimbursements	Retail- Net	
Term Lengths	10	Years

(continued on next page)

Input Assumptions
(continued from previous page)

Rent Changes: Retail- $35.00/SF,current term
Changing Base: 2.0% per Year
Step:
Porters' Wage:
Miscellaneous:
CPI Rent
Category:
Parking
Spaces: Continue Prior
Amount:

Leasing Assumptions Category: Retail- $40.00/SF

Lease Status: Speculative

	New Market	Renewal Mkt	Unit of Measure
Renewal Probability		75%	
Market Rent	40.00		$/SqFt/Yr
Months Vacant	6 months	0	
Tenant Improvements	TI- Retail Relet- $25/$0 PSF		
Leasing Commissions	LC- 6%/3%		
Rent Abatements	0		Months
Security Deposit	None	None	

Non-Weighted Items

Rent Changes	Yes	
Retail Sales	No	
Reimbursements	Retail- Net	
Term Lengths	10	Years

Rent Changes: Retail- $40.00/SF,current term
Changing Base: 2.0% per Year
Step:
Porters' Wage:
Miscellaneous:
CPI Rent
Category:
Parking
Spaces: Continue Prior
Amount:

Renewal Probability

Renewal Probability Category: 70%

	Jul-2020	Jul-2021	Jul-2022	Jul-2023	Jul-2024	Jul-2025	Jul-2026	Jul-2027	Jul-2028	Jul-2029	Jul-2030	Jul-2031	Jul-2032
% to Renew	70	70	70	70	70	70	70	70	70	70	70	70	70

Renewal Probability Category: 75%

	Jul-2020	Jul-2021	Jul-2022	Jul-2023	Jul-2024	Jul-2025	Jul-2026	Jul-2027	Jul-2028	Jul-2029	Jul-2030	Jul-2031	Jul-2032
% to Renew	75	75	75	75	75	75	75	75	75	75	75	75	75

(continued on next page)

Created with ARGUS SOFTWARE

Input Assumptions
(continued from previous page)

Changing Base Rent

Changing Base:
2.0% per Year

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

Changing Base:
2.5% Per Annum

Date	Amount	Units
1	100	% Market
13	2.5	% Inc, Annual

Changing Base:
3.0% per Year

Date	Amount	Units
1	100	% Market
13	3	% Inc, Annual

Changing Base:
10% Every 5 Years

Date	Amount	Units
1	100	% Market
61	10	% Increase
121	10	% Increase

Months Vacant

Months Vacant Category: 9 months

	Jul-2020	Jul-2021	Jul-2022	Jul-2023	Jul-2024	Jul-2025	Jul-2026	Jul-2027	Jul-2028	Jul-2029	Jul-2030	Jul-2031	Jul-2032
# of Months	9	9	9	9	9	9	9	9	9	9	9	9	9

Months Vacant Category: 6 months

	Jul-2020	Jul-2021	Jul-2022	Jul-2023	Jul-2024	Jul-2025	Jul-2026	Jul-2027	Jul-2028	Jul-2029	Jul-2030	Jul-2031	Jul-2032
# of Months	6	6	6	6	6	6	6	6	6	6	6	6	6

Tenant Improvements

Tenant Improvements Category: TI- Office Shell- $70/$10 PSF

Payment Made: PMT-1
Unit of Measure: $/SqFt

	Jul-2020	Jul-2021	Jul-2022	Jul-2023	Jul-2024	Jul-2025	Jul-2026	Jul-2027	Jul-2028	Jul-2029	Jul-2030	Jul-2031	Jul-2032
New	70	70	70	70	70	70	70	70	70	70	70	70	70
Renewal	10	10	10	10	10	10	10	10	10	10	10	10	10
Inflation													

Tenant Improvements Category: TI- Office Relet- $25/$10 PSF

Payment Made: PMT-1
Unit of Measure: $/SqFt

	Jul-2020	Jul-2021	Jul-2022	Jul-2023	Jul-2024	Jul-2025	Jul-2026	Jul-2027	Jul-2028	Jul-2029	Jul-2030	Jul-2031	Jul-2032
New	25	25	25	25	25	25	25	25	25	25	25	25	25
Renewal	10	10	10	10	10	10	10	10	10	10	10	10	10
Inflation													

(continued on next page)

Input Assumptions
(continued from previous page)

Tenant Improvements Category: TI- Retail Shell- $75/$0 PSF

Payment Made: PMT-1
Unit of Measure: $/SqFt

	Jul-2020	Jul-2021	Jul-2022	Jul-2023	Jul-2024	Jul-2025	Jul-2026	Jul-2027	Jul-2028	Jul-2029	Jul-2030	Jul-2031	Jul-2032
New	75	75	75	75	75	75	75	75	75	75	75	75	75
Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0
Inflation													

Tenant Improvements Category: TI- Retail Relet- $25/$0 PSF

Payment Made: PMT-1
Unit of Measure: $/SqFt

	Jul-2020	Jul-2021	Jul-2022	Jul-2023	Jul-2024	Jul-2025	Jul-2026	Jul-2027	Jul-2028	Jul-2029	Jul-2030	Jul-2031	Jul-2032
New	25	25	25	25	25	25	25	25	25	25	25	25	25
Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0
Inflation													

Leasing Commissions

Leasing Commissions Category: LC- 6%/3%

Payment Made: PMT-1
Unit of Measure: Percent

	Jul-2020	Jul-2021	Jul-2022	Jul-2023	Jul-2024	Jul-2025	Jul-2026	Jul-2027	Jul-2028	Jul-2029	Jul-2030	Jul-2031	Jul-2032
New	6	6	6	6	6	6	6	6	6	6	6	6	6
Renewal	3	3	3	3	3	3	3	3	3	3	3	3	3
Inflation													

Calculation includes:

Base Rent:	Yes
Free Rent:	Yes
Step Rent:	Yes
Reimbursements:	No
Retail Sales:	No
CPI Rent:	No

(continued on next page)

Input Assumptions
(continued from previous page)

Payment Options

Detail Of PMT-1

	Year -2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
Month 1															
Month 2															
Month 3															
Month 4															
Month 5															
Month 6															
Month 7															
Month 8															
Month 9															
Month 10															
Month 11															
Month 12		100.00													
Annual Total		100.00													
Cumulative		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Detail Of PMT-1

	Year 14
Month 1	
Month 2	
Month 3	
Month 4	
Month 5	
Month 6	
Month 7	
Month 8	
Month 9	
Month 10	
Month 11	
Month 12	
Annual Total	
Cumulative	100.00

Property Resale
- Option: Capitalize Net Operating Income
- Cap Rate: 6.75
- Resale Adjustment(s): 2.5
- Apply Rate to following year income: Yes
- Calculate Resale for All Years: Yes

Present Value Discounting
- Primary Discount Rate: 7.75
- Discount Rate Range
  - Number of Rates: 5
  - Increment: 0.25
- Discount Method: Annually (Endpoint on Cash Flow & Resale)
- Advanced
  - Unleveraged Discount Range
    - Cash Flow Rate: 7.75
    - Resale Rate: 7.75
  - Leveraged Discount Range
    - Cash Flow Rate: 7.75
    - Resale Rate: 7.75

Certifications & Qualifications of the Appraiser



DAVID J. MASTERS, MAI, FRICS

SENIOR DIRECTOR | VALUATION & ADVISORY

CUSHMAN & WAKEFIELD OF MARYLAND, INC.

David Masters, MAI, FRICS, is a Senior Director with the Valuation & Advisory group of Cushman & Wakefield of Maryland, Inc., located in Baltimore, Maryland. He has been with C&W since 2005 and is a member of Cushman & Wakefield Valuation & Advisory Office, Multifamily, Industrial, Retail and Senior Housing/Healthcare practice groups. Prior to joining C&W, he was Director of Research/Senior Financial Analyst with GVA Advantis, a St. Joe Company, located in Washington, D.C., from March 1997 to December 2004; a commercial real estate appraiser with Turlington Valuation Associates, Hunt Valley, Maryland, from October 1990 to October 1997 and a commercial real estate appraiser with Appraisal Partners (formerly Donald V. Urquhart & Associates), Kensington, Maryland, from August 1989 through October 1990.

EXPERIENCE

Mr. Masters has completed real estate appraisals throughout the United States specializing in the Mid-Atlantic region including the State of Maryland, the District of Columbia, Commonwealth of Virginia and State of Delaware. Real estate appraisal experience includes office buildings, industrial and flex/R&D properties, multifamily properties, shopping centers including malls, power centers, community centers and neighborhood centers, mixed-use developments, medical office buildings and other commercial property types.

EDUCATION

- Pennsylvania State University (State College, PA) – Graduated 1989
  - Degree: Bachelor of Science – Real Estate

APPRAISAL EDUCATION

Mr. Masters has successfully completed all courses and experience requirements to qualify for the MAI designation; attended numerous continuing education classes and seminars; and is currently certified under the requirements of the continuing education program of the Appraisal Institute.

MEMBERSHIPS, LICENSES AND PROFESSIONAL AFFILIATIONS

- Designated Member, Appraisal Institute (MAI #32181)
- Professional Member of The Royal Institution of Chartered Surveyors, Fellow (FRICS #6608273)
- Certified General Real Estate Appraiser for the following jurisdictions:
  - Delaware – X1-0000580
  - Maryland – 1512
  - Virginia – 4001-015899
  - Washington, D.C. – 10333
- Salesperson Licenses for the State of Maryland, District of Columbia and Commonwealth of Virginia

DELAWARE

LICENSE NO. X1-0000580

STATE OF DELAWARE
DIVISION OF PROFESSIONAL REGULATION
861 Silver Lake Blvd.
Cannon Building, Suite 203
Dover, DE 19904-2467

NOT TRANSFERABLE

PROFESSION: Certified General Real Property Appraiser

EXPIRATION DATE: 10/31/2017

ISSUED TO: David Jason Masters

MAILING ADDRESS
David Jason Masters
8793 Guilford Road
Columbia MD 21046

PROFESSIONAL LICENSE

THIS CERTIFIES THAT THE PERSON NAMED IS HEREBY LICENSED TO CONDUCT OR ENGAGE IN THE PROFESSION INDICATED ABOVE. THIS DOCUMENT IS DULY ISSUED UNDER THE LAWS OF THE STATE OF DELAWARE.

Doul J Masters
LICENSEE SIGNATURE

435745

MARYLAND

DLLR
Department of Labor, Licensing and Regulation

LICENSE * REGISTRATION * CERTIFICATION * PERMIT

STATE OF MARYLAND
DEPARTMENT OF LABOR, LICENSING AND REGULATION

Lawrence J. Hogan, Jr.
Governor
Boyd K. Rutherford
Lt. Governor
Kelly M. Schulz
Secretary

COMMISSION OF RE APPRAISERS & HOME INSPECTORS
CERTIFIES THAT:
DAVID JASON MASTERS

IS AN AUTHORIZED: 04- CERTIFIED GENERAL

LIC/REG/CERT	EXPIRATION	EFFECTIVE	CONTROL NO
1512	12-31-2018	12-01-2015	4782611

Doul J. Masters
Signature of Bearer

Kelly M. Schulz
Secretary DLLR

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

VIRGINIA



COMMONWEALTH of VIRGINIA
Department of Professional and Occupational Regulation
9960 Mayland Drive, Suite 400, Richmond, VA 23233
Telephone: (804) 367-8500

EXPIRES ON
01-31-2018

NUMBER
4001015899

REAL ESTATE APPRAISER BOARD

CERTIFIED GENERAL REAL ESTATE APPRAISER

DAVID JASON MASTERS
8793 GUILFORD ROAD
COLUMBIA, MD 21046

DPOR

Status can be verified at http://www.dpor.virginia.gov

WASHINGTON, D.C.



GOVERNMENT OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS
Occupational and Professional Licensing Administration

Appraiser Board
certifies that
DAVID J MASTERS
8793 Guilford Road
COLUMBIA MD 21046

has met all the requirements prescribed
by law and regulations and is hereby licensed as a(n):
Certified General Appraiser
License Number: GA10333
Issue Date: 03-22-1995
Expiration Date: 02-28-2018

Director, Department of Consumer and Regulatory Affairs

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

Market Study

[THIS PAGE INTENTIONALLY LEFT BLANK]

Market Analysis for Development In Downtown Columbia

Columbia, MD

Prepared for Stifel, Nicolaus & Company, Incorporated and Howard County, Maryland
Columbia, Maryland | March 31, 2017

Contents

Key Findings	03
Economics and Demographics	06
Rental Residential Market	15
Office Market	25
Retail Market	33
Hospitality Market	42
Critical Assumptions	49

Objectives

The Howard Research and Development Corporation (HRD) has been planning and now implementing development and redevelopment opportunities on land in various parts of Downtown Columbia. RCLCO understands that HRD is in the process of securing tax-increment financing (TIF) with Howard County, Maryland ("Howard County" or the "County").

This report provides an updated and detailed market assessment for all land uses under consideration in the ongoing redevelopment of Downtown Columbia and an analysis of the positioning and likely timing of the opportunities for use as part of the offering document in connection with the issuing of TIF bonds.

Research completed in 2016, with information on rental apartment and office comparables, shown on pages 20 and 31 respectively, updated in March 2017 to include newest deliveries.

This report was prepared by Erin Talkington, Vice President, under the direction of Adam Ducker, Managing Director.

Key Findings

- Employment growth in Howard County is expected to be robust in the near future, adding 3,000 new jobs annually through 2025. This rate of growth is consistent with historical patterns of growth in the County and demonstrates an improved growth outlook compared to forecasts from one to two years ago.
- Howard County has a strong demographic base of affluent and well-educated households. The distribution of incomes across all age groups skews higher than in neighboring counties or the Baltimore-Washington region overall. This bodes well for residential development as well as for attracting office and retail tenants.

Multifamily Rental

- Average rents at new rental communities in the competitive market (Howard County and western Anne Arundel County) have experienced strong rent growth and low vacancies over the past five years. Until 2014, the Howard County rental apartment market had few new deliveries, resulting in low vacancy and low rental rate growth. When The Metropolitan delivered in late 2014, its strong absorption demonstrated that there is pent-up demand for new, high quality rental units in Downtown Columbia and that the market is capable and willing to pay much higher rents for this product and environment compared to other rental units in the County today.
- The performance of The Metropolitan and, while outside the primary market area, Annapolis Town Centre, indicate that high-quality new units in mixed-use environments such as Downtown Columbia can achieve substantial rent premiums above existing properties in the local market. The proposed rental apartments in Downtown Columbia can achieve rents of $2.30 to $2.40 per square foot (psf), with the potential for later phases to see even higher rents as the master plan becomes more fully realized.
- Utilizing a segmentation strategy that targets a variety of rental apartment audiences, RCLCO's demand model projects that Downtown Columbia can absorb 2,500 new market rate units, 800 seniors units, and 400 affordable units over the next 10 years. Approximately two-thirds of the demand for market rate units is for high-end units, defined as those affordable to households with incomes of $75,000 or more. Based on this absorption schedule, plans to deliver 1,237 market rate rental units and 150 affordable rental units over 5-7 years are reasonable.

Office

- The office markets in Howard and Anne Arundel Counties have grown steadily and in relative lock step for the last several decades. Howard County has experienced annual average net absorption of roughly 440,000 SF of space from 2006 to the present day. Vacancy hit 15% in the years following the Recession, but has fallen to under 10% in the last year. Lower vacancies have begun to produce moderate rental rate growth in Howard County and strong rental rate growth in Downtown Columbia.
- With the reinvigoration of Downtown Columbia and the planned residences, restaurants, entertainment, and retail, RCLCO expects that the Howard County office market will continue to perform well, and be able to increasingly attract new office employment growth.
- Over the next 15 years, RCLCO expects demand for 13.7 million square feet of new office space in Anne Arundel and Howard Counties in total. With a significant but reflective capture of Howard County demand and attracting some demand expected in Anne Arundel County, RCLCO estimates Downtown Columbia could absorb 3.0 to 3.5 million square feet of new office space over the next 15-17 years. Annual office absorption is notably inconsistent on a year to year basis, with some exceptionally high years and many stables ones. Over time, actual absorption will likely converge towards the forecasted average annual.
- The 2.7 million square feet of office space planned in Downtown Columbia represents a 21% capture of the available market for new Class A space, which is reasonable and achievable given its unique position in the market. The first two buildings within the planned development have pre-leased space at lease rates in the low $30s, a premium to the Class A average in downtown Columbia of $26 per square foot (FS). Additional office space should be able to achieve lease rates of at least $34 to $36 per square foot.

Key Findings

Retail

- The Columbia retail market is mature and sophisticated, with a natural hierarchy of space (neighborhood, community/big box, and regional mall) that was part of the original vision of the master-plan. The strength of the retail market is evidenced by very low vacancies, especially among power, lifestyle, and regional shopping centers, which sits at less than 1%, and high rents relative to the rest of the market at $40.00 per square foot (NNN). Including other types of shopping centers, the market is still very healthy and robust, with vacancies under 4% and rents at $18.46 per square foot (NNN). Rents for new space in Downtown Columbia should easily exceed the market average for existing space and support lease rates of $45 to $50 per square foot (NNN).
- Over the next decade, as the number of households is expected to more than double and the daytime employment base is expected to continue to expand within the Town Center assuming Howard Hughes' plans for office and residential development go according to schedule, an additional 500,000 to 550,000 SF of retail should be supportable. This could be delivered both as ground floor retail in mixed-use buildings and as stand-alone retail space.
- The planned 306,000 SF of new retail in the development plan is easily supportable given the strength of the existing market and new households and employees that the planned development will add to the local market.
- The ability to deliver high-performing new retail space is intricately linked to the quantity and pace of new residential and office development. New employees and residents will generate substantial demand for new retail space. Conversely, new and exciting retail will only further enhance Columbia's ability to attract new residents and employees. This logic of delivering new, high quality product and a compelling, walkable, and mixed-use environment will likely increase the County's and downtown's potential absorption over the next ten years relative to historical averages.

Hospitality

- The Columbia hotel market is performing well with high occupancies and growing revenue per available room (RevPAR) in recent years. Characterized by dated stock, new hotel keys would be a welcome addition to Downtown Columbia, especially with the introduction of new office space and residential units.
  - There has only been one 114 key upscale hotel, the Homewood Suites Columbia Laurel, delivered into the market in the last 3 years. This upscale hotel delivered in 2015.
- Over the next 10 years, RCLCO estimates that an additional 50-110 upscale rooms can be supported in the Columbia market, filled by a major flag and/or a high-end boutique hotel, such as Renaissance or Hyatt, which are not present in the market today. Additionally, there is demand for limited service hotels with 185-380 additional keys demanded by 2026. These hotels could range from extended stay brands to midscale limited service flags, such as Four Points by Sheraton or Hyatt House.
- Increasingly, limited service and upscale hotels prefer mixed-use environments. If Downtown Columbia captured 50% of future hotel demand, it could support an additional 180-245 new keys by 2026. The planned 250-key hotel is on the larger side relative to the projected capture of demand. With a skilled operator and desirable flag, the property will be able to capture slightly more than its share of demand. This dynamic is quite common in hotel markets in which the bulk of existing supply is dated and less desirable than new deliveries.

Matrix of Land Use Opportunities

The following matrix details RCLCO's analysis of supply and demand conditions for each land use.

Land Use	Supportable Demand in Downtown Columbia	Time Frame	Notes
Market-Rate Rental Apartments	2,500 units	10 years	Segmentation of product to attract multiple market audiences (young professionals, empty nesters, etc) will be key to absorption potential
Office	2.7-3.0M SF	10-15 years	Strong Class A market with rising rents and positive office employment outlook
Retail	528,000 SF	10 years	New Downtown Columbia retail supportable based on household and employee growth; Some unmet demand today
Hospitality	180-245 new keys	10 years	Downtown Columbia well positioned to attract a quality hotel operator

Economics and Demographics

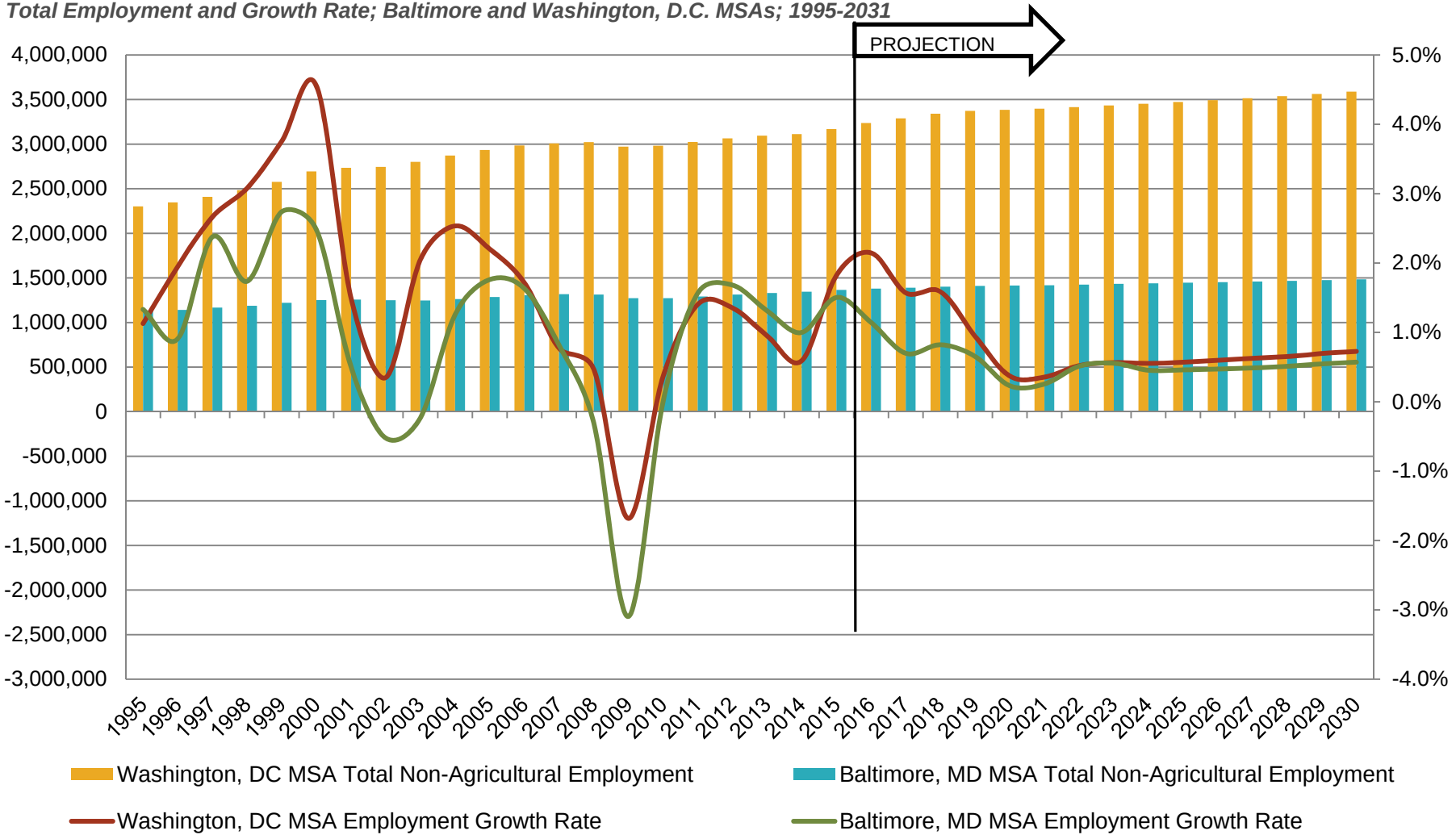
Economics and Demographics – Key Findings

- The Howard County economy straddles the Washington D.C. and Baltimore MSAs, pulling from strengths in both markets. The Washington MSA is projected to see employment growth of 1.6% annually for the next couple of years, representing roughly 50,000 new jobs each year in the Washington MSA. The Baltimore MSA is projected to see employment growth of 1% annually for the next couple of years, representing roughly 13,000 new jobs each year in the Baltimore MSA. Employment growth is expected to moderate at less than 1% in the years following 2020 in both MSA's.
- Employment in both MSAs is strong in office-using industries like Professional Services and Education and Health Services; these two sectors make up more than 35% of private employment in both MSAs. Historically, Howard County has captured a significant portion of jobs in professional services and healthcare industries, and should continue to do so.
- Employment growth in Howard County is expected to be robust in the near future, adding 3,000 new jobs annually through 2025. This is an annual rate of growth of about 1.5%, which is consistent with historical patterns of growth in the County.
- Howard County's share of Baltimore MSA employment has steadily grown, and will continue to do so in future years. In the 1970's and 1980's, the County comprised between 4% and 7% of MSA jobs. By 2016, this share of employment grew to 13% and is expected to reach 14.4% by 2030.
- Howard County has a strong demographic base of affluent and well-educated households. The distribution of incomes across all age groups skews higher than in neighboring counties and the Baltimore-Washington region overall. This bodes well for residential development as well as for attracting office and retail tenants.
- Household growth in Columbia and Howard County is expected to be strong from 2015 to 2020, growing at an annual rate of 1.0% and 1.5% respectively, which is even higher than growth over the previous five years from 2010 to 2015.
- Howard County has consistently captured 25-35% of total MSA household growth, with Columbia capturing a strong percentage of that. This trend is expected to continue in future years, and will be enhanced with the delivery of new product in Downtown Columbia.
- For younger age groups, Columbia and Howard County have a higher proportion of high-income households than even Montgomery County. These high-income young households are strong demand drivers for rental and for-sale housing.
- Howard County has the #3 median household income in the U.S., and is #1 in Maryland at $108,503.
- In 2016, Columbia was named the "Best Place to Live" in America by Money magazine among small cities with populations from 50,000 to 300,000.

Strong Employment Growth in Baltimore-Washington Region

- Moody's Economy.com projects that 384,000 new jobs will be added to the regional economy over the next 10 years.

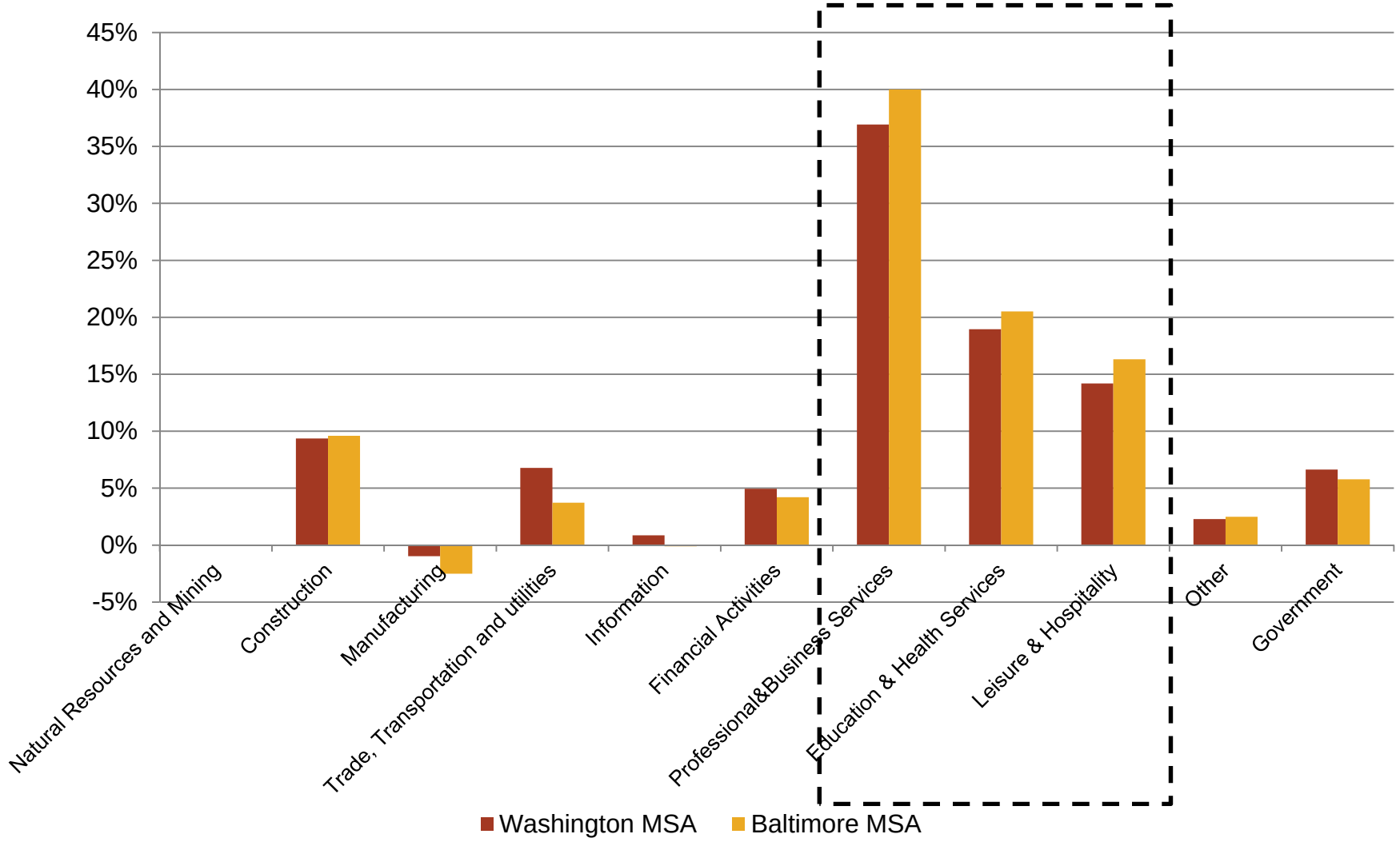
Total Employment and Growth Rate; Baltimore and Washington, D.C. MSAs; 1995-2031



Source: Moody's

Growth Is Expected in Well-Educated and Well-Paid Industries

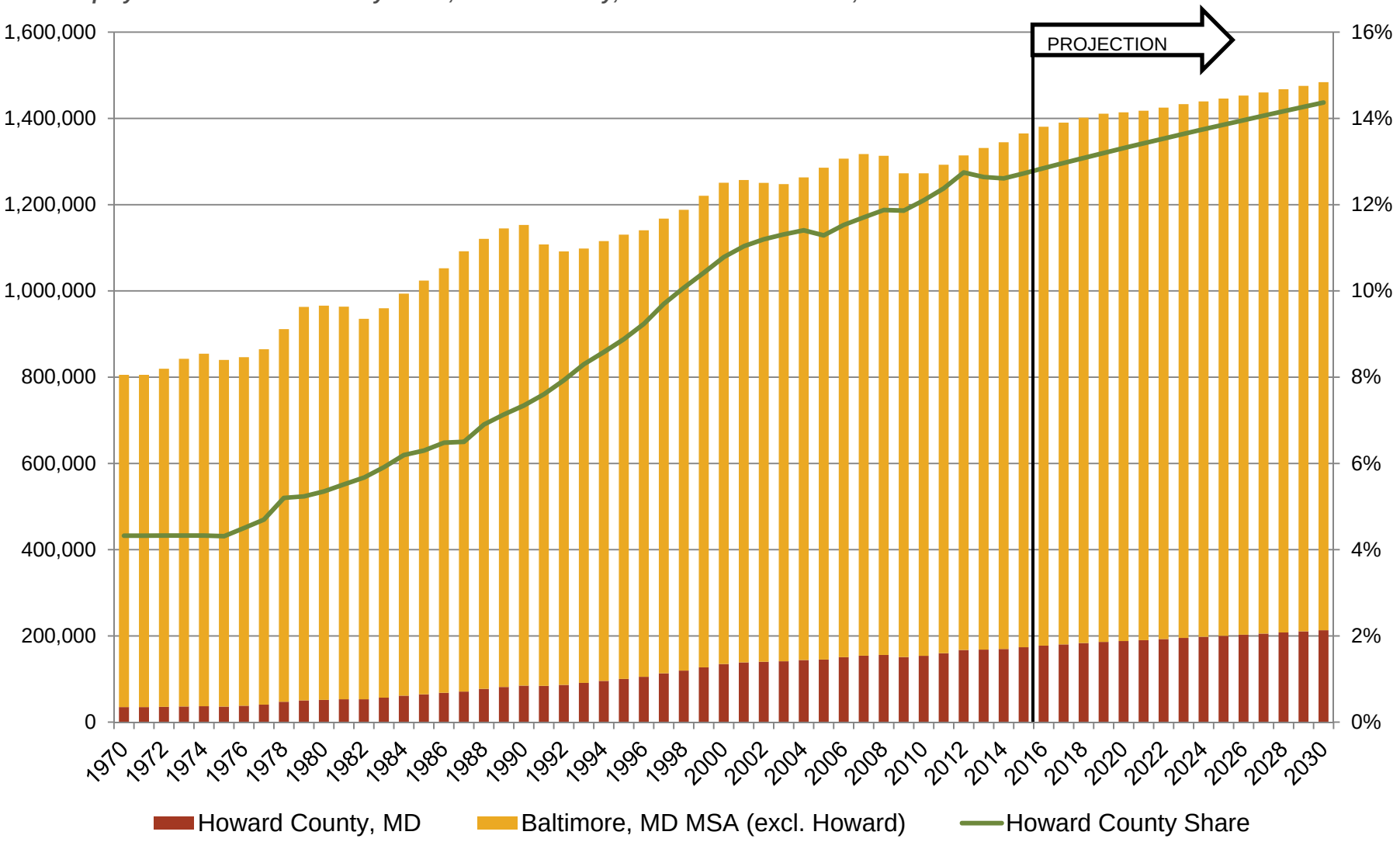
Distribution by Industry of 10-Year Growth; Baltimore and Washington, D.C. MSAs; 2016-2030



Source: Moody's

Howard County Share of MSA Employment Should Continue to Expand

Total Employment and Howard County Share; Howard County, MD and Baltimore MSA; 1970-2030

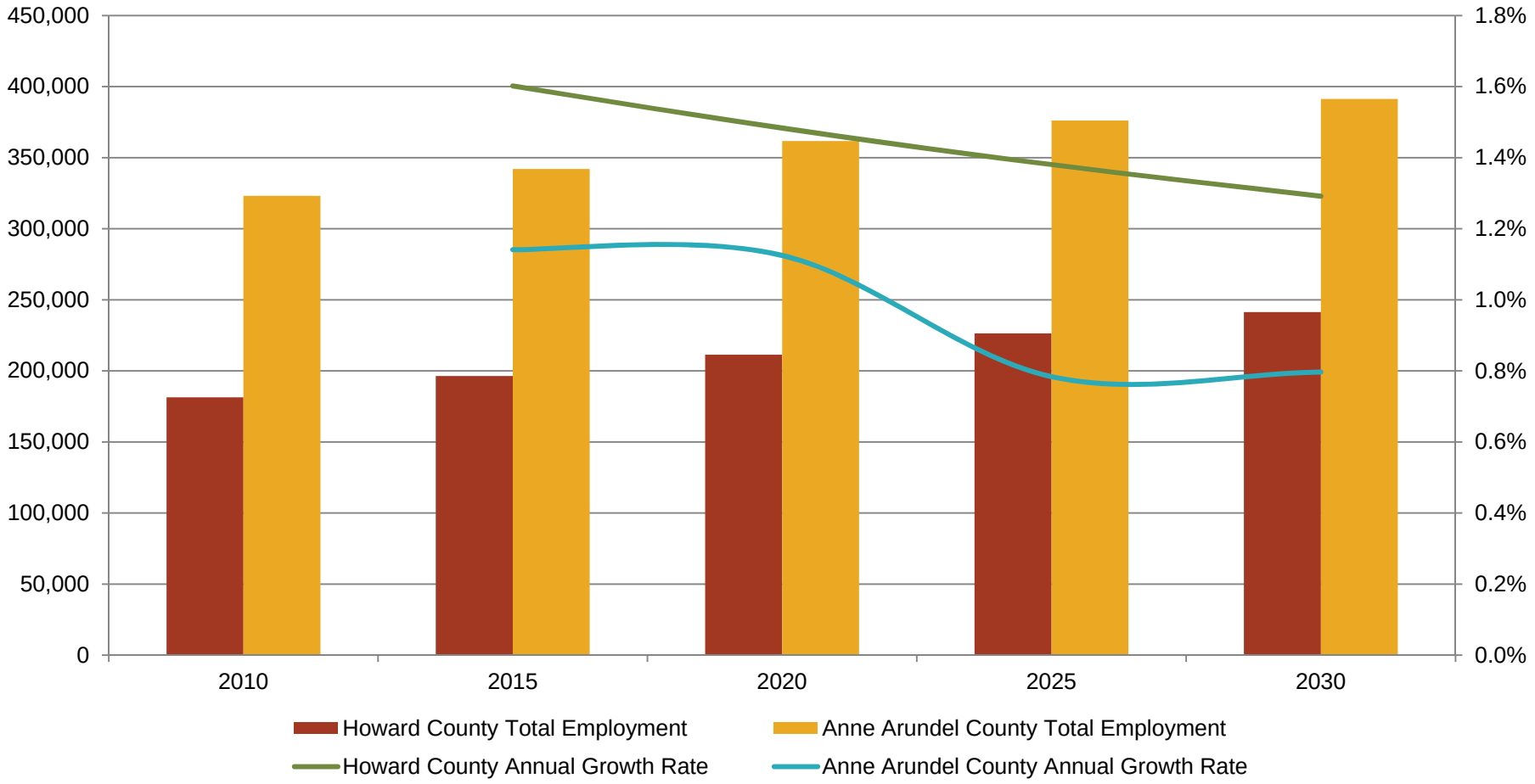


Source: Moody's

Anne Arundel County Has More Employment But Howard County Will See Stronger Growth

- Howard County will experience employment growth of 3,000 new jobs annually over the next decade, and Anne Arundel will add 3,400 new jobs annually in the same time period.
- The creation of a live-work-play atmosphere in Downtown Columbia will aid in attracting new employees and residents alike.

Total Employment and Growth Rate, Howard County and Anne Arundel County, MD; 2010-2030

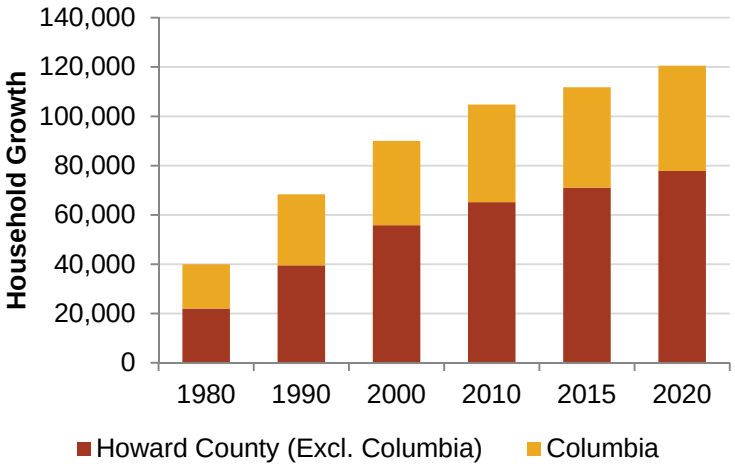


Source: MWCOG

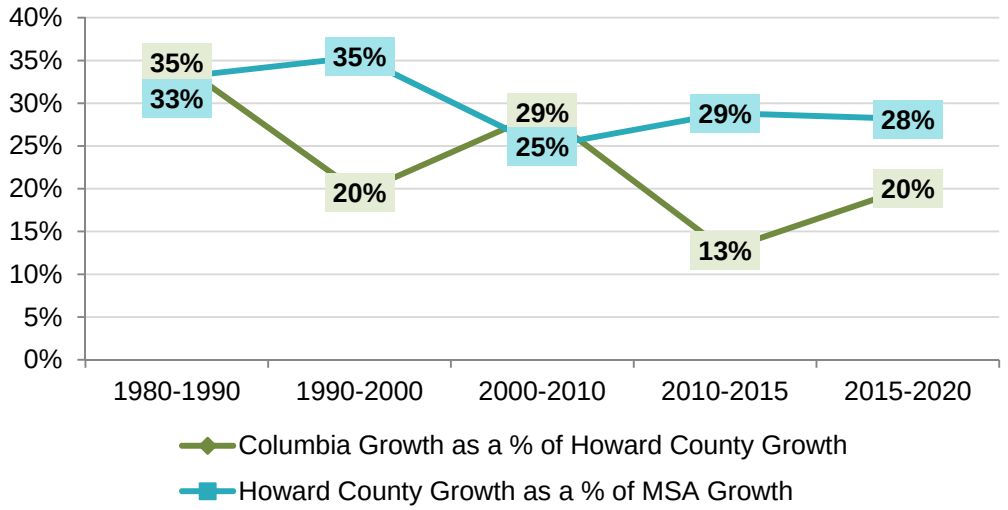
Columbia Has Captured Less of Howard County's Growth than in Previous Years, but May Regain Its Historical Share of Growth

- Howard County is projected to grow by 8,700 household over the next five years. Columbia is expected to capture almost 25% of that growth, adding 2,000 household over the next five years assuming development progresses similarly to the past five years.

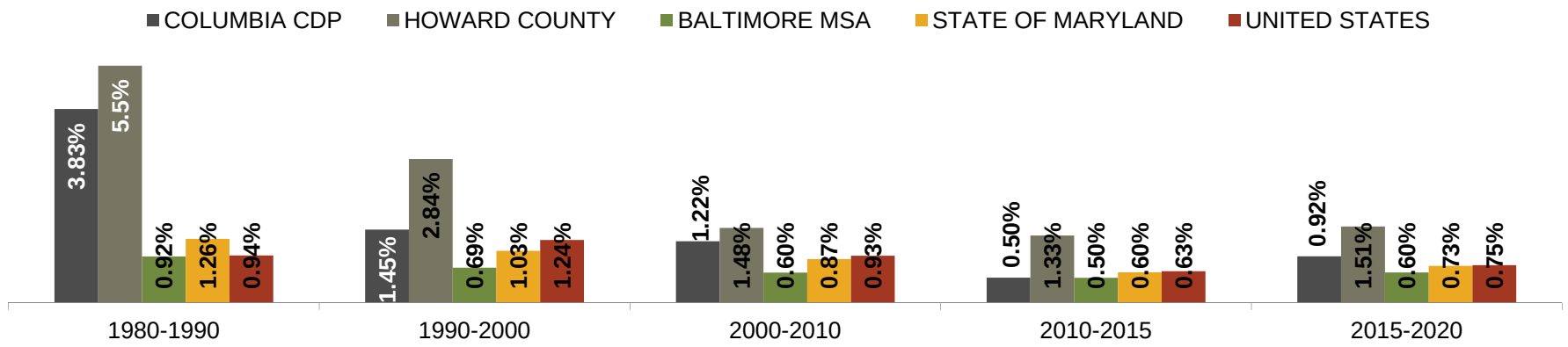
Household Growth, Columbia CDP & Howard County, MD



Capture of Growth, Columbia CDP & Howard County, MD



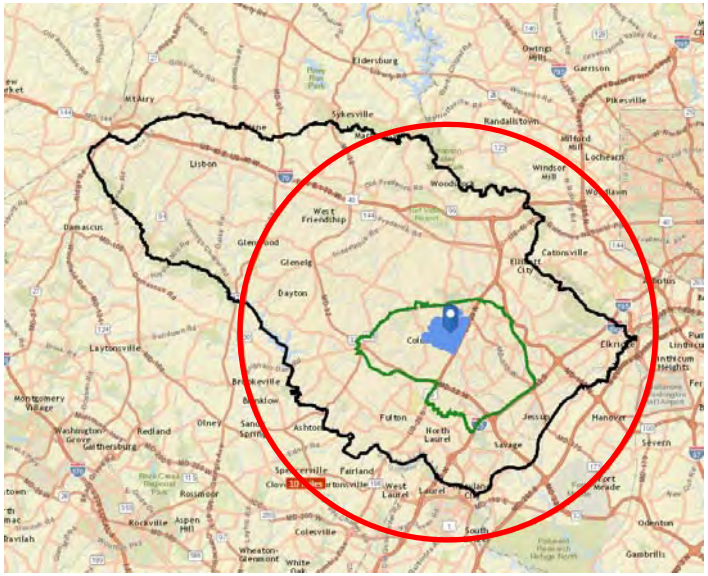
Average Household Growth Rates



Source: Esri

CDP: Census Designated Place

Howard County and Downtown Columbia Have More Growth than the MSA and Maryland in the Past Five Years – A Trend that Will Continue

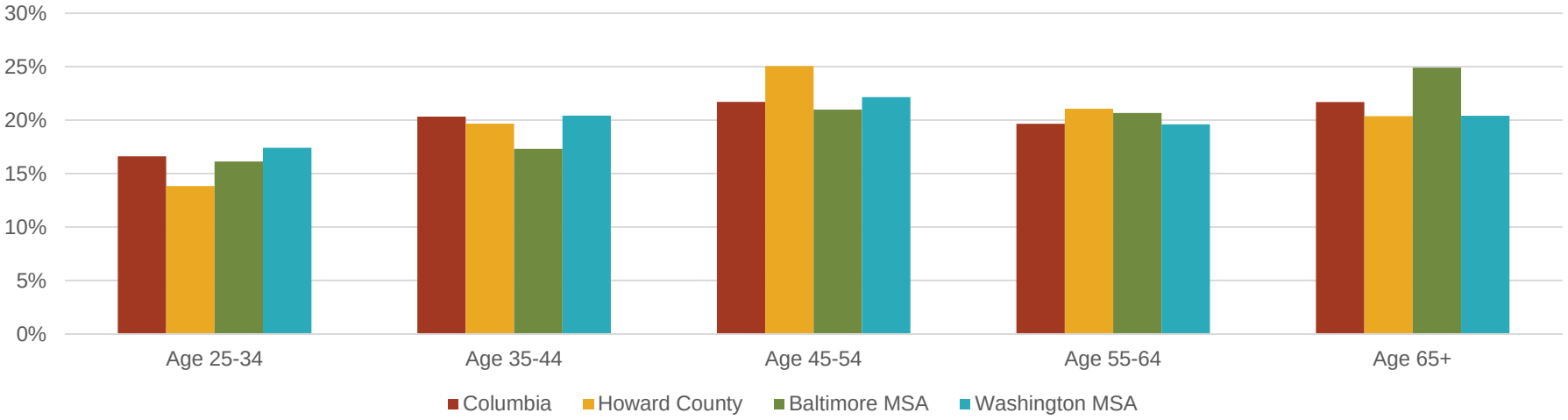


CHARACTERISTIC	DOWNTOWN COLUMBIA	COLUMBIA	HOWARD COUNTY	BALTIMORE MSA	MARYLAND
2010 Population	8,360	99,615	287,085	2,710,489	5,773,552
2015 Population	8,791	102,133	306,701	2,778,512	5,949,980
2020 Population	9,388	106,919	330,558	2,863,225	6,170,756
Pop. Growth Rate, 2010-2015	1.0%	0.5%	1.3%	0.5%	0.6%
Pop. Growth Rate, 2015-2020	1.3%	0.9%	1.5%	0.6%	0.7%
2010 Households	4,214	39,562	104,749	1,038,765	2,156,411
2015 Households	4,457	40,707	111,808	1,066,875	2,221,684
2020 Households	4,782	42,733	120,547	1,099,924	2,303,719
Household Growth Rate, 2010-2015	1.1%	0.6%	1.3%	0.5%	0.6%
Household Growth Rate, 2015-2020	1.4%	1.0%	1.5%	0.6%	0.7%
2015 Median Household Income	$82,544	$98,038	$106,707	$68,363	$73,534
2015 Average Household Income	$100,009	$123,592	$140,754	$93,905	$98,361

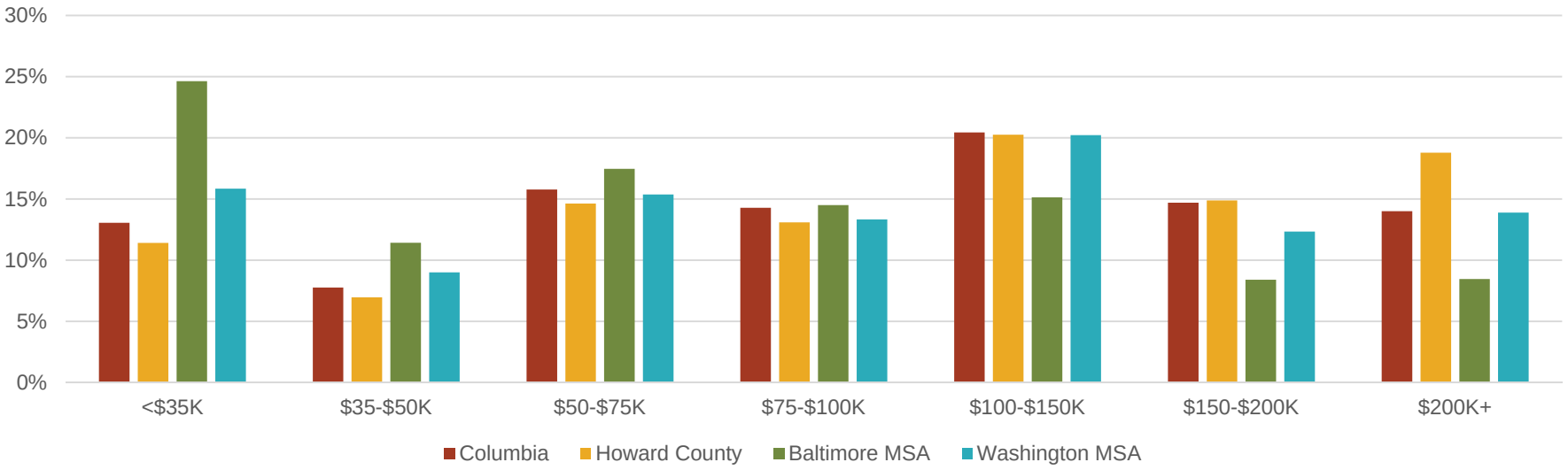
Source: Esri

Area Demographics Are Composed of Wealthy Residents with an Even Distribution of Age Ranges

Household Distribution by Age



Household Distribution by Income



Source: Esri

Rental Residential

Rental Apartment Market – Key Findings

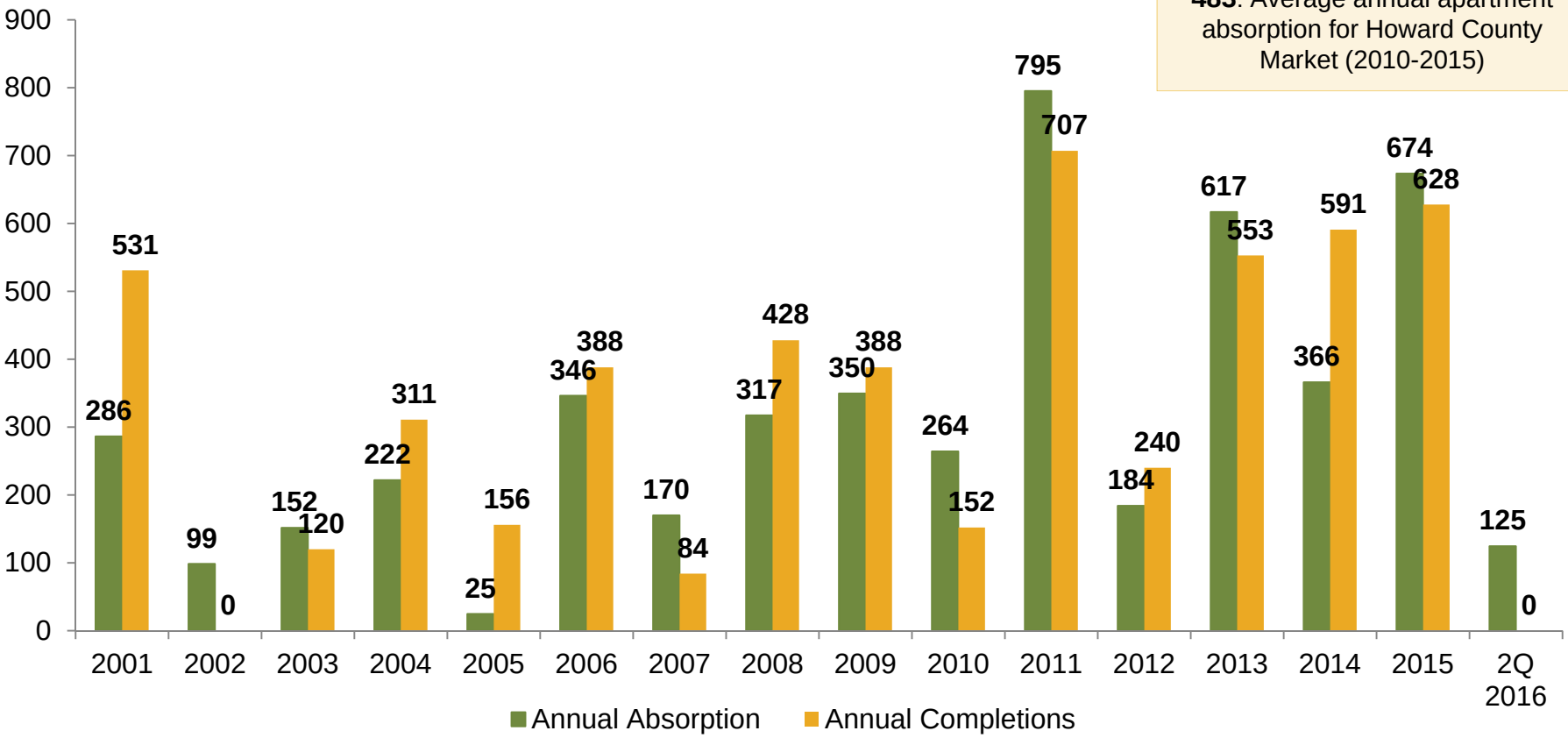
- Howard County, and Columbia specifically, have maintained strong demographics of wealthy young professionals and couples without children that are affluent and interested in renting. Because of the lack of new, niche product in Howard County, these renters often live in sub-par buildings paying rents well below their full potential based on their underlying income.
- The Metropolitan in Downtown Columbia delivered in Fall 2014, and is the first delivery in Downtown Columbia since the early 2000s. The Metropolitan reset top-of-the-market rents at $2.06 per square foot (effective rates as of March 2017 according to Axiometrics), 15% to 30% above the older Downtown Columbia buildings and newer Howard County rental properties. Initial leasing at Alta Wilde Lake, which delivered in early 2017, confirms this rent positioning.
- Similar to places like Annapolis Towne Centre, Downtown Columbia should be able to achieve top-of-market rental rates by adding increasingly sophisticated rental product to the inventory that drives rents above and beyond the pace of general rent growth in the marketplace. New units in Downtown Columbia can likely achieve rents of $2.30 to $2.40 per square foot, with the potential for even higher rents as the mixed-use environment matures.
- The Metropolitan had strong leasing at the rate of 30 to 40 units per month during Spring 2015, based on information provided by HRD and confirmed by Axiometrics. This high lease-up pace indicates enthusiasm for new product in Downtown Columbia, and the potential to push rental rates higher.
- The Howard County rental market as a whole, however, has seen falling occupancies in Class A buildings over the last few years, with an occupancy rate of 94% as of May 2016. This occupancy rate includes buildings in lease-up and should rise as the bulk of recently-delivered properties reach stabilization. Counterintuitively, Class B buildings have seen an increase in occupancy rate, to 97% as of May 2016.
- Class A rental rates have been consistently strong and trending upwards since 2012. Annual growth has averaged 2.1% from 2012 to 2016.
- Absorption of new buildings has generally kept pace with completions historically. Howard County saw its highest ever volume of deliveries in the three-year period from 2013-2015. This new product has contributed to the rising rental rates and produced average annual absorption of 445 from 2013 to 2016, compared to the long-term average of 300 from 2000 to 2016.
- Howard County is still working to absorb that inventory in 2016 which accounts for the decline in occupancy. New buildings are leasing at a steady pace and should reach stabilization in an appropriate amount of time.
- The annual variation in market performance for the Howard County rental market is consistent with low-delivery markets. In these types of markets, Class A buildings lose occupancy to Class B buildings because there is no obvious value that justifies the extra cost of living in an older Class A building. The Metropolitan's performance suggests that high-quality new deliveries in prime locations will be able to outperform the overall market.
- Utilizing a segmentation strategy that targets a variety of market segments, RCLCO estimates that Downtown Columbia could absorb 2,500 new market rate units, 800 seniors units, and 400 affordable units over a 10-year time period. Approximately two-thirds of the demand for market rate units is for high-end units, defined as those affordable to households with incomes of $75,000 or more. Based on this absorption schedule, plans to deliver 1,237 market rate rental units and 150 affordable rental units over 5-7 years are reasonable.
- Multifamily rentals should continue to do well, based on:
  - Regional conditions of household growth,
  - Increasing acceptance and preference of long-term renting, and
  - Increasing tendency to live in multifamily buildings in denser neighborhoods.

Absorption Consistently Tracks with Completions, Even in Years with High Deliveries

- Howard County's slow growth policy dampens the ability for new rental product to be delivered which, therefore, ensures new units will be absorbed due to renters' pent up demand. Absorption has been slow in the first half of 2016, probably due to the lack of new rental product delivering into the market.
- On average since 2001, approximately 320 units are absorbed each year. However, since 2010, an average of nearly 500 units have been absorbed each year. Howard County absorption and completions have been extremely well-aligned historically, which is a trend that demonstrates a supply-constrained rental market. Absorption through 2Q 2016 is lower than in recent years due to a lack of new product delivering into the market in 2016. Absorption should increase back to levels similar to the recent historical average when additional new supply is introduced into the market.

Howard County Apartment Absorption and Completion; 2001-2Q 2016

483: Average annual apartment absorption for Howard County Market (2010-2015)

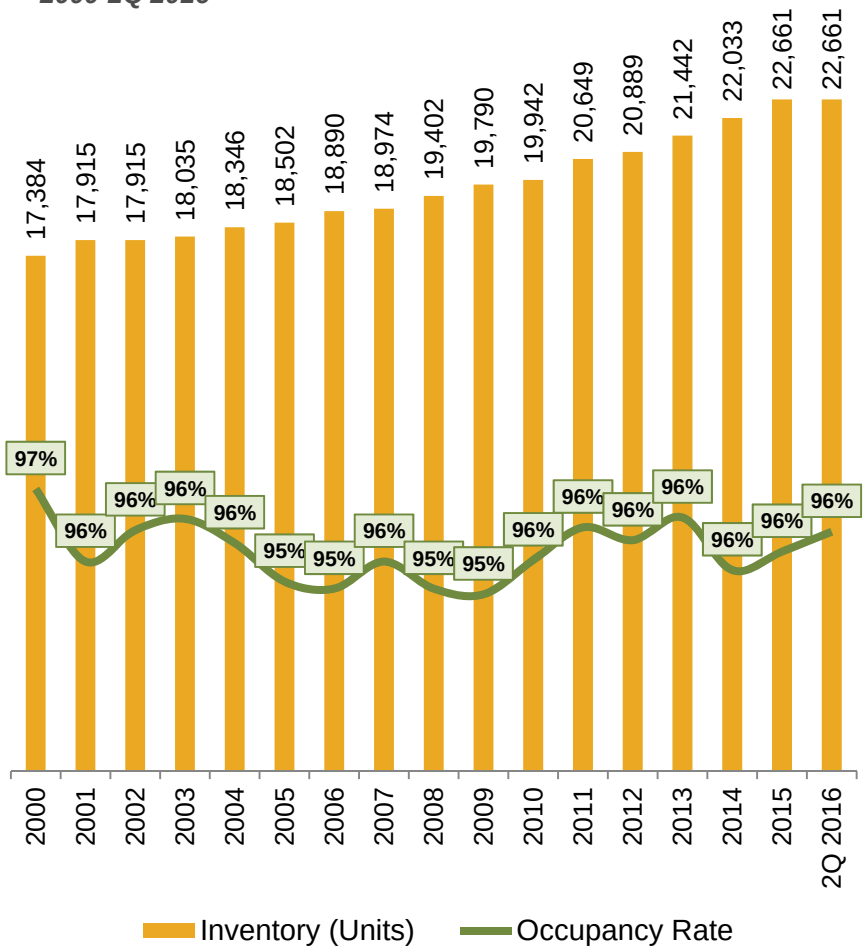


Source: CoStar; RCLCO

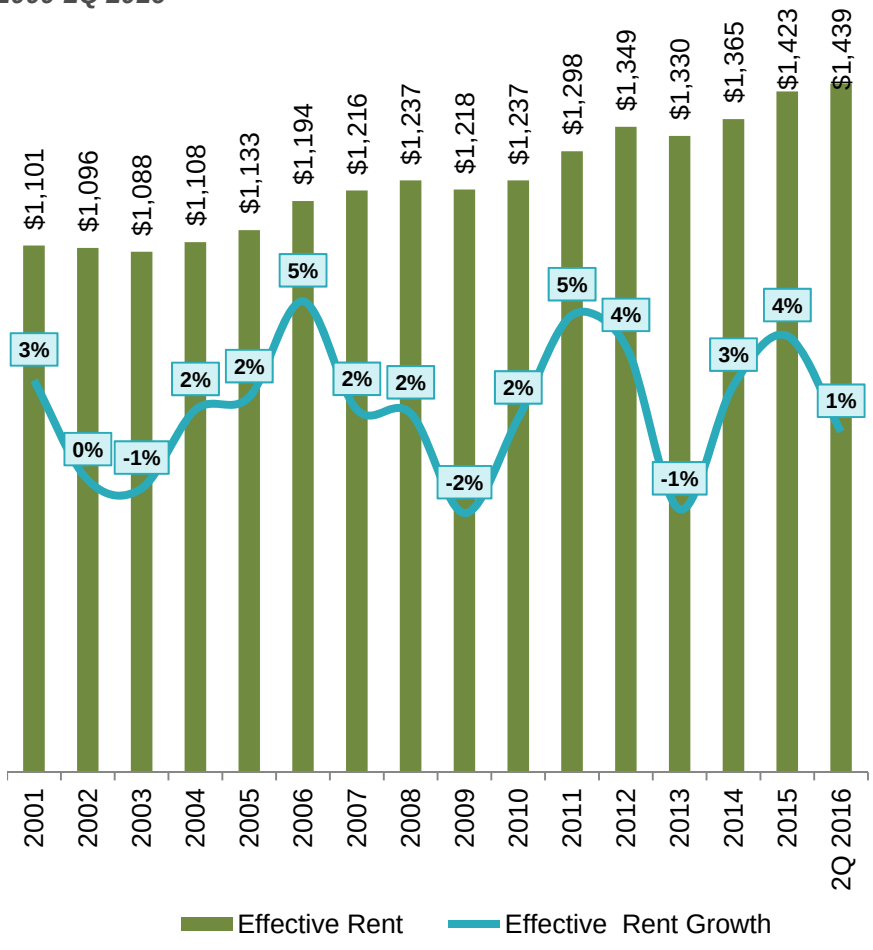
Stable High Occupancy, Continued Rent Growth

- Since 2000, an average of 330 new apartment units have been delivered each year. Due to restrictions on new deliveries, occupancies, rents, and rent growth remain high.

Apartment Inventory & Occupancy Trends; Howard County 2000-2Q 2016



Apartment Effective Rents; Howard County 2000-2Q 2016



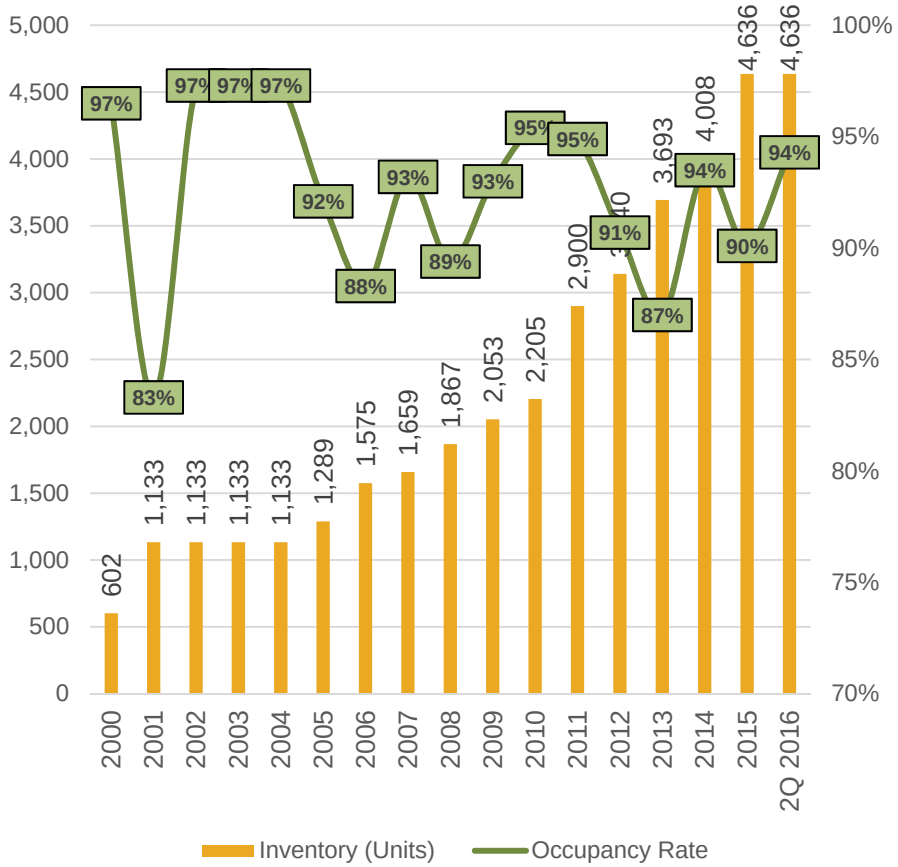
Source: CoStar; RCLCO

Class A Rental Apartments– Strong and Steady Growth

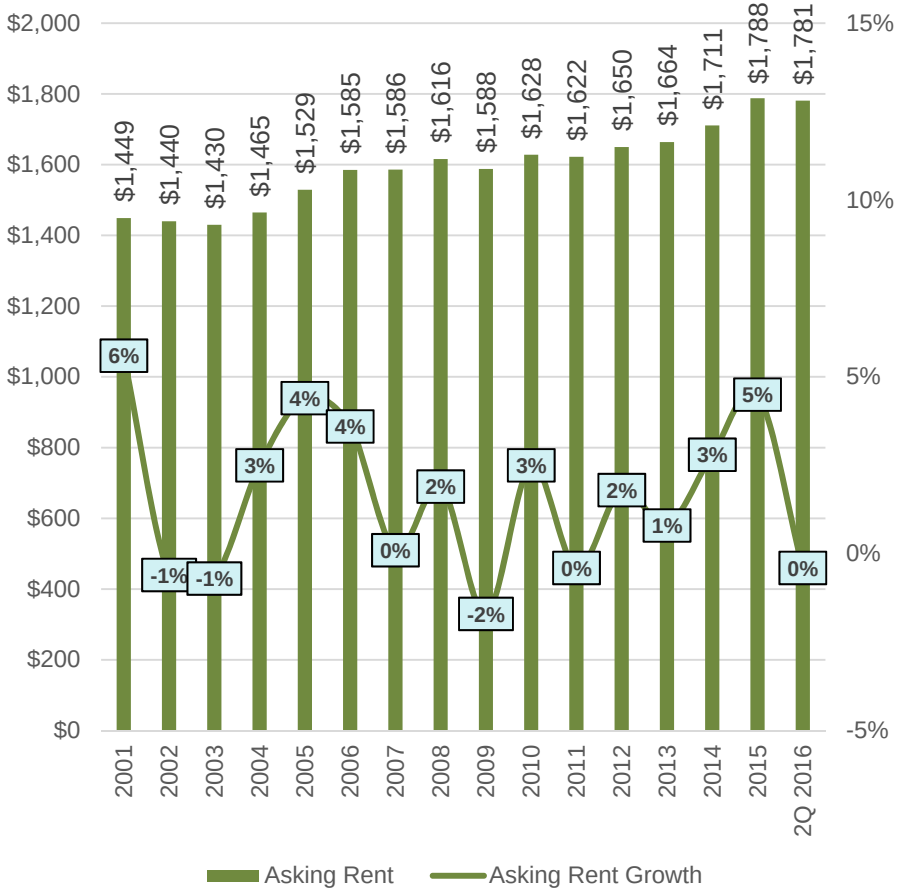
- The inventory of Class A apartments has more than doubled since the recession in 2008, which has likely moderated rent growth to 1 to 3% per year generally. However, explosive rental growth in 2015, driven by new deliveries of Class A product demonstrate the upside potential if new, contemporary product can be delivered into the market in the future. 2016 rent growth through Q2 may indicate more moderate rent growth for 2016 compared to 2015, in line with the historical trend of 1.8% per year since 2000.

- Occupancy rates include properties in lease-up, which accounts for the wider year-to-year variation compared to the overall apartment market as new supply is added to the market.

Class A Apartment Inventory & Occupancy Trends; Howard County; 2000-2Q 2016



Class A Apartment Asking Rents; Howard County; 2000-2Q 2016



Source: CoStar; RCLCO

Mid and High-rise Product in Retail-Oriented Locations Achieve Top Rents

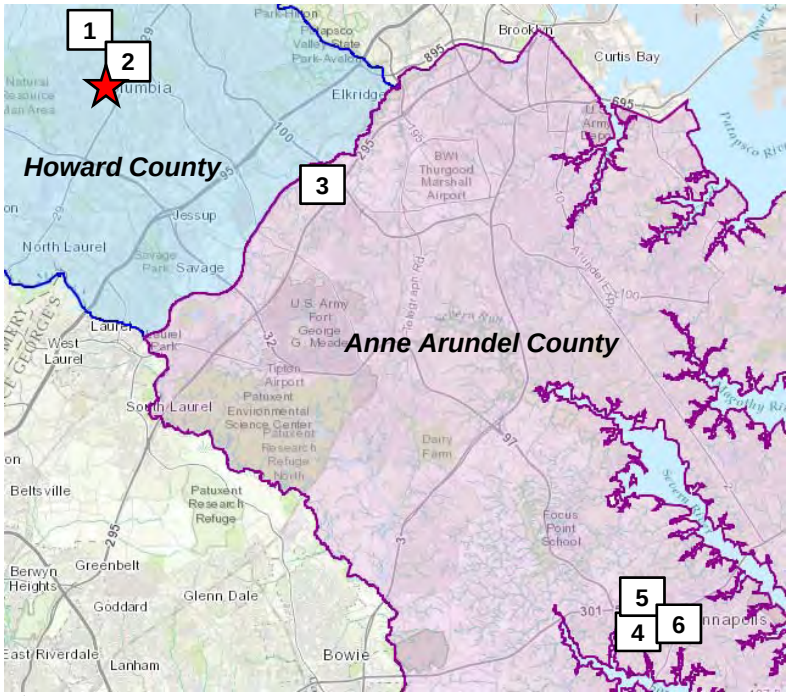
- Communities near Downtown Columbia are, on average, achieving effective rents slightly lower than communities in Hanover and Annapolis, in particular for two-bedroom units, potentially indicating some programming imbalance between supply and demand for the different unit sizes.

- RCLCO identified a competitive set of rental apartment properties that are the closest comparables for the planned apartments in Downtown Columbia based on the product type, quality of features and amenities, and neighborhood surroundings. Primarily, these communities feature:
  - Proximity to major retail centers or a mixed-use environment.
  - High-rise or mid-rise construction.

- These communities all achieve average rents of around $2,000 per month, with the effective rent psf for stabilized properties ranging from $2.06 to $2.63. Properties achieving the top rents, $2.40-$2.63 psf, offer a mixed-use or retail adjacent setting, mid or high rise construction, and A+ or better product quality.

- New apartments in downtown Columbia will offer a mixed-use setting and comparable product to Palisades or Crosswinds, and therefore should be able to achieve similar average rents of $2,000-$2,200 or $2.30-$2.40 psf depending on the average unit size.

Summary of Top of Market Rental Properties; 2009-1Q 2017

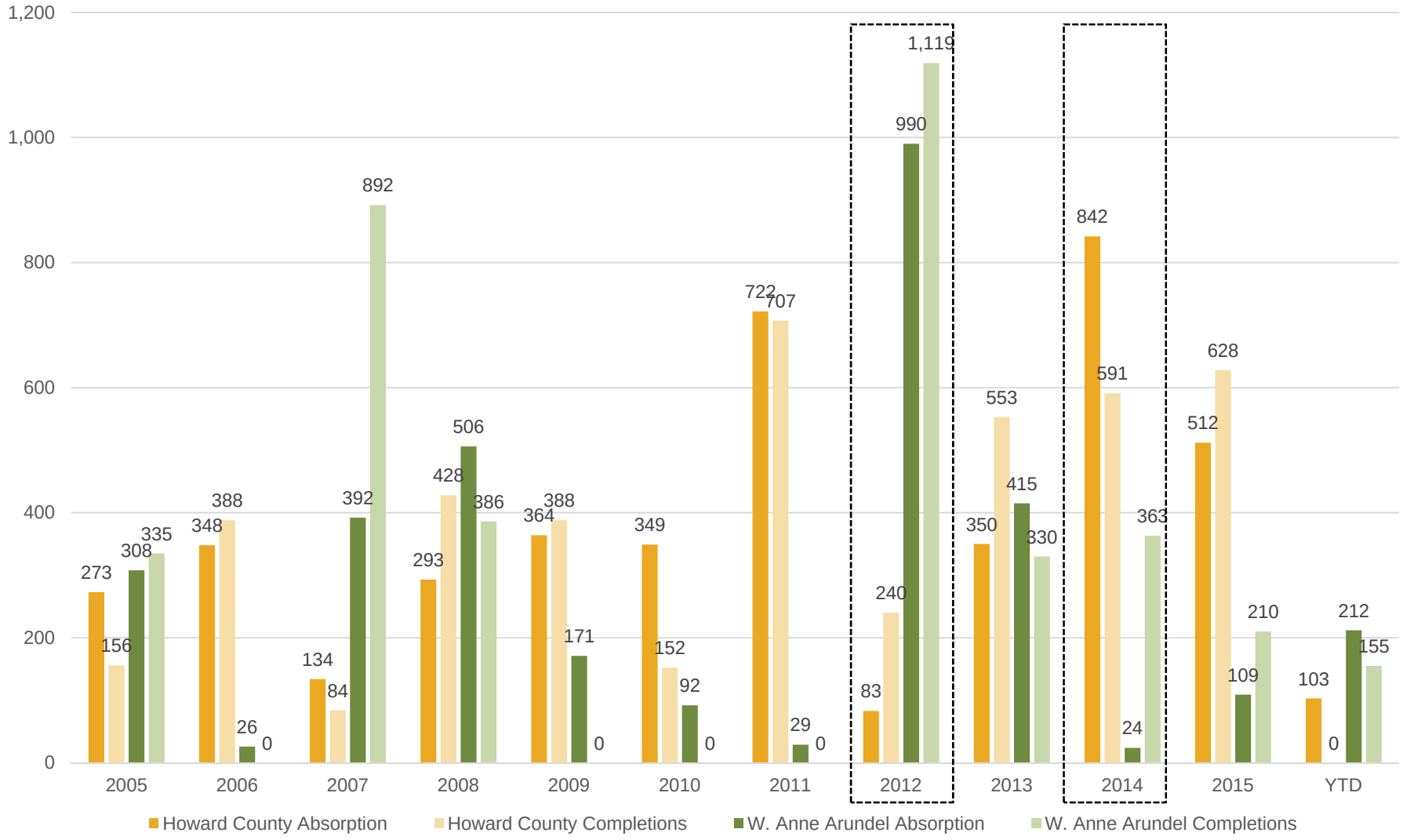


MAP KEY	COMMUNITY INFORMATION	YEAR BUILT	MARKET RATE UNITS	OCC-UPANCY	AVG SIZE (SF)	AVG EFFECTIVE RENT	AVG EFFECTIVE $/SF	SETTING	BUILDING TYPE	PRODUCT QUALITY
1	Alta Wilde Lake	2017	230	18%**	986	$1,932	$1.96	Near retail	Mid rise	A
2	Metropolitan Downtown Columbia	2015	385	93%	947	$1,954	$2.06	Retail adjacent	Mid rise	A
3	Palisades at Arundel Preserve	2013	330	97%	810	$1,945	$2.40	Retail adjacent	High rise	A+
4	The James	2017	236	35%**	1,063	$2,127	$2.00	Near retail	Mid rise	A++
5	Crosswinds at Annapolis Towne Centre	2014	215	96%	785	$2,066	$2.63	Mixed-use	Mid rise	A+
6	Mariner Bay at Annapolis Towne Centre	2009	207	92%	1,072	$2,306	$2.15	Mixed-use	High rise	A++

*** Communities still in lease-up*
Product quality based on Axiometrics' property grade in market
Source: Axiometrics; Community Websites; Interviews with Leasing Agents; RCLCO

Years of Strong Record Setting Completions Are Not Unprecedented, and Demand Has Generally Kept Pace

Absorption and Completions, Howard County and West Anne Arundel



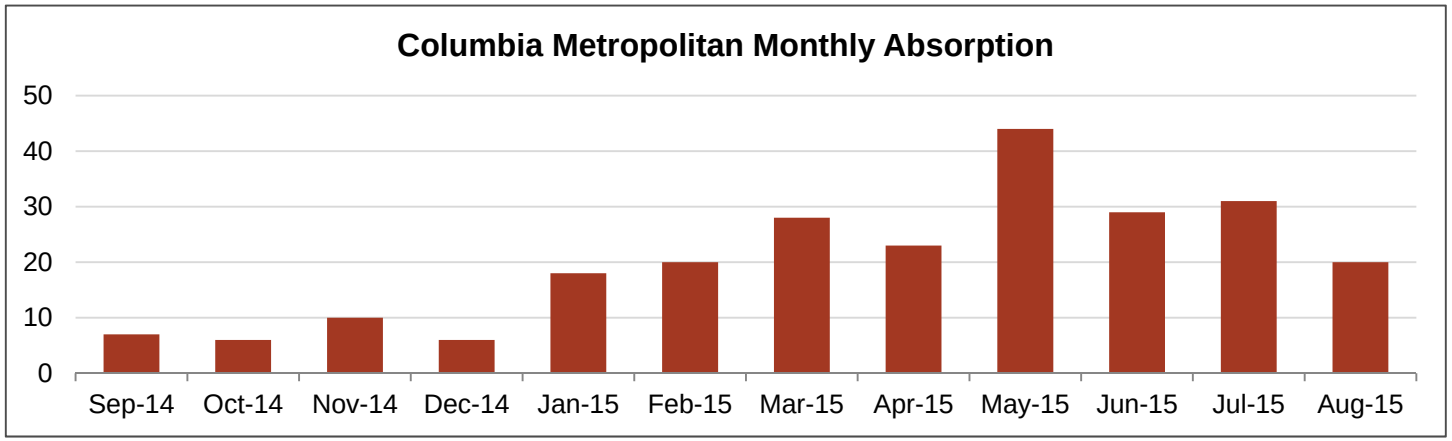
Source: CoStar; RCLCO

Near-Term Competition Limited, but Long-Term Pipeline Robust

DELIVERIES BY SUBMARKET	Downtown Columbia	Other Columbia	Other Howard County	West Anne Arundel	Other Anne Arundel	Total
2016	0	230	148	784	0	1,322
2017	437	0	0	236	0	673
2018	991	0	416	0	0	1,407
2019+	1,770	0	0	0	0	1,770
Pipeline with Unclear Delivery Date	0	400	1,906	450	735	3,491
Total (2016-2019+ in addition to pipeline with unclear delivery date	3,258	630	2,470	1,470	735	8,563

Note: Units shown in Downtown Columbia are all part of the HRD redevelopment plan.

7,828 units



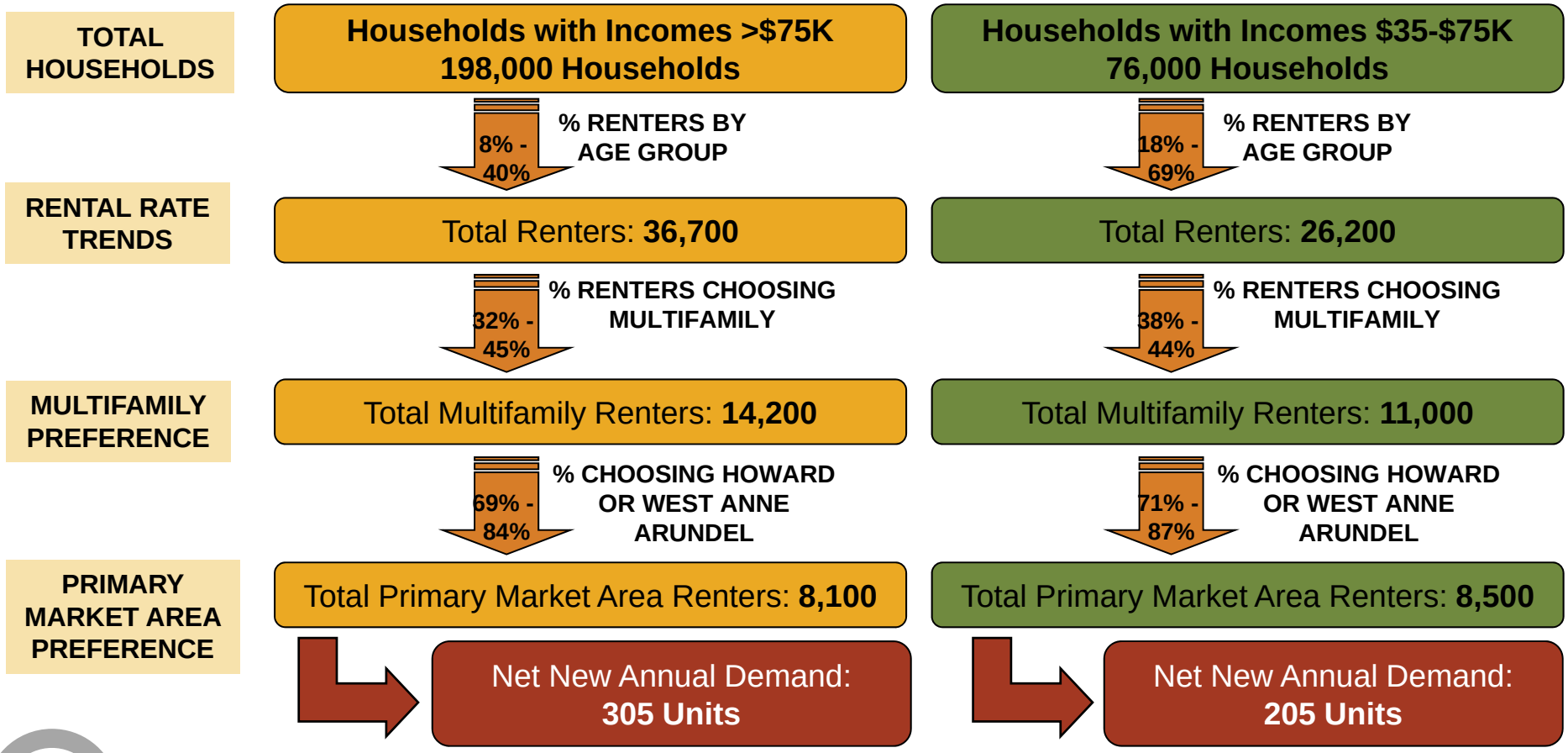
Avg. Annual Absorption of 320 units/year or monthly absorption of 26 units/month which is consistent with Columbia Metropolitan performance

Source: Axiometrics; Howard Hughes; RCLCO

Summary of Market Rate Rental Residential Demand

Howard County & Anne Arundel County Total Households, 2015: 322,310

Total Household Growth, 2015-2025: 10,000



1% Obsolescence Rate

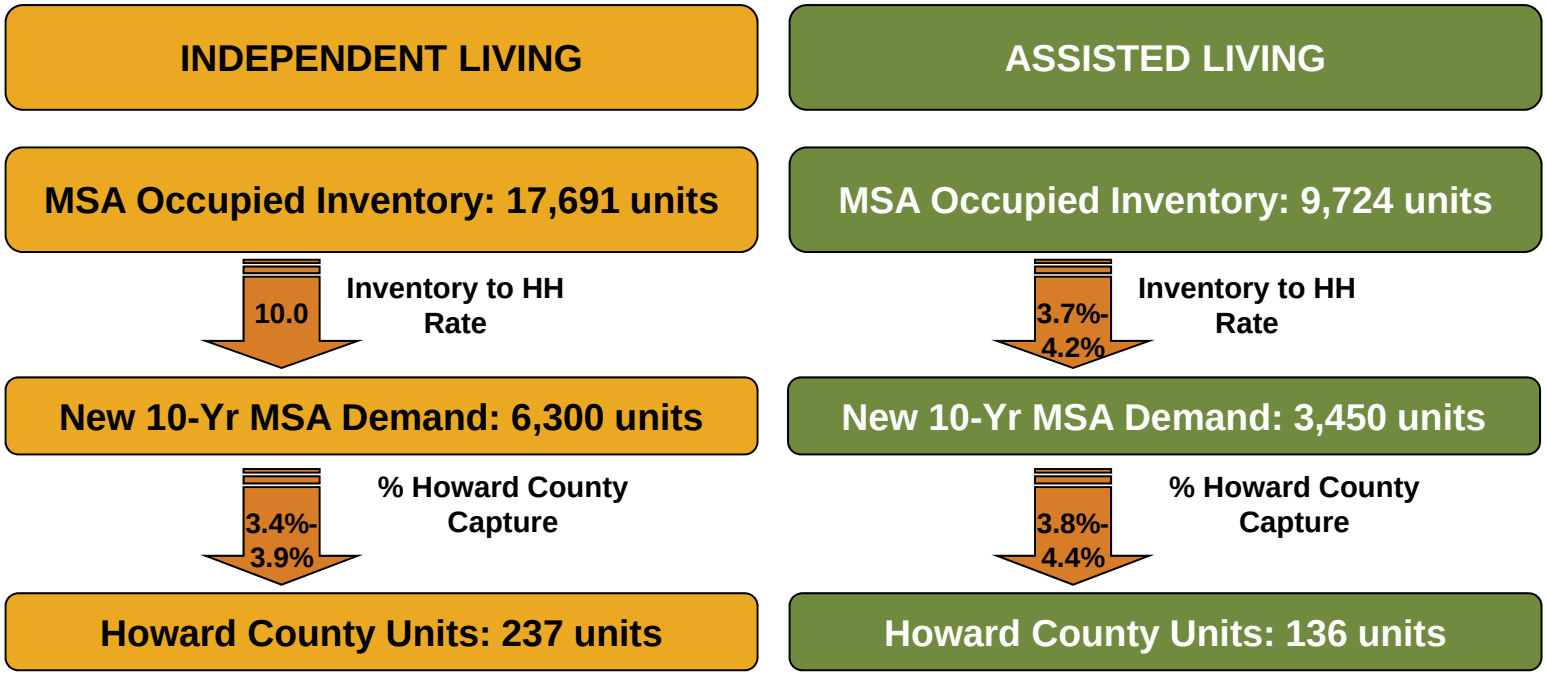
75-85 new units annually

10-YEAR HOWARD & W. ANNE ARUNDEL MULTIFAMILY RENTAL DEMAND: 6,650 UNITS
DOWNTOWN COLUMBIA 35% CAPTURE: 2,330 NEW UNITS

Source: ESRI; US Census; RCLCO

Summary of Seniors Rental Residential Demand

Baltimore-DC Age-Qualified Households, 2015: 283,167
Total Growth, 2015-2025: 100,500



10-YEAR HOWARD NET NEW SENIORS RENTAL DEMAND: 363 UNITS

ESTIMATED PENT-UP DEMAND FROM LACK OF INVENTORY AS COMPARED TO SIMILAR REGIONAL COUNTIES: 800-900 UNITS

TOTAL 10-YEAR DEMAND = 1,100 UNITS

SOURCE: NIC MAP Metro Report; ESRI; RCLCO

Office Market

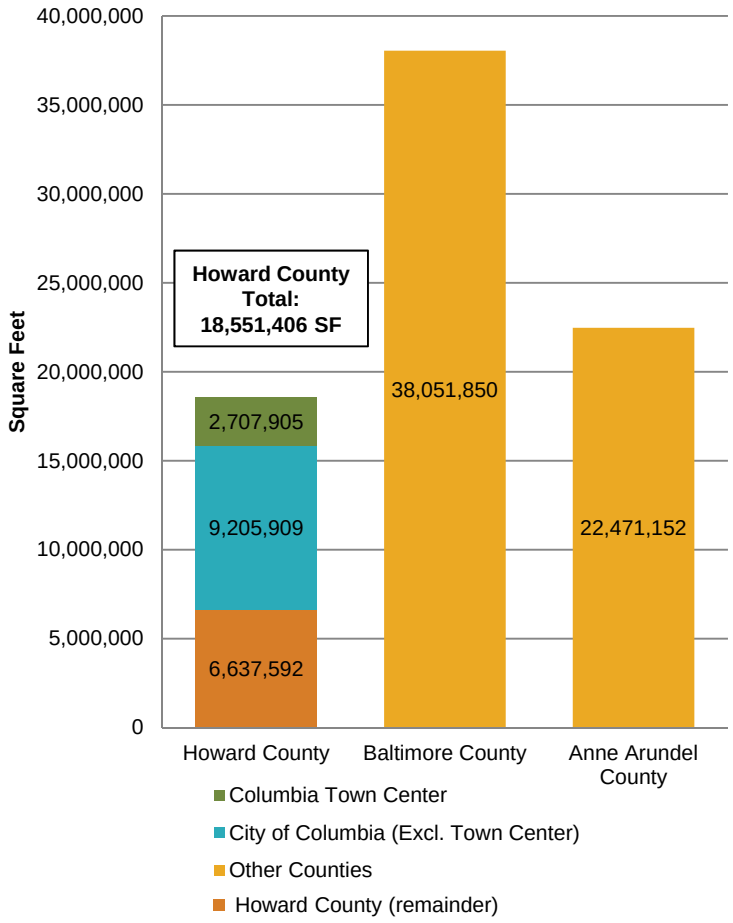
Office Market – Key Findings

- The total competitive office market, i.e., Howard, Baltimore, and Anne Arundel Counties, is comprised of 79M square feet of office space. Approximately 18.5M square feet is located within Howard County.
- Both Howard and Anne Arundel Counties have grown steadily and in relative lock step for the last several decades. Howard County has experienced annual average net absorption of roughly 440,000 SF of space from 2006 to the present day. The vacancy rate hit 15% in the years following the Recession, but has fallen to just under 10% in the last year, which has produced moderate rental rate growth in Howard County and strong rental rate growth in Downtown Columbia.
- There are relatively new and competitive town center developments which have been successful in attracting defense-related and professional services firms at compelling lease rates (mid to high $20 per sf in competing business parks, most notably Maple Lawn along U.S. Route 29, 6 miles to the south of Columbia).
    - On a positive note, this points to the potential to successfully attract defense contractors to a non-base adjacent location with the appeal of a pedestrian-oriented setting.
    - On a cautionary note, the competitive market for urban or urban-lite offices settings is becoming more crowded. Maple Lawn, Konterra, and Arundel Preserve provide a threat to Downtown Columbia's position as the urban alternative to a generic business park environment.
- With the regeneration of Downtown Columbia and the planned residences, restaurants, entertainment, and retail, RCLCO expects that the Howard County market will continue to perform well, and may be able to increasingly capture new office employment growth. New office in Downtown Columbia should be able to achieve lease rates of $34 to $36 psf full service, similar to new office buildings in Annapolis Towne Centre and consistent with rates achieved during preleasing for the first new buildings in Downtown Columbia.
- Over the next 15 years, RCLCO projects demand for 13.7 million square feet of new office space in Anne Arundel and Howard Counties.
- With a strong capture of Howard County demand and attracting some demand expected in Anne Arundel County, RCLCO estimates Downtown Columbia could absorb 2.7 to 3.0 million square feet of new office space over the next 10 to 15 years.

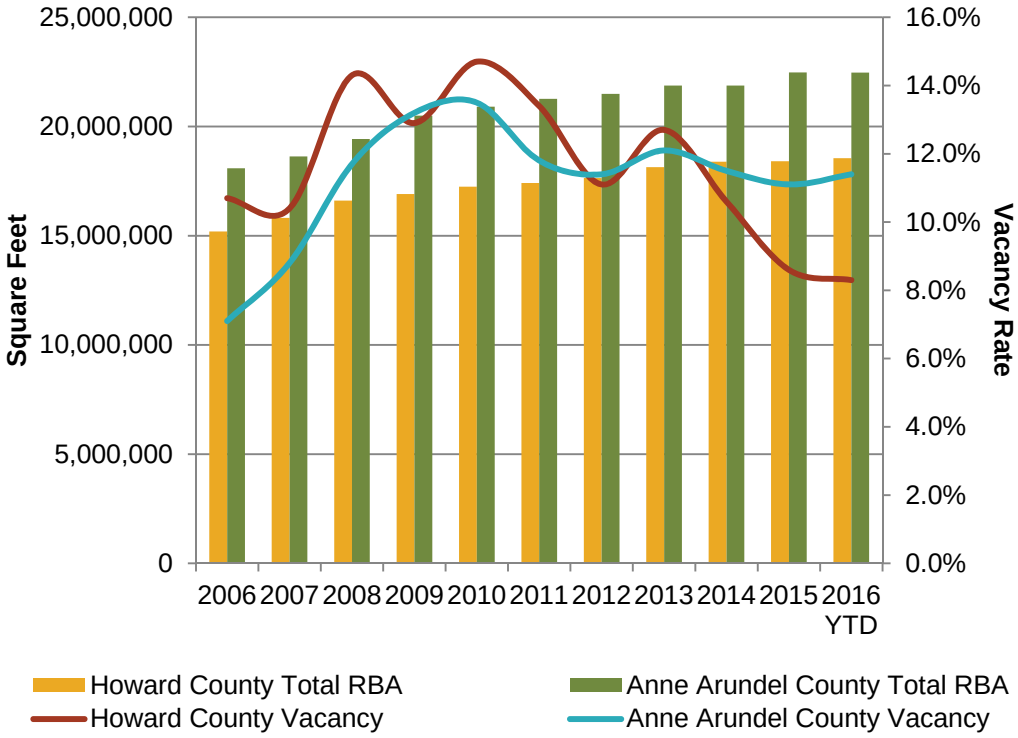
Howard County Continues to Steadily Grow

- The Howard County office market and the Anne Arundel County office market have grown at an average annual rate of 1.3% since 2009.

Competitive Office Market Inventory
2Q 2016



Howard and Anne Arundel County Office Inventory;
2006-2Q 2016

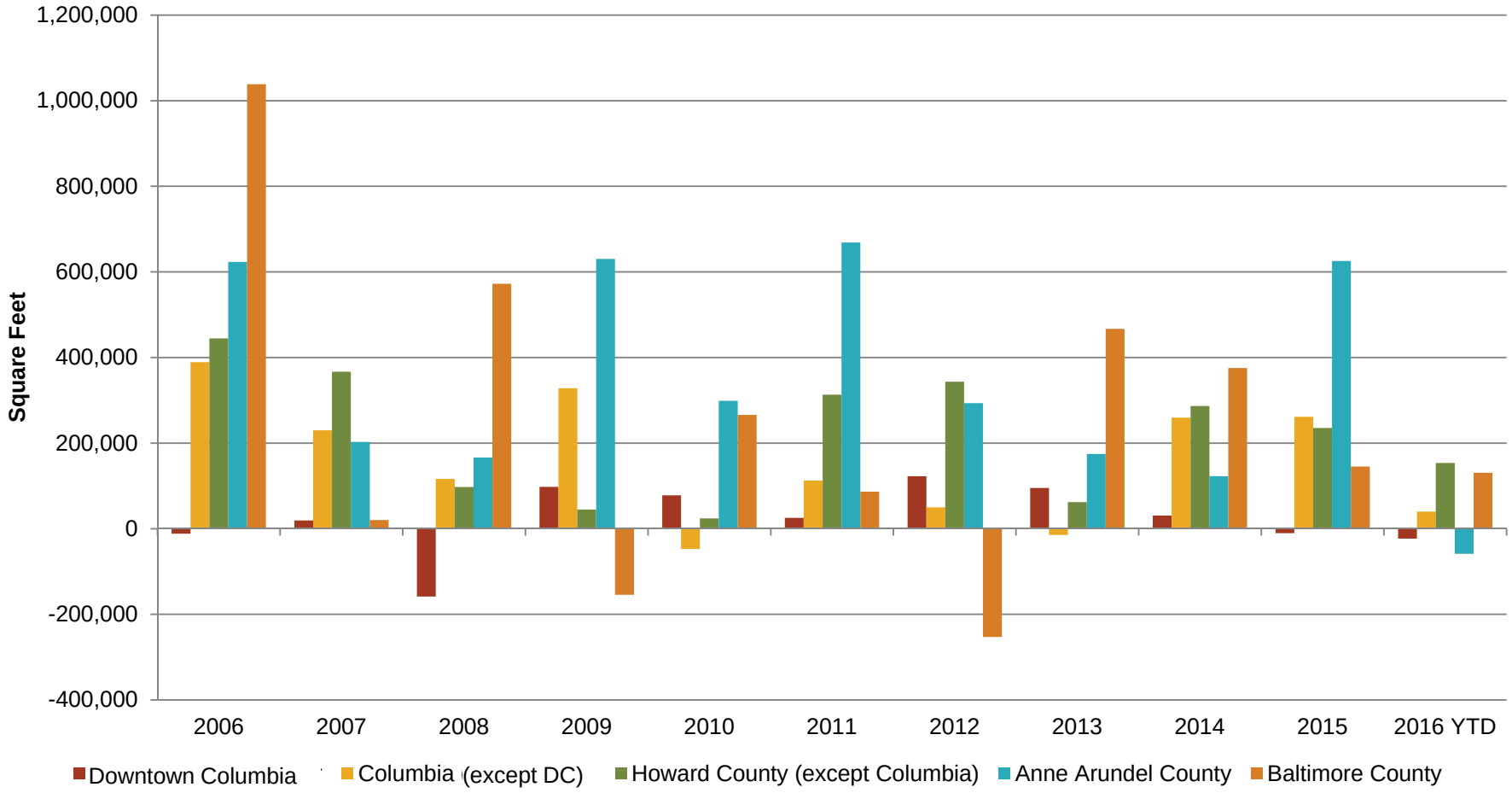


Source: CoStar

Consistent Absorption in Howard County and Columbia; Downtown Columbia Flat

- Howard County has experienced strong and consistent net office absorption of 440,000 square feet over the past five years. Columbia has also seen steady net office absorption of 160,000 square feet over the same time period.
- After three strong years of absorption from 2012 to 2014, Downtown Columbia had a relatively flat year of absorption in 2015, consistent with the lack of new deliveries and low vacancy rate in the market.

Competitive Office Market Absorption; 2006-2016 YTD

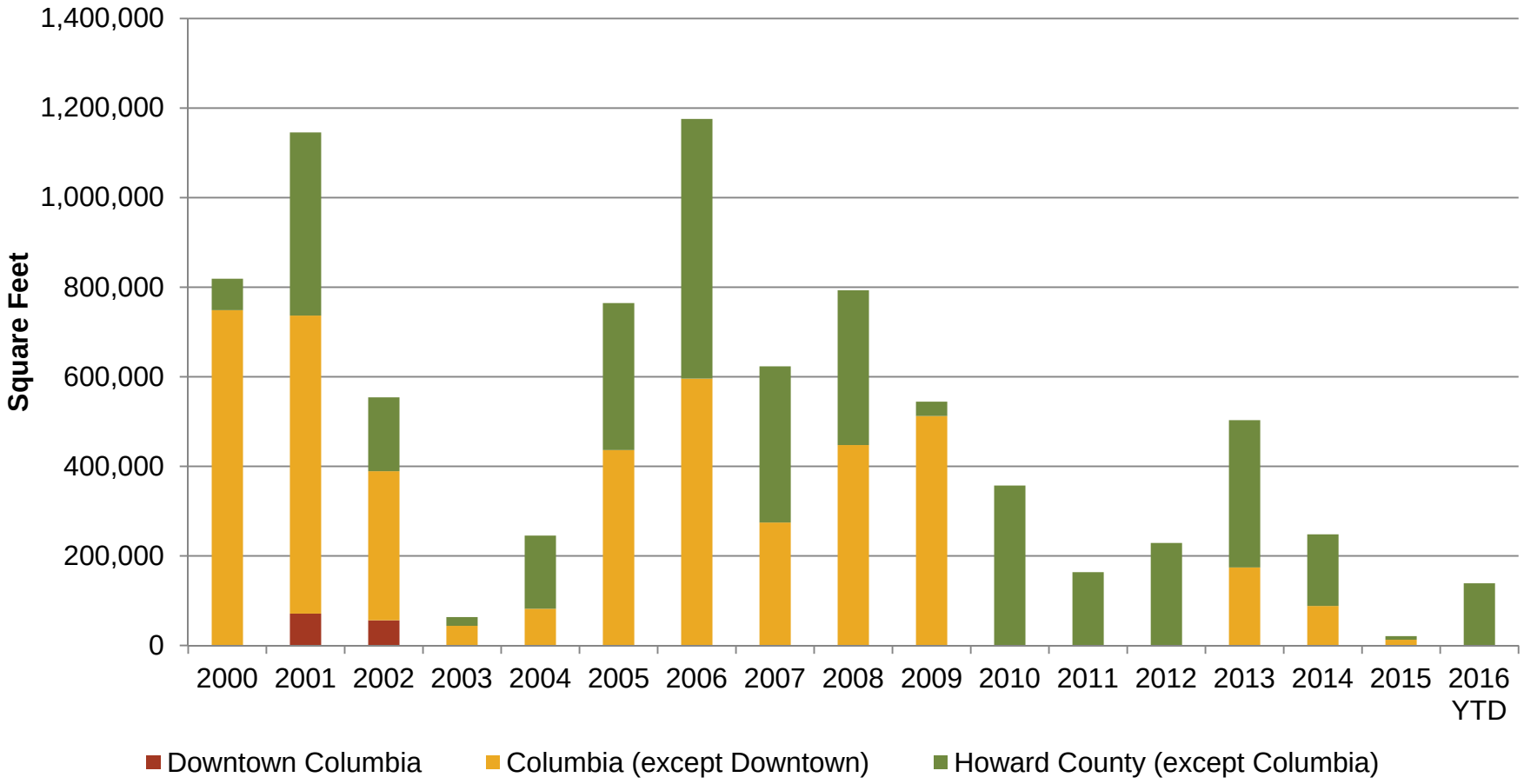


Source: CoStar; RCLCO

New Office Development Remains Subdued Compared to Pre-Recession Activity

- Since 2010, the Howard County office market has added approximately 250,000 square feet of space each year. However, new deliveries have been lumpy, with the office market building as high as 500,000 sf of new space in 2013 and as low as 20,000 sf in 2015. Downtown Columbia has had no new deliveries since 2002.

Net Office Market Completions; 2000-2016 YTD

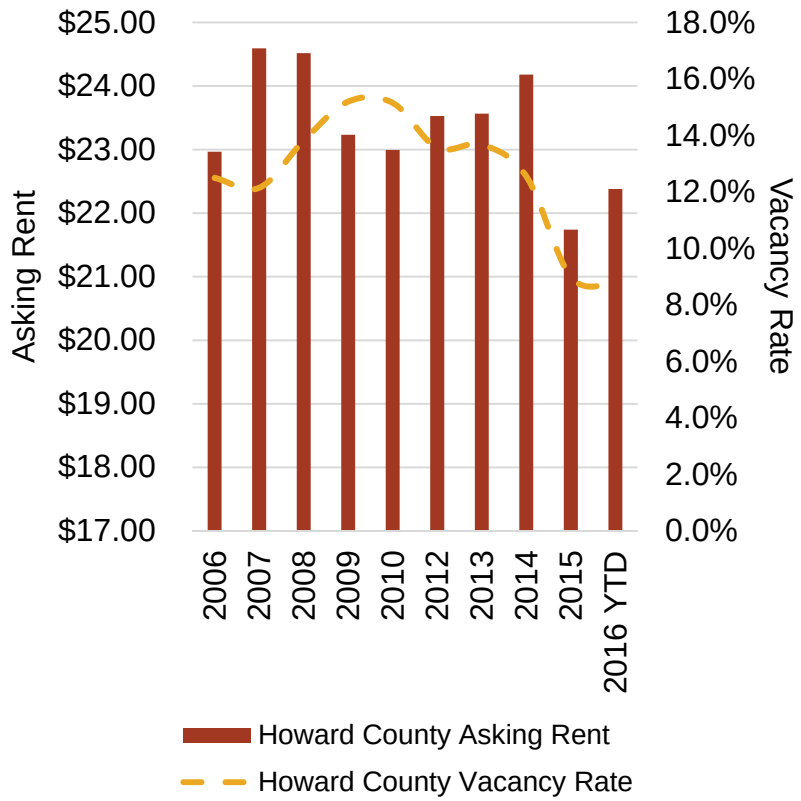


Source: CoStar; RCLCO

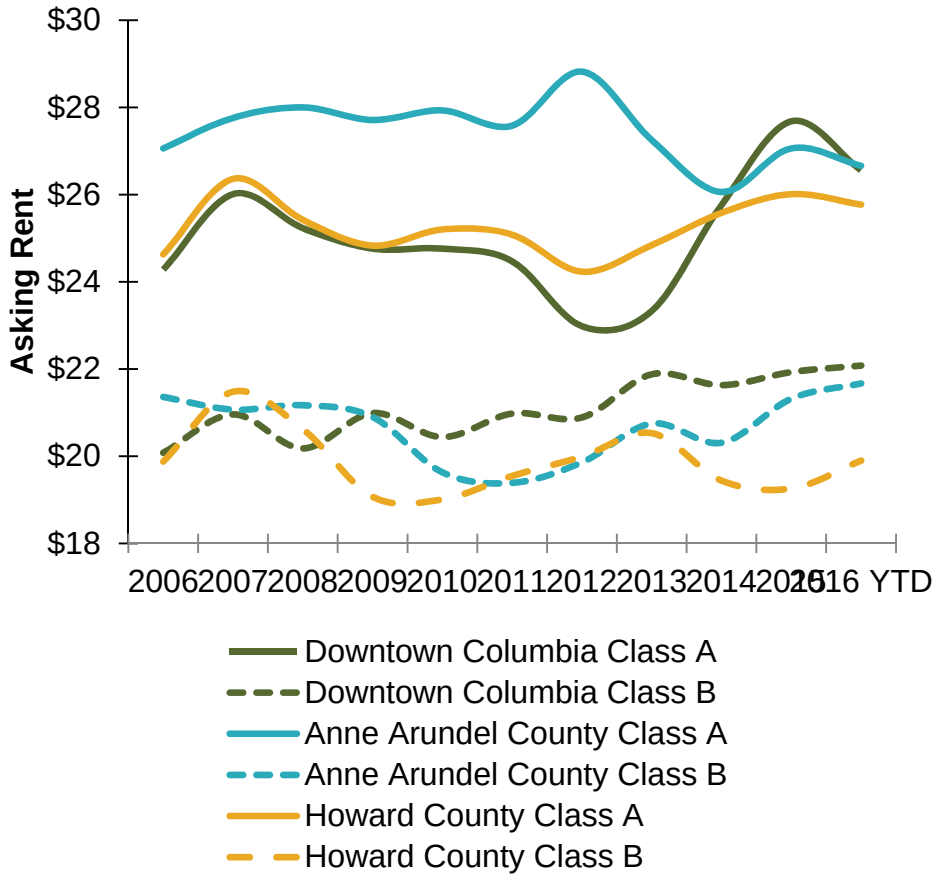
Falling Vacancies Drive Asking Rents Up in Howard County

- Office vacancies in Howard County have fallen to 7.7% for Class A space and held at 10% for Class B space, pushing combined rents for available space up to $24.
- Class A asking rents have surpassed pre-recession highs for Downtown Columbia and the rest of Howard County whereas Class A asking rents in Anne Arundel County have softened.
- Class A asking rents in Downtown Columbia have matched those of Anne Arundel County after being much lower historically.
- Class B asking rents have similarly risen since the recovery, with those in Downtown Columbia surpassing pre-recession highs to $22.

Howard County Office Market Performance-All Classes 2006-2016 YTD



Howard & Anne Arundel County Office Market Performance 2006-2016 YTD



Source: CoStar; RCLCO

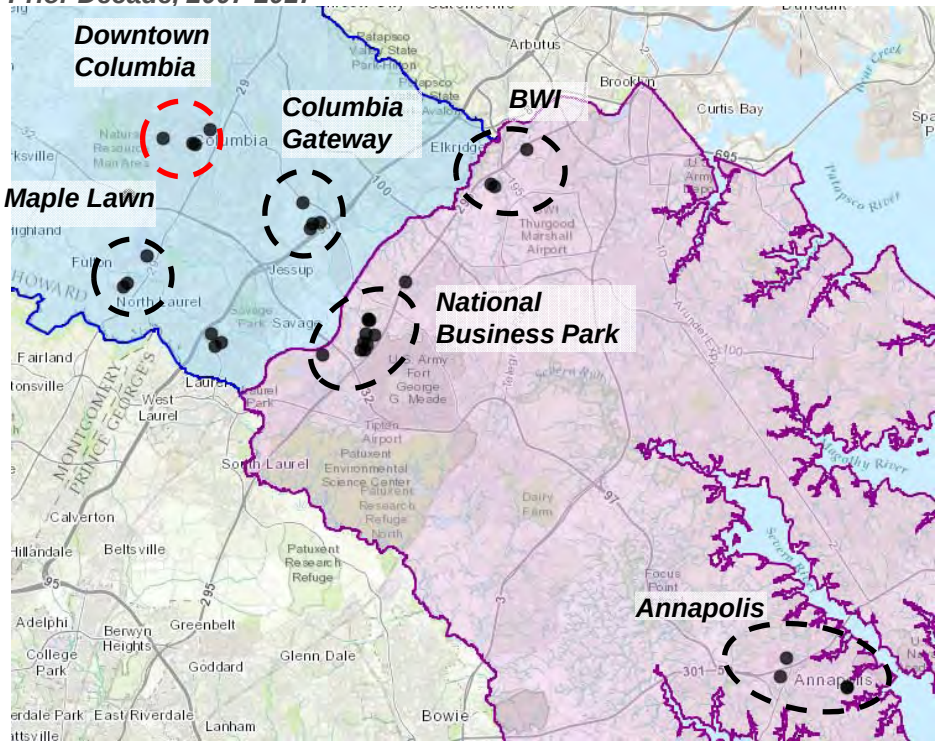
Strongest Office Performance in Mixed-Use and Town Center Settings

- RCLCO identified a competitive set of office properties based on the quality, age, and size of buildings to understand which properties would be most competitive with future development in Downtown Columbia. Criteria included: Class A, four and five star Costar designation, and built in the last decade (since 2007).

- Most new construction has occurred in six areas of Howard County and Anne Arundel County, circled on the map to the right and detailed below. In total, 3.6M SF of new office has delivered in the two counties over the past decade. The occupancy across stabilized properties is 92%, indicative of a healthy market. Properties under construction or in lease-up are all at least 50% leased, which suggests that demand for new space remains strong.

- The main variable across the competitive set is the location/setting of the properties. Submarkets characterized as business parks have the lowest occupancies, ranging from 89% to 92%. Submarkets characterized as town centers have the strongest occupancies, ranging from 95% to 100%. National Business Park has the strongest asking rents, likely due to a combination of its accessibility to I-95 and prestige for military contractors for neighboring Ft. Meade. Annapolis and Downtown Columbia have the second highest asking rents, attributable to the prestige of the locations and mixed-use setting. Future office development in downtown Columbia can achieve rents of $34 to $36 psf full service.

Office Deliveries in Howard and Anne Arundel Counties Over the Prior Decade, 2007-2017



Source: CoStar; RCLCO

	LOCATION FACTORS			PERFORMANCE		
SUBMARKET	LOCATION/ SETTING	ACCESSIBILITY	PRESTIGE	RBA DELIVERED SINCE 2007	ASKING RENTS	OCCUPANCY AT NEW PROPERTIES
Downtown Columbia	Mixed-use Downtown	Good	High	486,000	$30-$35	56% preleased – still u/c
Maple Lawn	Town center	Good	Low	249,000	$26	100%
Columbia Gateway	Business park	Excellent	Low	557,000	$26-$28	92%
BWI	Business park	Excellent	Low	489,000	n/a	90%
National Business Park	Business park	Excellent	Medium	1,262,000	$36-$38	89%
Annapolis	Town Center	Average	High	565,000	$33-$37	95%

RBA is defined as rentable building area in square feet.
Source: Costar, RCLCO

Office Space Demand

15-YEAR NET NEW GROWTH

Anne Arundel Office Empl. Growth: 14,531

Howard County Office Empl. Growth: 14,596

225 SF — SF per Employee — 225 SF

Total Demand SF: 2,894,000 SF

Total Demand SF: 3,284,000 SF

69%-78% Class A&B = 6,030,000 SF

15-YEAR TURNOVER DEMAND

Anne Arundel Office A & B Inventory: 22,471,000 SF

Howard County Office A & B Inventory: 18,551,000 SF

8% — % Turnover Annually — 9%

15% — % Choose New Class A — 15%

Total 15-Yr Class A Demand SF: 3,815,000 SF

Total 15-Yr Class A Demand SF: 3,837,000 SF

15-Year Class A = 7,721,000 SF

15-Year Supportable Howard & Anne Arundel County New Class A Office Demand: 13,752,000 SF

Source: Esri; RCLCO

Downtown Columbia Capture Sensitivity of Anne Arundel and Howard County Demand

- In order to absorb all of the planned space, Downtown Columbia will have to capture upwards of 30% of Howard County new Class A office demand and 10% of Anne Arundel County's new Class A office space demand, or 21% of the combined Howard-Anne Arundel County market. Because the counties lack a truly dynamic, walkable environment today, these captures should be achievable with the mixed-use, walkable environment created by new development in Downtown Columbia.

Downtown Columbia 15-Year Planned SF	2,719,726
15-Year AA & Howard Demand	13,319,000
Downtown Columbia Resulting Capture	21%

Capture of Anne Arundel County	Capture of Howard County							
	15.0%	20.0%	25.0%	30.0%	35.0%	40.0%	45.0%	50.0%
8.0%	1,533,050	1,877,800	2,222,550	2,567,300	2,912,050	3,256,800	3,601,550	3,946,300
10.0%	1,657,750	2,002,500	2,347,250	2,692,000	3,036,750	3,381,500	3,726,250	4,071,000
12.0%	1,782,450	2,127,200	2,471,950	2,816,700	3,161,450	3,506,200	3,850,950	4,195,700
14.0%	1,907,150	2,251,900	2,596,650	2,941,400	3,286,150	3,630,900	3,975,650	4,320,400
16.0%	2,031,850	2,376,600	2,721,350	3,066,100	3,410,850	3,755,600	4,100,350	4,445,100
18.0%	2,156,550	2,501,300	2,846,050	3,190,800	3,535,550	3,880,300	4,225,050	4,569,800
20.0%	2,281,250	2,626,000	2,970,750	3,315,500	3,660,250	4,005,000	4,349,750	4,694,500
22.0%	2,405,950	2,750,700	3,095,450	3,440,200	3,784,950	4,129,700	4,474,450	4,819,200

Green indicates a combination of capture rates in which demand would exceed the planned new supply in Downtown Columbia. Yellow indicates scenarios within 10% of the planned supply. Red indicates capture scenarios below 90% (about 2.5M SF).

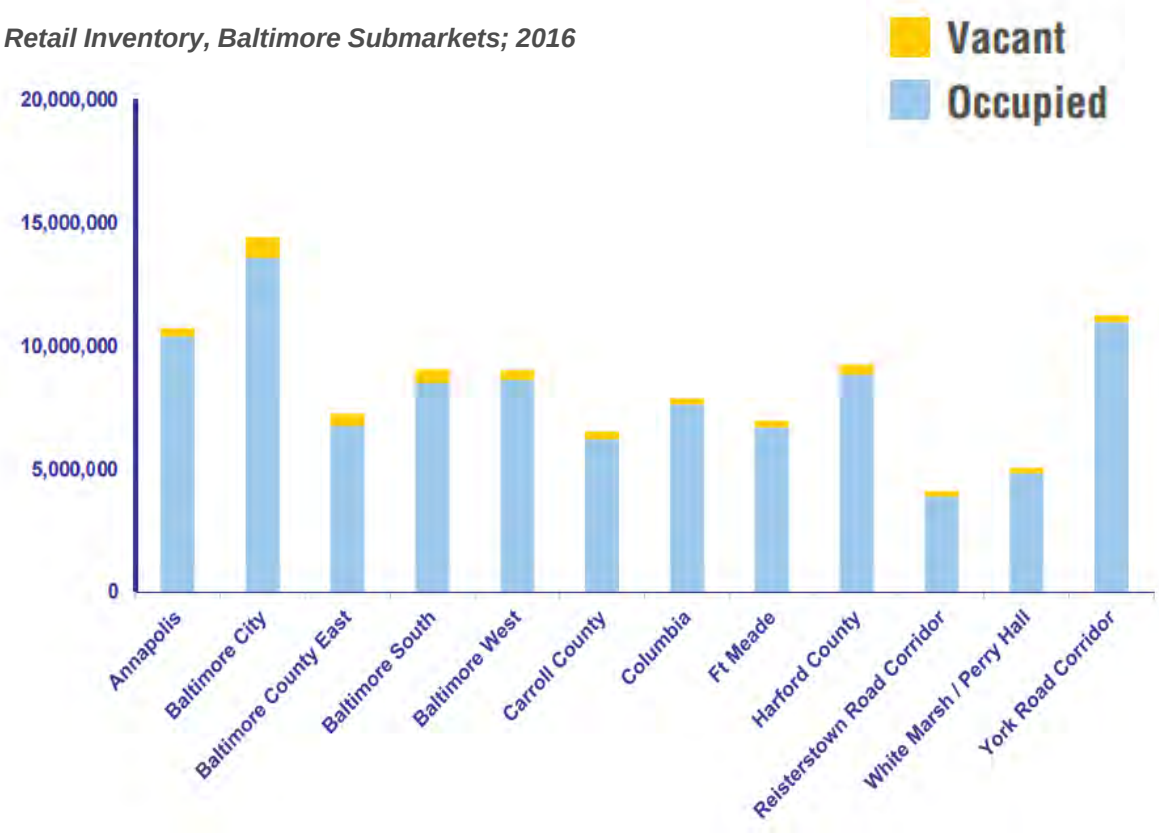
Retail Market

Retail Market – Key Findings

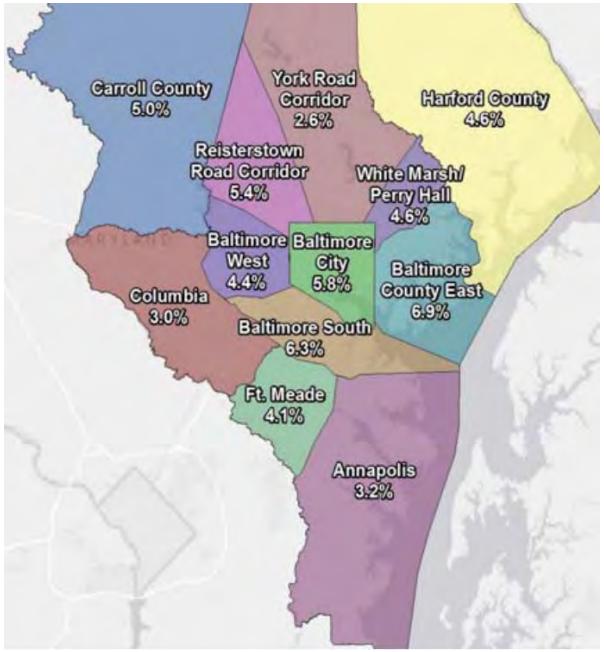
- Columbia is a mature and sophisticated retail market, with a natural hierarchy of space (neighborhood, community/big box, and regional mall) that was part of the original vision of Columbia by The Rouse Company.
- The strength of the retail market is evidenced by very low vacancies, especially among power, lifestyle, and regional shopping centers, which sit at 1%, and high rents relative to the rest of the market at $40.00 per square foot (NNN). Including other shopping centers, the market is still very healthy and robust, with vacancies under 4% and rents at $18.46 per square foot (NNN).
- The Mall in Columbia is unique among the legacy Rouse assets in that it has been routinely updated, expanded, and remained relevant over the last three decades and still remains an economic and lifestyle hub for the County. As in the past, The Mall in Columbia will need to continuously evolve with the increased development and density in Downtown Columbia.
- It appears that The Mall in Columbia and existing big box retail serve much of Howard County's hard and soft goods needs, but there appears to be an unmet demand for additional retail in categories such as grocery stores and beer, wine, and liquor stores. Even with the recent arrival of Whole Foods, this may represent a significant near-term opportunity that could help expand Downtown Columbia's retail offering by nearly 30,000 square feet in the near term.
- The Mall in Columbia helps drive demand for full-service restaurants in the area. As Downtown Columbia grows and expands, there may be an opportunity to attract several new restaurants (25,000 to 50,000 SF), which would help to strengthen Downtown Columbia's dominance as a dining destination in the County in addition to its prominence as a major fashion and hard goods center. As residential and office buildings are built-out, there will be additional demand for restaurant and retail establishments.
- The evolution of Arundel Mills and the planned development of Konterra (although the achievable retail program and estimated delivery date are uncertain) run the risk of threatening The Mall in Columbia's trade area and market share. The Mall in Columbia's trade area includes both Howard and Carroll Counties, as many Carroll County residents shop in Howard County. While The Mall in Columbia also attracts shoppers from other neighboring jurisdictions, the net inflow of spending from Carroll is more substantial than from other adjacent counties with prolific retail markets, such as Anne Arundel. A near-term retail expansion in Downtown Columbia would help defend The Mall in Columbia's competitive position within the region.
    - To date, Arundel Mills has not had a significant adverse impact on The Mall in Columbia's market share or perception as a high-end retail center as Arundel Mills fills an outlet niche while The Mall in Columbia has a traditional mall tenant base.
- Over the next decade, as the number of households is expected to more than double and the daytime employment base is expected to continue to expand within Downtown Columbia assuming HRD's' plans for office and residential development go according to schedule, an additional 500,000 to 550,000 SF of retail should be supportable, both as ground floor retail in mixed-use buildings and as stand-alone retail space.

Regional Retail Market Performance – Columbia's 3.0% Vacancy Rate for Retail Among Tightest in Region

Retail Inventory, Baltimore Submarkets; 2016



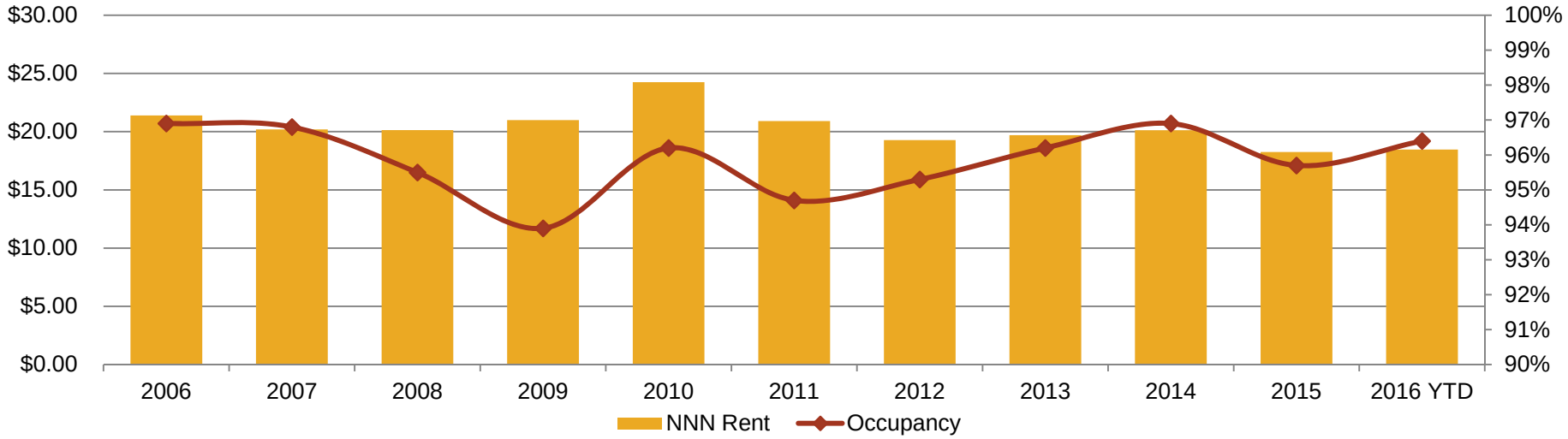
Vacancy by Submarket, Baltimore; 2016



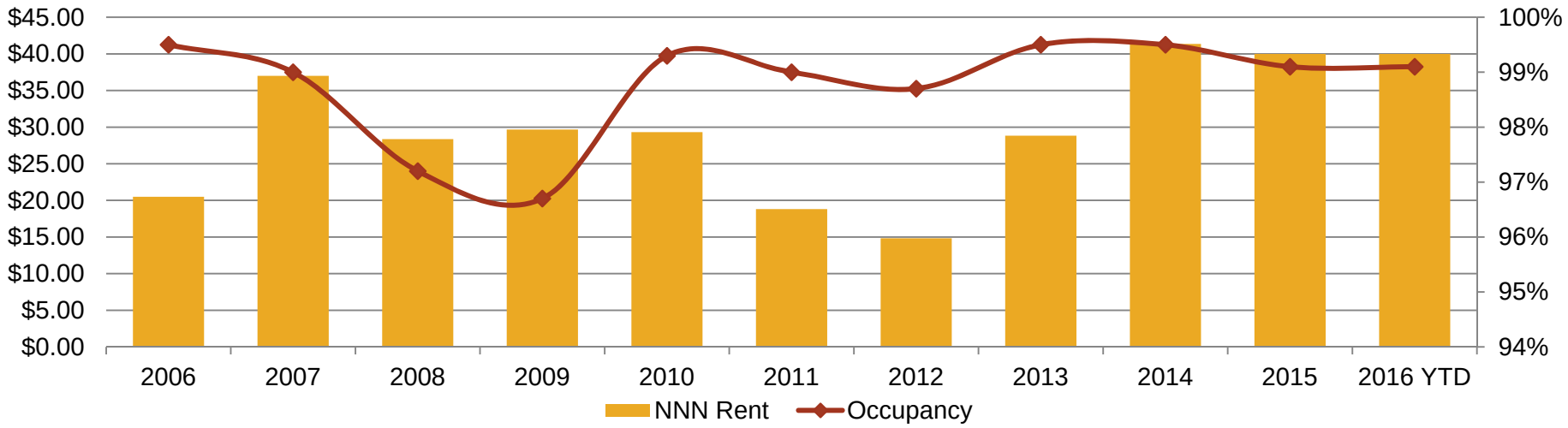
Source: Mackenzie Brokerage

Howard/Carroll Counties Retail Conditions – High Rent Growth in Larger Retail Categories

All Shopping Centers, Retail Rent (NNN) and Occupancy, Howard and Carroll County; 2006-2016 YTD



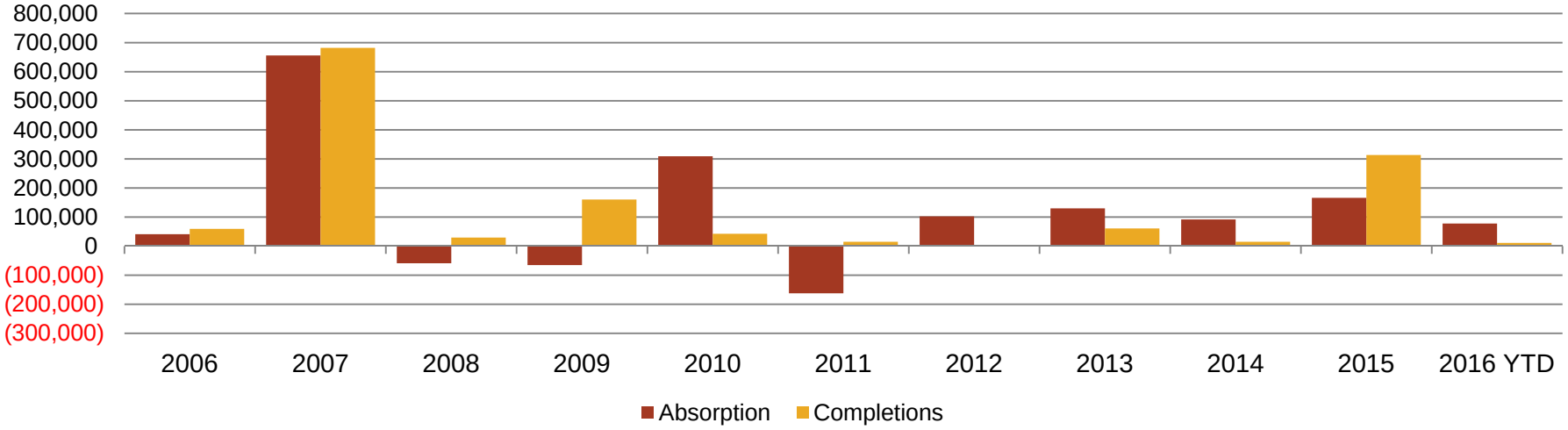
Lifestyle, Power, and Regional Centers, Retail Rent (NNN) and Occupancy, Howard and Carroll County; 2006-2016 YTD



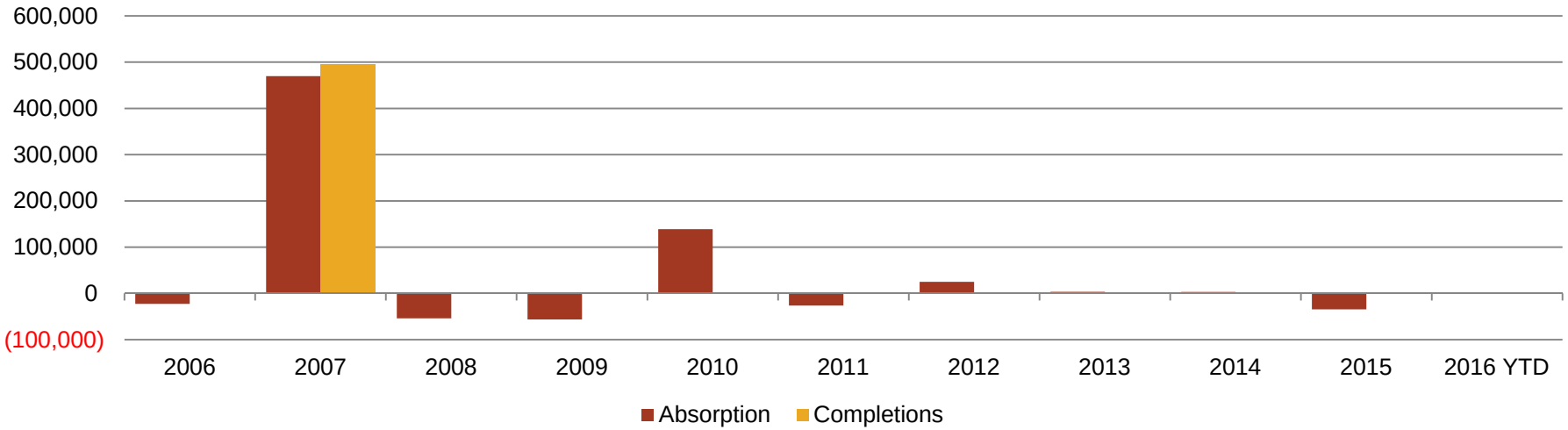
Source: CoStar; RCLCO

Howard County's Retail Conditions – Largest Uptick in Building Since 2007 in 2015, 2016 Absorption Still Catching Up With Completions From 2015

All Shopping Centers, Net Absorption and Completions, Howard County; 2006-2016 YTD

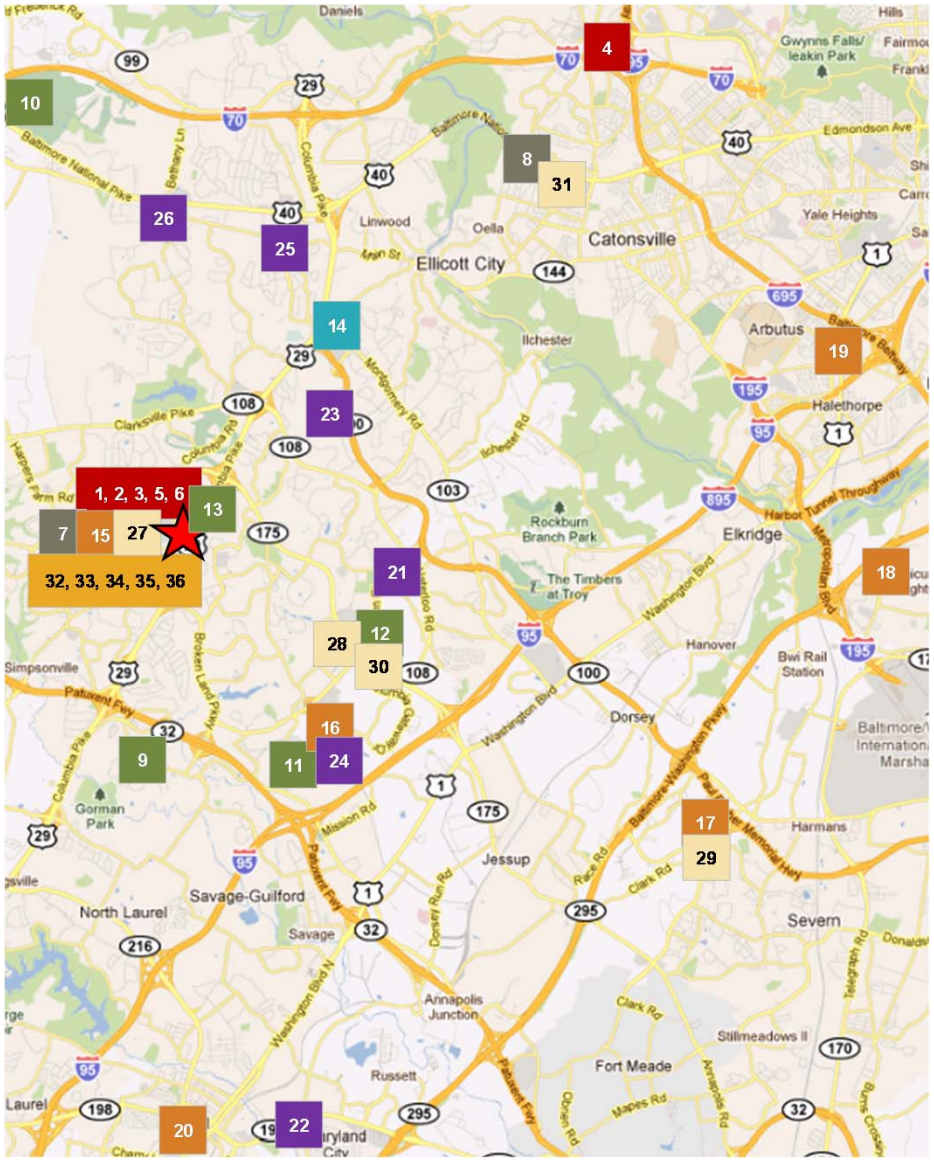


Lifestyle, Power, and Regional Centers, Net Absorption and Completions, Howard County; 2006-2016 YTD



Source: CoStar; RCLCO

Competitive Market Retail Tenancies – More Tenants Entering Market



Source: Google Maps; RCLCO

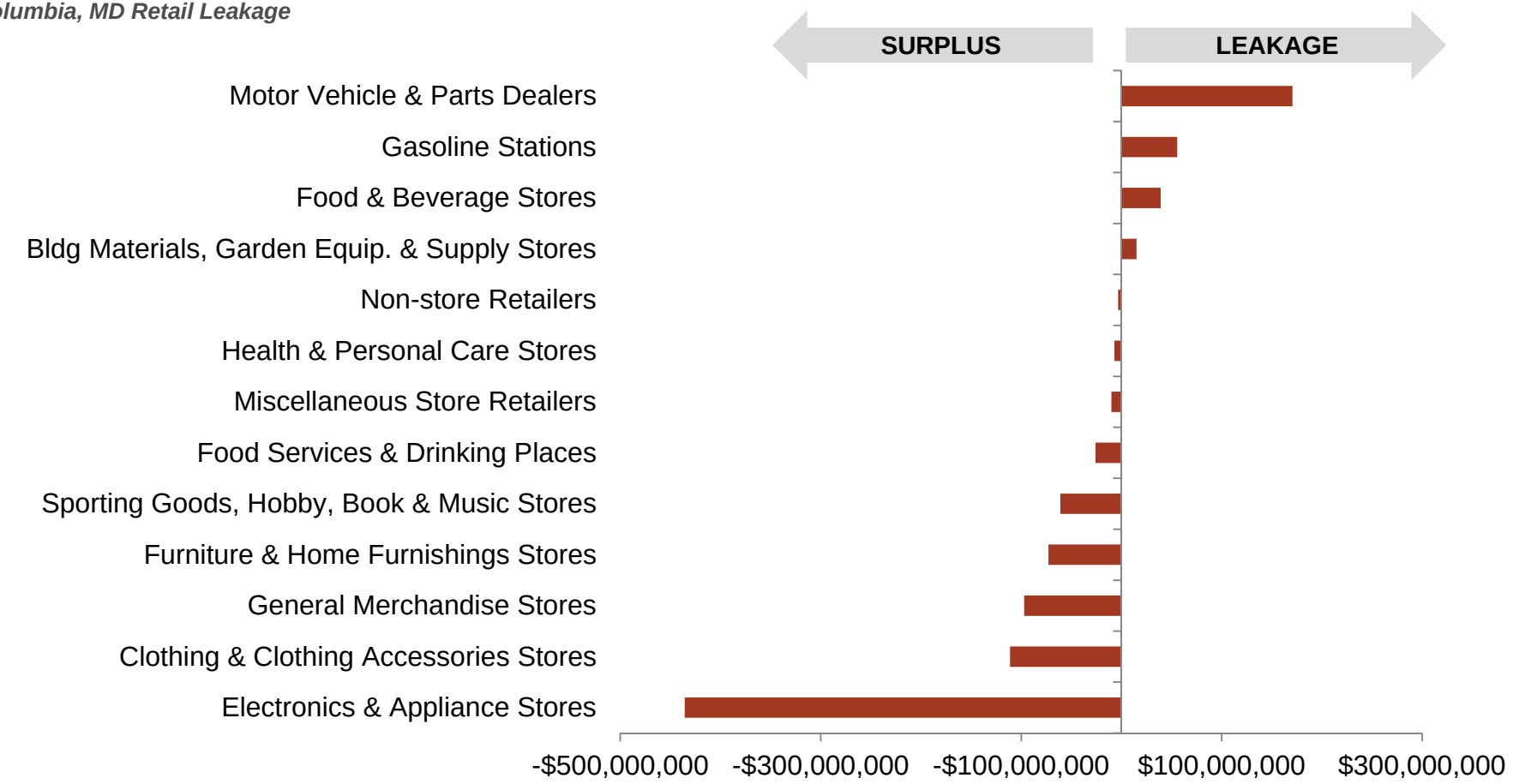
MAP KEY	STORE (DISTANCE TO SUBJECT SITE)
DEPARTMENT STORES	
1	Macy's (0.0 mi)
2	JC Penney (0.0 mi)
3	Sears (0.0 mi)
4	Sears (14.3 mi)
5	Nordstrom (0.0 mi)
6	Lord & Taylor (0.0 mi)
HOME GOODS	
7	Williams Sonoma (0.0 mi)
8	Ethan Allen (9.2 mi)
GROCERY	
9	Harris Teeter (3.0 mi)
10	Harris Teeter (6.1 mi)
11	Wegmans (4.1 mi)
12	Trader Joe's (4 mi)
13	Whole Foods Market (0.0 mi)
BOOK STORES/ENTERTAINMENT	
14	Barnes & Noble (4.9 mi)
MOVIE THEATER	
15	AMC (0.0 mi)
16	United Artists (6.0 mi)
17	Cinemark (13.5 mi)
18	Hoyt Cinemas (17.1 mi)
19	Hollywood Theater (15.6 mi)
20	Regal (8.3 mi)

MAP KEY	STORE (DISTANCE TO SUBJECT SITE)
FITNESS CLUBS	
21	Gold's Gym (4.7 mi)
22	Fitness Evolution (11.9 mi)
23	Colosseum Gym (4.0 mi)
24	Life Time Fitness (6.2 mi)
25	Fitness Together (6.8 mi)
26	Quest Fitness Center (8.4 mi)
RESTAURANTS	
27	PF Chang's (0.0 mi)
28	T.G.I. Friday's (6.0 mi)
29	T.G.I. Friday's (14.3 mi)
30	Applebee's (6.0 mi)
31	Applebee's (9.4 mi)
APPAREL	
32	Banana Republic (0.0 mi)
33	Ann Taylor (0.0 mi)
34	J. Crew (0.0 mi)
35	White House Black Market (0.0 mi)
36	Chico's (0.0 mi)
37	DSW (3.9 mi)

Columbia Retail Leakage – Lost Spending Could Support Over 30,000 SF of Non-Automobile Related Retail Today

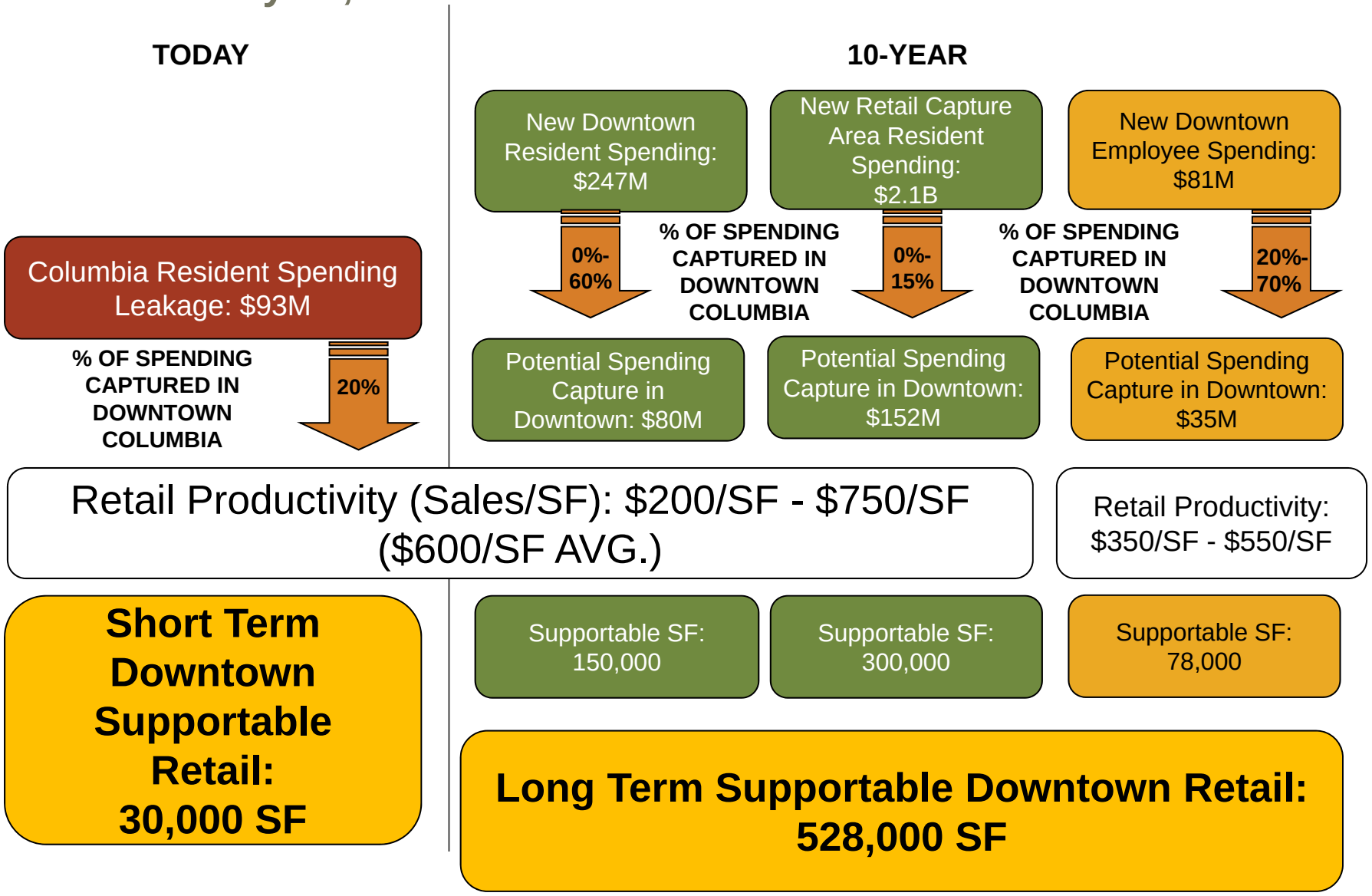
- Downtown Columbia has a surplus across most retail categories, including general merchandise and electronics categories, indicating that the local market is served and households from outside Downtown Columbia are coming in to shop.
- Columbia (excluding Downtown) is underserved in select retail categories, and residents' spending is leaking to both Downtown Columbia and to other parts of Howard County (which comprises most of the Primary Capture Area).

Columbia, MD Retail Leakage



Source: Esri; RCLCO

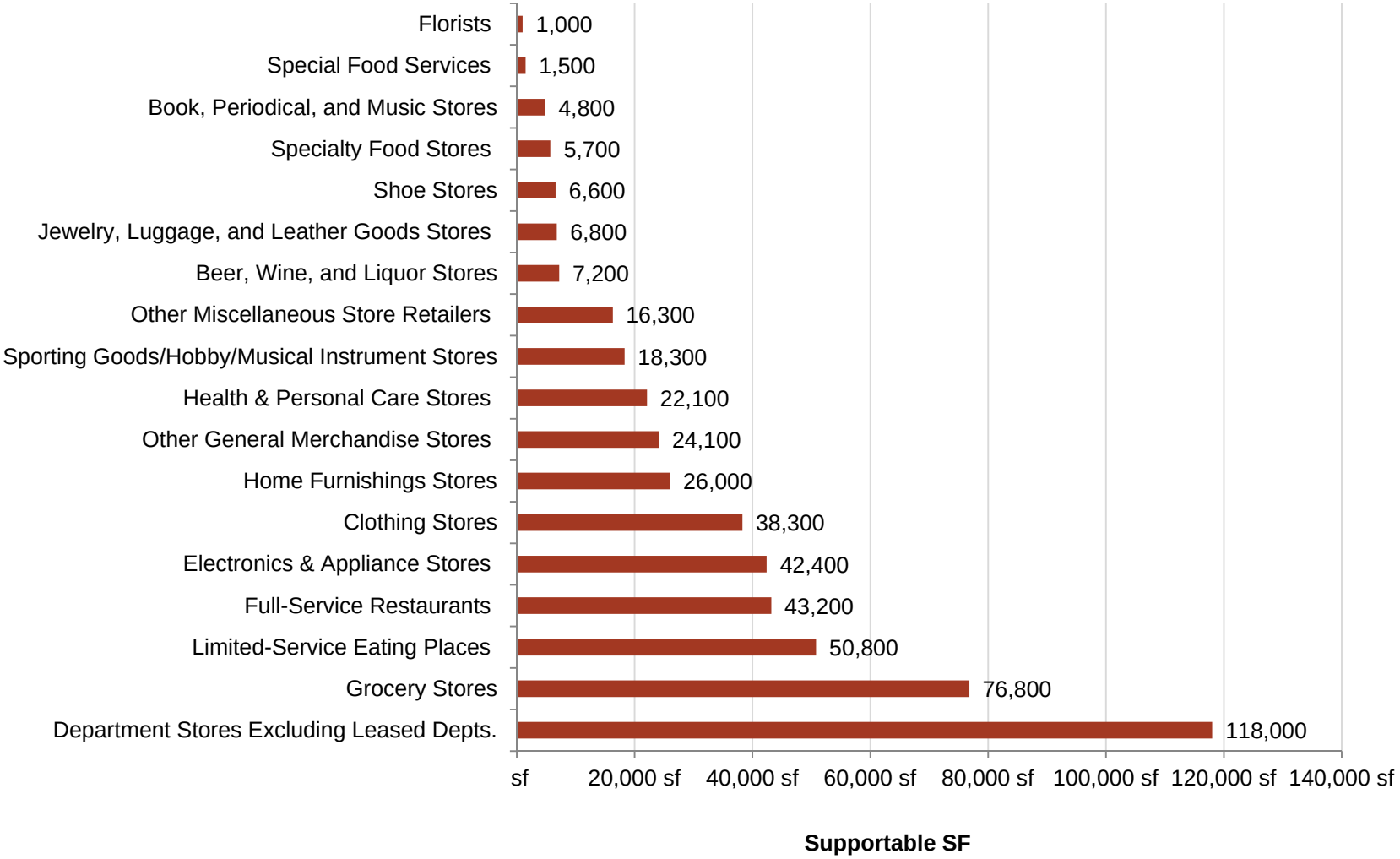
Retail Market Supply/Demand Context – Downtown Columbia Retail Demand Analysis, 2015-2025



Source: Esri; RCLCO

Household and Employment Growth Driven Demand – Additional 510,000 SF of Retail Supportable in Downtown Columbia

Supportable Demand for Town Center Retail, Site Capture; 10-Year



Source: Esri; RCLCO

Hospitality Market

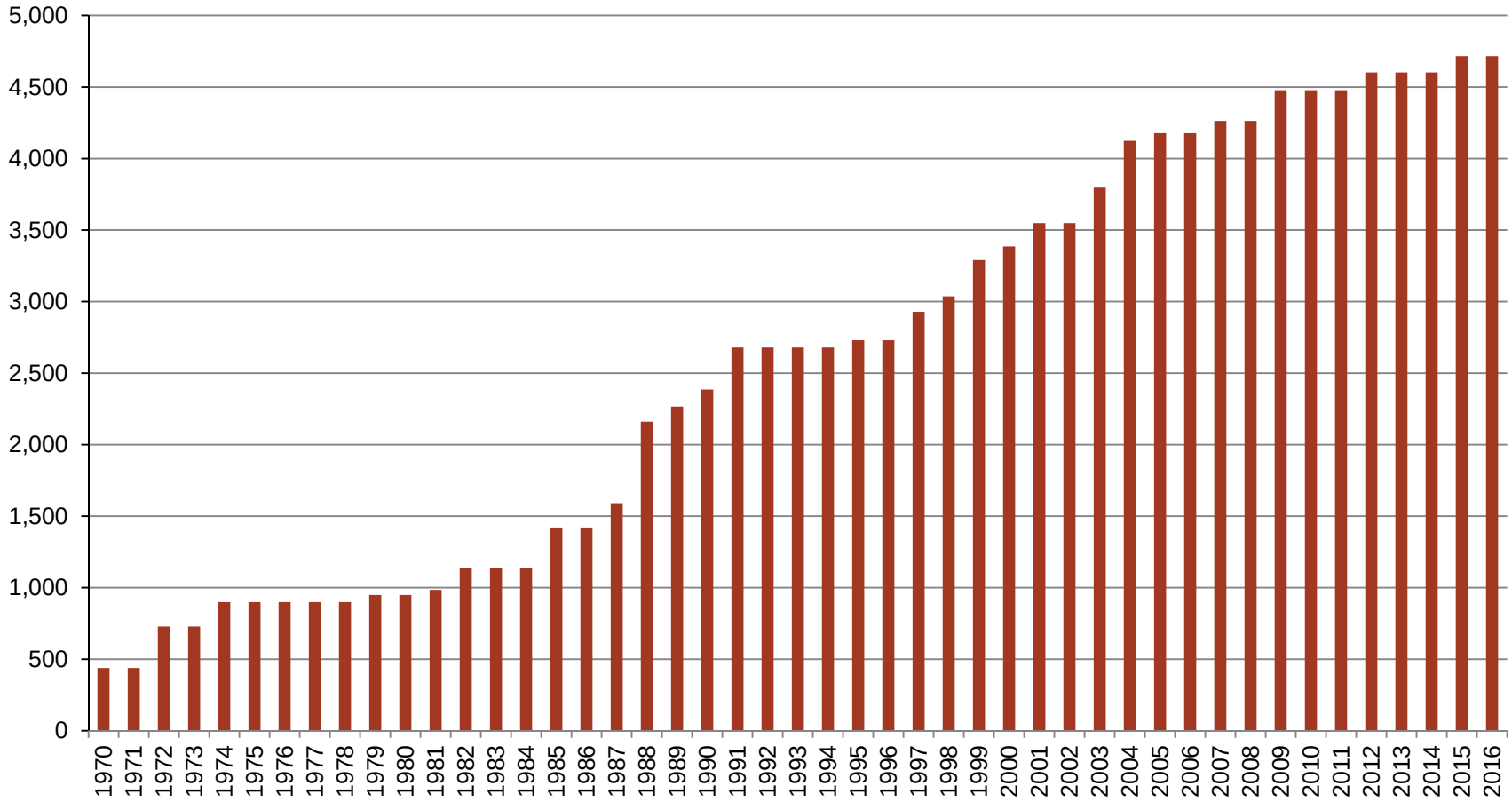
Hotel Market – Key Findings

- The Columbia hotel competitive market now totals approximately 4,700 keys, the vast majority of which were delivered in two building booms in the late 1980s and the early 2000s.
    - The competitive market areas is defined as properties located in Howard County and immediately adjacent areas such as Laurel and Jessup that are north of the Baltimore-Washington Parkway. It does not include properties in Arundel Mills and the BWI Airport area which are considered to be their own submarket.
- The Columbia competitive market has seen relatively high but flat occupancy rates since 2010, with rates hovering between 66% and 71% for Upscale hotels and higher. At year end 2015, the occupancy rate was 69%. Economy to Upper Midscale hotels have also seen static occupancy levels over the long term, but have experienced a jump in occupancies beginning in 2014, increasing from 60% in 2010 to 68% at year end 2015.
- After peaking at $132 in 2007, average daily rates (ADR) for full-service hotels gradually declined and stabilized from 2009 to 2013, before rising again to their current level of $122 per night at year end 2015. Revenue per Available Room (RevPAR) for full-service properties peaked in 2006, and saw its largest year-over-year decrease from 2008 to 2009 when it dropped 11%. After bottoming out in 2013 at $75, RevPAR for year end 2015 reached its highest level since 2007 at nearly $84.
- Limited-service hotels are priced at a significant discount to Upscale and Upper Upscale properties. In 2015, this discount was 32%, as the ADR exceeded $90 per night for the first time since 2009. RevPAR for limited-service hotels has also seen a strong recovery, surpassing pre-Recession levels set in 2006. This past year's RevPAR increased 5% year-over-year to over $62.
- Over the next 10 years, we expect a modest increase in demand for upscale hotel rooms, and estimate that an additional 50-110 upscale rooms can be supported in the broader Columbia market. This demand could be filled by a major flag and/or a high-end boutique hotel, such as Renaissance or Hyatt, which are not present in the market today.
- Over the same timeframe, limited-service hotels will have stronger demand of 185-380 additional keys by 2024. This level of demand would translate into about two to four new hotels, assuming an average hotel size of 80-100 keys for this class. These hotels could range from extended-stay brands to Midscale limited-service flags, such as Four Points by Sheraton or Hyatt House.
- The planned 250-key hotel, either limited or full-service should be supportable in Downtown Columbia. Increasing ADR, RevPAR, and occupancy rates indicate room for an additional hotel. Furthermore, Downtown Columbia's plans for office development and residential development will further drive expected demand for hotel keys. A new, fresh product would certainly be welcomed in the existing environment of aging hotels.

Inventory Stable, with a Few New Deliveries

- Hotels are typically built in spurts, which in the case of Howard County, occurred in the late 1980s and early 2000s.
- Since 2010, there has been only an 114-key hotel (2015) and a 124-key hotel (2012) delivered into the competitive hotel market area.

Total Hotel Rooms in Competitive Market Area; 1970-2016

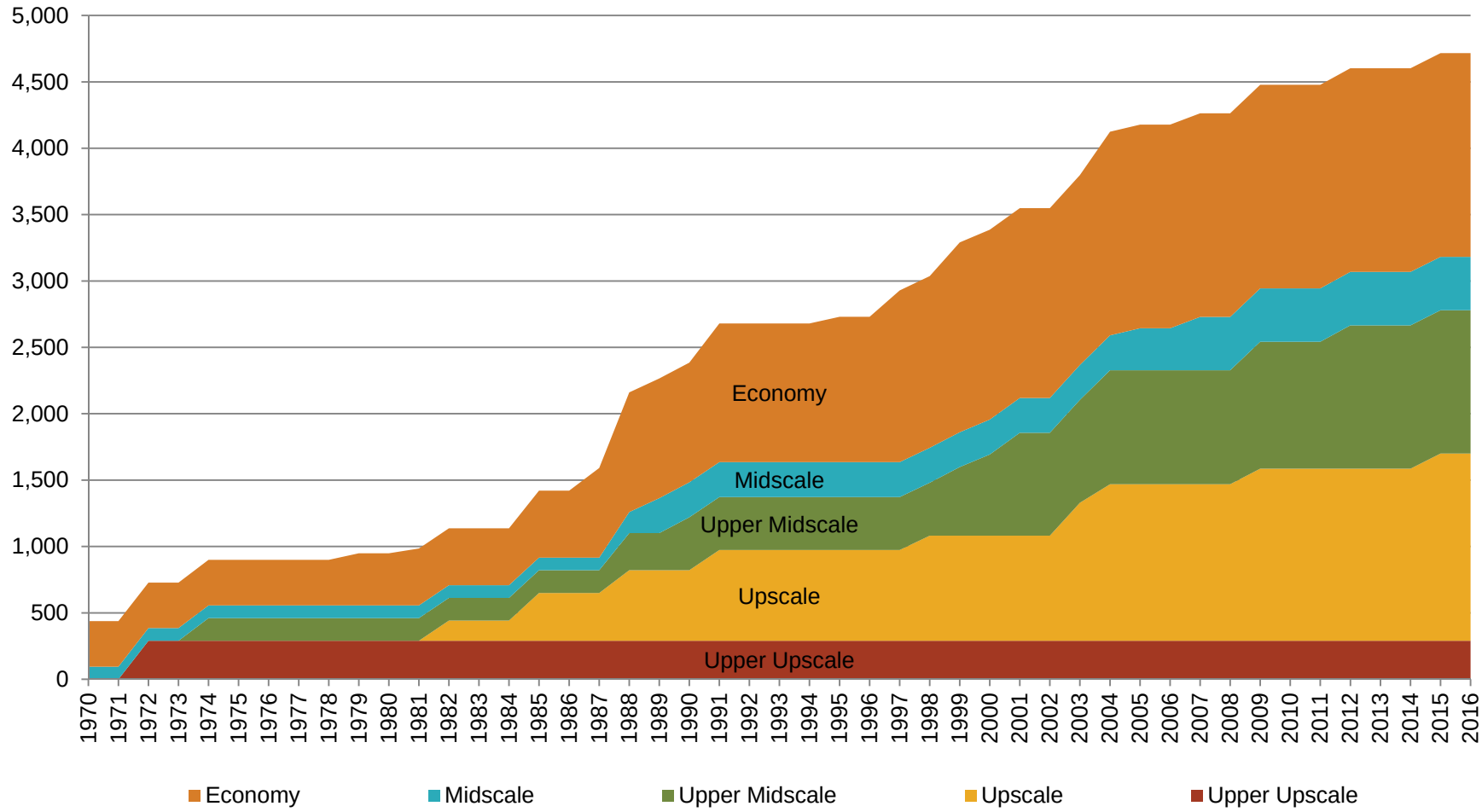


Source: STR; RCLCO

Upscale and Upper Midscale Have Greatest Growth and Market Share

- In the last 10 years, economy, upper midscale, and upscale chains experienced the greatest growth and highest market share in the hotel competitive market area.
- Upscale chains grew most dramatically in the last 15 years.

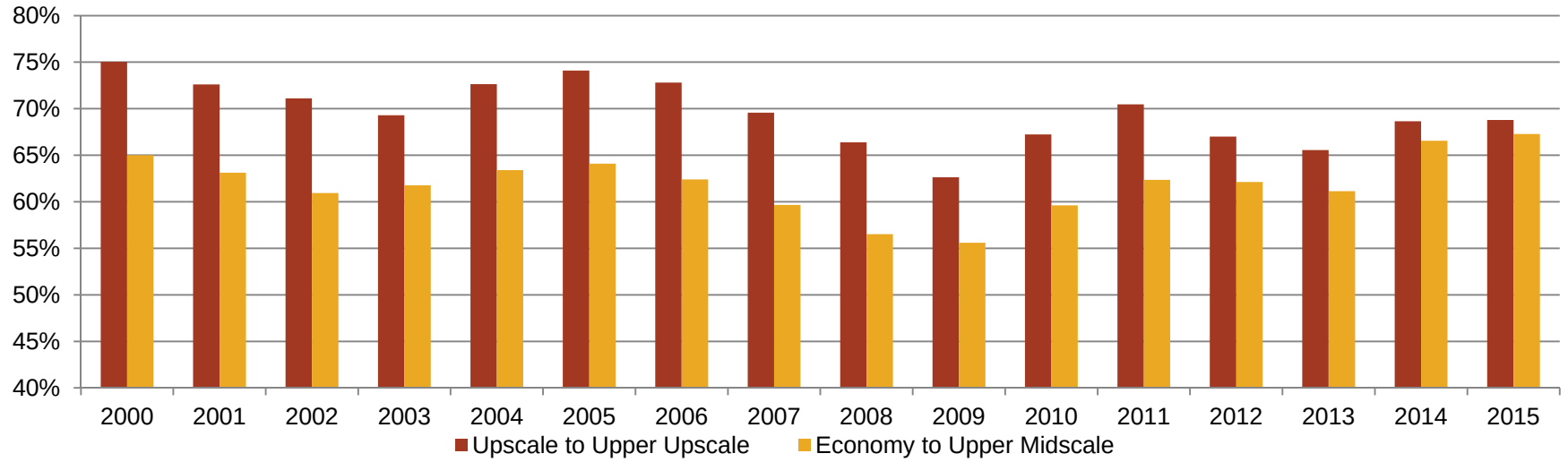
Chain Scale Growth Trends in Competitive Hotel Market; 1970-2016



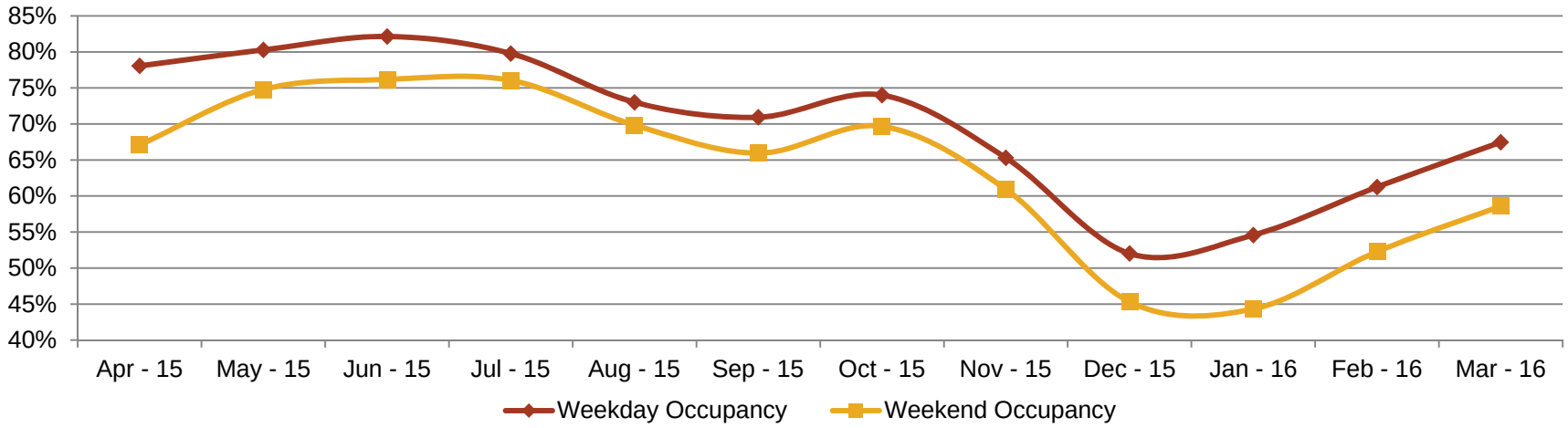
Source: STR; RCLCO

Improving Occupancy Rates Across Hotel Market

Occupancy Rate in Competitive Hotel Market; 2000-2015



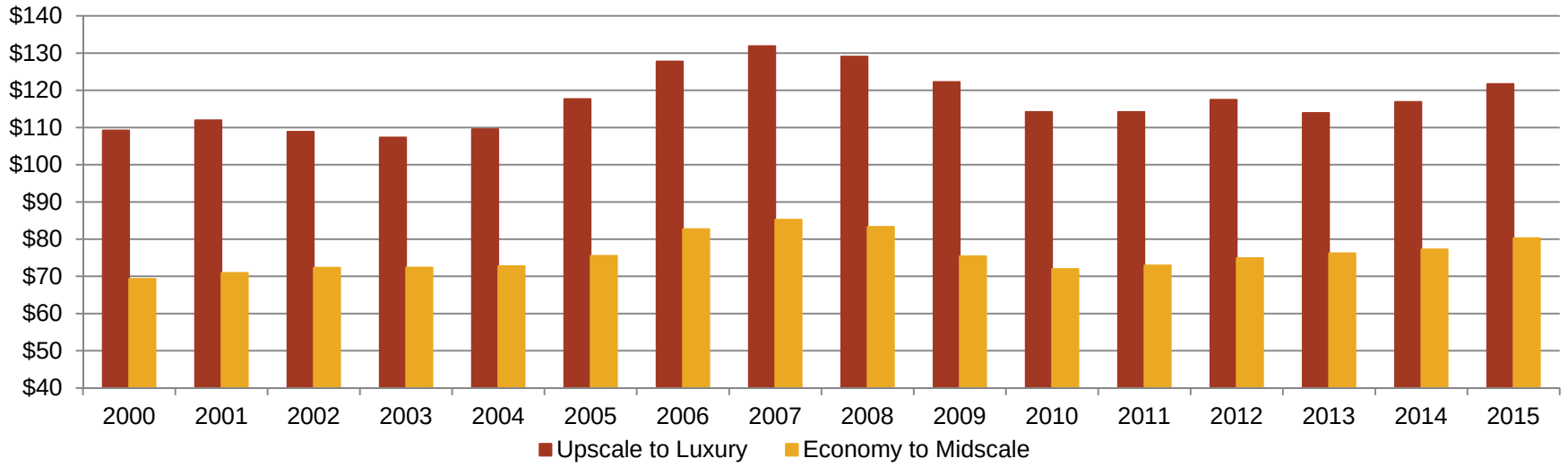
Seasonal Occupancy Rate in Competitive Hotel Market; April 2015-March 2016



Source: STR; RCLCO

RevPAR Increasing Faster than ADR

Average Daily Rate in Competitive Hotel Market; 2000-2015



Revenue per Available Room in Competitive Hotel Market; 2000-2015



Source: STR; RCLCO

Hospitality Demand Summary

2016 Competitive Market Area Hotel Market Guest Room Supply : 5,926

	Upper and Upper Upscale Hotels		Economy to Upper Midscale Hotels	
EXISTING SUPPLY	**1,700 ROOMS @ 69% OCCUPANCY**		**3,016 ROOMS @ 68% OCCUPANCY**	
	Appropriate Supply @ 68% Occupancy: **1,693**		Appropriate Supply @ 68% Occupancy: **3,003**	
PROJECTED INCREMENTAL 10 YEAR DEMAND	2025 Projected Demand Change *(Conservative):* **14,870**	2025 Projected Demand Change *(Aggressive):* **29,742**	2025 Projected Demand Change *(Conservative):* **49,116**	2025 Projected Demand Change *(Aggressive):* **98,233**
PROJECTED SUPPORTABLE ROOMS	2025 Supportable Supply: **1,752**	2025 Supportable Supply: **1,881**	2025 Supportable Supply: **3,201**	2025 Supportable Supply: **3,399**
10-YR DEMAND FOR NEW HOTEL KEYS	Supportable Room Growth: 52 to 111		Supportable Room Growth: 185 to 383	

Source: STR; RCLCO

Critical Assumptions

Our conclusions are based on our analysis of the information available from our own sources and from HRD, Stifel, Nicolaus & Company, and Howard County, Maryland as of the date of this report. We assume that the information is correct, complete, and reliable.

We made certain assumptions about the future performance of the global, national, and local economy and real estate market, and on other factors similarly outside either our control or that of the client. We analyzed trends and the information available to us in drawing these conclusions. However, given the fluid and dynamic nature of the economy and real estate markets, as well as the uncertainty surrounding particularly the near-term future, it is critical to monitor the economy and markets continuously and to revisit the aforementioned conclusions periodically to ensure that they are reflective of changing market conditions.

We assume that the economy and real estate markets will grow at a stable and moderate rate to 2020 and beyond. However, stable and moderate growth patterns are historically not sustainable over extended periods of time, the economy is cyclical, and real estate markets are typically highly sensitive to business cycles. Further, it is very difficult to predict when an economic and real estate upturn will end.

With the above in mind, we assume that the long-term average absorption rates and price changes will be as projected, realizing that most of the time performance will be either above or below said average rates.

Our analysis does not consider the potential impact of future economic shocks on the national and/or local economy, and does not consider the potential benefits from major "booms" that may occur. Similarly, the analysis does not reflect the residual impact on the real estate market and the competitive environment of such a shock or boom. Also, it is important to note that it is difficult to predict changing consumer and market psychology.

As such, we recommend the close monitoring of the economy and the marketplace, and updating this analysis as appropriate.

Further, the project and investment economics should be “stress tested” to ensure that potential fluctuations in revenue and cost assumptions resulting from alternative scenarios regarding the economy and real estate market conditions will not cause failure.

In addition, we assume that the following will occur in accordance with current expectations:

- Economic, employment, and household growth.
- Other forecasts of trends and demographic and economic patterns, including consumer confidence levels.
- The cost of development and construction.
- Tax laws (i.e., property and income tax rates, deductibility of mortgage interest, and so forth).
- Availability and cost of capital and mortgage financing for real estate developers, owners and buyers.
- Competitive projects will be developed as planned (active and future) and that a reasonable stream of supply offerings will satisfy real estate demand.
- Major public works projects occur and are completed as planned.

Should any of the above change, this analysis should be updated, with the conclusions reviewed accordingly (and possibly revised).

General Limiting Conditions

Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co." or "RCLCO" in any manner without first obtaining the prior written consent of RCLCO. The purpose of this study is for inclusion in the disclosure information to investors for the special obligation bonds to be issued by Howard County, Maryland (the “Bonds”). No abstracting, excerpting, or summarization of this study (other than with RCLCO’s approval for inclusion in the disclosure information for the Bonds may be made without first obtaining the prior written consent of RCLCO. RCLCO hereby consents to the reproduction and use of this report, only in its entirety, including the letter of transmittal (if any), in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum for the Bonds. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCO.

RCLCO

7200 Wisconsin Avenue

11th Floor

Bethesda, MD 20814

Phone: (240) 644-1300

Fax: (240) 644-1311

www.rclco.com

APPENDIX C

Tax Increment and Special Tax Report

[THIS PAGE INTENTIONALLY LEFT BLANK]

DOWNTOWN COLUMBIA DEVELOPMENT DISTRICT AND CRESCENT SPECIAL TAXING DISTRICT

TAX INCREMENT AND SPECIAL TAX REPORT

OCTOBER 16, 2017

PREPARED BY:

MUNICAP, INC.
PUBLIC FINANCE

DOWNTOWN COLUMBIA DEVELOPMENT DISTRICT AND CRESCENT SPECIAL TAXING DISTRICT

TAX INCREMENT AND SPECIAL TAX REPORT

TABLE OF CONTENTS

I. RESULTS OF STUDY

OVERVIEW 1
RESULTS 3

II. ORGANIZATION OF STUDY 11

III. ASSESSMENT PROCEDURES 12

IV. TAXATION PROCEDURES 16

V. HISTORICAL APPRECIATION IN ASSESSED VALUES 25

VI. MARKET OVERVIEW

REGION 28
ECONOMIC AND DEMOGRAPHIC INFORMATION 29

VII. DESCRIPTION OF DOWNTOWN COLUMBIA DEVELOPMENT DISTRICT & CRESCENT SPECIAL TAXING DISTRICT

HISTORY 30
LOCATION 32
OVERVIEW 32

VIII. PROJECTION OF MARKET AND ASSESSED VALUES

OVERVIEW 43
COMPARABLE PROPERTIES 44
INCOME CAPITALIZATION APPROACH 68
COST APPROACH 70
COMPARISON OF VALUATION APPROACHES 70
PROJECTED MARKET AND ASSESSED VALUES 73

IX. PROJECTION OF INCREMENTAL TAX REVENUE

BACKGROUND INFORMATION 75
CALCULATION OF INCREMENTAL TAX REVENUE 75
POTENTIAL TAX CREDITS 76
RESULTS 77

X. PROJECTED SPECIAL TAXES 78

XI. PROJECTED DEBT SERVICE COVERAGE 84

XII. ASSUMPTIONS & LIMITATIONS 97

XIII. BIOGRAPHIES 99

DOWNTOWN COLUMBIA DEVELOPMENT DISTRICT AND CRESCENT SPECIAL TAXING DISTRICT

TAX INCREMENT AND SPECIAL TAX REPORT

TABLE OF CONTENTS (CONT.)

CHARTS

1. PROJECTED DEBT SERVICE COVERAGE (SCENARIO A, PHASE ONE PROPERTIES COMPLETE/UNDERWAY)..... 5
2. PROJECTED DEBT SERVICE COVERAGE (SCENARIO B, NO INFLATION PHASE ONE PROPERTIES COMPLETE/UNDERWAY)..... 6
3. PROJECTED DEBT SERVICE COVERAGE (SCENARIO C, PHASE ONE PROPERTIES COMPLETE/UNDERWAY EXCLUDING 3OA/ AREA THREE PHASE ONE PARKING)..... 7
4. PROJECTED DEBT SERVICE COVERAGE (SCENARIO D, PHASE ONE PROPERTIES COMPLETE/UNDERWAY EXCLUDING 3OA & AREA THREE PHASE ONE PARKING/ INCLUDING 3MFB)..... 8
5. PROJECTED DEBT SERVICE COVERAGE (SCENARIO E, PHASE ONE PROPERTIES COMPLETE/UNDERWAY INCLUDING 3MFB)..... 9
6. PROJECTED DEBT SERVICE COVERAGE (SCENARIO F, PHASE ONE PROPERTIES) 10
7. HISTORICAL REAL PROPERTY TAX RATES (PER $100 OF ASSESSED VALUE)..... 24
8. HOWARD COUNTY CUMULATIVE HISTORIC APPRECIATION..... 27
9. COMPARISON OF VALUES PER SQUARE FOOT (APARTMENTS)..... 65
10. COMPARISON OF VALUES PER SQUARE FOOT (OFFICE)..... 66
11. COMPARISON OF VALUES PER SQUARE FOOT (RETAIL/RESTAURANT)..... 67
12. PROJECTED DEBT SERVICE COVERAGE (SCENARIO A, PHASE ONE PROPERTIES COMPLETE/UNDERWAY)..... 91
13. PROJECTED DEBT SERVICE COVERAGE (SCENARIO B, NO INFLATION PHASE ONE PROPERTIES COMPLETE/UNDERWAY)..... 92
14. PROJECTED DEBT SERVICE COVERAGE (SCENARIO C, PHASE ONE PROPERTIES COMPLETE/UNDERWAY EXCLUDING 3OA/ AREA THEE PHASE ONE PARKING)..... 93
15. PROJECTED DEBT SERVICE COVERAGE (SCENARIO D, PHASE ONE PROPERTIES COMPLETE/UNDERWAY EXCLUDING 3OA & AREA THREE PHASE ONE PARKING/ INCLUDING 3MFB)..... 94
16. PROJECTED DEBT SERVICE COVERAGE(SCENARIO E, PHASE ONE PROPERTIES COMPLETE/UNDERWAY INCLUDING 3MFB)..... 95
17. PROJECTED DEBT SERVICE COVERAGE (SCENARIO F, PHASE ONE PROPERTIES)..... 96

EXHIBITS

A. DEVELOPMENT DISTRICT BOUNDARY MAP..... 40
B. CRESCENT SPECIAL TAXING DISTRICT BOUNDARY MAP..... 41
C. PHASE ONE PROPERTIES..... 42
D. COMPARABLE LOCATION MAP (APARTMENTS)..... 47
E. APARTMENT COMPARABLES..... 48
F. COMPARABLE LOCATION MAP (OFFICE)..... 52
G. OFFICE COMPARABLES..... 53
H. COMPARABLE LOCATION MAP (RETAIL/RESTAURANT)..... 56
I. RETAIL/RESTAURANT COMPARABLES..... 57
J. COMPARABLE LOCATION MAP (PARKING)..... 63
K. PARKING COMPARABLES..... 64

DOWNTOWN COLUMBIA DEVELOPMENT DISTRICT AND CRESCENT SPECIAL TAXING DISTRICT

TAX INCREMENT AND SPECIAL TAX REPORT

TABLE OF CONTENTS (CONT.)

APPENDICES

A. SCENARIO A..... A-1
B. SCENARIO B..... B-1
C. SCENARIO C..... C-1
D. SCENARIO D..... D-1
E. SCENARIO E..... E-1
F. SCENARIO F..... F-1
G. COMPARISON OF VALUATION METHODS..... G-1
H. COMPARABLES APPROACH..... H-1
I. INCOME CAPITALIZATION APPROACH..... I-1
J. BASE VALUE..... J-1
K. TAX CREDITS..... K-1
L. SET ASIDES..... L-1
M. BOND ASSUMPTIONS..... M-1

I. RESULTS OF STUDY

OVERVIEW

The purpose of this study is to provide estimates of future revenues resulting from the proposed Downtown Columbia development (the "Downtown Columbia Project") in Howard County, Maryland (the "County") available to pay debt service and associated administrative expenses on bonds to be issued by the County. Specifically, this study provides estimates of future real property tax increment revenues (the "Tax Increment Revenues") and special tax revenues (the "Special Tax Revenues") generated by the Phase One Properties (as later defined) within the Downtown Columbia Development District (the "Development District") and the Crescent Special Taxing District (the "Special Taxing District" and, together with the Development District, the "Districts"). Revenues are compared to debt service on the $48,225,000 Howard County, Maryland Special Obligation Bonds (Downtown Columbia Project), Series 2017 A Bonds (the "Series 2017 A Bonds") and the $28,485,000 Additional Phase One Bonds (the "Additional Phase One Bonds," and, together with the Series 2017 A Bonds, the "Phase One Bonds")[1]. All capitalized terms not defined throughout this report are assumed to have the same definition as in the Indenture (defined herein). This document is intended to be included in the offering memorandum for the Series 2017 A Bonds, and is meant to comply with guidelines set forth by the National Federation of Municipal Analysts in *White Paper on Expert Work Products*.

As stated, Tax Increment Revenues will be collected from the Phase One Properties. Phase One Properties are comprised of development that is complete, development that is underway, and future proposed development within this phase. Phase One Properties includes the following properties: One Merriweather (office building 1OA), Two Merriweather (office building 1OB), Area One Parking, multi-family rental buildings inclusive of The Metropolitan, m.flats, TEN.M, 3MFB, and 3MFC, Area Three offices 3OA and 3OB, retail building 3RE, and Area Three Parking (collectively the "Phase One Properties"). As described later in this report, the development that is underway includes development under construction or development for which a letter of intent or lease has been signed. As of the date of this report, the following Phase One Properties are complete: The Metropolitan, Area One Parking, and One Merriweather. Phase One Properties underway and representative of the remaining base case scenario mentioned in this study include: Two Merriweather, m.flats, TEN.M, 3OA, and Area Three Phase One Parking. Building 3MFB is currently under design and construction is expected to start in the near future. Under the assumption that construction is imminent, 3MFB is considered underway for purposes of projecting impacts in scenarios D and E.

The Downtown Columbia Project is actively progressing. As a result, it is important to estimate the revenues available to repay the Series 2017 A Bonds from the Phase One Properties under various development status scenarios. As outlined on the following page, five scenarios assuming the partial completion of Phase One Properties have been contemplated in this study for purposes of evaluating debt service coverage on the Series 2017 A Bonds. A sixth scenario has also been included that assumes the full development and completion of the Phase One Properties and estimates the future revenues made available to repay the Phase One Bonds. The details of this report further describe and illustrate the complete and underway Phase One Properties. As previously stated, Tax Increment Revenues to be collected from the Phase One Properties will be made available to repay both the Phase One Bonds. The scenarios prepared in this report are outlined on the following page.

[1]Series 2017 A debt service is as provided for in the Limited Offering Memorandum. Additional Phase One Bonds debt service based on projections from Stifel Nicolaus & Company.

Downtown Columbia Tax Increment and Special Tax Report Scenarios

Scenario A – "Base Case"

- Includes Phase One Properties completed or underway by The Howard Research and Development Corporation (the "Developer"), as subsequently described herein;
- Assumes property values increase at a 2% annual rate of inflation;
- Includes the High Performance Building real property tax credit (the "LEED Credit") and the Certain Commercial or Industrial real property tax credits (the "EDA Credits"); and,
- Assumes only the Series 2017 A Bonds are issued.

Scenario B – "No Appreciation" (assumptions differ from Scenario A as follows)

- Assumes property values remain static at the stabilized levels in future years with no inflationary increases.

Scenario C – "Excludes 3OA" (assumptions differ from Scenario A as follows)

- Excludes office 3OA and associated Area Three Phase One Parking from development underway.

Scenario D – "Excludes 3OA/Includes 3MFB" (assumptions differ from Scenario A as follows)

- Excludes office 3OA and associated Area Three Phase One Parking from development underway, and
- Includes multi-family rental building 3MFB in the development underway.

Scenario E – "Includes 3MFB" (assumptions differ from Scenario A as follows)

- Includes multi-family rental building 3MFB in the development underway.

Scenario F – "Full Development" (assumptions differ from Scenario A as follows)

- Includes the full development plan for the Phase One Properties, as contemplated by the Developer; and,
- Assumes both the Series 2017 A Bonds and the Additional Phase One Bonds are issued.

RESULTS

Table I-A below illustrates the debt service coverage at stabilization from three scenarios in which only the Phase One Properties completed or underway generate Tax Increment Revenues available to repay the Series 2017 A Bonds, as well as two scenarios that also include the 3MFB multi-family building, which is currently under design and construction and is expected to start in the near future. As shown, robust coverage is projected from each of the partial development scenarios. Each scenario below considers applicable tax credits, 2% annual inflation (except Scenario B), and is before any "set asides" of Tax Increment Revenues, which are subordinate to the payment of debt service and described in Section X of this report.

TABLE I-A
Debt Service Coverage – Scenarios A - E

Scenario	Annual Net Debt Service at Stabilization[(a)]	Annual Incremental Taxes at Stabilization Net of Tax Credits	Debt Service Coverage
A – Base Case	$2,566,279	$5,392,173	210%
B – No Appreciation	$2,566,279	$4,740,788	185%
C – Excluding 3OA/Area Three Phase One Parking	$2,566,279	$4,268,182	166%
D – Excluding 3OA & Area Three Phase One Parking/Including 3MFB	$2,566,279	$5,411,736	211%
E – Including 3MFB	$2,566,279	$6,617,087	258%

[(a)]Annual net debt service payments shown at stabilization (bond year ending February 15, 2025), the first year in which stabilized taxes from the fully completed Phase One Properties development are anticipated including tax credits. Based on debt service as provided for in the Limited Offering Memorandum.

Assuming the Additional Phase One Bonds are issued and full development of the Phase One Properties is completed as currently expected, debt service coverage at stabilization is estimated to exceed 200% as illustrated in Table I-B. Projected debt service coverage at stabilization considers applicable tax credits and 2% annual inflation.

TABLE I-B
Debt Service Coverage – Scenario F

Scenario	Annual Net Debt Service at Stabilization[(a)]	Annual Incremental Taxes at Stabilization Net of Tax Credits	Debt Service Coverage
F – Full Phase One Properties	$4,355,802	$8,975,437	206%

[(a)]Annual net debt service payments shown at stabilization (bond year ending February 15, 2025), the first year in which stabilized taxes from the fully completed Phase One Properties development are anticipated including tax credits as projected by Stifel. Additional Phase One Bonds debt service is preliminary and subject to change.

Charts 1 through 6, at the end of this section, graphically express the debt service coverage provided by the corresponding revenues for each scenario.

In the event the Tax Increment Revenues projected to be generated in each scenario are insufficient to service the Phase One Bonds, special taxes will be levied from parcels within the Special Taxing District to ensure that debt service is fully repaid. In estimating the special taxes due each year, the special tax credit available from parcels in the Special Taxing District will be adjusted to exclude Tax Increment Revenues set aside for the County pursuant to the Indenture and as more fully described in the Section X. The set aside of tax increment to be paid to the County is after debt service on the Bonds is fully paid in that year; the Bonds have first claim on the County set aside tax increment revenues. Pursuant to the Indenture, Table I-C estimates the special taxes to be collected from parcels in the Special Taxing District after taking into account the set asides in Tax Increment Revenues. Appendices A-7, B-5, C-7, D-7, E-7, and F-7 attached hereto provide the estimated revenues available before the levy of special taxes.

TABLE I-C
Estimated Cumulative Special Taxes

Scenario	*Debt Service through BYE 2047[a]*	*Incremental Tax Revenues through BYE 2047[b]*	*Special Taxes Collected through BYE 2047*
A – Base Case	$90,330,197	$151,669,047	$0
B – No Appreciation	$90,330,197	$125,390,051	$0
C – Excluding 3OA/Area Three Phase One Parking	$90,330,197	$136,292,589	$0
D – Excluding 3OA & Area Three Phase One Parking/Including 3MFB	$90,330,197	$153,481,358	$0
E – Including 3MFB	$90,330,197	$151,401,473	$0
F – Full Phase One Properties	$144,046,834	$164,314,618	$0

[a] See Tables I-A and I-B.

[b] Represents Tax Increment Revenues available to apply to the special tax requirement pursuant to the Indenture. Revenues shown are after tax credits and set asides.

In summary, the estimated Tax Increment Revenues from the Phase One Properties provide significant coverage on the Phase One Bonds. Furthermore, during the build-out of the Phase One Properties, the riskiest period of Tax Increment Revenue creation, the portion of development complete and underway after set asides is sufficient to eliminate the need to collect special taxes during this period.

The balance of this report and the appendices provides the detailed assumptions and methodology used in determining the conclusions described above.

CHART 1: PROJECTED DEBT SERVICE COVERAGE (SCENARIO A - PHASE ONE PROPERTIES COMPLETE/UNDERWAY)

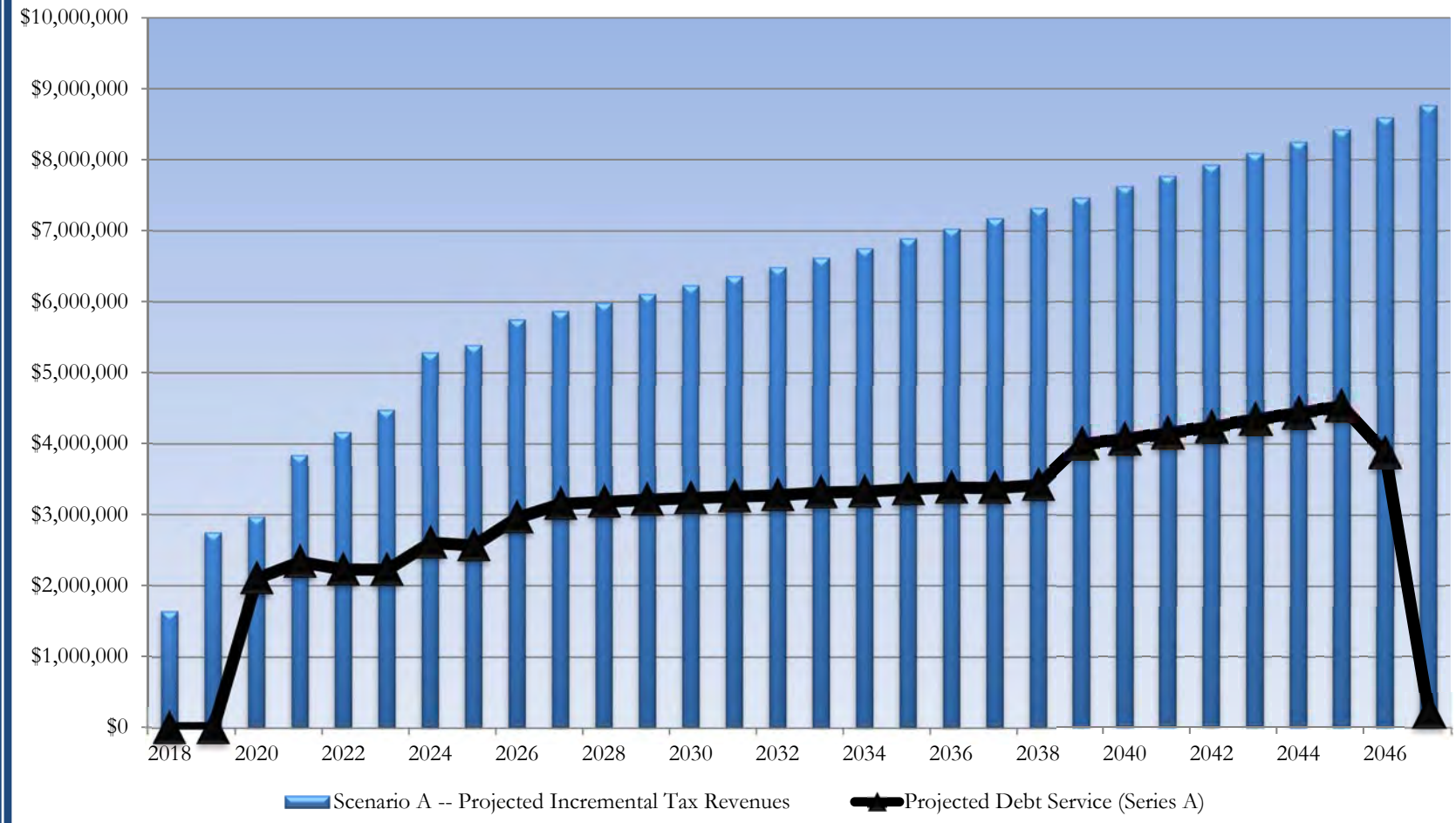


CHART 2: PROJECTED DEBT SERVICE COVERAGE (SCENARIO B - NO INFLATION PHASE ONE PROPERTIES COMPLETE/UNDERWAY)

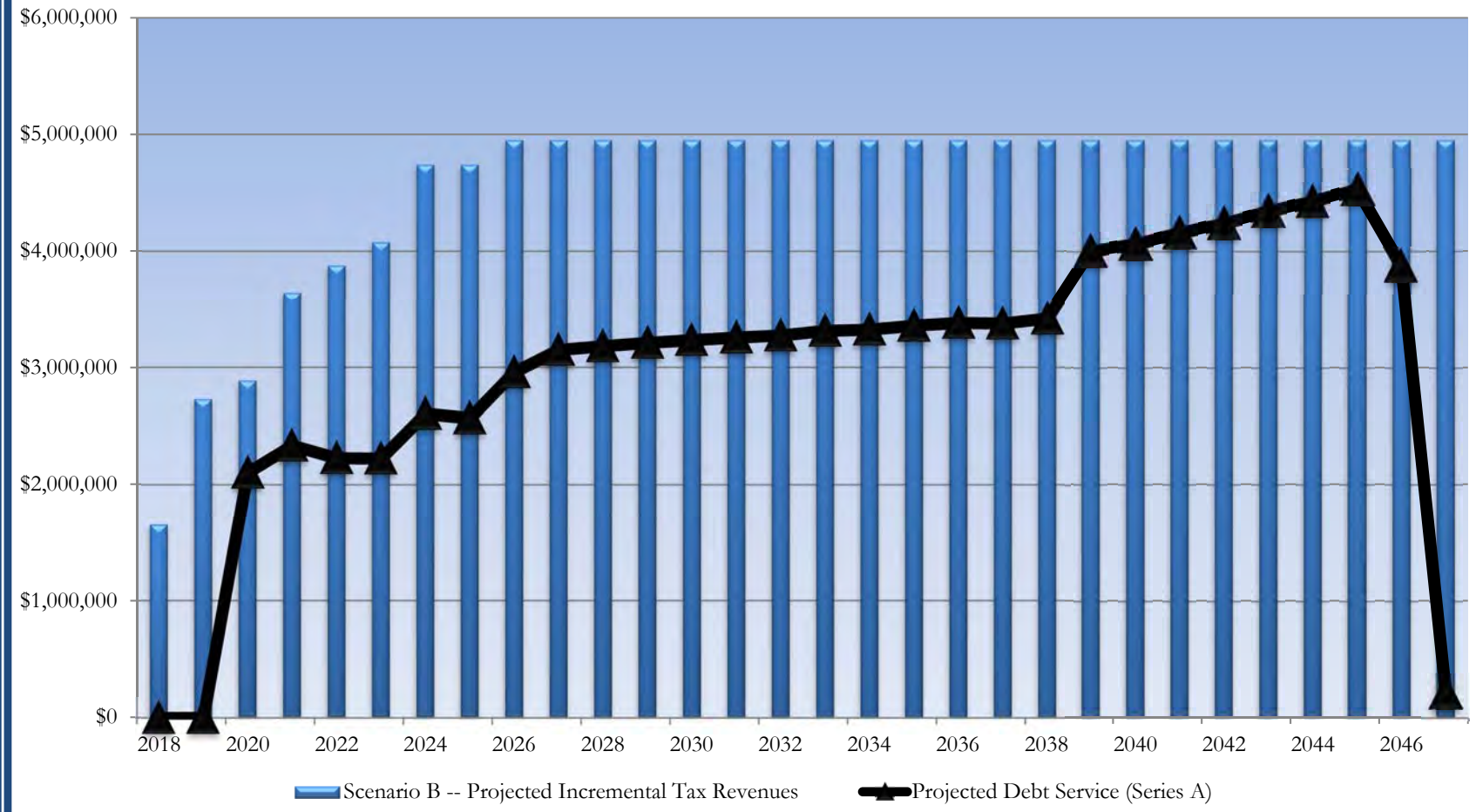


CHART 3: PROJECTED DEBT SERVICE COVERAGE (SCENARIO C - PHASE ONE PROPERTIES COMPLETE/UNDERWAY EXCLUDING 3OA/AREA THREE PHASE ONE PARKING)

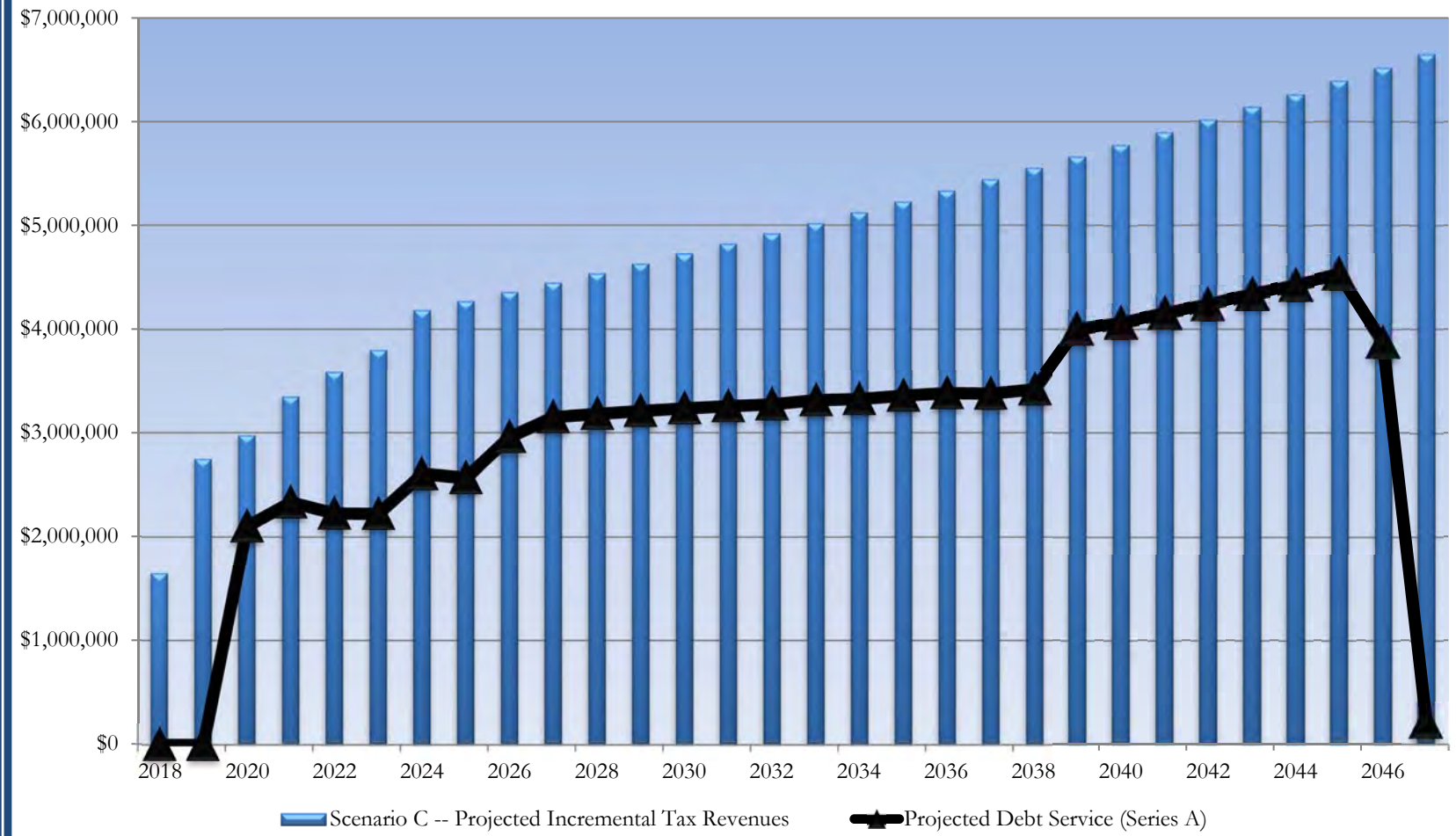


CHART 4: PROJECTED DEBT SERVICE COVERAGE (SCENARIO D - PHASE ONE PROPERTIES COMPLETE/UNDERWAY EXCLUDING 3OA & AREA THREE PHASE ONE PARKING/INCLUDING 3MFB)

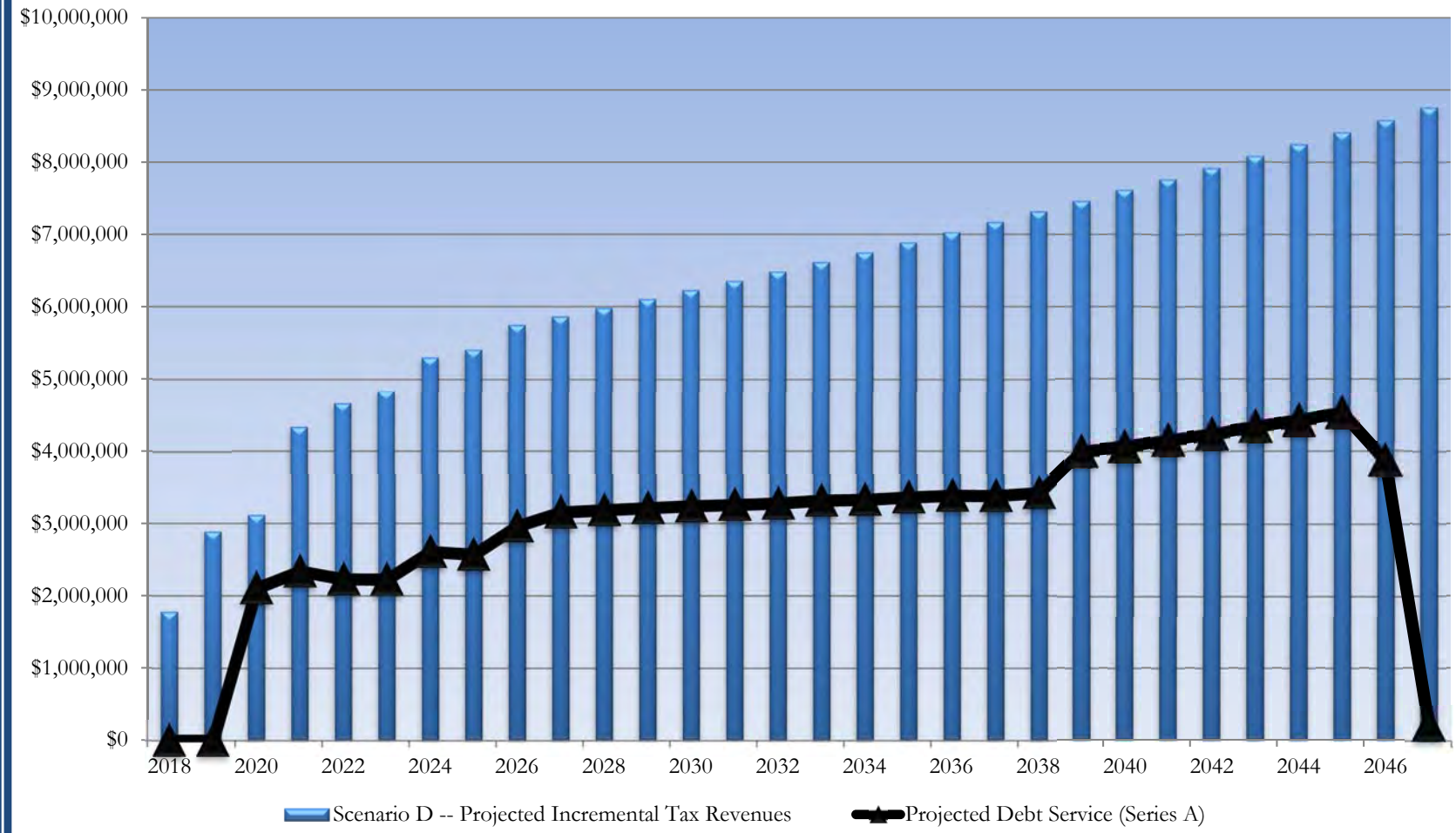


CHART 5: PROJECTED DEBT SERVICE COVERAGE (SCENARIO E - PHASE ONE PROPERTIES COMPLETE/UNDERWAY INCLUDING 3MFB)

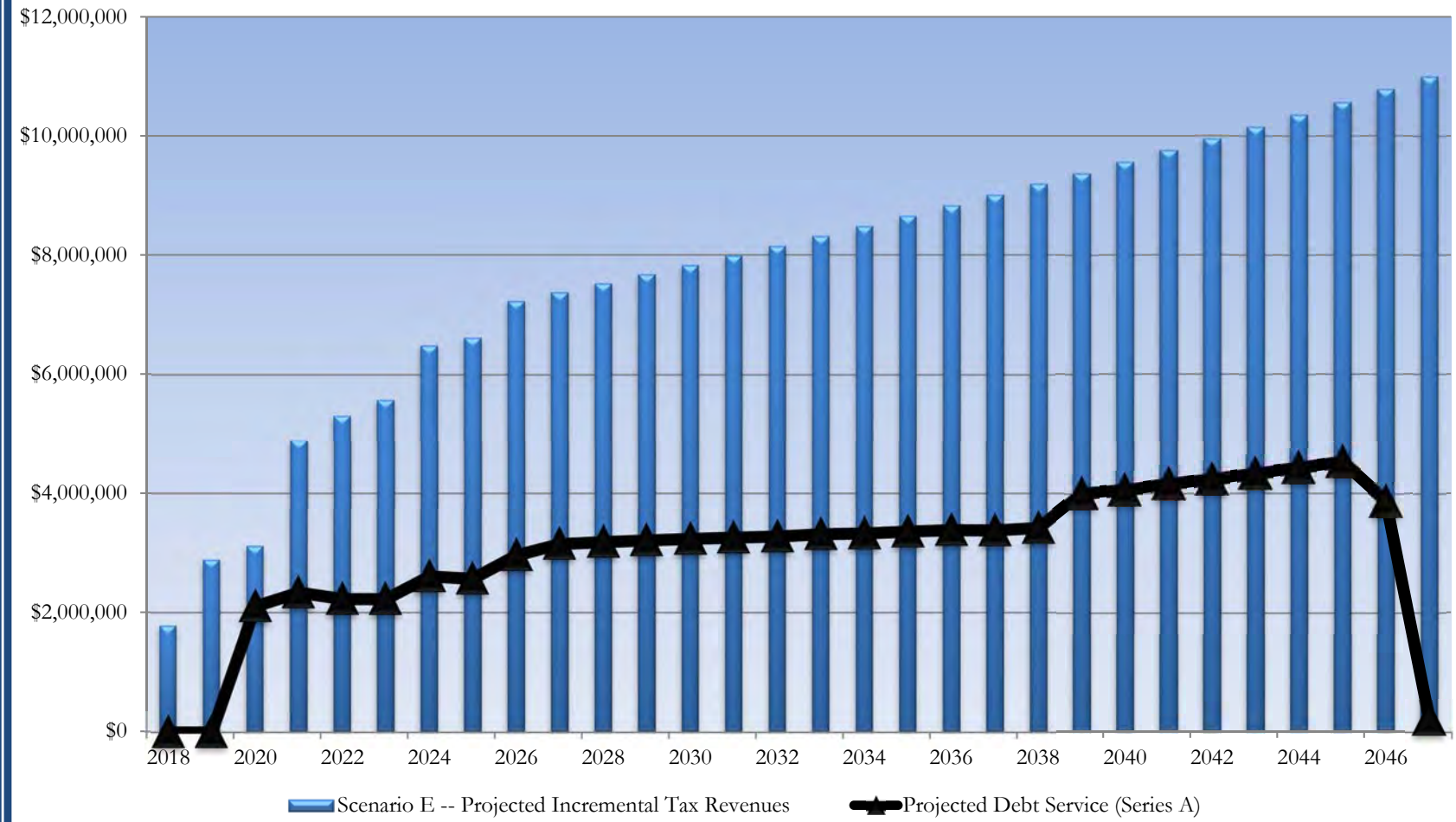
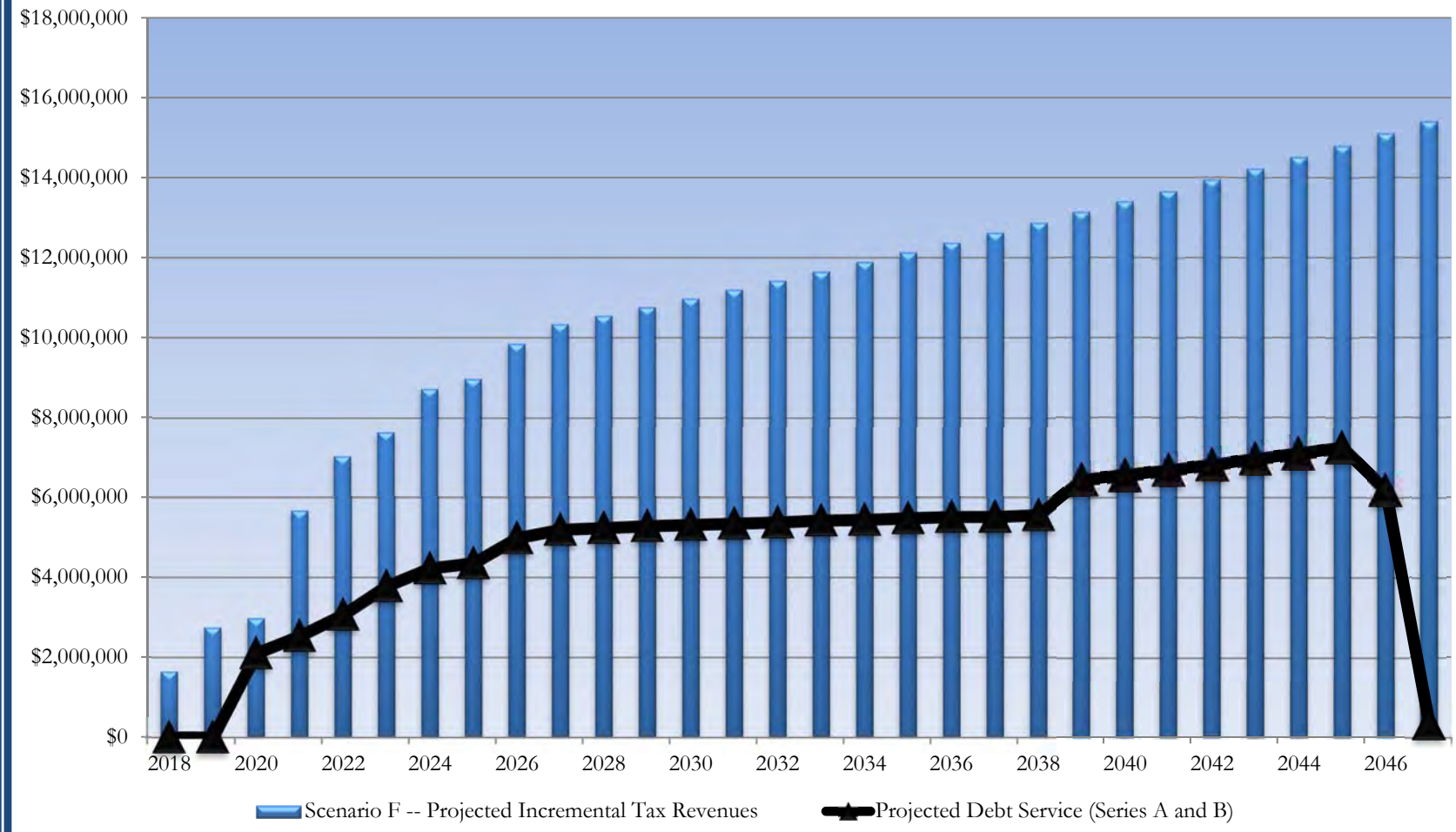


CHART 6: PROJECTED DEBT SERVICE COVERAGE (SCENARIO F - PHASE ONE PROPERTIES)



II. ORGANIZATION OF STUDY

Following the "Results of the Study", the subsequent sections of this report are as follows:

Section III. Assessment Procedures: a discussion of the assessment procedures for the County.

Section IV. Taxation Procedures: a discussion of the tax collection procedures for the County, tax credits available in the County, and information regarding historic collections.

Section V. Historical Appreciation in Assessed Values: an analysis of historic appreciation of property values for the County.

Section VI. Market Overview: a general overview of the County, along with a synopsis of current conditions in the County.

Section VII. Description of Downtown Columbia Development District & Crescent Special Taxing District: a history of the Districts, along with an overview of current conditions in and around the Districts.

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

Section IX. Projection of Tax Increment Revenue: a projection of Tax Increment Revenues under each scenario.

Section X. Projected Special Taxes: a description of the methodology for levying and collecting special taxes for the Special Taxing District.

Section XI. Projected Debt Service Coverage: the projected debt service coverage for the Series 2017 A Bonds and Additional Phase One Bonds under each scenario.

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

Section XIII: Biographies: the qualifications and description of duties performed by each individual from MuniCap, Inc. who prepared this report.

III. ASSESSMENT PROCEDURES

Overview

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

Schedule

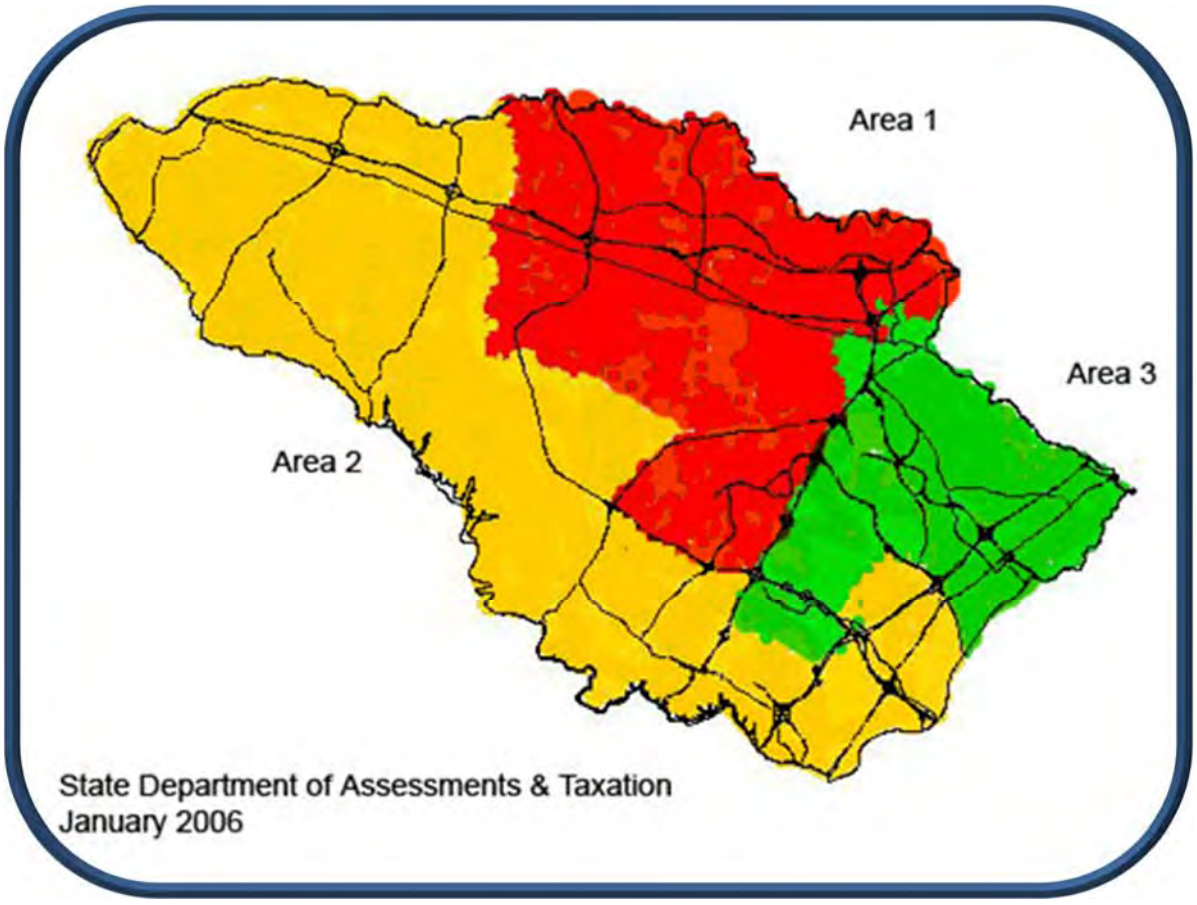
Property is assessed as of its condition on January 1 of the assessment year. The property is assessed once every three years in the State of Maryland unless new improvements are made to the property. Property is reassessed for new improvements each quarter. There are three Assessment Areas in the County. The reassessment dates for the three Assessment Areas are as follows:

Assessment Area	Reassessment Year
Assessment Area 1	January 1, 2019
Assessment Area 2	January 1, 2017
Assessment Area 3	January 1, 2018

SDAT divides reassessment regions and dates into three separate Assessment Areas based on geographical location. Specifically, the subject property is located in Assessment Area 3 of the County, which was reassessed as of January 1, 2015 and will next be reassessed as of January 1, 2018 and every three years thereafter. Property owners will receive assessment notices for the subject property in December 2017 for the next reassessment.[2] Upon receipt of the assessment notification, property owners may begin the appeals process. A detailed schedule of the assessment, appeals, and taxation process is included in the discussion of taxation as Table IV-B. The map on the following page provides the reassessment areas for the County.

As stated, property is reassessed for new improvements each quarter. For purposes of this study, it is assumed that property is not reassessed at its full value until January 1 after the year in which improvements were completed. This study does not assume any assessed value increase for partial construction.

[2] Source: Maryland State Department of Assessments and Taxation.



Methodology

Maryland State law requires assessed values to be based on full cash value as established by selling prices in a market area. Since assessments are performed every three years, the Supervisor of Assessments is required to calculate a "phase-in assessment." Apart from new construction, for any increase in the full cash value of a property, Maryland State law requires that the increase in value over the old value be "phased-in" over the next three years. For example, a new appraisal of $130,000 is compared to an old appraisal of $100,000. In this example, the new appraisal is $30,000 higher than the old appraisal. The $30,000 is "phased-in" equally over the next three years: 1st year, $110,000; 2nd year, $120,000; 3rd year, $130,000. For purposes of this study, in instances where actual values are not yet available, it is assumed that property is initially assessed at 80% of its full market value (to account for construction build-out) with the remaining value phased-in over a three-year period.

The Supervisor of Assessments uses different valuation methods depending on property type. A brief description of these methods follows.

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

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

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

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

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

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

- Estimating potential gross income from all sources;
- Deducting an allowance for vacancy and bad debts; and
- Deducting all direct and indirect operating expenses.

The resulting net operating income is capitalized by a market rate, which reflects the property type and effective date of valuation to produce an estimate of overall property value.

To determine the potential gross income, the Supervisor of Assessments determines market rents by analyzing rents, both within the property being assessed and in comparable properties in the neighborhood and making an allowance for vacancy and collection loss.

To determine the effective gross income, the Supervisor of Assessments deducts operating expenses.

The Supervisor of Assessments determines the capitalization rate by analyzing sales (comparing net operating income to sale price) in the same market to determine rates of return. The capitalization rate will vary depending on the attractiveness of a property as an investment, income risks and physical factors. In the absence of sufficient sales data, the Supervisor of Assessments may use standard industry rates as generated by other sources to determine cap rates.

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

Appeals

Property owners in the State of Maryland have the right to appeal property assessments based on taxability, uniformity, or values. In the County, this appeal must be submitted within 45 days of notification that the property value has changed. A property's value may also be appealed in any year of the three-year assessment cycle if the property owner feels the value has decreased in that time. The out-of-cycle appeal must be filed by the first working day after January 1 of the year of the appeal. Upon appeal, the Assessor reviews the claim and renders a decision. If the property owner still objects to the findings, the owner has 30 days to file an appeal with Property Tax Assessment Appeal Board, an independent board comprised of three local residents in the County.

Upon receiving the appeal, the Property Tax Assessment Appeal Board will schedule a hearing. If the property owner is not satisfied with the decision made by Property Tax Assessment Appeal Board, an appeal may be filed with the Maryland Tax Court within 30 days of the date of board's decision. Decisions rendered by the Maryland Tax Court may be appealed to the regular judiciary system based on a legal or procedural basis, but cannot appeal the actual value to the Circuit Court. A detailed schedule of the assessment, appellate, and taxation process is included in the discussion of taxation as Table IV-B.

IV. TAXATION PROCEDURES

Overview

The Property Tax Accounting Division of the Department of Finance for the County takes the appraised values provided by SDAT, applies any applicable exemptions, and calculates taxes for each property. A third party acting on behalf of the Property Tax Accounting Division then mails bills to corresponding property owners.

Credits and Exemptions

There are several State and County programs that result in real property tax credits and exemptions. Listed below are the potential real property tax credits that were both applied and not applied in the calculation of available Tax Increment Revenues.

Real Property Tax Credits Applied

High Performance Building Credit. Pursuant to Section 9-242 of the Tax-Property Article of the Annotated Code of Maryland and Section 20.129B of the Howard County Code, the owner of a "high performance building" receives a property tax credit against County real property taxes imposed on the improved value of the parcel, defined earlier as the LEED Credit. A "high performance building" means a building that achieves at least a silver LEED rating or a comparable certification or rating. The amount of the tax credit is equal to the following percentage of the total County real property tax on the building: LEED silver – 25%; LEED gold – 50%; LEED platinum – 75%. The High Performance Building Tax Credit is provided for the first five tax years after the application is received by the County. The Phase One Properties are anticipated to receive the silver level LEED Credit, and as a result, receive a 25% tax credit on the total County real property taxes on the building.

Property Tax Credit for Certain Commercial or Industrial Businesses. Pursuant to Section 9-315(a)(3) of the Tax Property Article of the Annotated Code of Maryland and Section 20.123 of the Howard County Code, there is a property tax credit granted against the tax on real property owned or occupied by a commercial or industrial business that (i) expands or relocates in the County, (ii) plans to employ at least 12 additional full-time employees, (iii) makes a substantial investment in the County, and (iv) is engaged in an activity identified in the County's Economic Development Strategic Plan as a target for the County's business attraction and retention efforts, defined earlier as the EDA Credit. A "substantial investment" is defined as the acquisition of building, land, or equipment totaling at least $2,000,000 or the creation of 10 positions with salaries greater than the County annual average. The credit is based on the assessed value of a newly constructed building not currently on the tax rolls and applies only to the space occupied by the company that meets the foregoing requirements. As part of the implementation of this credit, the County Executive shall establish the tax credit in an amount expressed as a percent of the additional County tax imposed on real property that is a result of an increase in assessment due to the new construction or improvement for (i) up to 100% for years one and two, (ii) up to 80% for years three and four, (iii) up to 60% for years five and six, (iv) up to 40% for years seven and eight, and (v) up to 20% for years nine and ten. Based on discussions with Howard County, the EDA Credit for One Merriweather is anticipated to be 70% in years 1 and 2, 40% in years 3 and 4, and 20% in years 5 and 6. The maximum tax credit in total can't exceed $540,000. To the extent the full $540,000 is realized in fewer than six years due to higher than anticipated taxes, it is not expected that the EDA credit would continue the for the full six years.

An EDA Credit for the 3OA office building is contemplated for up to $1,000,000. Because the lease has not yet been finalized for this building, the final determination regarding the amount and term of

the credit is unknown. The attached appendices assume that the full $1,000,000 EDA Credit is provided for the 3OA office building and realized over a three-year period.

Real Property Tax Credits Not Applied

Age in Place Tax Credit. Pursuant to Section 9-258 of the Tax-Property Article of the Annotated Code of Maryland and Section 20-119B of the Howard County Code, the owner of a dwelling may receive a property tax credit equal to 20% of the eligible County tax if the property is owned by an individual who (i) is at least 65 years old and has lived in the same dwelling for at least the preceding 40 years or (ii) is at least 65 years old and is a retired member of the Armed Forces of the United States. The eligible County tax is the amount of County tax on the lesser of $500,000 or the assessed value of the dwelling reduced by the Homestead Tax Credit assessment. The credit may be granted for up to five years, as long as the property owner remains qualified.

Agricultural Land Tax Credit. Pursuant to Section 9-206 of the Tax-Property Article of the Annotated Code of Maryland, an owner of agricultural land may receive a property tax credit equaling 75% of any County property tax imposed on that land, not including any improvements. For the purpose of this tax credit, "agricultural land" means real property subject to an easement or other interest that is permanently conveyed or assigned to either (i) The Maryland Agricultural Land Preservation Foundation under Section 2-504 of the Agricultural Article of the Annotated Code of Maryland or (ii) Howard County, Maryland, under the provisions of subtitle 5, "Agricultural Land Preservation," of title 15, "Natural Resources," of the Howard County Code.

Amateur Sport Athletic Fields Tax Credit. Pursuant to Section 9-235 of the Tax-Property Article of the Annotated Code of Maryland, the owner of real property may receive a property tax credit equal to 100% of the County property tax imposed on the real property if (i) the property is used as an athletic field exclusively for amateur sports; and (ii) the owner is a nonprofit organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

Brownfields Property Tax Credit. Pursuant to Section 9-229 of the Annotated Code of Maryland, Howard County elects to participate in the Brownfields Revitalization Program and to provide tax credits as authorized under that section. The credit is against the tax on real property of a qualified brownfields site in an amount equal to 70% of the increased property tax liability. The credit shall apply in each of the taxable years immediately following the first revaluation of the qualified brownfields site after completion of a voluntary cleanup or corrective action plan for (i) five taxable years; or (ii) if the site is in an enterprise zone, eight taxable years. "Qualified brownfields site" has the meaning indicated in Section 3-901(d) of the Annotated Code of Maryland.

Community Associations Tax Credit. Pursuant to Section 9-315(a)(1) of the Tax-Property Article of the Annotated Code of Maryland, there is hereby granted, upon the application of any community association, a tax credit equal to 100% of the assessed value of such real or tangible personal property owned by community associations and used for community, civic, educational, library or park, purposes, that is not a swimming pool, tennis court, or similar recreational facility against the amount of Howard County taxes. The term "community association" shall mean any nonprofit community association or corporation organized or operated for the promotion of the common good and social welfare of any group of persons residing in Howard County.

Property Tax Credit for Conservation Land. Pursuant to Section 9-220 of the Tax-Property Article of the Annotated Code of Maryland, the owner of real property may receive a property tax credit equal to

100% of the County property tax imposed on the real property if (i) the property is conservation land; or (ii) the property owner is a land trust and the property is used to assist in the preservation of a natural area, the environmental education of the public, generally to promote conservation, for the maintenance of a natural area for public use or a sanctuary for wildlife, or to conserve agricultural land and to promote continued agricultural use of the land. "Conservation land" and "land trust" have the meaning stated in Section 9-220 of the Tax-Property Article of the Annotated Code of Maryland.

Credit for Day Care Providers. Pursuant to Sections 9-213 and 9-214 of the Tax-Property Article of the Annotated Code of Maryland, an owner of real property may receive a property tax credit against the general County tax for an improvement of that real property, if the improvement is used exclusively for the purpose of providing family or group adult day care or child day care services offered by a licensed or accredited day care provider. The property tax credit shall not exceed the lesser of (i) $3,000.00 annually; or (ii) the amount of the County property tax attributable to the improvement.

Trash, Watershed Protection, and Bay Fee Hardship Tax Credit. Homeowners with limited income may qualify for a 60% credit against the Trash Fee and Watershed Protection Fee and 100% of Bay fee.

Historic Property Tax Credit. Howard County offers two types of local property tax incentives for work that restores or preserves an eligible historic property. The first is a historic tax credit for qualified expenses provides a tax credit equal to 25% of the cost of eligible work which may be applied to projects costing $500 or more. The second is a historic tax credit for increase in assessed value abates the increase in property tax that would result from increased assessed value due to the restoration work done, as determined by the State Department of Assessments and Taxation, which may be applied to projects costing $5,000 or more, and will be granted annually for ten years after the work is completed.

Homeowner's Property Tax Credit. The State Department of Assessments and Taxation also offer a Homeowners' and Renters' Tax Credit program, designed to help low-income households by offering credits against property taxes in the event that they exceed a fixed percentage of the homeowner's gross income. Generally speaking, to be eligible for the Homeowner's Tax Credit, the dwelling on which a homeowner is seeking the tax credit must be the principal residence for at least six months of the year (including July 1); the net worth of the homeowner (not including the value of the subject property or any qualified retirement savings or Individual Retirement Accounts) must be less than $200,000; and the combined gross household income cannot exceed $60,000. The tax credit is based upon the amount by which the property taxes exceed a percentage of the household income according to the following formula: 0% of the first $8,000 of the combined household income; 4% of the next $4,000 of income; 6.5% of the next $4,000 of income; and 9% of all income above $16,000.

Jointly Owned Housing Commission Tax Credit. Pursuant to Section 9-315(a)(5) of the Tax-Property Article of the Annotated Code of Maryland, if an individual occupies residential real property and owns the property jointly with the Housing Commission, the individual may receive a credit against the County property tax imposed on the property. The amount of the tax credit is calculated by multiplying the total property tax due on the property by the percentage of the Housing Commission's ownership interest in the property.

Law Enforcement or Rescue Worker Tax Credit. Pursuant to Section 9-210 of the Tax-Property Article of the Annotated Code of Maryland, an owner of real property may receive a property tax credit under this section against the County property tax imposed on a dwelling if the owner is a disabled law

enforcement officer or rescue worker or the surviving spouse of a fallen law enforcement officer or rescue worker. The amount of the tax credit is equal to 100% of the County property tax imposed on the dwelling.

Livable Home Tax Credit. A tax credit may be available for certain types of accessibility features as defined in the Howard County Code Section 20-129C installed in a Howard County homeowner's principal residence. The amount of the credit is equal to 50% of the eligible cost or $2,500, whichever is less.

Religious Organization Tax Credit. Pursuant to Section 9-222 of the Tax-Property Article of the Annotated Code of Maryland and Section 20-116 of the Howard County Code, there is a tax credit granted for the portion of a property that is leased, occupied, or used by a religious group or organization exclusively for public religious worship, educational purposes, or office space necessary to support or maintain public religious purposes or educational purposes where the religious group or organization is contractually liable for the taxes on the leased space.

Residential Flood Damage Tax Credit. Pursuant to Section 9-211 of the Tax-Property Article of the Annotated Code of Maryland and Section 20-119B of the Howard County Code, the owner of residential real property may receive a property tax credit against the County property tax for up to 100% of the cost to repair, rehabilitate, or restore real property that suffered flood damage or sewage damage caused by flood conditions on July 30 or 31, 2016.

Route 1 Tax Credit. Howard County has established a real property tax credit that supports renovations, rehabilitation, and upgrades of commercial and industrial properties that front Route 1. Eligible improvements include exterior improvements to a building façade, exterior painting and cleaning, structural improvements to a building face, enhanced exterior building lighting, new construction that enhances the building or property, and several others. The property tax credit for eligible improvements is equivalent to 125% of verified expenses. If the credit is greater than the real property tax for a single year, it can be carried over and applied to subsequent annual taxes for up to four years.

Senior Tax Credit. Pursuant to Section 9-105 of the Tax-Property Article of the Annotated Code of Maryland, a County Tax Credit is available for homeowners who are at least 65 years old and have a combined household income that does not exceed 500% of the Federal poverty guidelines for a household of 2. The amount of the credit is 25% of the County property tax due in the current year after applying the Homestead Credit. The amount for this credit shall be calculated after all other credits granted for the property have been applied.

Sprinkler System Tax Credit. Pursuant to Section 9-232 of the Tax-Property Article of the Annotated Code of Maryland and Howard County Code Section 20.118, there is a tax credit against the Howard County property tax imposed on an eligible improvement if an automatic fire protection sprinkler system is installed in the improvement. The credit under this section is equal to 10% of the installation cost of each sprinkler system. The tax credit under this section shall apply each year for five consecutive years.

Therapeutic Riding Facility Property Tax Credit. Pursuant to Section 9-315(a)(4) of the Annotated Code of Maryland, the owner of the real property that is used as a therapeutic riding facility may receive a property tax credit equal to 100% of the County real property tax imposed; provided that the owner

is (i) a nonprofit organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, (ii) furnishes services to disabled individuals, and (iii) has at least 85% of its client who are disabled individuals.

Discounts, Penalties, and Interest

All taxes remaining unpaid after the County due dates are delinquent and are subject to interest and penalties. County taxes are collected annually without interest or penalty by September 30 and December 31.[3] Property owners receive a 0.5% discount on the portion of property tax payments received during July (if paid in installments). Property taxes become delinquent on October 1 following the first semiannual payment. Property taxes due on December 31, whether paid in installments or in full, are due on January 1. Delinquent taxes are subject to interest and penalty at the rate of 1.5% per month on all County taxes and fees and 1.0% on State taxes. For purposes of this study, it is assumed that all property owners in the Development District remit payment in time to receive the full 0.5% discount.

According to County records, an average of 99.6% of real property taxes were paid within the fiscal year they were levied from 2007 to 2016, the most recent year for which data is available. Including collections in subsequent years, an average of 99.92% of taxes levied during that timeframe have been collected to date, as shown in Table IV-A.

TABLE IV-A
Historic Taxes Levied and Collected – Howard County, 2007-2016

Fiscal Year Ended June 30	Taxes Levied for Fiscal Year	Taxes Collected within Fiscal Year	Percentage of Levy Collected within FY	Percentage of Levy Collected to Date
2007	$435,502,514	$433,853,289	99.60%	100.00%
2008	$507,119,578	$505,465,702	99.70%	100.00%
2009	$569,987,425	$568,246,317	99.70%	99.90%
2010	$601,068,331	$599,327,223	99.70%	99.90%
2011	$577,633,399	$574,828,923	99.50%	100.00%
2012	$541,972,687	$540,659,569	99.80%	99.90%
2013	$551,716,941	$547,732,006	99.30%	99.90%
2014	$555,254,638	$550,755,917	99.20%	99.90%
2015	$569,892,160	$568,111,915	99.70%	99.90%
2016	$594,757,776	$593,510,182	99.80%	99.80%
Total	**$5,504,905,449**	**$5,482,491,043**	**99.60%**	**99.92%**

Source: *Howard County, MD Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016*. Taxes levied represent the total adjusted levy. Percentage of levy collected to date includes penalties and interest levied and collected.

[3] The timeline discussed herein is for property that is not owner-occupied residential or a small business. Property owners in the County have the option of paying semi-annual payments on taxes for their primary residence or small businesses with total taxes less than $100,000, with payments due on September 30 and December 31. As no owner-occupied property is contemplated herein, only the timeline for annual payments is considered.

Tax Sale

Tax sale is where a property is sold at public auction to the highest bidder for nonpayment of property taxes and other fees. At the tax sale, the bidding starts at taxes due plus interest and penalties and other expenses incurred in making the sale. The lien on the property then passes to the tax sale purchaser. A tax sale certificate is given to the purchaser. The tax sale certificate is valid for a period of two years unless redemption of the property occurs. For redemption to occur, the property owner must pay the County:

(1) The total price paid at the tax sale for the property together with interest;
(2) Any taxes, interest, and penalties paid by any holder of the certificate of sale;
(3) Any taxes, interest, and penalties accruing after the date of the tax sale; and
(4) Any expenses or fees for which the holder of the certificate of sale is entitled for reimbursement in any action or preparation for foreclosure on the property.

Taxes which are delinquent as of March 1 of each year receive a final legal notice. Beginning April 1, additional charges are added to the property tax bill for the cost of tax sale preparation. The delinquent properties are advertised in the *Howard County Times/Columbia Flier* for at least four weeks prior to the sale.

No assurances can be given that the real property subject to tax sale will be sold or, if sold, that the proceeds of any sales will be sufficient to pay all delinquent special taxes or ad valorem taxes.

Tax Timeline

After the tax roll is submitted by the Office of the Assessor at the beginning of January, the Property Tax Accounting Division calculates the amount of taxes owed and engages a third party to send bills on its behalf beginning in early July and early December for the first and second annual installment, respectively. The property owner has the right to appeal the assessed value, which must be submitted within 45 days of receiving an assessment notice. The County property taxes are due by September 30 and December 31 for the first and second annual installment, respectively. Taxes not paid in installments are due on December 31 of each year.

In all scenarios included herein, incremental taxes are first projected to be generated from development occurring in calendar year 2016 and assessed as of January 1, 2017, with taxes payable by September 30 and December 31, 2017 and first applicable to debt service in the Bond Year Ending February 15, 2018. These scenarios assume stabilized incremental taxes available for debt service from the fully completed Phase One Properties which is expected to become fully stabilized in the bond year ending February 15, 2025. Fully stabilized refers to property that has been initially assessed construction, revalued upon full lease-up (if commercial), and takes into account the triennial phase-in of assessed values post completion.

Table IV-B outlines the assessment, appeals, and taxation timeline. Subsequent sections of this report provide greater detail regarding the projected timing of development and Tax Increment Revenues.

TABLE IV-B
Assessment, Appellate, and Taxation Timeline

Process	Date
Assessment notification mailed to property owners	Late December
Valuation date (date of finality) for real property	1-Jan
Deadline for out-of-cycle appeals	1st Business Day following January 1
County to transfer available funds to the Trustee sufficient to pay succeeding debt service payment	15-Jan
Series 2017A Bonds debt service payment due[a]	**15-Feb**
Deadline for appealing reassessment notices mailed the prior December	Mid-February
Date of classification for assessed value of property within the Districts	1-Mar
Deadline to apply for the LEED Credit	1-Apr
Submit special tax roll to County for billing	1-Apr
County Council to approve Special Taxes if necessary	Late May
County prepares ad valorem real property tax bills and special tax bills	Mid June
Tax bills mailed (including special taxes)	1-Jul
County to transfer funds to the Trustee sufficient to pay succeeding debt service payment	15-Jul
Deadline for payment of taxes to receive a 0.5% discount	31-Jul
Series 2017A Bonds interest payment due[a]	**15-Aug**
Deadline to apply for the EDA Credit	1-Sep
Deadline to pay County real property taxes (including special taxes)[b]	30-Sep
Delinquent properties subject to tax sale (notices mailed to property owners)	1-Mar
Additional penalties imposed on delinquent real property taxes	1-Apr
Tax Sale[c]	30-Jun

Source: Howard County Department of Finance and the Maryland State Department of Assessments.

[a] Bond payments relate to prior year collections.

[b] Owners of principal residences and small business properties may pay real property taxes (including Special Taxes) on a semi-annual basis with half due on September 30 and half due on December 31.

[c] County law provides that the tax sale shall be held no earlier than the third Wednesday in April and no later than the last Wednesday in August. The County currently holds the tax sale in June.

Tax Rates

Tax rates are set on an annual basis by the County. From the fiscal years 2000 to 2017, the effective tax rate decreased by 2.87%, with a compounded average annual decrease of 0.17%. For fiscal year 2017, the real property tax rate in the County is $1.014 per $100 of assessed value.

County tax rates have fluctuated in past years. It is likely that this tax rate will continue to change overtime; for purposes of this study, however, because the average annual change has been so small, particularly as compared with the average annual increase in values, it is assumed that the tax rate remains static at its current level in future years.

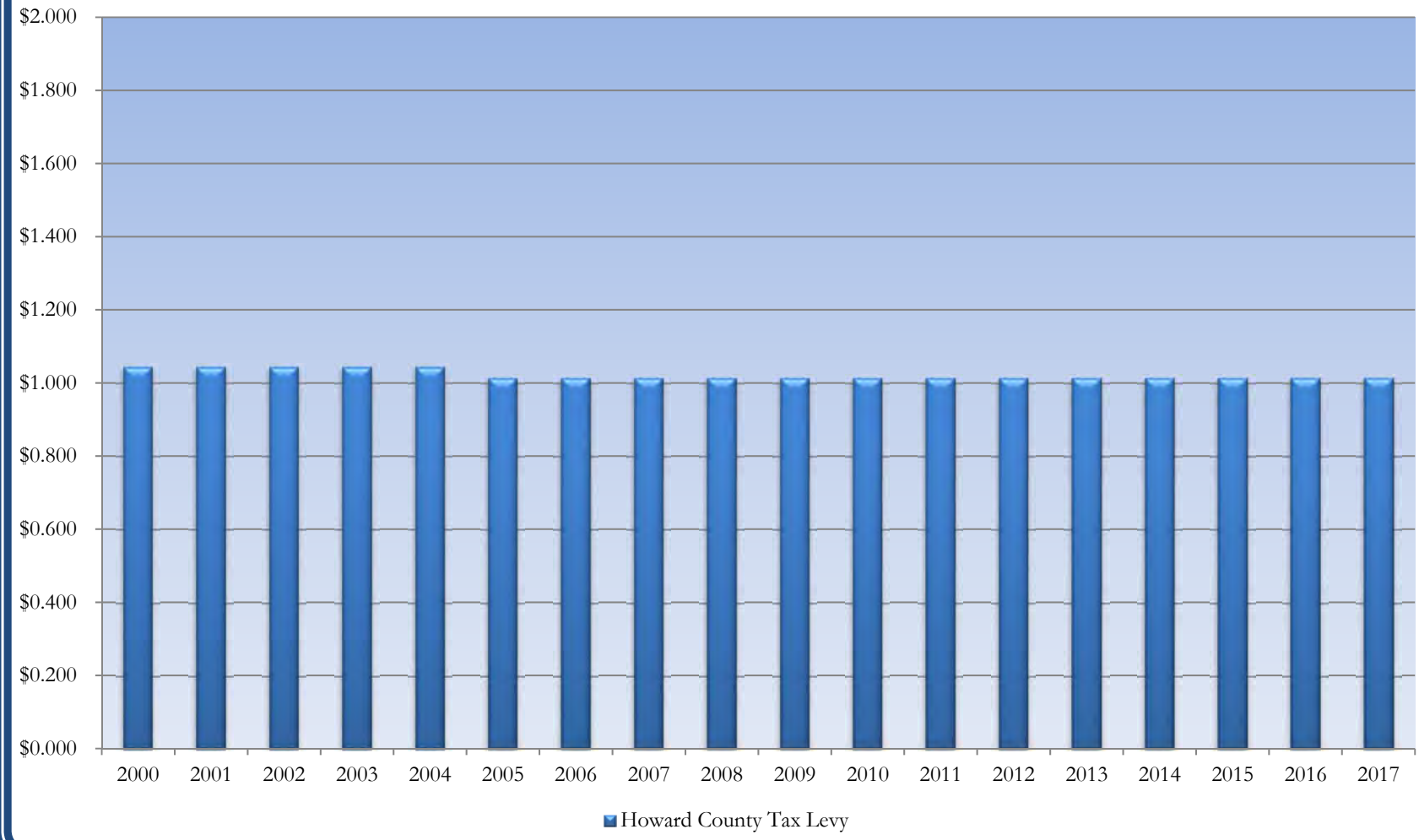
Table IV-C provides historical tax rates in the County from fiscal years 2000 to 2017. A visual presentation of the change in tax rate over the years is shown in Chart 7 at the end of this section.

TABLE IV-C
Howard County Historical Tax Rates (2000-2017)

Fiscal Year Ended June 30	County Tax Rate Per $100 Assessed Value
2000	$1.044
2001	$1.044
2002	$1.044
2003	$1.044
2004	$1.044
2005	$1.014
2006	$1.014
2007	$1.014
2008	$1.014
2009	$1.014
2010	$1.014
2011	$1.014
2012	$1.014
2013	$1.014
2014	$1.014
2015	$1.014
2016	$1.014
2017	$1.014
Overall Decrease	**-2.87%**
Average Annual Decrease	**-0.17%**

Source: *Howard County, MD Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016* for all years from 2007 through 2016. Information for years prior to 2007 provided in same document for Fiscal Years Ended June 30, 2007. Information for 2017 provided by Maryland State Department of Assessments and Taxation.

CHART 7: HISTORICAL REAL PROPERTY TAX RATES (PER $100 OF ASSESSED VALUE)



V. HISTORICAL APPRECIATION IN ASSESSED VALUES

Property values typically appreciate over time. SDAT publishes an annual report for the most recently revalued reassessment area, which provides the average increase in assessments for each county since the previous triennial reassessment. The earliest available information is from the year 2000.

Analysis of triennial changes to assessed value reveals robust appreciation for all real property for the period selected (2000 through 2017). MuniCap estimated annual appreciation based on the triennial growth reported by SDAT. The average annual appreciation for this period was 4.41% as shown in Table V-A below. This percentage is calculated prior to taking into account the Homestead Credit, which restricts increases in owner-occupied housing assessed values to 5% annually.[4] Furthermore, the percentage in any given year indicates the appreciation over the prior year and is not cumulative.

TABLE V-A
Historical Appreciation in Values

Year	Increase Since Triennial Reassessment[(a)]	Annual Appreciation[(b)]
2000	6.60%	2.15%
2001	10.40%	3.35%
2002	20.10%	6.30%
2003	29.00%	8.86%
2004	39.30%	11.68%
2005	48.50%	14.09%
2006	58.70%	16.64%
2007	50.30%	14.55%
2008	24.20%	7.49%
2009	-2.30%	-0.77%
2010	-19.38%	-6.93%
2011	-18.80%	-6.71%
2012	-8.70%	-2.99%
2013	2.50%	0.83%
2014	8.10%	2.63%
2015	10.50%	3.38%
2016	9.00%	2.91%
2017	6.10%	1.99%
Average Annual Appreciation		**4.41%**
Compound Growth Rate		**4.03%**

(a)Source: Maryland State Department of Assessments and Taxation.
(b)Represents compounded growth rate for three years, based on triennial reassessment.

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

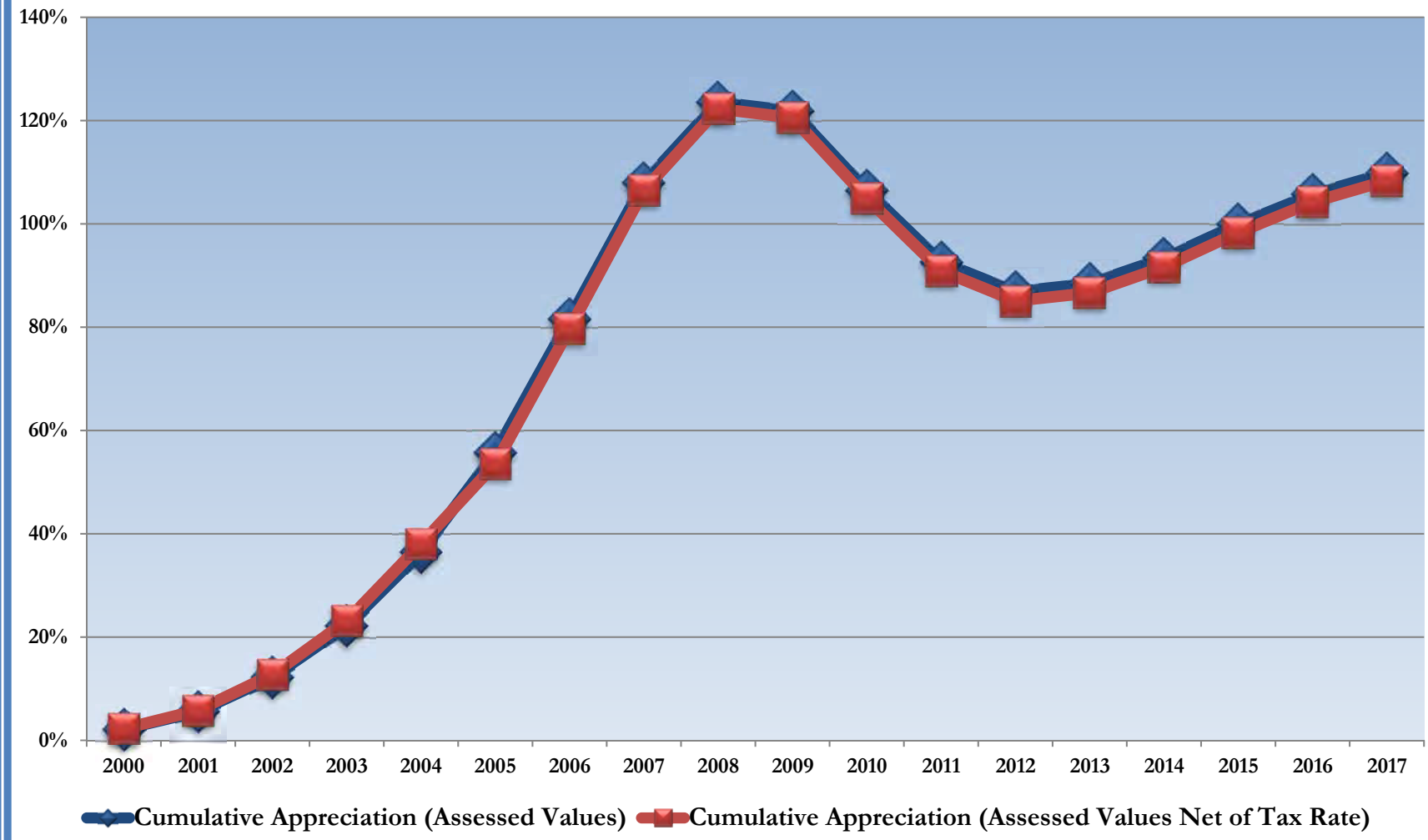
Using the annual appreciation rates shown in Table V-A and the tax rates for this same period shown in the prior Table IV-C, the compound growth rate of taxes levied on a given parcel has been equal to 4.03%. This information is shown graphically in Chart 8 at the end of this section.

A future annual appreciation rate of 2% for all property has been assumed in Scenarios A, C, D, E, and F of this study to project future appreciated assessed values. For comparison purposes, Scenario B of this study assumes no annual appreciation (0.0%) to project future assessed values. Based on the historic trends outlined in this section, the 2% appreciation rate is believed to be conservative, although it should be noted that values have depreciated in some years, including from 2009 through 2012. [5] By a point of comparison, national data shows that the CPI has increased by an average of 2.65%[6] annually over the past thirty years.

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

[6] *CPI Detailed Report – Data for December 2016, U.S. Bureau of Labor Statistics.*

CHART 8: HOWARD COUNTY CUMULATIVE HISTORIC APPRECIATION



VI. MARKET OVERVIEW

REGION

The County comprises approximately 251 square miles and is located directly between Baltimore and Washington, DC, and is considered part of the Baltimore-Washington Metropolitan Area. The region has ready access to interstates I-95 and I-70, U.S. Route 29, and is also proximate to three major airports and the Port of Baltimore.

The following map displays the boundaries, major roadways, and towns of the County.



ECONOMIC AND DEMOGRAPHIC INFORMATION

According to the U.S. Census Bureau, the population of the County has grown from 187,328 in 1990 to 287,085 in 2010, a 53% increase.[7] Historically, the County has been known for its affluence: the U.S. Census Bureau's most recent data ranks the County's median income as the fourth highest in the nation. The 2011-2015 median household income for the County was $110,238 and the median home price was $429,100, compared to the 2011-2015 median household income of $74,551 and the median home price of $286,900 for the State of Maryland.[8] Over 9,991 businesses are located in the County, many in higher-paying sectors such as information technology, telecommunications, biotechnology, and research and development.[9] Major employers include the Howard County Public Schools, Johns Hopkins Applied Physics Laboratory, Howard County Government, Lorien Health Systems, Howard County General Hospital, Howard Community College, and Verizon. According to the U.S. Bureau of Labor Statistics, the average unemployment rate for the County was 3.2% for January 2017 declining from 3.5% over the past year since January 2016. This is less than the average unemployment rate of 4.2% for the State of Maryland and 4.8% nationally by comparison.[10]

Although the Base Realignment and Closure program ("BRAC") officially ended in 2011, it is projected that the on-base workforce would continue to generate additional jobs, estimated at approximately 20,000 additional private sector government contractor positions by 2020. Despite the estimated increase in commercial property space due to BRAC and other development programs, commercial real estate vacancy rates in the County are continuing to decline and the average has dropped below 9% with average vacancy rate for 2015 of 7.4%.[11]

Another major economic driver for the County is its outstanding public school system. The Howard County Public School System is consistently regarded as one of the best in the nation. Furthermore, 95.3% of residents over the age of 25 are high school graduates while 60.8% have a bachelor's degree or higher. In addition, there are also 84 private schools in the County and multiple universities offering programs within the County, including the University of Maryland, Johns Hopkins University, Loyola University of Maryland, University of Phoenix, and Howard County Community College.[12]

[7] Source: U.S. Census Bureau, State and County QuickFacts.
[8] *American Community Survey 5-Year Estimates*, U.S. Census Bureau.
[9] Source: *Howard County, Maryland Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016*.
[10] Source: U.S. Department of Labor, Bureau of Labor Statistics. Rates are not seasonally adjusted.
[11] Source: *Howard County, Maryland Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016*.
[12] Source: Howard County Office of Economic Development.

VII. DESCRIPTION OF DOWNTOWN COLUMBIA DEVELOPMENT DISTRICT & CRESCENT SPECIAL TAXING DISTRICT

HISTORY

On February 1, 2010, the Howard County Council (the "County Council") adopted the "Downtown Columbia Plan, a General Plan Amendment" which was approved by the County Executive on February 3, 2010 (the "Downtown Columbia Plan"). Downtown Columbia consists of an approximately 391-acre area in Columbia, Maryland. Currently, Downtown Columbia is comprised mainly of an enclosed shopping mall and office buildings with isolated amenities in automobile-dependent surroundings. The Downtown Columbia Plan establishes a four-phase master plan, spanning over an approximately 30-year period for the completion of Downtown Columbia. Upon completion, the full Downtown Columbia Plan contemplates the development of approximately 6,400 additional residential units and an aggregate total of 1.25 million square feet of retail, 4.3 million square feet of office, and 640 additional hotel rooms. The below illustration identifies the neighborhoods proposed to be redeveloped as part of the Downtown Columba Plan.



Only a portion of the Downtown Columbia Plan area comprises the Downtown Columbia Development District. On November 9, 2016, the County Council of Howard County adopted Resolution No. 105-2016, (the "Resolution") and Council Bill No. 56-2016 (the "Ordinance," and together with the Resolution, the "Authorizing Legislation"). The Authorizing Legislation established the 146-acre Development District and the 65-acre Special Taxing District, located entirely within the borders of the Development District. Exhibits A and B at the end of this section outline the boundaries of the Districts.

The Districts were created to finance all or a portion of the costs of certain Public Improvements for the benefit of the property in the Districts. The Series 2017 A Bonds are expected to be issued by the County to fund the costs of the 2017 A Public Improvements for the benefit of property within the Districts. The Series 2017 A Bonds are expected to be issued pursuant to the provisions of Sections 12-201 through 12-213, inclusive, of the Economic Phase I Development Article of the Annotated Code of Maryland, as amended (the "Tax Increment Financing Act"); Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended (the "Special Taxing District Act" and together with the Tax Increment Financing Act, the "Acts") and an Indenture of Trust dated as of October 1, 2017 (the "Indenture") by and between the County and Wilmington Trust, a national banking corporation, as trustee (the "Trustee").

The Series 2017 A Bonds will be secured by the Tax Increment Revenues from all property in the Development District and backup special taxes on property in the Special Taxing District. Special taxes will be levied pursuant to the Acts. Special taxes will be collected in any given year only if the portion of the Tax Increment Revenues available pursuant to the Indenture and earnings on amounts on deposit in the Reserve Fund are insufficient to cover debt service on the Series 2017 A Bonds, pay administrative costs related to the Series 2017 A Bonds and the Districts, and maintain any applicable funds under the Indenture. Capitalized interest will be funded through bond year ending 2020 to pay principal and interest on the Series 2017 A Bonds.

The Developer, a wholly-owned subsidiary of The Howard Hughes Corporation, serves as the community developer of Downtown Columbia under the Downtown Columbia Plan. The Developer or its affiliates are the sole owners of approximately 117 acres within the Development District, and through an affiliation with subsidiaries of Kettler, Inc., own another 10 acres. The remainder of the Development District property consists of roadways and open space owned by Mall Entrances Business Trust and Columbia Association, Inc. The Developer and its wholly-owned subsidiaries own all of the land within the Special Taxing District with the exception of certain open space areas. As mentioned, the Series 2017 A Bonds will be issued for the purpose of financing the 2017 A Public Improvements necessary for the Downtown Columbia development.

LOCATION

The Development District consists of a portion of the downtown area in the unincorporated master-planned community of Columbia, Maryland, one of the first master-planned communities in the United States. If Columbia were incorporated, not only would it be the largest city in Howard County, but also the second largest city in Maryland. Columbia is generally bounded by Route 95 to the east, Route 108 to the north and to the west, and Route 32 to the south. The Development District consists of an approximately 146-acre downtown area in Columbia designated by the County Council. The Development District is generally bound by Little Patuxent Parkway and existing development to the north, Broken Land Parkway on the west, U.S. Route 29 Interchange #18 and Broken Land Parkway on the south and the Merriweather Post Pavilion and Symphony Woods (public park) to the east. The downtown area contains the Mall at Columbia and Merriweather Post Pavilion; however, these properties are excluded from the Districts. The Districts are located approximately 18 miles northwest of the Baltimore/Washington International Thurgood Marshall Airport, 22 miles southwest of downtown Baltimore and 25 miles northeast of Washington, DC. Primary access to the Development District is granted via Maryland Route 175/Little Patuxent Parkway, U.S. Route 29, and Broken Land Parkway.

Boundary maps of the Districts are included as Exhibits A and B at the end of this section.

OVERVIEW

The Development District is proposed to be developed as a mixed-use development comprised of for-sale and for-rent residential uses, retail, restaurant, office, and hotel components. As stated earlier, it is in the downtown area of Columbia in Howard County. The planned mixed-use development will create a live-work environment for residents and commercial tenants of the site.

As previously stated, the Downtown Columbia Plan area is proposed to be built out over four phases. The portion currently proceeding is referred to herein as the Phase One Properties. A significant portion of the Phase One Properties are either completed or construction is underway. Table VII-A on the following page outlines the total contemplated Phase One Properties and the anticipated completion dates for each component. Exhibit C attached to the end of this section illustrates the Phase One Properties.

TABLE VII-A
Phase One Properties

Property Type[a]	Projected Development[b] Units	GSF Per Unit/Space	Gross SF	Spaces	Completion Date
Residential					
Rental:					
MF rental - market rate	759	1,124	853,278	-	2019
MF rental - market rate (The Metropolitan)	380	1,172	445,235	-	2014
MF rental - market rate (TEN.M/m.flats)	437	1,156	504,978	-	2017
MF rental - 80% AMI	23	1,124	25,857	-	2019
MF rental - 30% AMI	23	1,124	25,857	-	2019
Sub-total residential	1,622		1,855,205		
Commercial					
Office:					
One Merriweather	-	-	208,034	-	2016
Two Merriweather	-	-	102,993	-	2017
Building 3OA	-	-	325,197	-	2019
Building 3OB	-	-	374,803	-	2020
Sub-total office			1,011,027		
Retail:					
The Metropolitan ground floor	-	-	15,319	-	2014
TEN.M/m.flats ground floor	-	-	34,377	-	2017
One Merriweather ground floor	-	-	9,749	-	2016
Special taxing district retail (remaining area)	-	-	109,553	-	2020
Sub-total retail			168,998		
Restaurant:					
Full service	-	-	65,732	-	2020
Fast food service	-	-	43,821	-	2020
Sub-total restaurant			109,553		
Parking:					
Area one parking garage	-	-	394,425	1,127	2017
Area three parking garage	-	-	700,000	2,000	2020
Sub-total parking			1,094,425	3,127	
Total project	**1,622**		**4,239,208**	**3,127**	

[a] Development components in red represent buildings that are complete or currently underway in the base case scenario.

[b] Projected development provided by The Howard Research and Development Corporation.

Scenarios A through C attached to this report illustrate multiple scenarios based on the development that is either complete or underway. Scenarios D and E include the 3MFB multi-family building, which is currently in design and construction is anticipated to commence soon. As previously stated, development underway includes development under construction or development in which a letter of intent or lease has been signed. The following includes a detailed description of the Phase One Properties complete or underway.

Phase One Properties Complete

Phase One Properties that are complete include The Metropolitan, a 380-unit multi-family development with approximately 15,300 square feet of ground floor retail, One Merriweather (office building 1OA), inclusive of approximately 208,000 square feet of office and 9,700 square feet of ground floor retail, and the Area One parking garage providing approximately 1,127 spaces.

The Metropolitan – The Metropolitan, completed in 2014, consists of 380 units and approximately 15,300 square feet of ground floor retail for a total of 460,554 gross square feet. Leasing of The Metropolitan stabilized as of June 2017 with the apartments approximately 97% leased and retail fully leased. Retail leases include Corner Bakery Café, MOD Pizza, Village Nails Bar, European Wax Center, CaliBurger, and Floyd's 99 Barbershop. As discussed later in this report, SDAT has initially assessed The Metropolitan and it is on the tax rolls. The initial assessment was derived using the cost approach to valuation and is currently assessed in the amount of $100,498,900. The Metropolitan is located within the boundary of the Development District but is excluded from the Special Taxing District.



One Merriweather – Office building 1OA provides approximately 208,000 square feet Class A office space and 9,700 square feet of ground floor retail. The building began construction in 2015 and was completed in November 2016. MedStar Health, Inc., one of the largest healthcare providers in the greater Baltimore-Washington, DC region, has signed a lease for One Merriweather, leasing approximately 59% of One Merriweather's office space for an initial lease term of 156 months. The retail component is fully leased and tenants include Cured and So & So Café. As discussed later in this report, SDAT has initially assessed One Merriweather and it is on the tax rolls. The initial assessment was derived using the cost approach to valuation and is currently assessed in the amount of $57,841,600.



Area One Parking – One Merriweather and underway Two Merriweather will be serviced by a 1,127-space structured parking garage. Construction of this garage is complete. As discussed later in this report, SDAT has initially assessed the Area One parking garage and it is on the tax rolls. The initial assessment was derived using the cost approach to valuation and is assessed in the amount of $22,200,800.



Phase One Properties Underway

Phase One Properties that are underway include TEN.M/m.flats, a 437-unit multi-family development that began leasing in July with approximately 34,300 square feet of ground floor retail (of which approximately 6,600 is currently leased), Two Merriweather, inclusive of approximately 103,000 square feet of office (of which 76% of the office has been leased to Connections Education LLC), and 29,000 square feet of ground floor retail, office building 3OA, inclusive of approximately 325,197 square feet of office and 15,036 square feet of ground floor retail, and the Area Three Phase One Parking garage providing approximately 1,341 spaces.

Office building 3OA is currently under design and site plan approvals are underway. A letter of intent has been signed for an anchor tenant. Because a lease has not yet been executed, this building is considered underway but is still considered speculative. As such, Scenarios C and D exclude office building 3OA and associated Area Three Phase One Parking when evaluating coverage and special taxes from development complete and underway.

Multi-family building 3MFB, also located in Area Three, is projected to include approximately 382 units and approximately 71,333 square feet of ground floor retail. The project is currently under design and construction is expected to commence soon, so it is included in Scenarios D and E as an underway component.

Several renderings showing the development underway are provided below. Table VII-B on the following page shows the complete and underway development for Scenarios A through E.



Renderings show Area Three mixed-use development and m.flats.

TABLE VII-B
Projected Development (Scenarios A - E)

Property Type	Projected Development[a] (Scenarios A & B) Units/Spaces	(Scenarios A & B) Gross SF	(Scenario C) Units/Spaces	(Scenario C) Gross SF	(Scenario D) Units/Spaces	(Scenario D) Gross SF	(Scenario E) Units/Spaces	(Scenario E) Gross SF
Residential								
Rental:								
MF rental - market rate	0	0	0	0	362	406,965	362	406,965
MF rental - market rate (The Metropolitan)	380	445,235	380	445,235	437	445,235	437	445,235
MF rental - market rate (TEN.M/m.flats)	437	504,978	437	504,978	380	504,978	380	504,978
MF rental - 80% AMI	0	0	0	0	10	11,242	10	11,242
MF rental - 30% AMI	0	0	0	0	10	11,242	10	11,242
Sub-total residential	817	950,213	817	950,213	1,199	1,379,662	1,199	1,379,662
Commercial								
Office:								
One Merriweather	-	208,034	-	208,034	-	208,034	-	208,034
Two Merriweather	-	102,993	-	102,993	-	102,993	-	102,993
Building 3OA	-	325,197	-	0	-	0	-	325,197
Building 3OB	-	0	-	0	-	0	-	0
Sub-total office		636,224		311,027		311,027		636,224
Retail:								
The Metropolitan ground floor	-	15,319	-	15,319	-	15,319	-	15,319
TEN.M/m.flats ground floor	-	34,377	-	34,377	-	34,377	-	34,377
One Merriweather ground floor	-	9,749	-	9,749	-	9,749	-	9,749
Special taxing district retail (remaining area)	-	22,310	-	14,792	-	50,458	-	57,976
Sub-total retail		81,755		74,237		109,903		117,421
Restaurant:								
Full service	-	13,386	-	8,875	-	30,275	-	34,786
Fast food service	-	8,924	-	5,917	-	20,183	-	23,190
Sub-total restaurant		22,310		14,792		50,458		57,976
Parking:								
Area one parking garage	1,127	394,425	1,127	394,425	1,127	394,425	1,127	394,425
Area three phase one parking garage	1,341	469,320	0	0	0	0	1,341	469,320
Sub-total parking	2,468	863,745	1,127	394,425	1,127	394,425	2,468	863,745
Total project	**3,285**	**2,554,247**	**1,944**	**1,744,694**	**2,326**	**2,245,475**	**3,667**	**3,055,028**

[a] Projected development provided by The Howard Research and Development Corporation.

Future Phase One Properties

Scenario F attached to this report assumes that all components of Phase One Properties are completed as contemplated by the Developer. Additional development not already contemplated as complete or underway includes the following:

- **Apartments**– Includes an additional 397 market rate units, 46 affordable units, of which 13 are 80% of AMI and 13 are 60% of area median income (the "AMI"). These units are expected to be completed in 2019. The gross area of the planned apartment buildings is 429,450 square feet.

- **Retail/Restaurant** – Includes an additional 83,584 gross square feet of retail and restaurant uses expected to be delivered in first quarter 2019.

- **Office** –Includes building 3OB inclusive of 374,803 square feet of office space and 19,570 square feet of retail space expected to be delivered in 2020.

- **Garage** – Includes Area Three Phase Two Parking Garage inclusive of 659 parking spaces.

Table VII-C on the following page summarizes the total projected development for the Development District under Scenario F.

Detailed estimated absorption is provided on an annual basis in Appendices A through F, attached hereto.

Exhibit C at the end of this section provides the site plan for the Phase One Properties.

TABLE VII-C
Phase One Properties

Property Type	Projected Development (Scenario F)[a] Units	GSF Per Unit/Space	Gross SF	Spaces	Completion Date
Residential					
Rental:					
MF rental - market rate	759	1,124	853,278	-	2019
MF rental - market rate (The Metropolitan)	380	1,172	445,235	-	2014
MF rental - market rate (TEN.M/m.flats)	437	1,156	504,978	-	2017
MF rental - 80% AMI	23	1,124	25,857	-	2019
MF rental - 30% AMI	23	1,124	25,857	-	2019
Sub-total residential	1,622		1,855,205		
Commercial					
Office:					
One Merriweather	-	-	208,034	-	2016
Two Merriweather	-	-	102,993	-	2017
Building 3OA	-	-	325,197	-	2019
Building 3OB	-	-	374,803	-	2020
Sub-total office			1,011,027		
Retail:					
The Metropolitan ground floor	-	-	15,319	-	2014
TEN.M/m.flats ground floor	-	-	34,377	-	2017
One Merriweather ground floor	-	-	9,749	-	2016
Special taxing district retail (remaining area)	-	-	109,553	-	2020
Sub-total retail			168,998		
Restaurant:					
Full service	-	-	65,732	-	2020
Fast food service	-	-	43,821	-	2020
Sub-total restaurant			109,553		
Parking:					
Area one parking garage	-	-	394,425	1,127	2017
Area three parking garage	-	-	700,000	2,000	2020
Sub-total parking			1,094,425	3,127	
Total project	**1,622**		**4,239,208**	**3,127**	

[a] Projected development provided by The Howard Research and Development Corporation.

EXHIBIT A: DEVELOPMENT DISTRICT BOUNDARY MAP

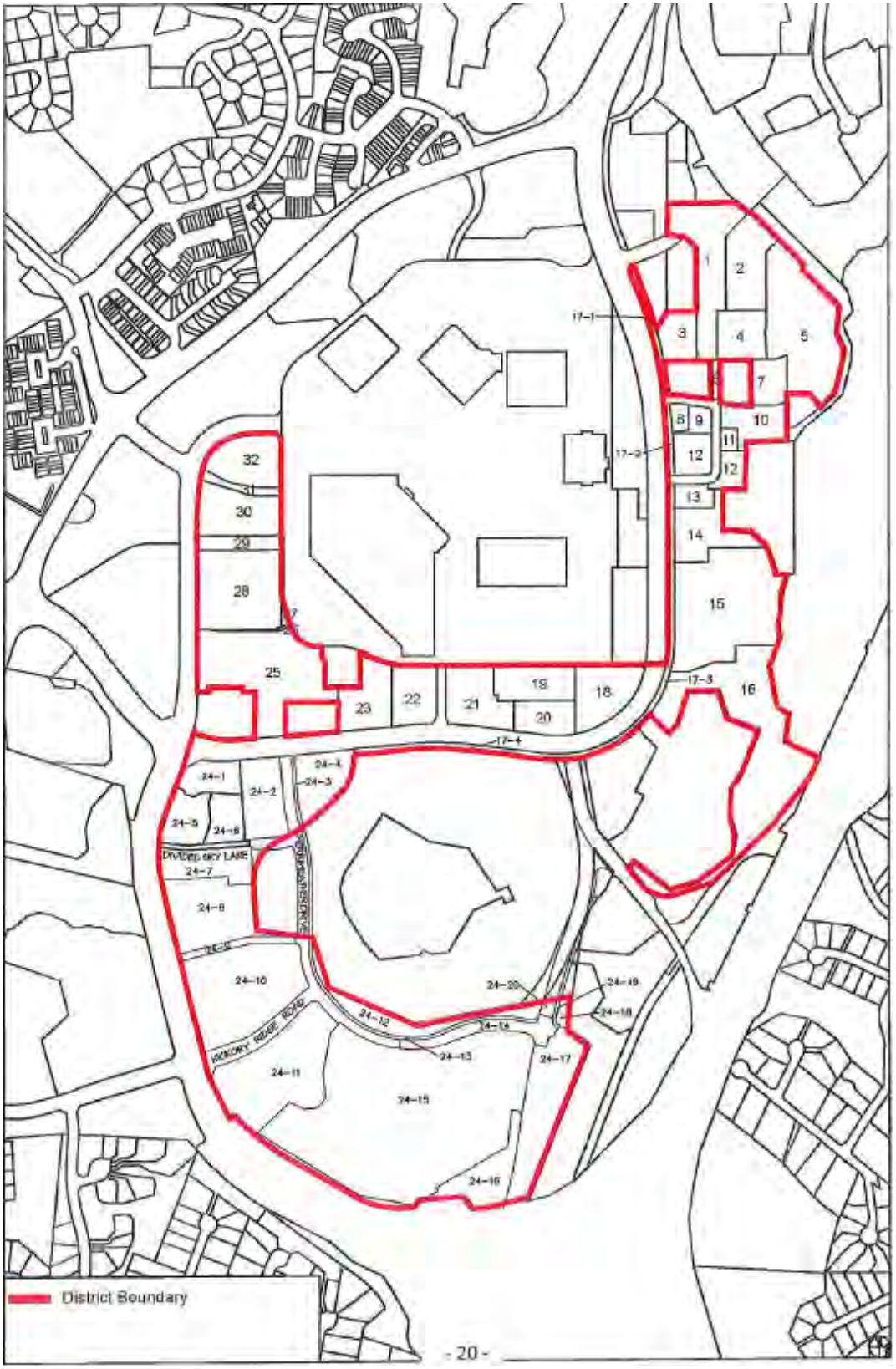
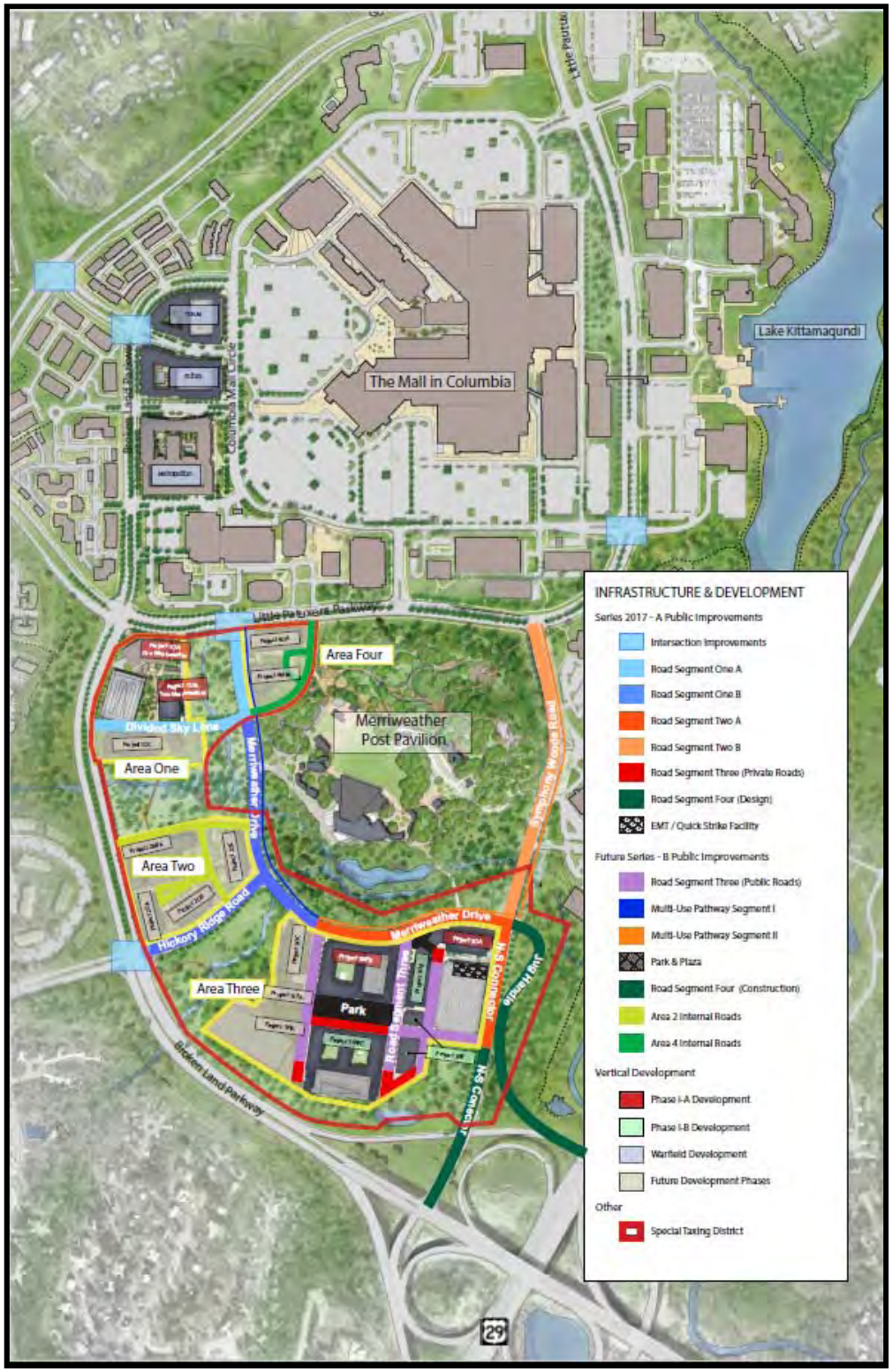


EXHIBIT B: CRESCENT SPECIAL TAXING DISTRICT BOUNDARY MAP



EXHIBIT C: PHASE ONE PROPERTIES[13]



[13] Project 3MFB and 3OA shown as future Phase One Properties in Exhibit C are contemplated as development underway with 3OA underway in Scenarios A, B, E, and F, while 3MFB is underway in Scenarios D, E, and F.

VIII. PROJECTION OF MARKET AND ASSESSED VALUES

OVERVIEW

As outlined in the discussion on assessment procedures in the County, assessed values are based on values as appraised by the Supervisor of Assessments, which, in turn, are meant to represent fair market value. Different property types are appraised using different methods, as described in Section III of this report. This section of the report includes the estimated assessed value and an explanation of the methodology used for each of the proposed development types within the District.

Assumptions

The properties are first assumed to be on the tax roll as developed property based on estimates of when the property will be substantially completed. No interim construction values are estimated in this report. For each property type, this study estimates future absorption based on information from the Developer. Table VIII-A illustrates the date of completion or estimated date of completion and the status assumed for each scenario included in the attached appendices. Refer to Appendix F for detailed annual absorption figures.

TABLE VIII-A
Projected Completion Dates

Property[a]	Estimated Date of Completion	Date Improved Value Appears on Assessor's Roll	Development Status
The Metropolitan			
Apartments	2014	2016	Complete/Underway (All Scenarios)
Retail	2014	2016	Complete/Underway (All Scenarios)
TEN.M/m.flats			
Apartments	2017	2018	Complete/Underway (All Scenarios)
Retail	2017	2018	Complete/Underway (All Scenarios)
One Merriweather			
Retail	2016	2017	Complete/Underway (All Scenarios)
Office	2016	2017	Complete/Underway (All Scenarios)
Two Merriweather			
Retail	2017	2018	Complete/Underway (All Scenarios)
Office	2017	2018	Complete/Underway (All Scenarios)
Residential: Building 3MFB			
Apartments	2019	2020	Complete/Underway (Scenarios D and E)
Retail	2019	2020	Complete/Underway (Scenarios D and E)
Residential: Building 3MFC			
Apartments	2019	2020	Future Development
Retail	2019	2020	Future Development
Office: Building 3OA/Area Three Phase One Parking			
Retail	2019	2020	Complete/Underway (Scenarios A, B, E, and F)
Office	2019	2020	Complete/Underway (Scenarios A, B, E, and F)
Retail: 3RE			
Retail	2019	2020	Future Development
Office: Building 3OB/Area Three Phase Two Parking			
Retail	2020	2021	Future Development
Office	2020	2021	Future Development

[a]Buildings that are italicized represent Phase One Properties that are underway or complete.

As previously explained in Section V, this study assumes an inflation rate of 2% to account for the effect of market appreciation. For Scenario B, no inflation is assumed. SDAT reassesses property on a triennial basis, and phases in increases in value due to property appreciation over the following three years.

For purposes of estimating value in this report, MuniCap interviewed the Supervisor of Assessments and other SDAT staff, reviewed the findings of the Market Study, the Appraisal and analyzed current market and assessed values for existing comparable properties. As subsequently described, MuniCap ultimately relied on the values of comparable properties to establish estimates of stabilized value on a per square foot basis for the subject property, and applied these values to the development scenarios outlined in Section VII. In cases where SDAT has already valued existing property, values are shown as of this assessment year. For comparison, MuniCap also estimated current market values under the income capitalization approach and compared all estimates of value to actual cost as provided by the Developer.

COMPARABLE PROPERTIES

As described in Section VII of this report, the existing and proposed development of the Developer, consists of several commercial components. To estimate the value of these properties, MuniCap reviewed a sample of properties believed to be of similar quality to the development planned for the Phase One Properties. Assessment information of proximate similar properties was compiled and analyzed, serving as a basis of estimating future assessed values at the subject property. In the case of completed development within the Phase One Properties, the completed properties were examined for purposes of utilizing the as completed value for the respective properties, as well as comparing the average value of the sampling of properties determined to be most appropriate for estimating value for the remaining projected development.

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

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

To address these concerns as sufficiently as possible, MuniCap consulted with the Developer to ascertain the existing properties they viewed as direct competition to the proposed development of the Phase One Properties. MuniCap reviewed the comparable properties mentioned in the Market Study, the Appraisal, and conducted independent research, selecting potentially comparable properties based on use, size, age, quality, and location. The resulting comparables were then discussed with the Supervisor of Assessments for verification that they were suitable comparisons for the subject properties. Finally, MuniCap conducted site visits to examine the location and condition of select comparable properties used herein. The results are described in this subsection.

Use of Comparable Properties in Anne Arundel & Montgomery Counties

Several comparables shown for each property type are located within Anne Arundel or Montgomery Counties. As stated in Section III of this report, assessed values in Maryland are required to be based upon actual market value, as determined by property sales. SDAT publishes an annual "Ratio Report," which provides the ratio of assessed value to market value as established by sales in each county. According to SDAT, for tax year 2016, assessed values in Howard County were, on average, 94.2% of true market value. By comparison, assessed values in Anne Arundel County and Montgomery County were, on average, 95.2% and 93.6% of true market value for the same year. Because of the relative uniformity in assessment ratios, MuniCap concludes that properties located in Anne Arundel and Montgomery Counties and otherwise comparable to the proposed development within the Phase One Properties are appropriate for inclusion herein without risk of discrepancies in methodology skewing estimated values.

Results – Comparable Properties

This subsection includes an overview of the comparables used to estimate value for each property type. For a comprehensive listing of the parcels used for comparison, refer to Appendix H, attached hereto. Maps identifying the location of comparables, along with photographs of selected comparables, are included in the attached Exhibits D through K throughout this subsection.

Apartments

For comparison to the proposed apartment development at Downtown Columbia, MuniCap looked at four apartment properties located in Anne Arundel County, and built from 2011 through 2013, along with The Metropolitan, which is one of the buildings completed within the Phase One Properties.

The four apartment communities that are used for comparison to the subject property are The Residences at Arundel Preserves, Flats 170, Havens at Odenton Gateway, and Crosswinds at Annapolis Town Centre which are newer complexes, served by structured parking, commanding similar rents as the subject property, located within mixed-use developments, and constructed as mid- to high-rise buildings with high-end amenities. While these properties are located in Anne Arundel County, they were considered appropriate for inclusion based on the similarities between each complex and the subject property.

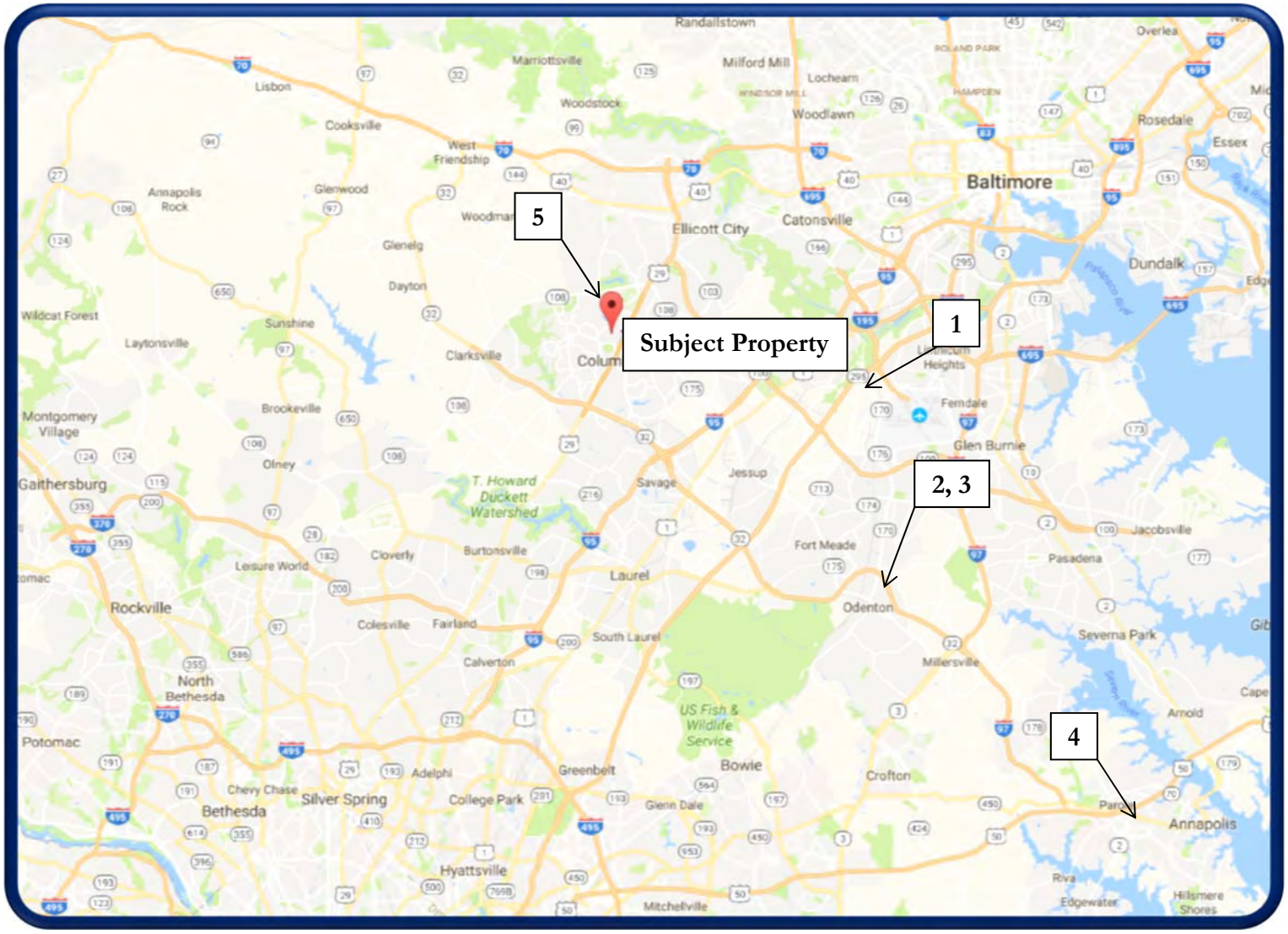
Though a few new appropriate comparables exist within the County, they have not yet been assessed by SDAT. As a result, the remaining apartment stock within the County available to review and incorporate into the sampling of comparable properties are deemed to be inappropriate for inclusion due to the age of the complexes, the location of the properties, the garden style construction of the buildings, and the surface parking lots serving these communities. The comparable properties are shown below in Table VIII-B.

TABLE VIII-B
Comparable vs. Subject Properties – Apartments

Property	City	Year Built	Assessed Value	Gross Sq. Feet	Units	Value PSF	Value Per Unit
Residences at Arundel Preserves	Hanover	2011	$51,209,400	233,546	242	$219	$211,609
Flats 170	Odenton	2013	$81,729,500	385,578	369	$212	$221,489
Haven at Odenton Gateway	Odenton	2012	$60,225,800	311,870	252	$193	$238,991
Crosswinds at Annapolis Town Centre	Annapolis	2013	$49,283,100	223,239	215	$221	$229,224
Average (comparable apartments)			$242,447,800	1,154,233	1,078	**$211**	**$225,328**
The Metropolitan apartments	Columbia	2014	$95,640,000	445,235	380	**$215**	**$251,684**

Of the properties listed in Table VIII-B, only assessed value per square foot for The Metropolitan is used to estimate value of existing and future apartments within the Phase One Properties as it is the best comparable. Since The Metropolitan has been delivered, assessed by the SDAT, is served by structured parking, located within the Downtown Columbia Project, constructed as a mid- to high-rise building with high-end amenities, and was built by the Developer of the proposed remaining Phase One Properties, the value per square foot is used not only to reflect the assessed value of The Metropolitan, but also to project the assessed value of future multi-family apartment buildings. According to the Supervisor of Assessments for Howard County as appointed by the SDAT, The Metropolitan is currently valued using the cost approach to value and will be valued using the income capitalization approach once historical income data is available for the property, likely during the next triennial reassessment. As a result, the assessed value per square foot applied to the apartment properties within the Phase One Properties is assumed to be conservative as it does not yet reflect the stabilized value that corresponds to the net operating income generated by a fully leased apartment building.

EXHIBIT D: COMPARABLE LOCATION MAP (APARTMENTS)



1) Residences at Arundel Preserves
2) Flats 170 at Academy Yard
3) Haven at Odenton Gateway
4) Crosswinds at Annapolis Town Centre
5) The Metropolitan

EXHIBIT E: APARTMENTS COMPARABLES



The Metropolitan
(10000 Town Center Boulevard)

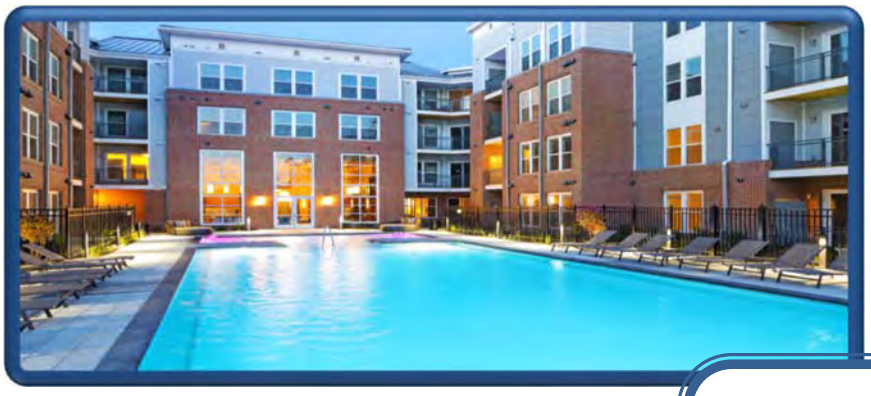
- Built 2014
- 380 units/445,235 square feet
- $215 assessed value per square foot





Residences at Arundel Preserve
(Milestone Parkway)

- Built 2011
- 242 units/233,546 square feet
- $219 assessed value per square foot



Flats 170 at Academy Yard
(8305 Telegraph Road)

- Built 2013
- 369 units/385,578 square feet
- $212 assessed value per square foot



Haven at Odenton Gateway
(615 Carlton Otto Lane)

- Built 2012
- 252 units/311,870 square feet
- $193 assessed value per square foot



Crosswinds at Annapolis Town Centre

(1903 Towne Centre Boulevard)

- Built 2013
- 215 units/223,239 square feet
- $221 assessed value per square foot

Office

For comparison to the proposed office development of the Phase One Properties, MuniCap reviewed five office properties built between 2007 and 2012 along with the existing One Merriweather. These properties are shown in Table VIII-C.

TABLE VIII-C
Comparable vs. Subject Properties – Office

Property	*City*	*Year Built*	*Assessed Value*	*Square Feet*	*Value PSF*
Johns Hopkins APL - South Campus	Laurel	2012	$50,666,500	211,144	$240
Columbia Gateway Office	Columbia	2008	$35,911,400	119,912	$299
Maple Lawn Office	Fulton	2012	$25,129,500	104,796	$240
National Business Park	Annapolis Jct	2009	$41,028,400	135,000	$304
National Business Park	Annapolis Jct	2007	$38,812,700	130,200	$298
Average (comparable office)			$191,548,500	701,052	**$276**
One Merriweather	Columbia	2017	$54,263,133	217,783	**$249**

As previously stated, One Merriweather is complete and has been assessed by SDAT based on cost. Valuation of the office building will likely be adjusted upon stabilization using the income capitalization approach to value, likely during the next triennial reassessment. It is assumed that the cost approach value currently reflected in Table VIII-C reflects a value that is not yet stabilized. As a result, the average value per square foot of the five office properties listed in Table VIII-C are used to estimate value for future properties within the Phase One Properties.

Two of the five comparable office buildings are located within Anne Arundel County. The National Business Park offices are included in the comparable sampling as they are newer Class A properties with high-end finishes, credit tenants, and have direct access to a state highway (Maryland Route 32). Similar to those office buildings located within the National Business Park, the Johns Hopkins APL – South Campus and Columbia Gateway Office properties are located within Class A office parks, constructed with high-end finishes, and have direct access to highways, U.S. Route 29 and Maryland Route 175, respectively. The Maple Lawn Office also has direct access to U.S. Route 29, is constructed with ground floor retail, is newer, and is located within an amenity-rich mixed-use development.

Exhibit F on the following page shows the location of the office comparables.

EXHIBIT F: COMPARABLE LOCATION MAP (OFFICE)



1) Johns Hopkins APL – South Campus
2) 7001 Columbia Gateway Drive
3) 8160 Maple Lawn Boulevard
4) 322 Sentinel Way
5) 318 Sentinel Way
6) One Merriweather

EXHIBIT G: OFFICE COMPARABLES



One Merriweather
(10980 Grantchester Way)

- Built 2017
- 217,783 square feet
- $276 assessed value per square foot



Johns Hopkins APL – South Campus
(11101 Johns Hopkins Road)

- Built 2012
- 211,144 square feet
- $240 assessed value per square foot



7001 Columbia Gateway Drive

- Built 2008
- 119,912 square feet
- $299 assessed value per square foot



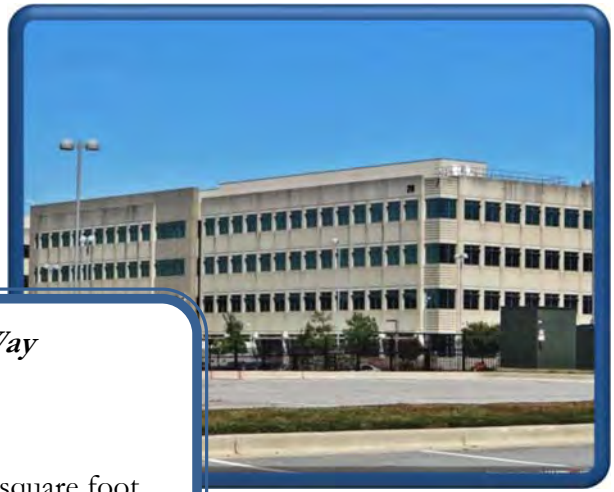
8160 Maple Lawn Boulevard

- Built 2012
- 104,796 square feet
- $240 assessed value per square foot



322 Sentinel Way

- Built 2009
- 135,000 square feet
- $304 assessed value per square foot



318 Sentinel Way

- Built 2007
- 130,200 square feet
- $298 assessed value per square foot

Retail/Restaurant

For comparison to the proposed retail and restaurant development proposed for the Phase One Properties, MuniCap examined nine retail centers in mixed-use communities in the County and Anne Arundel and Montgomery Counties, built between 1993 and 2013. In addition, the ground floor retail of The Metropolitan that is completed and located within the Phase One Properties is illustrated in Table VIII-D.

TABLE VIII-D

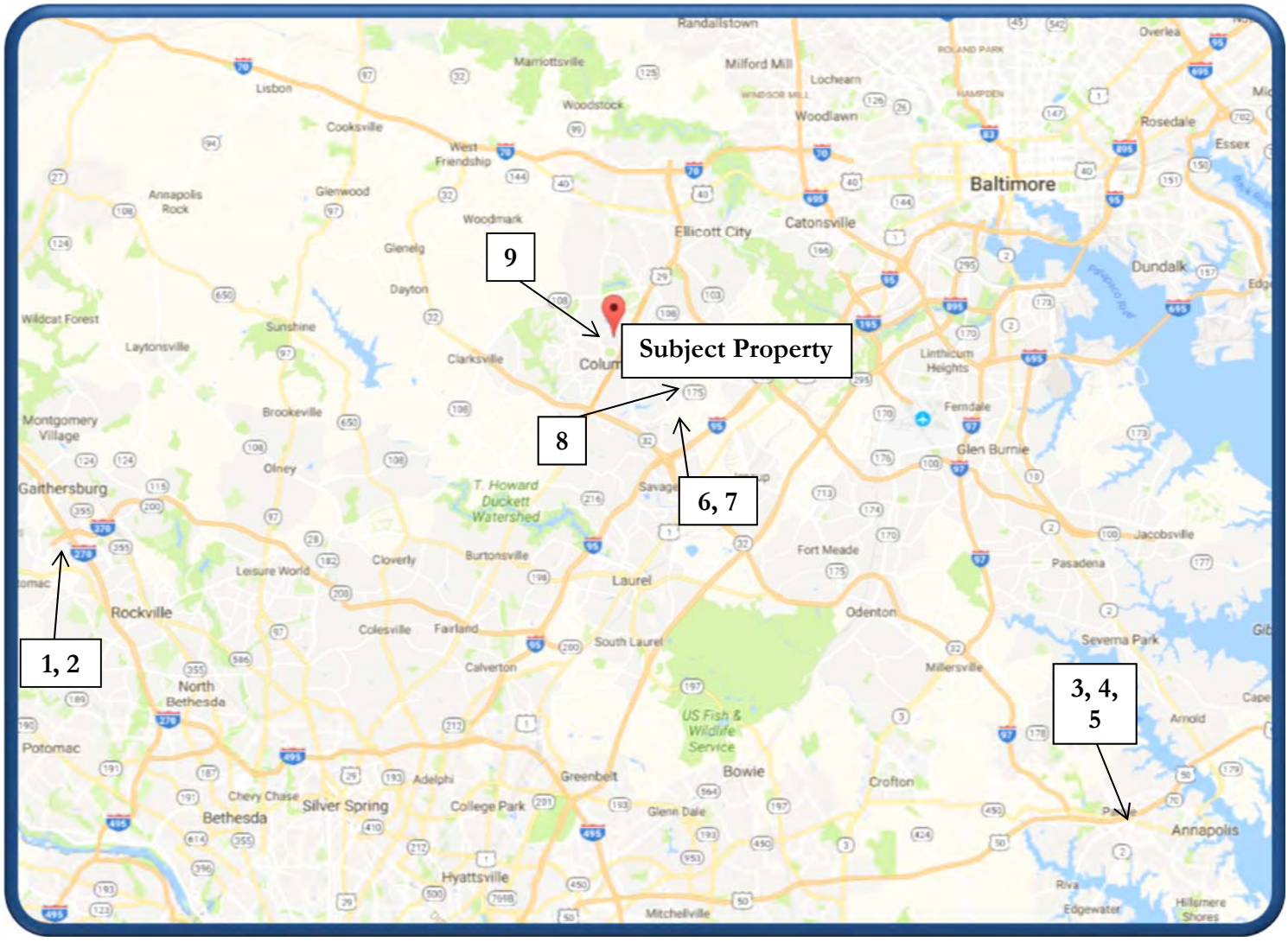
Comparable vs. Subject Properties – Retail/Restaurant

Property	*City*	*Year Built*	*Assessed Value*	*Square Feet*	*Value PSF*
Crown Retail	Gaithersburg	2013	$4,398,500	7,967	$552
Crown Retail	Gaithersburg	2013	$21,660,800	55,818	$388
Annapolis Town Center - ground floor retail	Annapolis	2008	$22,741,400	53,037	$429
Annapolis Town Center - ground floor retail	Annapolis	2008	$20,925,900	48,803	$429
Annapolis Town Center - ground floor retail	Annapolis	2009	$26,829,200	84,175	$319
Bertucci's	Columbia	1993	$3,469,800	7,597	$457
Red Lobster	Columbia	1995	$4,825,200	8,670	$557
Stanford Grill	Columbia	1996	$2,708,600	6,830	$397
Cheesecake Factory, Unos, Champs, PF Chang	Columbia	2001	-	32,753	$468
Average (comparable retail)			$107,559,400	305,650	**$444**
The Metropolitan retail	Columbia	2014	$4,858,900	15,319	**$317**

The Metropolitan retail has been delivered and assessed by the SDAT. For this reason, the value per square foot is used to reflect the assessed value of The Metropolitan retail. According to the Supervisor of Assessments for Howard County as appointed by the SDAT, The Metropolitan retail is currently valued using the cost approach to value and will be valued using the income capitalization approach once historical income data is available for the property, likely during the next triennial reassessments. As a result, the assessed value per square foot applied to The Metropolitan retail component within the Phase One Properties is conservative as it does not yet reflect the stabilized value that corresponds to the net operating income generated by fully leased, tenant fit-out retail space. For this reason, The Metropolitan retail assessed value per square foot is not applied to the remaining proposed retail and restaurant space within the Phase One Properties. Resultantly, the average assessed value of the nine comparable properties as shown in Table VIII-D is used to project value for all other retail and restaurant space within the Phase One Properties.

Nine retail and restaurant structures are used for comparison to the subject property. Two of the nine buildings are located within Montgomery County. The Crown Retail is included in the comparable sampling as is a newer suburban property, with specialty tenants and structured parking, located within a mixed-used development and has access to Interstate 270. Similarly, the Annapolis Town Center retail, though located within Anne Arundel County, is a newer suburban property, with specialty tenants, an urban-concept Target and structured parking, located within a high-density, mixed-used development that is commanding similar rents to the subject property, while also offering similar amenities and access to Interstate 97. The remaining four properties represent restaurants found within the County and are included due to the expected restaurant-rich space within the Phase One Properties.

EXHIBIT H: COMPARABLE LOCATION MAP (RETAIL/RESTAURANT)



1) 303 Copley Place
2) Harris Teeter
3) 1905 Towne Centre Boulevard
4) 1915 Towne Centre Boulevard
5) 1910 Towne Centre Boulevard
6) Bertucci's
7) Red Lobster
8) Stanford Grill
9) Mall at Columbia

EXHIBIT I: RETAIL/RESTAURANT COMPARABLES



303 Copley Place

- Built 2013
- 7,967 square feet
- $552 assessed value per square foot



Harris Teeter
(323 Copley Place)

- Built 2013
- 55,818 square feet
- $388 assessed value per square foot



1905 Towne Centre Boulevard

- Built 2008
- 53,037 square feet
- $429 assessed value per square foot



1915 Towne Centre Boulevard

- Built 2008
- 48,803 square feet
- $429 assessed value per square foot



1910 Towne Centre Boulevard

- Built 2009
- 84,175 square feet
- $319 assessed value per square foot



Bertucci's
(9081 Snowden River Parkway)

- Built 1993
- 7,597 square feet
- $457 assessed value per square foot



Red Lobster
(9011 Snowden Square Drive)

- Built 1995
- 8,670 square feet
- $557 assessed value per square foot



Stanford Grill
(8900 Stanford Boulevard)

- Built 1996
- 6,830 square feet
- $397 assessed value per square foot



Mall at Columbia

- Built 2001
- 32,753 square feet
- $468 assessed value per square foot

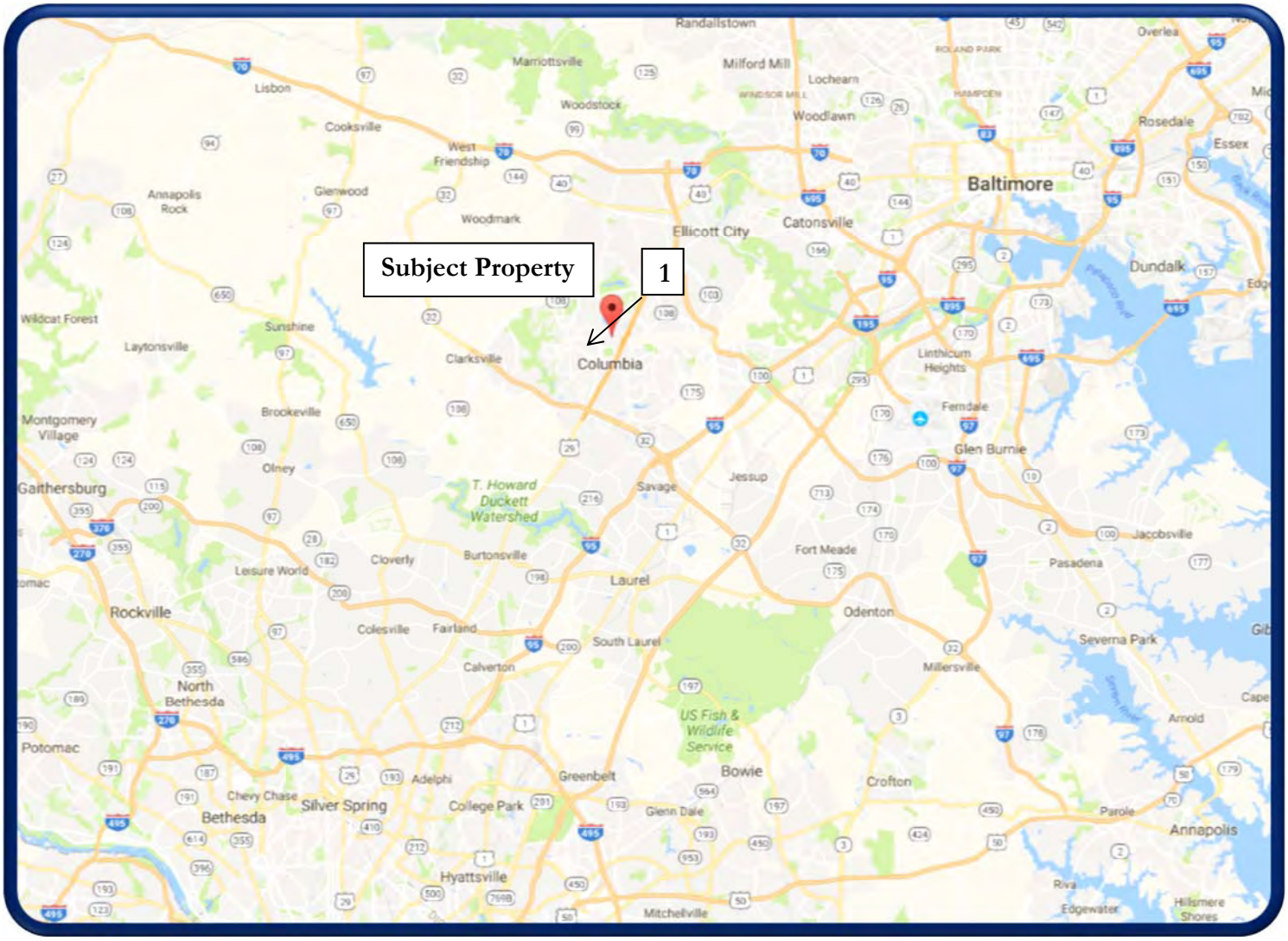
TABLE VIII-E
Comparable vs. Subject Properties – Parking

Property	*City*	*Year Built*	*Assessed Value*	*Spaces*	*Value Per Space*
Area one parking garage	Columbia	2017	$22,200,800	1,127	**$19,699**

The Developer has completed construction of the Area One parking garage located within the Downtown Columbia project. The value of this garage has been estimated by SDAT and is reflected in Table VIII-E and is applied to value the existing garage in the attached appendices. This garage is deemed to be the best comparable for the Area Three garage in total which is also anticipated to be constructed as part of the Downtown Columbia Project.

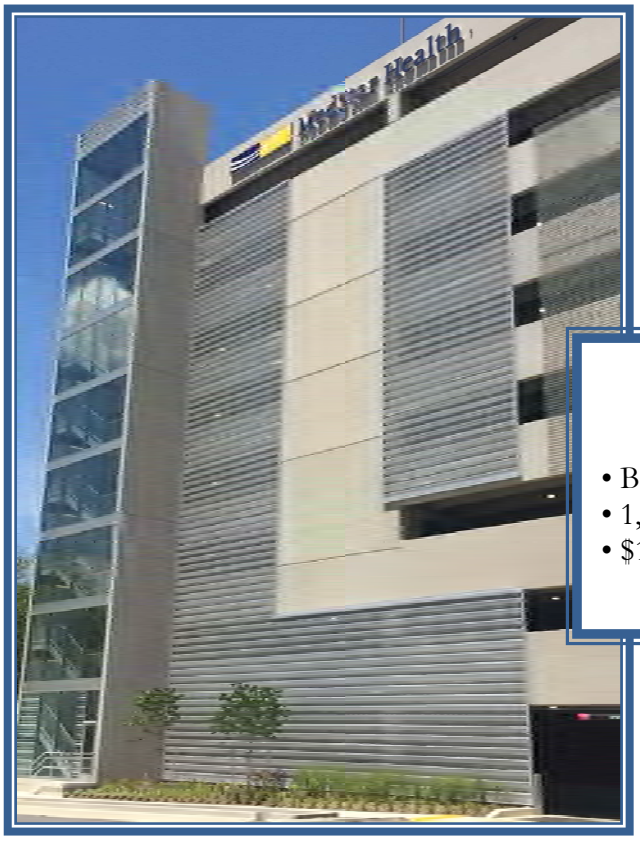
Charts 9 through 11, which follow the exhibits at the end of this subsection, graphically express the relationship between subject and comparison property values for each of the applicable components previously described.

EXHIBIT J: COMPARABLE LOCATION MAP (PARKING)



1) Area One Parking Garage

EXHIBIT K: PARKING COMPARABLES



Area One Parking Garage
(10970 Grantchester Way)

- Built 2017
- 1,127 spaces/ 394,425 square feet
- $19,699 assessed value per space

CHART 9: COMPARISON OF VALUES PER SQUARE FOOT (APARTMENTS)

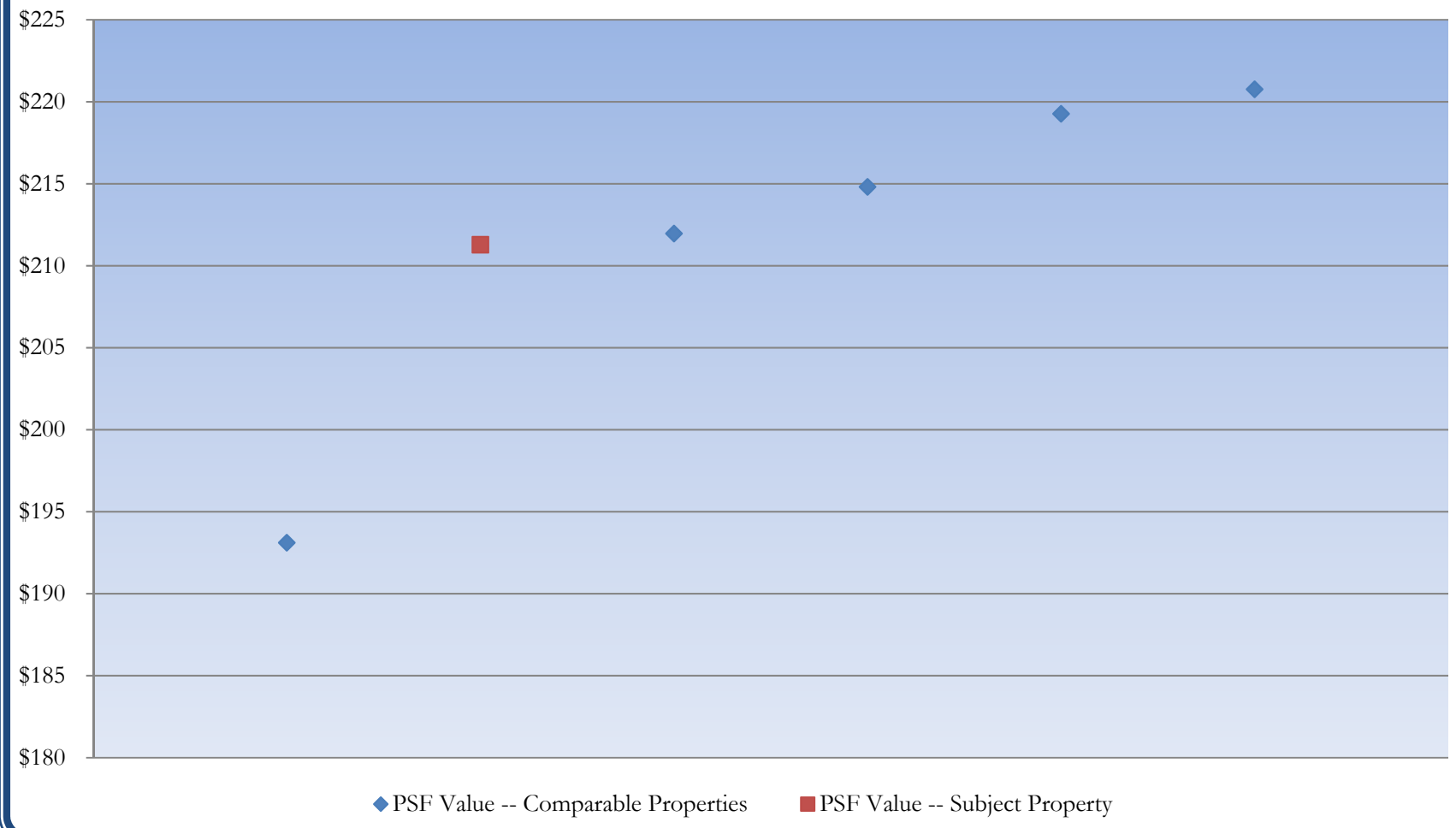


CHART 10: COMPARISON OF VALUES PER SQUARE FOOT (OFFICE)

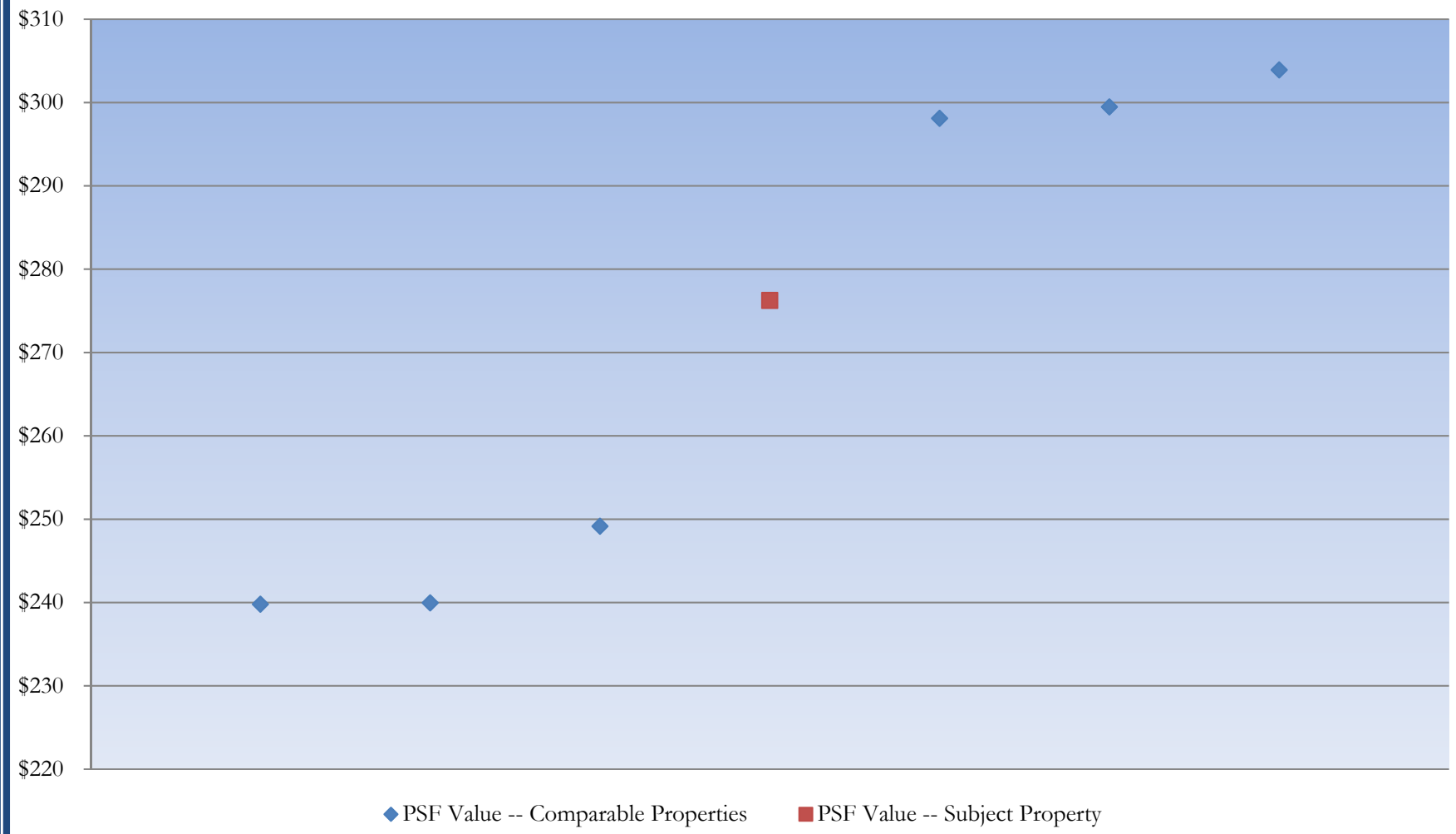
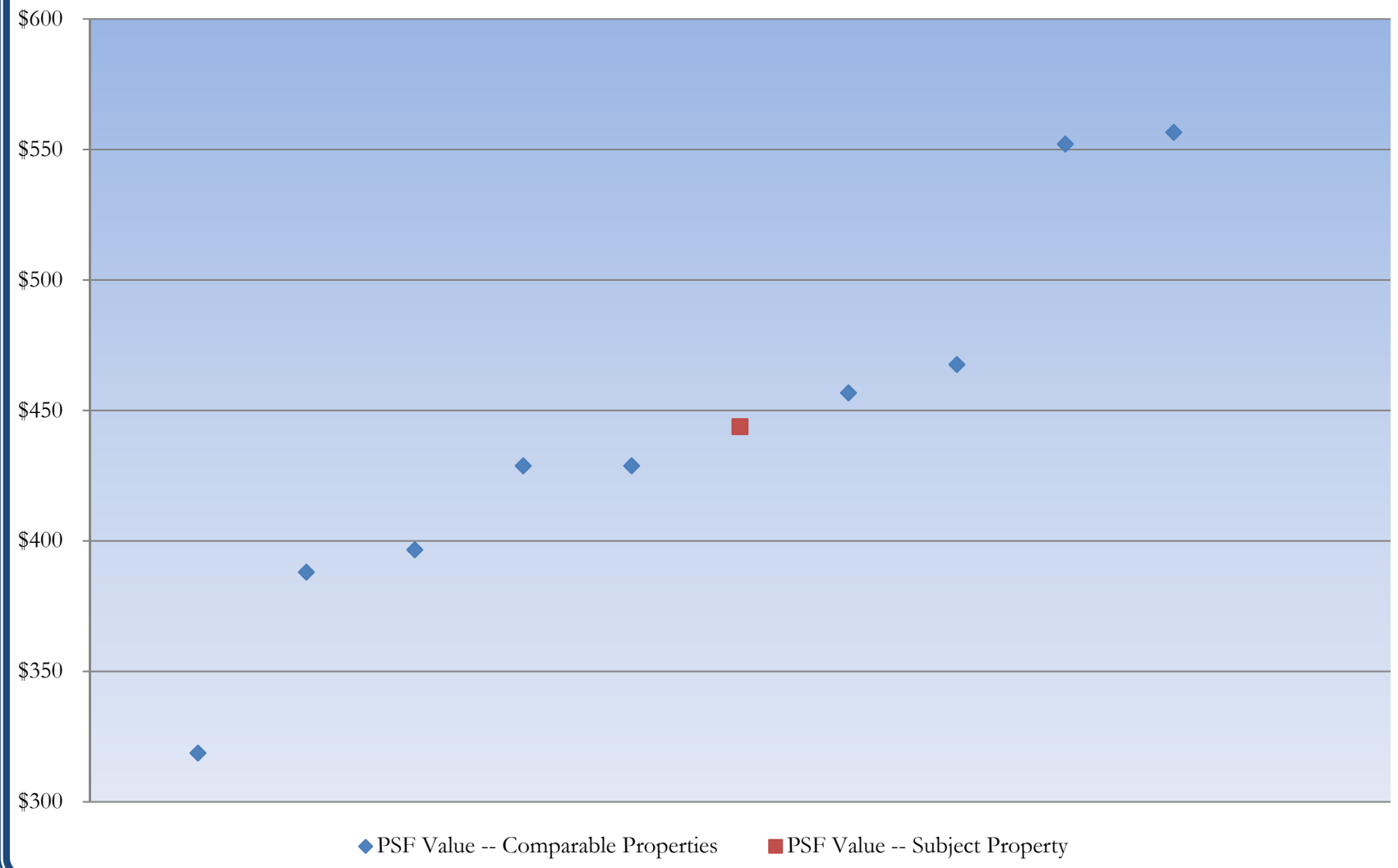


CHART 11: COMPARISON OF VALUES PER SQUARE FOOT (RETAIL/RESTAURANT)



INCOME CAPITALIZATION APPROACH

As a check on estimates of values established by comparable properties, MuniCap also estimated market and assessed value using an income capitalization model. For income generating properties, property owners may appeal assessed values on an income capitalization basis. To estimate future values for commercial properties in the Districts, MuniCap generated projections using an income capitalization model based on analysis of information provided by SDAT, the Developer, the Market Study, the Appraisal, and third-party sources as noted. These calculations are included in this report as Appendix I.

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

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

The rents, rate of occupancy and expense ratios shown for each of the properties in Table VIII-F on the following page reflect those provided by the Developer and deemed to be reasonable by SDAT. Similarly, the capitalization rate for each property is based on rates reported in the *PwC Real Estate Investor Survey for Second Quarter 2017*, also have been deemed reasonable by SDAT.

Additional consideration was taken for the affordable rental residential component. As currently proposed, both 80% area median income (AMI) and 30% AMI rental residential units are to be delivered. Rents reflected for the affordable rental residential component represent the maximum subsidized rents provided by the Howard County Housing Commission and are the maximum subsidized rents for the corresponding area median income. Eighty percent of AMI rental residential units include only subsidized rent, while 30% of AMI rental residential units include both a rent subsidy and a voucher. The SDAT has indicated that for purposes of utilizing the income capitalization approach to value to assess property, both the rent subsidy and the voucher will be taken into consideration in quantifying the gross rent per affordable unit.

MuniCap's estimated values of the proposed commercial property in the District using the income capitalization approach are shown in Table VIII-F on the following pages. Calculations of value using the income approach are included in Appendix I, attached hereto.

TABLE VIII-F

Estimate of Market and Assessed Values – Income Capitalization Approach (Apartments, Office, Restaurant, & Retail)

Assumption	Multi-Family Rental			Office	Retail/Restaurant
	Market Rate	80% AMI[d]	30% AMI[d]		
Monthly rent per square foot	$2.30	$2.19	$1.93		
Annual rent per square foot[1]	$27.57	$26.30	$23.17	$34.00	$55.00
Net square feet per unit	877	838	817		
Monthly rent per unit[1]	$2,015	$1,837	$1,577		
Annual rent per unit	$24,175	$22,040	$18,929		
Occupancy[a]	90%	90%	90%	95%	95%
Effective rent per square foot	$24.81	$23.67	$20.85	$32.30	$52.25
Effective rent per unit	$21,758	$19,836	$17,036		
Expense ratio[a]	23.6%	24.8%	28.1%	29%	8%
Expenses	($5,139.22)	($4,910.68)	($4,787.62)	($9.28)	($11.50)
Net operating income per square foot	$18.95	$17.81	$14.99	$23.02	$40.75
Net operating income per unit	$16,619	$14,926	$12,248		
Capitalization rate[b]	5.400%	8.500%	8.500%	7.480%	6.260%
Tax rate[c]	1.382%	1.382%	1.382%	1.382%	1.382%
Fully loaded capitalization rate	6.782%	9.882%	9.882%	8.862%	7.642%
Value per net square foot	**$279.41**	**$180.24**	**$151.71**	**$259.76**	**$533.24**
Value per unit	**$245,039**	**$151,039**	**$123,946**		
Value per gross square foot	**$217.86**	**$140.52**	**$118.30**		

[a]NOI assumptions based on information provided by The Howard Research and Development Corporation and reviewed with Maryland State Department of Assessments and Taxation.

[b]Represents the average overall capitalization rate for the national apartment market, retail strip shopping center market, and suburban Maryland office market, as provided in the PwC Real Estate Investor Survey for Second Quarter 2017. Capitalization rates reviewed with Maryland State Department of Assessments and Taxation.

[c]Includes the fiscal year 2017 Howard County ($1.014), Maryland State ($0.112), fire tax ($0.176) and ad valorem ($0.08) tax rate.

[d] Subsidized unit rents are based on maximum rents as provided by the Howard County Housing Commission. Rent from 30% AMI units are anticipated to be further subsidized with vouchers. Actual rent after vouchers is anticipated to be lower than 80% AMI rents. Assessor will take into account gross rent before vouchers. 80% AMI rents shown represent Howard County AMI. Rents for 30% AMI levels are based on Baltimore MSA.

COST APPROACH

Several buildings in the Downtown Columbia Project are complete, including One Merriweather, Area One parking, and The Metropolitan. Two Merriweather and multi-family building TEN.M/m. flats are currently under construction. As indicated in Section III, property is valued at market value. It is reasonable to believe that the cost of replacing the existing building plus the value of the land equals market value. For this reason, Table VIII-G compares the projected assessed value as estimated in the appendices to the actual cost to construct these buildings as provided by the Developer.

TABLE VIII-G
Comparison to Cost

	Cost Valuation Comparison	
Property	Projected Value	HRD Cost[(a)]
One Merriweather/ Area One Parking	$82,762,487	$78,187,000
Two Merriweather	$41,579,729	$40,941,000
The Metropolitan	$100,498,900	$97,631,682
TEN.M/m.flats	$119,377,010	$132,724,797

[a]Source: The Howard Research and Development Corporation. The Howard Research and Development Corporation's share of The Metropolitan and TEN.M/m.flats cost is 50%. Values shown are 100% of cost.

COMPARISON OF VALUATION APPROACHES

A comparison of assessed value estimates under each approach is shown in Table VIII-H. For all property types, MuniCap used estimates of values from comparable properties to estimate incremental value and property taxes at stabilization.[14] In some instances, comparables are existing properties already completed.

The actual comparable value per square foot (The Metropolitan) is used for purposes of valuing the completed Metropolitan building, inclusive of the apartment and ground floor retail components. As previously described, the actual Metropolitan apartment assessed value per square feet is assumed to be conservative. This valuation is based on the cost approach and it does not yet reflect the value generated by the income capitalization approach to value at stabilization. The actual comparable value per square foot is therefore used to project value for the proposed apartment units.

The projected assessed value for affordable apartment units is based on the percentage of each respective assessed value per affordable apartment unit type to the assessed value per market apartment units generated by the income capitalization approach and applied to the actual assessed value per square foot of The Metropolitan apartment component. This approach is taken as a matter of consistency with the approach to value selected for the market rate units.

[14] According to the Howard County Office of Maryland State Department of Assessments, stabilization typically occurs one to three years following construction completion or upon the next property revaluation when sufficient income data is available. The next revaluations are expected to occur as of 2018, 2021, and 2024. This study assumes phase-in occurs through 2025, at which point adequate income data will be available and the property will be reassessed. See Appendix A-2, C-2, D-2, E-2, and F-2 for projected absorption.

The actual comparable value per parking space is used to estimate the value of both the Area One parking garage and the Area Three parking garage.

The actual value for One Merriweather is initially applied to value the existing building. Because this value is not assumed to reflect the value upon stabilization, upon the next triennial reassessment, the value of One Merriweather is adjusted to reflect the estimated stabilized value after reviewing the previously described comparables.

Selection of appropriate approach to value for retail property is based on the most conservative assessed value generated of each of the approaches.

As shown in Table VIII-H, the assessed value per square feet used to estimate value for each property type is shown in bold, italicized, and underlined font.

TABLE VIII-H
Comparison of Valuation Approaches

Property Type[a]	Comparables[b]	Income Capitalization[c]	Cost Actuals[d]	Actual Comparable Values[e]
Residential				
MF Rental - Market Rate				
Per Unit	$225,328	$245,041	$268,060	$251,684
Per SF	$211.28	$217.86	$230.37	***$214.81***
MF Rental - 80% AMI[f]				
Per Unit	$138,889	$151,039	$268,060	$155,134
Per SF	$136.28	$140.52	$230.37	***$138.55***
MF Rental - 30% AMI[f]				
Per Unit	$113,975	$123,946	$268,060	$127,306
Per SF	$114.73	$118.30	$230.37	***$116.65***
Commercial				
Office				
Per SF	***$276.25***	$259.76	$258.96	$249.16
Retail				
Per SF	***$443.76***	$533.24	$301.20	-
The Metropolitan and TEN.M /m.flats retail				
Per SF	-	-	$230.37	***$317.18***
Restaurant				
Per SF	***$443.76***	$533.24	$301.20	-
Parking				
Per Space	-	-	$12,344.83	***$19,699.02***
Per SF	-	-	*$35.27*	*$56.29*

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

[b] See Appendix H.

[c] See Appendix I.

[d] Provided by The Howard Research and Development Corporation.

[e] Represents the actual assessed value as estimated by the Maryland State Department of Assessments and Taxation.

[f] Estimated comparable values for affordable units assumes same allocation of actual comparable value as estimated by the Maryland State Department of Assessments and Taxation compared to market value as estimated using the income capitalization approach.

PROJECTED MARKET AND ASSESSED VALUES

Based on the values per square foot as outlined in Table VIII-H and the development described in Section VII, the assessed value for each development scenario is shown in Table VIII-I. The total value shown in this table assumes stabilized value at full build-out and stabilized using 2017 dollars. Detailed calculations of values are shown in the attached Appendices A through F, both at completion and based on the values as of January 1 of each respective year. Taxes will be collected on the assessed value established as of January through September 30 in the same year, and applied to the following bond year ending February 15.

TABLE VIII-I
Projected Assessed Value at Stabilization (Current Dollars)

	Projected Assessed Value[a]														
	(Scenarios A & B)			(Scenario C)			(Scenario D)			(Scenario E)			(Scenario F)		
Property Type	Units/Spaces	Gross SF	Value	Units/Spaces	Gross SF	Value	Units/Spaces	Gross SF	Value	Units/Spaces	Gross SF	Value	Units/Spaces	Gross SF	Value
Residential															
Rental:															
MF rental - market rate	0	0	$0	0	0	$0	362	406,965	$87,419,376	362	372,219	$87,419,376	759	853,278	$183,290,901
MF rental - market rate (The Metropolitan)	380	445,235	$108,473,269	380	445,235	$108,473,269	380	445,235	$108,473,269	380	445,235	$108,473,269	380	445,235	$95,640,000
MF rental - market rate (TEN.M/m.flats)	437	504,978	$95,640,000	437	504,978	$95,640,000	437	504,978	$95,640,000	437	504,978	$95,640,000	437	504,978	$108,473,269
MF rental - 80% AMI	0	0	$0	0	0	$0	10	11,242	$1,557,625	10	11,383	$1,557,625	23	25,857	$3,582,538
MF rental - 30% AMI	0	0	$0	0	0	$0	10	11,242	$1,311,360	10	11,383	$1,311,360	23	25,857	$3,016,128
Sub-total residential	817	950,213	$204,113,269	817	950,213	$204,113,269	1,199	1,379,662	$294,401,630	1,199	1,345,198	$294,401,630	1,622	1,855,205	$394,002,836
Commercial															
Office:															
One Merriweather	-	208,034	$57,469,487	-	208,034	$57,469,487	-	208,034	$57,469,487	-	208,034	$57,469,487	-	208,034	$57,469,487
Two Merriweather	-	102,993	$28,451,863	-	102,993	$28,451,863	-	102,993	$28,451,863	-	102,993	$28,451,863	-	102,993	$28,451,863
Building 3OA	-	325,197	$89,835,818	-	0	$0	-	0	$0	-	325,197	$89,835,818	-	325,197	$96,687,658
Building 3OB	-	0	$0	-	0	$0	-	0	$0	-	0	$0	-	374,803	$96,687,658
Sub-total office		636,224	$175,757,168		311,027	$85,921,349		311,027	$85,921,349		636,224	$175,757,167		1,011,027	$279,296,666
Retail:															
The Metropolitan ground floor	-	15,319	$4,858,900	-	15,319	$4,858,900	-	15,319	$4,858,900	-	15,319	$4,858,900	-	15,319	$4,858,900
TEN.M/m.flats ground floor	-	34,377	$10,903,741	-	34,377	$10,903,741	-	34,377	$10,903,741	-	34,377	$10,903,741	-	34,377	$10,903,741
One Merriweather ground floor	-	9,749	$3,092,200	-	9,749	$3,092,200	-	9,749	$3,092,200	-	9,749	$3,092,200	-	9,749	$3,092,200
Special taxing district retail (remaining area)	-	22,310	$9,900,150	-	14,792	$6,563,933	-	50,458	$22,391,437	-	57,976	$25,727,653	-	109,553	$48,615,662
Sub-total retail		81,755	$28,754,991		74,237	$25,418,774		109,903	$41,246,278		117,421	$44,582,494		168,998	$67,470,503
Restaurant:															
Full service	-	13,386	$5,940,090	-	8,875	$3,938,360	-	30,275	$13,434,862	-	34,786	$15,436,592	-	65,732	$29,169,397
Fast food service	-	8,924	$3,960,060	-	5,917	$2,625,573	-	20,183	$8,956,575	-	23,190	$10,291,061	-	43,821	$19,446,265
Sub-total restaurant		22,310	$9,900,150		14,792	$6,563,933		50,458	$22,391,437		57,976	$25,727,653		109,553	$48,615,662
Parking:															
Area one parking garage	1,127	394,425	$22,200,800	1,127	394,425	$22,200,800	1,127	394,425	$22,200,800	1,127	394,425	$22,200,800	1,127	394,425	$22,200,800
Area three parking garage	1,341	469,320	$26,416,391	0	0	$0	0	0	$0	1,341	469,320	$26,416,391	2,000	700,000	$39,398,048
Sub-total parking	2,468	863,745	$48,617,191	1,127	394,425	$22,200,800	1,127	394,425	$22,200,800	2,468	863,745	$48,617,191	3,127	1,094,425	$61,598,848
Total project	**3,285**	**2,554,247**	**$467,142,768**	**1,944**	**1,744,694**	**$344,218,125**	**2,326**	**2,245,475**	**$466,161,494**	**3,667**	**3,020,564**	**$589,086,136**	**4,749**	**4,239,208**	**$850,984,514**

IX. PROJECTION OF INCREMENTAL TAX REVENUE

BACKGROUND INFORMATION

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

CALCULATION OF INCREMENTAL TAX REVENUE

The aggregate base value for properties located within the Development Districts is $111,482,400 of which approximately $9,907,900 is attributable to the land associated with the Phase One Properties. Using the estimates of assessed value from build-out as projected in Section VIII and the stated base value, Table IX-A shows the incremental value at stabilization in bond year ending February 15, 2025 for the property in the Development District under each scenario.

TABLE IX-A
Projected Incremental Values at Full Build-Out

Scenario	*Projected Value*[(a)]	*Base Value*[(b)]	*Incremental Value*
A – Base Case	$568,495,808	($9,907,900)	$558,587,908
B – No Appreciation	$500,808,745	($9,907,900)	$490,900,845
C – Excluding 3OA/Area Three Phase One Parking	$432,948,377	($9,907,900)	$423,040,477
D – Excluding 3OA & Area Three Phase One Parking/Including 3MFB	$567,891,640	($9,907,900)	$557,983,740
E – Including 3MFB	$711,503,074	($9,907,900)	$701,595,174
F – Full Phase One Properties	$993,739,103	($9,907,900)	$983,831,203

[(a)] Projected value shown represents the value as of bond year ending February 15, 2025, the first year in which stabilized taxes from the fully completed Phase One Properties development are anticipated.

[(b)] The certified base value of the Phase One Properties $9,907,900 is the same for all scenarios.

The current fiscal year tax rate for the County of $1.014 is multiplied by each $100 of incremental value (after considering any discounts) in the below calculations to estimate incremental taxes at build-out. Refer to Appendices A through F for detailed calculations of projected incremental taxes.

(Incremental Assessed Value) ÷ 100 × (Tax Rate) × (Percent Remaining after Early Payment Discount)[15] = *Incremental Real Property Tax*

Scenario A:
$558,587,908 ÷ 100 × $1.014 × 99.5% = $5,635,761

Scenario B:
$490,900,845 ÷ 100 × $1.014 × 99.5% = $4,952,846

Scenario C:
$423,040,477 ÷ 100 × $1.014 × 99.5% = $4,268,182

Scenario D:
$557,983,740 ÷ 100 × $1.014 × 99.5% = $5,629,665

Scenario E:
$701,595,174 ÷ 100 × $1.014 × 99.5% = $7,078,604

Scenario F:
$983,831,203 ÷ 100 × $1.014 × 99.5% = $9,926,168

POTENTIAL TAX CREDITS

As mentioned in Section IV, the Phase One Properties in the Development District have been deemed qualified to receive both the LEED Credit and EDA Credits for specific buildings.

For the LEED Credit qualified properties being built in the Districts, properties will receive a certain percentage of tax credit over five years. The property is contemplated to apply for the Silver LEED Credit, which would cause the properties to receive a 25% tax credit over five years. The level of the credit is determined by the Homes Rating System or a comparable rating system that the Director of Inspections, Licenses and Permits may adopt by regulation.

For the EDA Credit qualified properties being built in the Districts, properties will receive a tax credit of 70% in years 1 and 2, 40% in years 3 and 4, and 20% in years 5 and 6. For One Merriweather, the maximum tax credit in total cannot exceed $540,000. An EDA Credit is assumed to be available for the 3OA office building over three years as described further in Section IV. To the extent the maximum credit is reached in earlier years, the percent credit in later years will be reduced.[16] The Howard County Economic Development Authority shall report annually to the County Executive and the County Council concerning the implementation of the tax credit. This annual report will include the name of the recipient, the number of jobs created and currently occupied as a result of the activity that qualified the recipient for the credit and the salary for each such job, as well as the amount of the credit granted.

[15] Assumes payment is remitted in time to receive 0.5% discount, as described in Section IV.
[16] Based on discussions with Howard County.

RESULTS

As explained in the previous subsection, estimated taxes will be reduced by the base value established for the Development District, the LEED Credits, and the EDA Credits. The resulting Tax Increment Revenues after considering the various deductions at full build-out are as shown below in Table IX-B below.

TABLE IX-B
Projected Incremental Taxes

Scenario	Annual Incremental Taxes at Stabilization (BYE 2025)[a]	Cumulative Total Through BYE 2047
A – Base Case	$5,392,173	$188,033,285
B – No Appreciation	$4,740,788	$137,298,340
C – Excluding 3OA/Area Three Phase One Parking	$4,268,182	$145,976,411
D – Excluding 3OA & Area Three Phase One Parking/Including 3MFB	$5,303,664	$189,650,660
E – Including 3MFB	$6,617,087	$234,339,916
F – Full Phase One Properties	$8,975,437	$322,064,224

[a] Projected incremental taxes shown represents the taxes available as of bond year ending February 15, 2025, the first year in which stabilized taxes from the fully completed Phase One Properties development are anticipated including tax credits.

Detailed calculations of these figures are included in the attached Appendices A through F.

X. PROJECTED SPECIAL TAXES

Levy of Special Taxes

Special taxes will be levied each year should there be insufficient tax increment revenues for the payment of debt service on the Phase One Bonds and to cover the cost of administration of the Special Taxing District. Beginning with the first fiscal year special taxes are levied and continuing until the year provided for in the *Howard County, Maryland Crescent Special Taxing District Rate and Method of Apportionment of Special Taxes* (the "RMA"), special taxes will be levied on property in the Special Taxing District at the District Maximum Special Tax. For the first fiscal year, the District Maximum Special Tax is $7,727,599. Special taxes have been levied to provide for a minimum of 110% debt service coverage on the principal, interest and administrative expenses for approximately $113.7 million in approved special tax bonds. On each July 1 thereafter, the District Maximum Special Tax shall be increased to 102% of the District Maximum Special Tax in effect from the previous fiscal year. (The RMA provides that the maximum special taxes may be reduced by the County's Director of Finance to reflect the actual debt service on the bonds such that the District Maximum Special Tax and 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. The Series 2017 A Bonds are proposed to be issued to support the approximately $48 million of the total bonds proposed to be issued within the Development District. Once all the proposed bonds in the Special Taxing District have been issued, the maximum special taxes may be reduced to an amount that would provide a minimum of 110% debt service coverage plus estimated administrative expenses in any year on the outstanding bonds.)

Allocation of Special Taxes

Special taxes are imposed on taxable property in accordance with the methodology set forth in the RMA. Taxable property consists of property within the District other than public property or owner association property. For purposes of estimating the benefit, taxable property is classified as either developed property or undeveloped property. Developed property is property that is, or is in the process of being, fully developed and, as a result, will be fully utilizing the improvements. Undeveloped property is property that has not been fully developed and, as a result, is not fully utilizing the improvements, but still receives a benefit by having the improvements available. For purposes of allocating special taxes, taxable, developed property is further classified into one of nine classes. The method used to allocate special taxes to these nine classes is based on the equivalent unit factors. Equivalent unit factors are simply the ratio of future estimated value of property in each class, estimated at the time the County Council set the factors, with a unit of residential rental property being equal to one equivalent unit. The classes and equivalent unit factors as set forth in the RMA are as shown on the following page.

TABLE X-A
Property Classes and Equivalent Unit Factors

Property Class	Basis of Allocation	Equivalent Unit Factor
Residential Rental A Property	Per Unit	1.00
Residential Rental B Property	Per Unit	0.64
Residential Rental C Property	Per Unit	0.15
Residential Rental D Property	Per Unit	0.52
Residential For Sale A Property	Per Unit	1.74
Residential For Sale B Property	Per Unit	1.52
Office Property	Per 1,000 BSF	1.05
Retail Property	Per 1,000 BSF	1.75
Hotel Property	Per Room	0.49

Developed Property Maximum Special Taxes

Special taxes for the entire Special Taxing District are $7,727,599 for the first fiscal year, as explained above (although this amount may be reduced to provide a minimum of 110% debt service coverage as explained above). The special tax allocated to each parcel of developed property shall be equal to the product of the number of residential dwelling units, building square footage, and hotel property guest rooms that may be built on such parcel and the Maximum Special Tax Rate for each class of property as provided for in the RMA and as shown below in Table X-B.

TABLE X-B
Maximum Special Tax Rates

Property Class	Maximum Special Tax Rates per Unit/1,000 BSF/Room	
Residential Rental A Property	$1,634	Per Unit
Residential Rental B Property	$1,046	Per Unit
Residential Rental C Property	$245	Per Unit
Residential Rental D Property	$850	Per Unit
Residential For Sale A Property	$2,843	Per Unit
Residential For Sale B Property	$2,484	Per Unit
Office Property	$1,716	Per 1,000 BSF
Retail Property	$2,859	Per 1,000 BSF
Hotel Property	$801	Per Room

The special taxes are subject to a mandatory prepayment of special taxes if there is a reduction in development proposed for a parcel, resulting in an increase in the special tax per equivalent unit to an amount that is greater than the maximum special tax per equivalent unit (if the special tax may not be transferred to another parcel).

Undeveloped Property Maximum Special Taxes

The special tax allocated to each parcel of undeveloped property would 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 Tax 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

For the first fiscal year in which there is a full debt service payment, the maximum special tax is $8,039,794 (prior to any reduction) and the projected net annual debt service is $2,102,219. The maximum special taxes would then create debt service coverage of 382%, as calculated below

Maximum special taxes ($8,039,794) ÷ *debt service* ($2,102,219) = 382%

Adjusted Maximum Special Tax

Special taxes may be collected from each parcel in the District only up to the adjusted maximum special tax for the parcel. The adjusted maximum special tax is the lesser of (i) the maximum special tax and (ii) the maximum special tax for a parcel less the Tax Increment Revenues related to each parcel available to repay the bonds. The Tax Increment Revenues collected from a given parcel in a fiscal year are referred to as the special tax credit. The Tax Increment Revenues available to apply to the adjusted maximum special tax shall not include Tax Increment Revenues set aside for the County pursuant to the Indenture. The adjusted maximum special tax has the impact of limiting the special taxes that may be collected to any shortfall between Tax Increment Revenues and debt service on the bonds, plus any coverage built into the maximum special tax rates. The maximum special taxes have a minimum coverage of 110% debt service on estimated net annual debt service. The adjusted maximum special taxes also limit the special tax that may be collected from any parcel to the special tax allocated to that parcel less the Tax Increment Revenues produced by that parcel. Table X-C on the following page provides an example of how the special tax credit works for a sample parcel.

TABLE X-C
Adjusted Maximum Special Tax for Sample Parcel

	Sample Calculation
Sample parcel equivalent units:	
Sample parcel multi-family market rate rental units	400
Equivalent unit factor per unit [a]	1.00
Equivalent units for sample parcel	400
Projected total Special Taxing District equivalent units	4,730
Percent of total on sample parcel	**8.46%**
Maximum Special Tax (Bond Year ending 2021) [a]	$8,200,590
Portion allcoable to sample parcel	8.46%
Maximum special tax for sample parcel	**$693,496**
Special tax credit for sample parcel[b]	**$524,660**
Adjusted Maximum Special Tax for sample parcel	
(Maximum Special Tax - Special Tax Credit)	**$168,836**

[a] Provided for in the *Crescent Special Taxing District Rate and Metod of Apportionment of Special Taxes.*

[b] Represents the estimated special tax credit including an estimate of tax increment revenues available for the sample parcel after reductions for assumed leed tax credit and set asides.

Each parcel receives a credit to the special taxes levied on that parcel for the Tax Increment Revenues produced by the parcel that are available to apply to the repayment of the bonds and for a pro rata portion of excess tax increment revenues generated by other parcels. The special tax requirement for a parcel is generally equal to the special tax levied on the parcel less the special tax credit for property taxes available to pay debt service on the bonds. As a result, special taxes are collected only in the amount necessary to pay debt service and administrative expenses less the tax revenues available to repay the bonds. In some cases, as shown in Table X-B, the special tax credit for a parcel may not fully off-set the special tax requirement for that parcel and the parcel would be subject to special taxes. Due to the availability of the First Available Tax Increment Revenues as previously discussed, it is possible that the special tax credit may not fully off-set the special tax requirement. In other cases, the special tax credit in a particular year may fully offset the special taxes levied on the parcel and the parcel will have no special tax obligation for that year.

Collection of Special Taxes

The special taxes are payable each year. While the District Maximum Special Tax is levied each year, for the term of the bonds, special taxes will only be collected up to the special tax requirement. As defined in the RMA, the special tax requirement for any fiscal year is 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) to be paid from the Special Tax 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 Taxes, and (5) the costs of remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of cash) less (B) (1) Tax Increment Revenues available to apply to the Special Tax Requirement for that Fiscal Year, (2) any credits available pursuant to the Indenture of Trust, such as capitalized interest, reserves, and investment earnings on any account balances, and (3) any other revenues available to apply to the Special Tax Requirement.

The result of this methodology is that special taxes are collected only to the extent that Tax Increment Revenues are insufficient to pay district obligations. As property is developed and additional Tax Increment Revenues are produced, the special tax requirement will decrease.

As previously described, the Tax Increment Revenues available to apply to the special tax requirement for each fiscal year shall mean "the First Available Tax Increment Revenues and any Tax Increment Revenues in excess of the sum of the First Available Tax Increment Revenues and the Second Available Tax Increment Revenues" where the First Available Tax Increment Revenues and the Second Available Tax Increment Revenues are set amounts as defined in the Indenture.

By initially limiting the Tax Increment Revenues, the County is able to "set aside" certain revenues to apply to County determined expenses (e.g., the cost of public facilities planned for Downtown Columbia). To the extent the First Available Tax Increment Revenues and any Tax Increment Revenues in excess of the sum of the First Available Tax Increment Revenues and the Second Available Tax Increment Revenues are not sufficient to pay debt service, the special tax will be levied. The second set aside tax increment revenues are not a credit to the special taxes to be levied on the property, but are pledged to the Bonds, and the Bonds have the first claim on these revenues.

Pursuant to Section 4.07(b)(iii) of the Indenture, to the extent the First Available Tax Increment Revenues and funds available in the Special Tax Fund are insufficient to pay the Special Tax Requirement, any remaining funds held in the Tax Increment Fund previously set aside to be paid to the County will be made available for the payment of debt service; as the bonds have the first claim on the County set aside tax increment revenues.

Table X-D on the following page shows the special tax requirement through bond year ending 2047 under Scenarios A through F before and after taking into consideration available Tax Increment Revenues available to apply to the Special Tax Requirement. As shown, even after set asides, it is estimated that a special tax may not be levied.

TABLE X-D
Special Tax Before and After Set Asides

Scenario	Special Tax Requirement[a]	
	Before Set Asides	After Set Asides
A – Base Case	$0	$0
B – No Appreciation	$0	$0
C – Excluding 3OA/Area Three Phase One Parking	$0	$0
D – Excluding 3OA & Area Three Phase One Parking/Including 3MFB	$0	$0
E – Including 3MFB	$0	$0
F – Full Phase One Properties	$0	$0

[a]Special taxes shown are through bond year ending 2047.

XI. PROJECTED DEBT SERVICE COVERAGE

Scenarios A through E attached to this report contemplate issuance of only the Series 2017 A Bonds, issued as a single series with a par amount of $48,225,000, and to be secured by Tax Increment Revenues generated by the Phase One Properties underway and completed and special taxes. Net annual debt service payments are $2,605,003 for the bond year ending February 15, 2024 (the first year in which stabilized taxes from the completed or underway Phase One Properties development are anticipated).[17]

Scenario F assumes both Series 2017 A Bonds and Additional Phase One Bonds are issued in the total amount of $76,710,000. The Phase One Bonds are to be secured by Tax Increment Revenues produced by the full development of the Phase One Properties. Net annual debt service payments are $4,355,802 for the bond year ending February 15, 2025 (the first year in which stabilized taxes from the fully completed Phase One Properties development are anticipated).[18]

The projected net debt service is included in Schedules A-5, B-3, C-5, D-5, E-5, and F-5 of Appendices A through F, respectively, at the end of this study.

As Tables XI-A through XI-F at the end of this section show, in all scenarios there is robust, positive coverage. No special taxes are estimated to be levied, before or after set asides. Projected debt service coverage including both Tax Increment Revenues and special taxes are shown in these tables.

Charts 12 through 17 graphically express potential debt service coverage under each scenario.

[17] Debt service is as provided for in the Limited Offering Memorandum and includes principal, interest, and administrative expenses.

[18] Based on calculations of debt service as provided by Stifel, Nicolaus & Company, Inc and includes principal, interest, and administrative expenses. Preliminary, subject to change.

TABLE XI-A
Debt Service Coverage – Scenario A

Bond Year Ending	Series 2017 A Net Annual Debt Service[a]	Tax Increment Revenue After Tax Credits[b]	Surplus/ (Deficit)	Debt Service Coverage From Tax Increment Revenues	Maximum Special Tax	Maximum Special Tax Coverage
15-Feb-18	$0	$1,643,707	$1,643,707	NA	$7,727,599	NA
15-Feb-19	$0	$2,745,842	$2,745,842	NA	$7,882,151	NA
15-Feb-20	$2,102,219	$2,968,822	$866,603	141.2%	$8,039,794	382.4%
15-Feb-21	$2,334,055	$3,842,209	$1,508,154	164.6%	$8,200,590	351.3%
15-Feb-22	$2,226,691	$4,166,305	$1,939,614	187.1%	$8,364,602	375.7%
15-Feb-23	$2,223,341	$4,477,903	$2,254,562	201.4%	$8,531,894	383.7%
15-Feb-24	$2,605,003	$5,284,484	$2,679,480	202.9%	$8,702,532	334.1%
15-Feb-25	$2,566,279	$5,392,173	$2,825,894	210.1%	$8,876,582	345.9%
15-Feb-26	$2,958,368	$5,750,475	$2,792,107	194.4%	$9,054,114	306.1%
15-Feb-27	$3,149,071	$5,867,484	$2,718,413	186.3%	$9,235,196	293.3%
15-Feb-28	$3,180,788	$5,986,833	$2,806,045	188.2%	$9,419,900	296.1%
15-Feb-29	$3,209,520	$6,108,569	$2,899,049	190.3%	$9,608,298	299.4%
15-Feb-30	$3,233,703	$6,232,740	$2,999,037	192.7%	$9,800,464	303.1%
15-Feb-31	$3,254,808	$6,359,394	$3,104,586	195.4%	$9,996,473	307.1%
15-Feb-32	$3,272,834	$6,488,581	$3,215,747	198.3%	$10,196,403	311.5%
15-Feb-33	$3,312,782	$6,620,352	$3,307,570	199.8%	$10,400,331	313.9%
15-Feb-34	$3,323,621	$6,754,758	$3,431,137	203.2%	$10,608,337	319.2%
15-Feb-35	$3,356,382	$6,891,853	$3,535,471	205.3%	$10,820,504	322.4%
15-Feb-36	$3,380,660	$7,031,689	$3,651,029	208.0%	$11,036,914	326.5%
15-Feb-37	$3,375,579	$7,174,322	$3,798,743	212.5%	$11,257,653	333.5%
15-Feb-38	$3,417,234	$7,319,808	$3,902,573	214.2%	$11,482,806	336.0%
15-Feb-39	$4,003,438	$7,468,203	$3,464,765	186.5%	$11,712,462	292.6%
15-Feb-40	$4,060,129	$7,619,567	$3,559,438	187.7%	$11,946,711	294.2%
15-Feb-41	$4,155,557	$7,773,957	$3,618,401	187.1%	$12,185,645	293.2%
15-Feb-42	$4,240,878	$7,931,436	$3,690,558	187.0%	$12,429,358	293.1%
15-Feb-43	$4,341,093	$8,092,064	$3,750,971	186.4%	$12,677,945	292.0%
15-Feb-44	$4,430,077	$8,255,904	$3,825,827	186.4%	$12,931,504	291.9%
15-Feb-45	$4,532,831	$8,423,021	$3,890,190	185.8%	$13,190,134	291.0%
15-Feb-46	$3,873,230	$8,593,481	$4,720,251	221.9%	$13,453,937	347.4%
15-Feb-47	$210,025	$8,767,350	$8,557,325	4174.4%	$13,723,016	6534.0%
Total	**$90,330,197**	**$188,033,285**	**$97,703,088**			

[a] Annual debt service is as provided for in the Limited Offering Memorandum for bond year ending February 15, 2018 through maturity and includes principal, interest, and administrative expenses. Includes 16 month capitalized interest period.

[b] Tax increment revenues shown include all applicable tax credits and exclude set asides to the County.

TABLE XI-B
Debt Service Coverage – Scenario B

Bond Year Ending	Series 2017 A Net Annual Debt Service[a]	Tax Increment Revenue After Tax Credits[b]	Surplus/ (Deficit)	Debt Service Coverage From Tax Increment Revenues	Maximum Special Tax	Maximum Special Tax Coverage
15-Feb-18	$0	$1,650,095	$1,650,095	NA	$7,727,599	NA
15-Feb-19	$0	$2,725,758	$2,725,758	NA	$7,882,151	NA
15-Feb-20	$2,102,219	$2,885,373	$783,155	137.3%	$8,039,794	382.4%
15-Feb-21	$2,334,055	$3,642,944	$1,308,889	156.1%	$8,200,590	351.3%
15-Feb-22	$2,226,691	$3,875,540	$1,648,849	174.0%	$8,364,602	375.7%
15-Feb-23	$2,223,341	$4,074,444	$1,851,103	183.3%	$8,531,894	383.7%
15-Feb-24	$2,605,003	$4,740,788	$2,135,784	182.0%	$8,702,532	334.1%
15-Feb-25	$2,566,279	$4,740,788	$2,174,509	184.7%	$8,876,582	345.9%
15-Feb-26	$2,958,368	$4,952,846	$1,994,478	167.4%	$9,054,114	306.1%
15-Feb-27	$3,149,071	$4,952,846	$1,803,775	157.3%	$9,235,196	293.3%
15-Feb-28	$3,180,788	$4,952,846	$1,772,058	155.7%	$9,419,900	296.1%
15-Feb-29	$3,209,520	$4,952,846	$1,743,326	154.3%	$9,608,298	299.4%
15-Feb-30	$3,233,703	$4,952,846	$1,719,143	153.2%	$9,800,464	303.1%
15-Feb-31	$3,254,808	$4,952,846	$1,698,038	152.2%	$9,996,473	307.1%
15-Feb-32	$3,272,834	$4,952,846	$1,680,012	151.3%	$10,196,403	311.5%
15-Feb-33	$3,312,782	$4,952,846	$1,640,064	149.5%	$10,400,331	313.9%
15-Feb-34	$3,323,621	$4,952,846	$1,629,225	149.0%	$10,608,337	319.2%
15-Feb-35	$3,356,382	$4,952,846	$1,596,464	147.6%	$10,820,504	322.4%
15-Feb-36	$3,380,660	$4,952,846	$1,572,186	146.5%	$11,036,914	326.5%
15-Feb-37	$3,375,579	$4,952,846	$1,577,267	146.7%	$11,257,653	333.5%
15-Feb-38	$3,417,234	$4,952,846	$1,535,612	144.9%	$11,482,806	336.0%
15-Feb-39	$4,003,438	$4,952,846	$949,407	123.7%	$11,712,462	292.6%
15-Feb-40	$4,060,129	$4,952,846	$892,717	122.0%	$11,946,711	294.2%
15-Feb-41	$4,155,557	$4,952,846	$797,289	119.2%	$12,185,645	293.2%
15-Feb-42	$4,240,878	$4,952,846	$711,968	116.8%	$12,429,358	293.1%
15-Feb-43	$4,341,093	$4,952,846	$611,753	114.1%	$12,677,945	292.0%
15-Feb-44	$4,430,077	$4,952,846	$522,769	111.8%	$12,931,504	291.9%
15-Feb-45	$4,532,831	$4,952,846	$420,015	109.3%	$13,190,134	291.0%
15-Feb-46	$3,873,230	$4,952,846	$1,079,616	127.9%	$13,453,937	347.4%
15-Feb-47	$210,025	$4,952,846	$4,742,821	2358.2%	$13,723,016	6534.0%
Total	**$90,330,197**	**$137,298,340**	**$46,968,143**			

[a] Annual debt service is as provided for in the Limited Offering Memorandum.for bond year ending February 15, 2018 through maturity and includes principal, interest, and administrative expenses. Includes 16 month capitalized interest period.

[b] Tax increment revenues shown include all applicable tax credits and exclude set asides to the County.

TABLE XI-C
Debt Service Coverage – Scenario C

Bond Year Ending	Series 2017 A Net Annual Debt Service[a]	Tax Increment Revenue After Tax Credits[b]	Surplus/ (Deficit)	Debt Service Coverage From Tax Increment Revenues	Maximum Special Tax	Maximum Special Tax Coverage
15-Feb-18	$0	$1,643,707	$1,643,707	NA	$7,727,599	NA
15-Feb-19	$0	$2,745,842	$2,745,842	NA	$7,882,151	NA
15-Feb-20	$2,102,219	$2,973,224	$871,005	141.4%	$8,039,794	382.4%
15-Feb-21	$2,334,055	$3,345,725	$1,011,670	143.3%	$8,200,590	351.3%
15-Feb-22	$2,226,691	$3,582,309	$1,355,618	160.9%	$8,364,602	375.7%
15-Feb-23	$2,223,341	$3,803,226	$1,579,885	171.1%	$8,531,894	383.7%
15-Feb-24	$2,605,003	$4,182,532	$1,577,529	160.6%	$8,702,532	334.1%
15-Feb-25	$2,566,279	$4,268,182	$1,701,903	166.3%	$8,876,582	345.9%
15-Feb-26	$2,958,368	$4,355,545	$1,397,177	147.2%	$9,054,114	306.1%
15-Feb-27	$3,149,071	$4,444,655	$1,295,584	141.1%	$9,235,196	293.3%
15-Feb-28	$3,180,788	$4,535,548	$1,354,759	142.6%	$9,419,900	296.1%
15-Feb-29	$3,209,520	$4,628,258	$1,418,738	144.2%	$9,608,298	299.4%
15-Feb-30	$3,233,703	$4,722,822	$1,489,119	146.0%	$9,800,464	303.1%
15-Feb-31	$3,254,808	$4,819,278	$1,564,470	148.1%	$9,996,473	307.1%
15-Feb-32	$3,272,834	$4,917,663	$1,644,829	150.3%	$10,196,403	311.5%
15-Feb-33	$3,312,782	$5,018,016	$1,705,234	151.5%	$10,400,331	313.9%
15-Feb-34	$3,323,621	$5,120,375	$1,796,754	154.1%	$10,608,337	319.2%
15-Feb-35	$3,356,382	$5,224,782	$1,868,400	155.7%	$10,820,504	322.4%
15-Feb-36	$3,380,660	$5,331,277	$1,950,617	157.7%	$11,036,914	326.5%
15-Feb-37	$3,375,579	$5,439,902	$2,064,323	161.2%	$11,257,653	333.5%
15-Feb-38	$3,417,234	$5,550,699	$2,133,465	162.4%	$11,482,806	336.0%
15-Feb-39	$4,003,438	$5,663,712	$1,660,274	141.5%	$11,712,462	292.6%
15-Feb-40	$4,060,129	$5,778,986	$1,718,857	142.3%	$11,946,711	294.2%
15-Feb-41	$4,155,557	$5,896,565	$1,741,008	141.9%	$12,185,645	293.2%
15-Feb-42	$4,240,878	$6,016,495	$1,775,618	141.9%	$12,429,358	293.1%
15-Feb-43	$4,341,093	$6,138,824	$1,797,732	141.4%	$12,677,945	292.0%
15-Feb-44	$4,430,077	$6,263,600	$1,833,523	141.4%	$12,931,504	291.9%
15-Feb-45	$4,532,831	$6,390,871	$1,858,040	141.0%	$13,190,134	291.0%
15-Feb-46	$3,873,230	$6,520,688	$2,647,458	168.4%	$13,453,937	347.4%
15-Feb-47	$210,025	$6,653,101	$6,443,076	3167.8%	$13,723,016	6534.0%
Total	**$90,330,197**	**$145,976,411**	**$55,646,214**			

[a] Annual debt service is as provided for in the Limited Offering Memorandum for bond year ending February 15, 2018 through maturity and includes principal, interest, and administrative expenses. Includes 16 month capitalized interest period.

[b] Tax increment revenues shown include all applicable tax credits and exclude set asides to the County.

TABLE XI-D
Debt Service Coverage – Scenario D

Bond Year Ending	Series 2017 A Net Annual Debt Service[a]	Tax Increment Revenue After Tax Credits[b]	Surplus/ (Deficit)	Debt Service Coverage From Tax Increment Revenues	Maximum Special Tax	Maximum Special Tax Coverage
15-Feb-18	$0	$1,777,095	$1,777,095	NA	$7,727,599	NA
15-Feb-19	$0	$2,881,898	$2,881,898	NA	$7,882,151	NA
15-Feb-20	$2,102,219	$3,112,001	$1,009,782	148.0%	$8,039,794	382.4%
15-Feb-21	$2,334,055	$4,332,451	$1,998,396	185.6%	$8,200,590	351.3%
15-Feb-22	$2,226,691	$4,660,610	$2,433,918	209.3%	$8,364,602	375.7%
15-Feb-23	$2,223,341	$4,829,098	$2,605,757	217.2%	$8,531,894	383.7%
15-Feb-24	$2,605,003	$5,303,664	$2,698,660	203.6%	$8,702,532	334.1%
15-Feb-25	$2,566,279	$5,411,736	$2,845,457	210.9%	$8,876,582	345.9%
15-Feb-26	$2,958,368	$5,744,258	$2,785,890	194.2%	$9,054,114	306.1%
15-Feb-27	$3,149,071	$5,861,142	$2,712,071	186.1%	$9,235,196	293.3%
15-Feb-28	$3,180,788	$5,980,364	$2,799,576	188.0%	$9,419,900	296.1%
15-Feb-29	$3,209,520	$6,101,971	$2,892,451	190.1%	$9,608,298	299.4%
15-Feb-30	$3,233,703	$6,226,010	$2,992,307	192.5%	$9,800,464	303.1%
15-Feb-31	$3,254,808	$6,352,529	$3,097,721	195.2%	$9,996,473	307.1%
15-Feb-32	$3,272,834	$6,481,579	$3,208,745	198.0%	$10,196,403	311.5%
15-Feb-33	$3,312,782	$6,613,210	$3,300,428	199.6%	$10,400,331	313.9%
15-Feb-34	$3,323,621	$6,747,473	$3,423,853	203.0%	$10,608,337	319.2%
15-Feb-35	$3,356,382	$6,884,422	$3,528,040	205.1%	$10,820,504	322.4%
15-Feb-36	$3,380,660	$7,024,110	$3,643,450	207.8%	$11,036,914	326.5%
15-Feb-37	$3,375,579	$7,166,591	$3,791,012	212.3%	$11,257,653	333.5%
15-Feb-38	$3,417,234	$7,311,922	$3,894,688	214.0%	$11,482,806	336.0%
15-Feb-39	$4,003,438	$7,460,160	$3,456,722	186.3%	$11,712,462	292.6%
15-Feb-40	$4,060,129	$7,611,363	$3,551,234	187.5%	$11,946,711	294.2%
15-Feb-41	$4,155,557	$7,765,589	$3,610,033	186.9%	$12,185,645	293.2%
15-Feb-42	$4,240,878	$7,922,900	$3,682,022	186.8%	$12,429,358	293.1%
15-Feb-43	$4,341,093	$8,083,358	$3,742,265	186.2%	$12,677,945	292.0%
15-Feb-44	$4,430,077	$8,247,024	$3,816,947	186.2%	$12,931,504	291.9%
15-Feb-45	$4,532,831	$8,413,964	$3,881,132	185.6%	$13,190,134	291.0%
15-Feb-46	$3,873,230	$8,584,242	$4,711,012	221.6%	$13,453,937	347.4%
15-Feb-47	$210,025	$8,757,926	$8,547,901	4169.9%	$13,723,016	6534.0%
Total	**$90,330,197**	**$189,650,660**	**$99,320,463**			

[a] Annual debt service is as provided for in the Limited Offering Memorandum for bond year ending February 15, 2018 through maturity and includes principal, interest, and administrative expenses. Includes 16 month capitalized interest period.

[b] Tax increment revenues shown include all applicable tax credits and exclude set asides to the County.

TABLE XI-E
Debt Service Coverage – Scenario E

Bond Year Ending	Series 2017 A Net Annual Debt Service[a]	Tax Increment Revenue After Tax Credits[b]	Surplus/ (Deficit)	Debt Service Coverage From Tax Increment Revenues	Maximum Special Tax	Maximum Special Tax Coverage
15-Feb-18	$0	$1,777,095	$1,777,095	NA	$7,727,599	NA
15-Feb-19	$0	$2,881,898	$2,881,898	NA	$7,882,151	NA
15-Feb-20	$2,102,219	$3,112,001	$1,009,782	148.0%	$8,039,794	382.4%
15-Feb-21	$2,334,055	$4,889,964	$2,555,909	209.5%	$8,200,590	351.3%
15-Feb-22	$2,226,691	$5,311,661	$3,084,970	238.5%	$8,364,602	375.7%
15-Feb-23	$2,223,341	$5,577,073	$3,353,732	250.8%	$8,531,894	383.7%
15-Feb-24	$2,605,003	$6,485,380	$3,880,377	249.0%	$8,702,532	334.1%
15-Feb-25	$2,566,279	$6,617,087	$4,050,808	257.8%	$8,876,582	345.9%
15-Feb-26	$2,958,368	$7,222,176	$4,263,807	244.1%	$9,054,114	306.1%
15-Feb-27	$3,149,071	$7,368,618	$4,219,547	234.0%	$9,235,196	293.3%
15-Feb-28	$3,180,788	$7,517,990	$4,337,202	236.4%	$9,419,900	296.1%
15-Feb-29	$3,209,520	$7,670,349	$4,460,829	239.0%	$9,608,298	299.4%
15-Feb-30	$3,233,703	$7,825,755	$4,592,052	242.0%	$9,800,464	303.1%
15-Feb-31	$3,254,808	$7,984,270	$4,729,462	245.3%	$9,996,473	307.1%
15-Feb-32	$3,272,834	$8,145,954	$4,873,120	248.9%	$10,196,403	311.5%
15-Feb-33	$3,312,782	$8,310,873	$4,998,091	250.9%	$10,400,331	313.9%
15-Feb-34	$3,323,621	$8,479,089	$5,155,469	255.1%	$10,608,337	319.2%
15-Feb-35	$3,356,382	$8,650,671	$5,294,289	257.7%	$10,820,504	322.4%
15-Feb-36	$3,380,660	$8,825,683	$5,445,024	261.1%	$11,036,914	326.5%
15-Feb-37	$3,375,579	$9,004,196	$5,628,617	266.7%	$11,257,653	333.5%
15-Feb-38	$3,417,234	$9,186,279	$5,769,045	268.8%	$11,482,806	336.0%
15-Feb-39	$4,003,438	$9,372,004	$5,368,566	234.1%	$11,712,462	292.6%
15-Feb-40	$4,060,129	$9,561,444	$5,501,315	235.5%	$11,946,711	294.2%
15-Feb-41	$4,155,557	$9,754,672	$5,599,115	234.7%	$12,185,645	293.2%
15-Feb-42	$4,240,878	$9,951,764	$5,710,887	234.7%	$12,429,358	293.1%
15-Feb-43	$4,341,093	$10,152,799	$5,811,706	233.9%	$12,677,945	292.0%
15-Feb-44	$4,430,077	$10,357,854	$5,927,777	233.8%	$12,931,504	291.9%
15-Feb-45	$4,532,831	$10,567,011	$6,034,179	233.1%	$13,190,134	291.0%
15-Feb-46	$3,873,230	$10,780,350	$6,907,120	278.3%	$13,453,937	347.4%
15-Feb-47	$210,025	$10,997,956	$10,787,931	5236.5%	$13,723,016	6534.0%
Total	**$90,330,197**	**$234,339,916**	**$144,009,719**			

[a] Annual debt service is as provided for in the Limited Offering Memorandum for bond year ending February 15, 2018 through maturity and includes principal, interest, and administrative expenses. Includes 16 month capitalized interest period.

[b] Tax increment revenues shown include all applicable tax credits and exclude set asides to the County.

TABLE XI-F
Debt Service Coverage – Scenario F

Bond Year Ending	Net Annual Debt Service[a] Series 2017 A	Additional Phase One Bonds	Total	Tax Increment Revenue After Tax Credits[b]	Surplus/ (Deficit)	Debt Service Coverage From Tax Increment Revenues	Maximum Special Tax	Maximum Special Tax Coverage
15-Feb-18	$0	$0	$0	$1,643,707	$1,643,707	NA	$7,727,599	NA
15-Feb-19	$0	$0	$0	$2,745,842	$2,745,842	NA	$7,882,151	NA
15-Feb-20	$2,102,219	$0	$2,102,219	$2,973,224	$871,005	141.4%	$8,039,794	382.4%
15-Feb-21	$2,334,055	$200,000	$2,534,055	$5,667,128	$3,333,073	223.6%	$8,200,590	323.6%
15-Feb-22	$2,226,691	$840,549	$3,067,241	$7,023,229	$4,796,538	229.0%	$8,364,602	272.7%
15-Feb-23	$2,223,341	$1,555,799	$3,779,140	$7,621,262	$5,397,921	201.7%	$8,531,894	225.8%
15-Feb-24	$2,605,003	$1,621,732	$4,226,735	$8,724,593	$6,119,589	206.4%	$8,702,532	205.9%
15-Feb-25	$2,566,279	$1,789,523	$4,355,802	$8,975,437	$6,409,158	206.1%	$8,876,582	203.8%
15-Feb-26	$2,958,368	$2,024,449	$4,982,817	$9,838,422	$6,880,054	197.4%	$9,054,114	181.7%
15-Feb-27	$3,149,071	$2,043,133	$5,192,204	$10,331,224	$7,182,153	199.0%	$9,235,196	177.9%
15-Feb-28	$3,180,788	$2,054,802	$5,235,590	$10,539,848	$7,359,059	201.3%	$9,419,900	179.9%
15-Feb-29	$3,209,520	$2,074,680	$5,284,200	$10,752,644	$7,543,124	203.5%	$9,608,298	181.8%
15-Feb-30	$3,233,703	$2,079,580	$5,313,283	$10,969,696	$7,735,993	206.5%	$9,800,464	184.5%
15-Feb-31	$3,254,808	$2,092,540	$5,347,348	$11,191,089	$7,936,281	209.3%	$9,996,473	186.9%
15-Feb-32	$3,272,834	$2,103,072	$5,375,906	$11,416,910	$8,144,076	212.4%	$10,196,403	189.7%
15-Feb-33	$3,312,782	$2,111,177	$5,423,959	$11,647,248	$8,334,466	214.7%	$10,400,331	191.7%
15-Feb-34	$3,323,621	$2,116,855	$5,440,476	$11,882,192	$8,558,571	218.4%	$10,608,337	195.0%
15-Feb-35	$3,356,382	$2,125,106	$5,481,488	$12,121,835	$8,765,453	221.1%	$10,820,504	197.4%
15-Feb-36	$3,380,660	$2,133,124	$5,513,783	$12,366,271	$8,985,612	224.3%	$11,036,914	200.2%
15-Feb-37	$3,375,579	$2,138,077	$5,513,656	$12,615,596	$9,240,017	228.8%	$11,257,653	204.2%
15-Feb-38	$3,417,234	$2,139,967	$5,557,202	$12,869,907	$9,452,673	231.6%	$11,482,806	206.6%
15-Feb-39	$4,003,438	$2,443,794	$6,447,232	$13,129,304	$9,125,866	203.6%	$11,712,462	181.7%
15-Feb-40	$4,060,129	$2,493,926	$6,554,055	$13,393,890	$9,333,761	204.4%	$11,946,711	182.3%
15-Feb-41	$4,155,557	$2,530,282	$6,685,839	$13,663,767	$9,508,210	204.4%	$12,185,645	182.3%
15-Feb-42	$4,240,878	$2,575,088	$6,815,966	$13,939,041	$9,698,164	204.5%	$12,429,358	182.4%
15-Feb-43	$4,341,093	$2,622,556	$6,963,649	$14,219,822	$9,878,729	204.2%	$12,677,945	182.1%
15-Feb-44	$4,430,077	$2,667,162	$7,097,239	$14,506,217	$10,076,140	204.4%	$12,931,504	182.2%
15-Feb-45	$4,532,831	$2,708,643	$7,241,475	$14,798,341	$10,265,510	204.4%	$13,190,134	182.1%
15-Feb-46	$3,873,230	$2,306,738	$6,179,968	$15,096,307	$11,223,077	244.3%	$13,453,937	217.7%
15-Feb-47	$210,025	$124,283	$334,308	$15,400,232	$15,190,207	4606.6%	$13,723,016	4104.9%
Total	**$90,330,197**	**$53,716,637**	**$144,046,834**	**$322,064,224**	**$231,734,027**			

[a] Annual debt service is as provided for in the Limited Offering Memorandum for bond year ending February 15, 2018 through maturity and includes principal, interest, and administrative expenses. Includes 16 month capitalized interest period for the series 2017 A bonds and a 24 month capitalized interest period for the Additional Phase One Bonds.

[b] Tax increment revenues shown include all applicable tax credits and exclude set asides to the County.

CHART 12: PROJECTED DEBT SERVICE COVERAGE (SCENARIO A - PHASE ONE PROPERTIES COMPLETE/UNDERWAY)

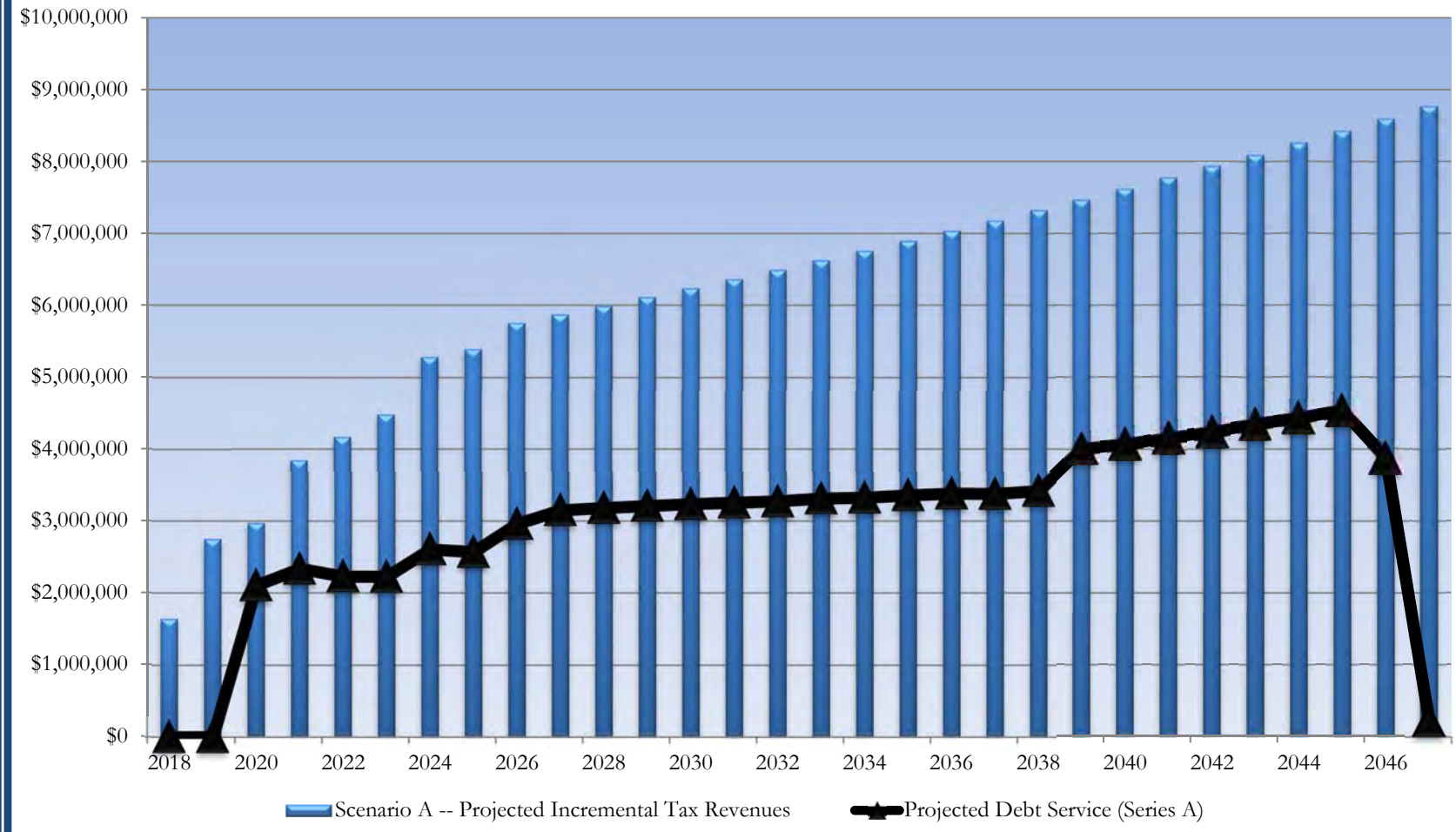


CHART 13: PROJECTED DEBT SERVICE COVERAGE (SCENARIO B - NO INFLATION PHASE ONE PROPERTIES COMPLETE/UNDERWAY)

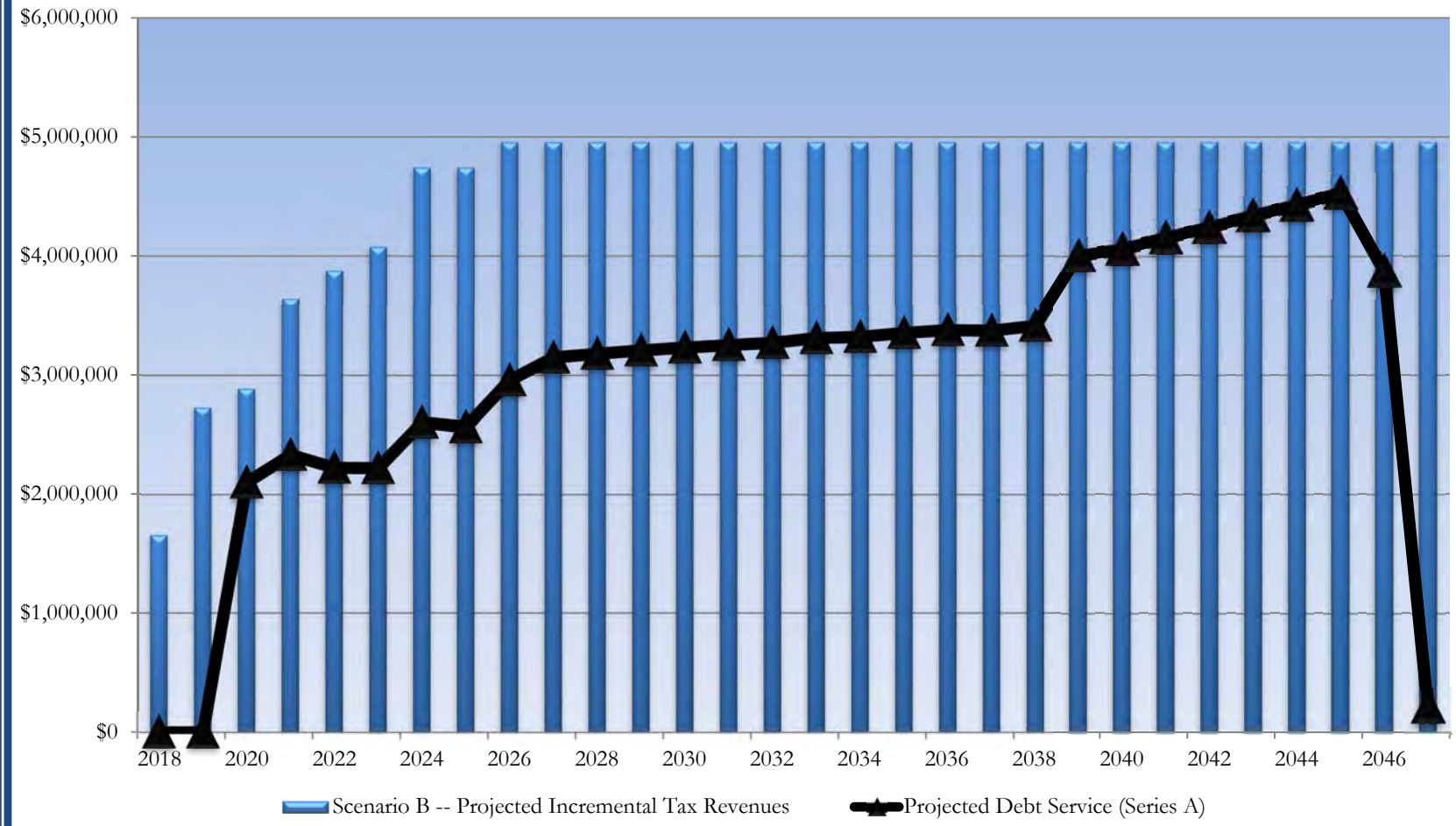


CHART 14: PROJECTED DEBT SERVICE COVERAGE (SCENARIO C - PHASE ONE PROPERTIES COMPLETE/UNDERWAY EXCLUDING 3OA/AREA THREE PHASE ONE PARKING)

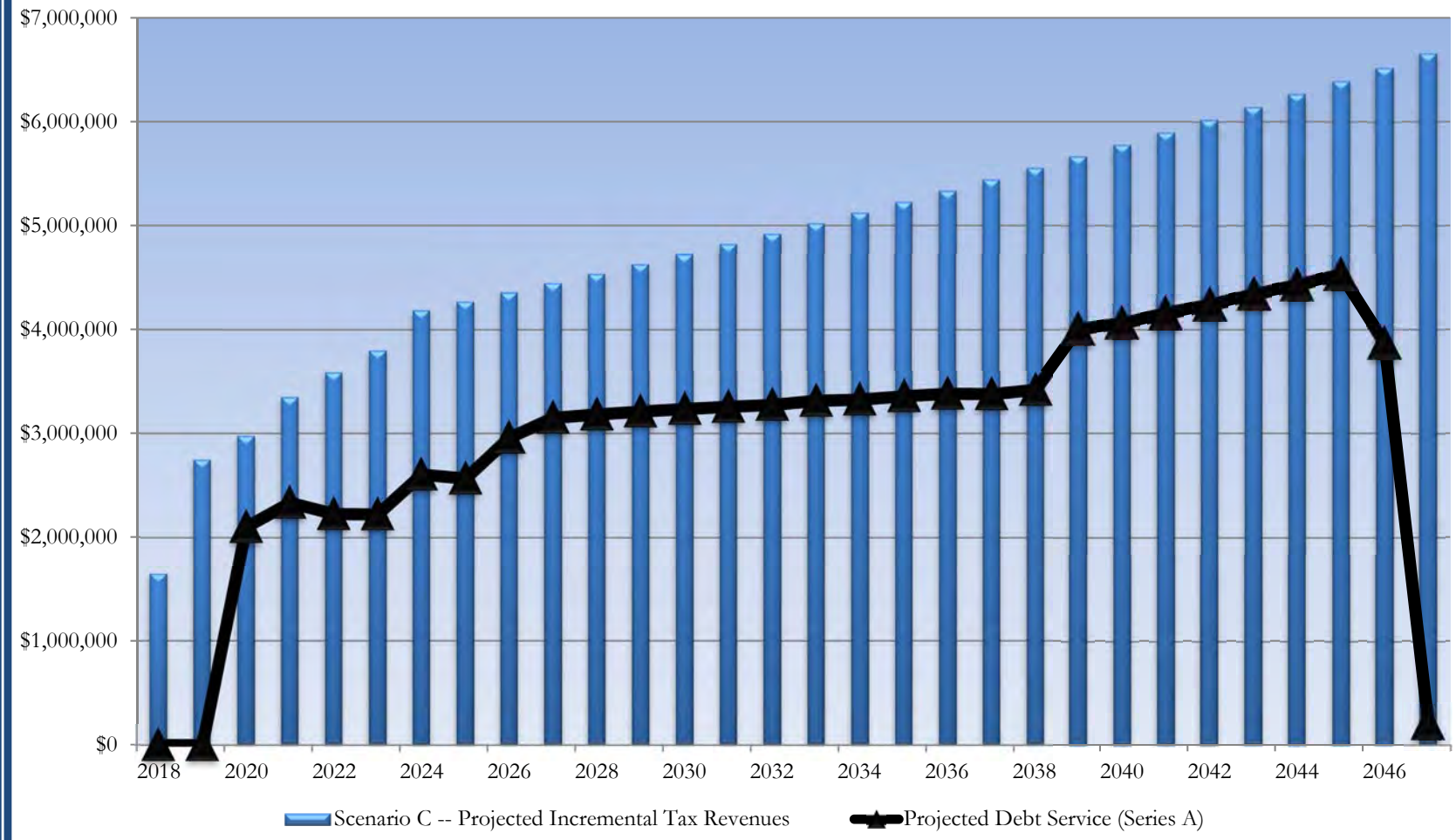


CHART 15: PROJECTED DEBT SERVICE COVERAGE (SCENARIO D - PHASE ONE PROPERTIES COMPLETE/UNDERWAY EXCLUDING 3OA & AREA THREE PHASE ONE PARKING/INCLUDING 3MFB)

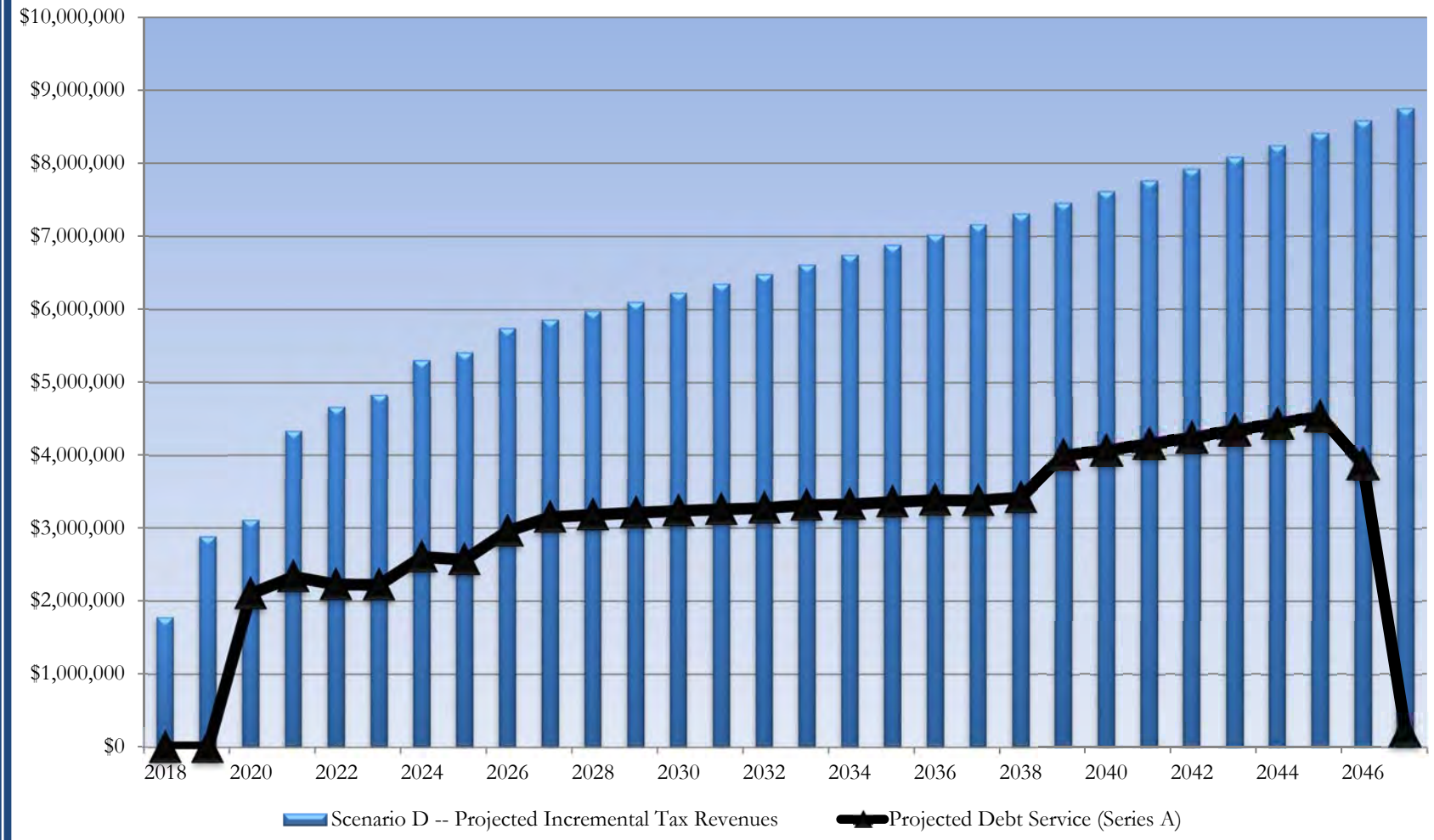


CHART 16: PROJECTED DEBT SERVICE COVERAGE (SCENARIO E - PHASE ONE PROPERTIES COMPLETE/UNDERWAY INCLUDING 3MFB)

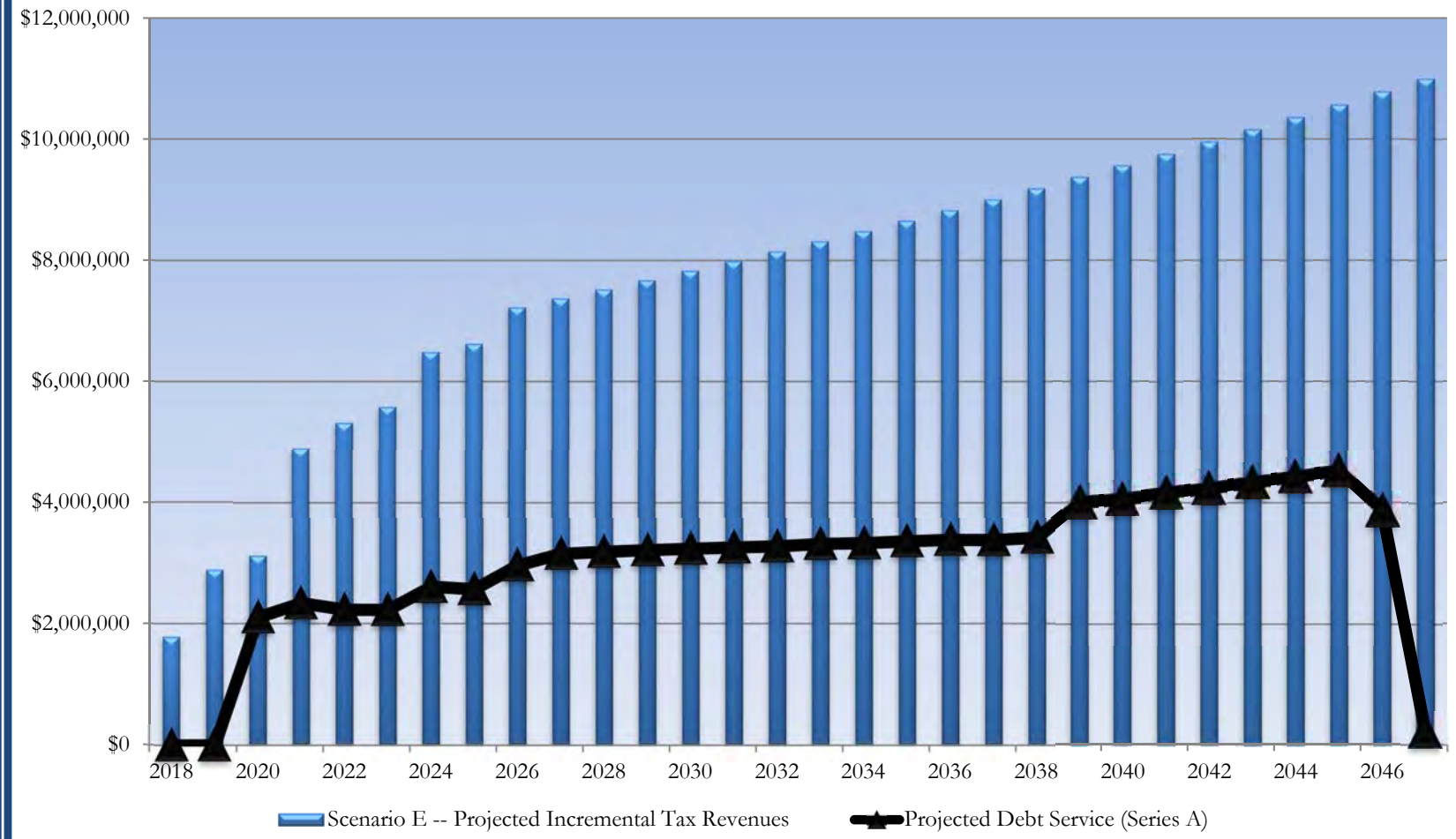
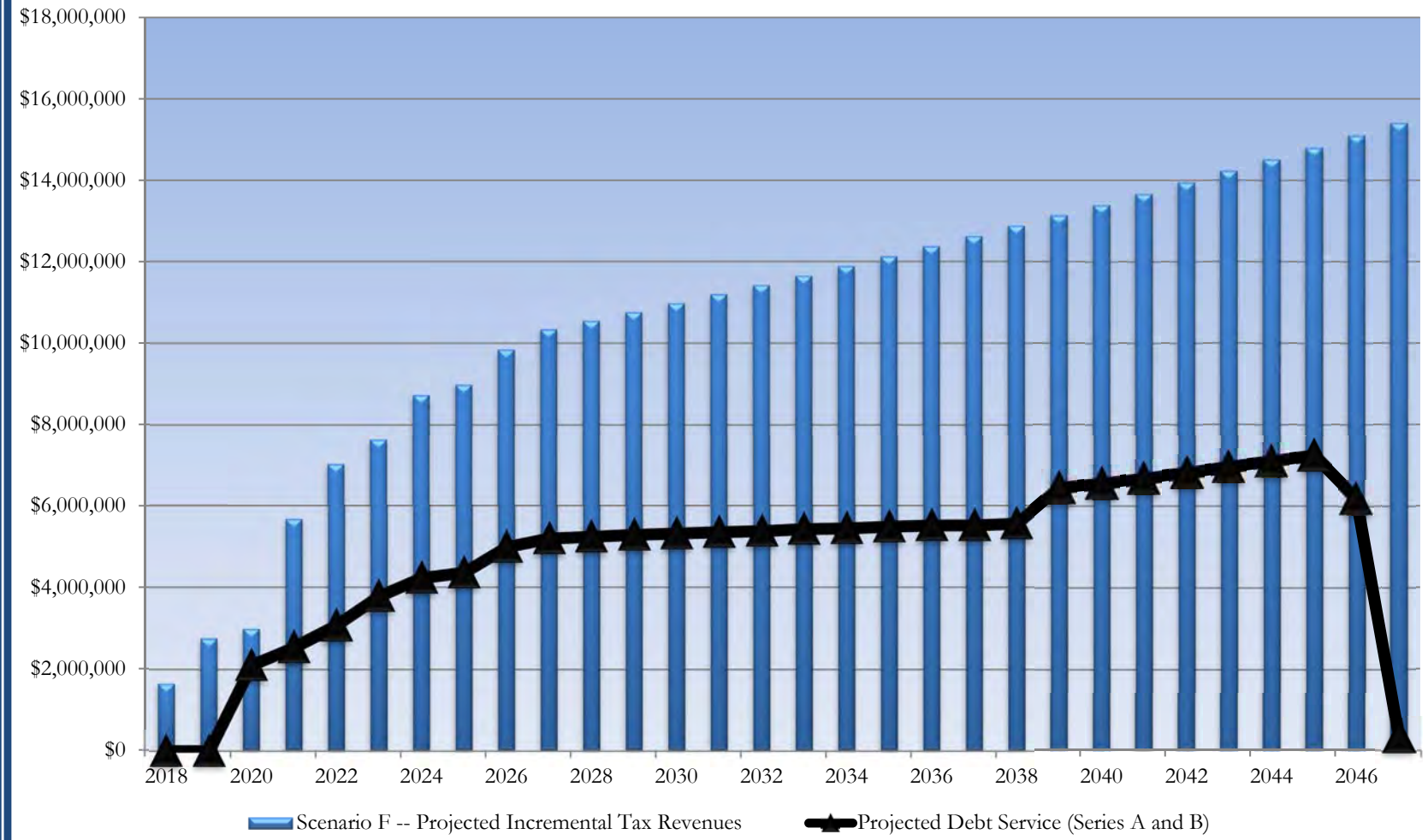


CHART 17: PROJECTED DEBT SERVICE COVERAGE (SCENARIO F - PHASE ONE PROPERTIES)



XII. ASSUMPTIONS & LIMITATIONS

The valuation of property for real property tax purposes is determined by SDAT. This report attempts to estimate how SDAT may estimate the value of the subject properties in the future. The values estimated by the SDAT will almost certainly differ from the estimates included in this report. Values can change significantly over time, and these changes can be significantly higher or lower than values in previous years. Determining property values for tax purposes is not as straight forward or as simple as the analysis in this report. Many factors not considered in this report may impact actual future values. Furthermore, property values are not likely to be consistent from year to year.

SDAT often relies on market data to estimate the value of property. Property values can be appealed, competition can be greater, national or local market conditions can change; in short, there are many factors that can affect the valuation of property. These factors make the projection of future values an imprecise exercise. The successful development and operation of the subject properties is critical to the values estimated in the report.

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

This report estimates future Tax Increment Revenues based on current real property tax rates. Scenarios included herein do not assume real property tax rates in the future will be different than tax rates for fiscal year 2017. Real property tax rates have varied significantly over the years and have declined in some years. Real property tax rates will likely vary significantly in future years and be different than assumed in this report and a significant decrease in real property tax rates could materially affect the Tax Increment Revenues available for repayment of debt service on the bonds.

This report includes projections of Tax Increment Revenues based on 2% annual appreciation for real property. Changes in values will not be consistent from year to year. Future values are estimated based on values in 2017. Values in any future year may be less than values in 2017.

This report assumes that the subject properties will be developed as projected in this report. A delay in the development of properties or changes to the program of development would reduce Tax Increment Revenues during the years of the delay and could result in there being inadequate Tax Increment Revenues to pay debt service on the bonds. No analysis has been conducted to determine if the subject properties are likely to be developed as projected.

The limited offering memorandum includes additional information on the proposed Downtown Columbia Project, as well as information regarding the Districts, the collection of property taxes, and other matters relevant to this report, including risk factors related to the bonds. This report should be reviewed in conjunction with the limited offering memorandum and all relevant information therein applies to this report.

The Special Tax Report and the RMA include additional information on the potential special taxes within the District. This report should be reviewed in conjunction with these documents and all relevant information therein applies to this report.

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

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

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

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

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

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

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

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

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

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

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

XIII. BIOGRAPHIES

Keenan Rice, President



Mr. Rice has worked almost exclusively in the area of public/private partnerships and tax increment financing for the last twenty-five years. As a result of his extensive experience with tax increment financing, he is recognized as one of the most experienced and knowledgeable professionals in the country in the fields of tax increment financing. Mr. Rice has provided assistance on over 200 tax increment financing projects nationwide (including similar financings using PILOTs, special taxes, and other forms of project tax revenues). Mr. Rice has been an integral part of most of MuniCap's tax increment financing practice; his experience is essentially the same as MuniCap's experience.

MuniCap was founded by Keenan Rice, who relocated to Maryland in 1997 after being a senior principal at one of the leading public finance consulting firms in California, where he also specialized in tax increment and similar forms of financing. Mr. Rice developed a strong expertise in public finance, tax increment financing, and public/private partnerships during the eight years he worked in this area in California. MuniCap is a continuation of Mr. Rice's specialized professional practice for the last twenty-five years.

Prior to beginning his career in public finance, Mr. Rice was a vice president at a major real estate development firm. Before working in real estate development, Mr. Rice was a real estate loan officer for a major financial institution. Mr. Rice's experience in real estate development has been very helpful to his work in tax increment financing, as he has an in-depth understanding of the development process that can come only from hands-on experience. Similarly, Mr. Rice's experience as a real estate loan underwriter provided valuable understanding of the specific financial and underwriting issues related to real estate finance.

Mr. Rice graduated with honors with a degree in accounting and also received a master's degree in finance with a specialty in real estate finance. Mr. Rice has been a guest lecturer at a number of universities and at numerous conferences hosted by the Government Finance Officers Association, The Bond Buyer, the Urban Land Institute, and other professional associations.

Emily Metzler, Senior Vice President



Emily Metzler is a Vice President at MuniCap, where she has served for almost ten years. In her position, Ms. Metzler manages over fifty differing large-scale, catalytic development projects and actively participates in all aspects of the financial structure of each deal from conception to capitalization, implementation, and administration post issuance. In addition, she is responsible for new business development efforts in the markets for which she serves. Clients include public entities such as Fairfax County, VA, Howard County, MD, and Montgomery County, MD, as well as private entities such as Gaylord, Forest City, Related Companies, Newland, and PN Hoffman. Since 2007, Ms. Metzler has assisted with the issuance of over $677.3 million in publicly marketed bonds. Ms. Metzler is active in the Association of Public Finance Professionals, Council of Development Finance Agencies, and Women in Public Finance, Virginia Chapter.

Ms. Metzler is a 2005 graduate of Clarion University. She graduated with a degree in both real estate and finance. Ms. Metzler was an active member of the Financial Management Association, played intramural basketball, and obtained her real estate license for the Commonwealth of Pennsylvania during her college career. Following graduation from Clarion University, Ms. Metzler was hired into the management program through National City Bank, now PNC, where ultimately she maintained the role of a branch manager and business lending banker before being hired at MuniCap.

Lindsay Banner, Vice President



Ms. Banner has been an employee of MuniCap, Inc. for nine years and has assisted with the preparation of financial projections, public financial applications, documentation for governmental approvals, and implementation of financial programs for numerous projects. In her position, Ms. Banner manages over forty differing active large-scale, catalytic development projects and actively participates in all aspects of the financial structuring of each deal from conception to capitalization and implementation. Since 2008, Ms. Banner has assisted in providing over thirty developers and municipalities access to nearly $500 million in capital for construction of public infrastructure through the issuance, refunding, or restructuring of special district bonds.

Since 2015, Ms. Banner has been responsible for fostering growth in the mid-Atlantic and New England, the primary location of her clients. Clients include public entities such as the City of Baltimore, City of East Providence, Lehigh County Industrial Development Authority, and the Urban Redevelopment Authority of Pittsburgh, as well as private entities such as Walton International, Gaylord, Corporate Office Properties Trust, and Howard Hughes Company.

Ms. Banner is a 2007 graduate of Clarion University. She graduated summa cum laude from the Honor's Program with a B.S.B.A. degree in International Business, Personal Finance, and Economics, with a minor in French. In 2013, Ms. Banner graduated from the Johns Hopkins University, earning a Master of Science in Real Estate. She currently serves on the committee for the Urban Land Institute – Baltimore, Women's Leadership Initiative, as well as the Clarion University College of Business and Information Sciences Advisory Council. She is active in the Association of Public Finance Professionals, Council of Development Finance Agencies, Lambda Alpha International Land Economics Society, and Sandtown Habitat for Humanity.

Tyler Gray, Senior Associate



Mr. Gray began working for MuniCap, Inc. in June 2016. Mr. Gray's responsibilities consist of assisting MuniCap's professional staff with project management and financial modeling, as well as researching, collecting, and aggregating data and information. In his position, Mr. Gray has assisted in preparing extensive financial plans on over thirty dynamic real estate development projects helping both developers and municipalities understand and implement tax increment financing. In addition, Mr. Gray has participated in each phase of issuing municipal bonds through interaction within these deals from the planning stage to the actual issuance of bonds financing millions of dollars in capital for the construction of public infrastructure.

Mr. Gray obtained a Bachelor of Science degree from Towson University with a major in Business Administration - Finance. During his college career, Mr. Gray was an active member of the Financial Management Association and Future Business Leaders of America. Mr. Gray also participated frequently in organizing charitable fundraising events at his school, such as helping to organize blood drives for the American Red Cross. Mr. Gray is also active in the Association of Public Finance Professionals of the District of Columbia, Maryland and Virginia.

Downtown Columbia
Howard County, Maryland

Appendices

Prepared By:

MuniCap, Inc.
Public Finance

October 16, 2017

Downtown Columbia
Howard County, Maryland

Appendices

Table of Contents

APPENDIX A (SCENARIO A)

Projected Development

A-1	Projected Development - Phase One Properties Complete/Underway	
	A. By Type	1
	B. By Building	2
A-2	Projected Absorption - Phase One Properties Complete/Underway	
	A. Residential	3
	B. Commercial	4
	Projected Market Value	
A-3	Total Projected Market Value - Phase One Properties Complete/Underway	
	A. Residential	5
	B. TEN.M/m.Flats	7
	C. The Metropolitan	8
	D. Commercial	9
	E. One Merriweather	11
	F. Total	12
	Available Tax Increment Revenues & Projected Debt Service Coverage	
A-4	Projected Real Property Tax Increment Revenues - Phase One Properties Complete/Underway	13
A-5	Projected Payment of Debt Service and Debt Service Coverage - Phase One Properties Complete/Underway - Projected Coverage	14
	Projected Special Taxes After Set Asides	
A-6	Projection of Available Revenues for Debt Service After Set Asides - Phase One Properties Complete/Underway	15
A-7	Projected Payment of Debt Service - Phase One Properties Complete/Underway - (Revenues Available for the Special Tax Credit)	16

Downtown Columbia
Howard County, Maryland

Appendices

Table of Contents

APPENDIX B (SCENARIO B)

Projected Market Value

B-1	Total Projected Market Value - Phase One Properties Complete/Underway	
	A. Residential	1
	B. TEN.M/m.Flats	3
	C. The Metropolitan	4
	D. Commercial	5
	E. One Merriweather	7
	F. Total	8

Available Tax Increment Revenues & Projected Debt Service Coverage

B-2	Projected Real Property Tax Increment Revenues - Phase One Properties Complete/Underway	9
B-3	Projected Payment of Debt Service and Debt Service Coverage - Phase One Properties Complete/Underway - Projected Coverage	10

Projected Special Taxes After Set Asides

B-4	Projection of Available Revenues for Debt Service After Set Asides - Phase One Properties Complete/Underway	11
B-5	Projected Payment of Debt Service - Phase One Properties Complete/Underway (Revenues Available for the Special Tax Credit)	12

APPENDIX C (SCENARIO C)

Projected Development

C-1	Projected Development - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking	
	A. By Type	1
	B. By Building	2
C-2	Projected Absorption - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking	
	A. Residential	3
	B. Commercial	4

Downtown Columbia
Howard County, Maryland

Appendices

Table of Contents

Projected Market Value

C-3	**Total Projected Market Value - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking**	
	A. Residential	**5**
	B. Commercial	**7**
	C. Total	**9**

Available Tax Increment Revenues & Projected Debt Service Coverage

C-4	**Projected Real Property Tax Increment Revenues - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking**	**10**
C-5	**Projected Payment of Debt Service and Debt Service Coverage - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking - Projected Coverage**	**11**

Projected Special Taxes After Set Asides

C-6	**Projection of Available Revenues for Debt Service After Set Asides - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking**	**12**
C-7	**Projected Payment of Debt Service - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking - (Revenues Available for the Special Tax Credit)**	**13**

APPENDIX D (SCENARIO D)

Projected Development

D-1	**Projected Development - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB**	
	A. By Type	**1**
	B. By Building	**2**

Downtown Columbia
Howard County, Maryland

Appendices

Table of Contents

D-2	**Projected Absorption - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB**	
	A. Residential	**3**
	B. Commercial	**4**
	Projected Market Value	
D-3	**Total Projected Market Value - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB**	
	A. Residential	**5**
	B. Commercial	**7**
	C. Total	**9**
	Available Tax Increment Revenues & Projected Debt Service Coverage	
D-4	**Projected Real Property Tax Increment Revenues - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB**	**10**
D-5	**Projected Payment of Debt Service and Debt Service Coverage - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB - Projected Coverage**	**11**
	Projected Special Taxes After Set Asides	
D-6	**Projection of Available Revenues for Debt Service After Set Asides - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB**	**12**
D-7	**Projected Payment of Debt Service - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB (Revenues Available for the Special Tax Credit)**	**13**
	APPENDIX E (SCENARIO E)	
	Projected Development	
E-1	**Projected Development - Phase One Properties Complete/Underway Including 3MFB**	
	A. By Type	**1**
	B. By Building	**2**

Downtown Columbia
Howard County, Maryland

Appendices

Table of Contents

E-2	**Projected Absorption - Phase One Properties Complete/Underway Including 3MFB**	
	A. Residential	**3**
	B. Commercial	**4**
	Projected Market Value	
E-3	**3MFB**	
	A. Residential	**5**
	B. Commercial	**7**
	C. Total	**9**
	Available Tax Increment Revenues & Projected Debt Service Coverage	
E-4	**Projected Real Property Tax Increment Revenues - Phase One Properties Complete/Underway Including 3MFB**	**10**
E-5	**Projected Payment of Debt Service and Debt Service Coverage - Phase One Properties Complete/Underway Including 3MFB - Projected Coverage**	**11**
	Projected Special Taxes After Set Asides	
E-6	**Projection of Available Revenues for Debt Service After Set Asides - Phase One Properties Complete/Underway Including 3MFB**	**12**
E-7	**Projected Payment of Debt Service - Phase One Properties Complete/Underway Including 3MFB (Revenues Available for the Special Tax Credit)**	**13**
	APPENDIX F (SCENARIO F)	
	Projected Development	
F-1	**Projected Development - Phase One Properties**	
	A. By Type	**1**
	B. By Building	**2**
F-2	**Projected Absorption - Phase One Properties**	
	A. Residential	**3**
	B. Commercial	**4**

Downtown Columbia
Howard County, Maryland

Appendices

Table of Contents

Projected Market Value

F-3	**Total Projected Market Value - Phase One Properties**	
	A. Residential	**5**
	B. Commercial	**7**
	C. Total	**9**

Available Tax Increment Revenues & Projected Debt Service Coverage

F-4	**Projected Real Property Tax Increment Revenues - Phase One Properties**	**10**
F-5	**Projected Payment of Debt Service and Debt Service Coverage - Phase One Properties - Projected Coverage**	**11**

Projected Special Taxes After Set Asides

F-6	**Projection of Available Revenues for Debt Service After Set Asides - Phase One Properties**	**12**
F-7	**Projected Payment of Debt Service - Phase One Properties (Revenues Available for the Special Tax Credit)**	**13**

APPENDIX G (COMPARISON OF VALUATION METHODS)

G-1	**Projected Market Value (Comparison of Valuation Methods)**	
	A. Residential	**1**
	B. Commercial	**2**

APPENDIX H (COMPARABLES APPROACH)

H-1	**Projected Market Value (Comparables)**	
	A. Residential	**1**
	B. Commercial	**2**

APPENDIX I (INCOME CAPITALIZATION APPROACH)

I-1	**Projected Market Value - (Income Capitalization - Apartments, Office, Restaurant, & Retail)**	**1**

Downtown Columbia
Howard County, Maryland

Appendices

Table of Contents

APPENDIX J (BASE VALUE)

J-1	Base Value Allocation - Phase One Properties	1
J-2	Crescent Parcel Base Value - ST District #1/Phase I	2

APPENDIX K (TAX CREDITS)

K-1	Summary of ST District #1/Phase 1 Tax Credits	1

APPENDIX L (SET ASIDES)

L-1	Incremental Revenue Set Asides (Adjusted for Tax Credits) - Phase One Properties Complete/Underway	1
L-2	Incremental Revenue Set Asides (Adjusted for Tax Credits) - No Inflation Phase One Properties Complete/Underway	2
L-3	Incremental Revenue Set Asides (Adjusted for Tax Credits) - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking	3
L-4	Incremental Revenue Set Asides (Adjusted for Tax Credits) - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB	4
L-5	Incremental Revenue Set Asides (Adjusted for Tax Credits) - Phase One Properties Complete/Underway Including 3MFB	5
L-6	Incremental Revenue Set Asides (Adjusted for Tax Credits) - Phase One Properties	6

APPENDIX M (BOND ASSUMPTIONS)

M-1	Sources and Uses of Funds	
	A. Bond Issuance Assumptions	1
	B. Public Improvement Budget	2
M-2	Debt Service Projections	
	A. Series 2017 A	3
	B. Additional Phase One Bonds	4

Appendix A
Downtown Columbia
Howard County, Maryland

SCENARIO A
Includes Phase One Properties Complete or Underway
2% Inflation Factor
Includes Tax Credits
Series 2017 A Bonds Only

Appendix A
Downtown Columbia
Howard County, Maryland

Projected Development

Appendix A
Downtown Columbia
Howard County, Maryland

Appendix A-1.a: Projected Development by Type - Phase One Properties Complete/Underway

Property Type	Area[1] Units	Rooms	GSF Per Unit/Space	Spaces	Gross SF	Market Value[2] Per Unit	Per Room	Per GSF	Per Space	Total Market Value	Year Completed
Residential											
Rental:											
MF rental - market rate	0	-	0	-	0	$241,490	-	$215	-	$0	-
MF rental - market rate (TEN.M/m.flats)	437	-	1,156	-	504,978	$248,223	-	$215	-	$108,473,269	2017
MF rental - market rate (The Metropolitan)	380	-	1,172	-	445,235	$251,684	-	$215	-	$95,640,000	2014
MF rental - 80% AMI	0	-	0	-	0	$155,763	-	$139	-	$0	-
MF rental - 30% AMI	0	-	0	-	0	$131,136		$117	-	$0	-
Sub-total residential	817				950,213					$204,113,269	
Commercial											
Office:											
One Merriweather	-	-	-	-	208,034	-	-	$276	-	$57,469,487	2016
Two Merriweather	-	-	-	-	102,993	-	-	$276	-	$28,451,863	2017
Building 3OA	-	-	-	-	325,197	-	-	$276	-	$89,835,818	2019
Building 3OB	-	-	-	-	0	-	-	$276	-	$0	-
Sub-total office					636,224					$175,757,168	
Retail:											
The Metropolitan ground floor	-	-	-	-	15,319	-	-	$317	-	$4,858,900	2014
TEN.M/m.flats ground floor	-	-	-	-	34,377	-	-	$317	-	$10,903,741	2017
One Merriweather ground floor	-	-	-	-	9,749	-	-	$317	-	$3,092,200	2016
Special taxing district retail (remaining area)	-	-	-	-	22,310	-	-	$444	-	$9,900,150	2019
Sub-total retail					81,755					$28,754,991	
Restaurant:											
Full service	-	-	-	-	13,386	-	-	$444	-	$5,940,090	2019
Fast food service	-	-	-	-	8,924	-	-	$444	-	$3,960,060	2019
Sub-total restaurant					22,310					$9,900,150	
Parking:											
Area one parking garage	-	-	350	1,127	394,425	-	-	$56	$19,699	$22,200,800	2017
Area three phase one parking garage	-	-	350	1,341	469,320	-	-	$56	$19,699	$26,416,391	2019
Sub-total parking				2,468	863,745					$48,617,191	
Total (excluding parking SF)	817			2,468	1,690,501					$467,142,768	

MuniCap, Inc. *16-Oct-17*

[1]Projected development provided by The Howard Research and Development Corporation.
[2]See Appendix G-1.

Appendix A-1.b: Projected Development by Building - Phase One Properties Complete/Underway

	Area[1]							Market Value[2]							
	Rental Units			Gross Square Feet			Parking	Per MR	Per Aff. Unit		Per Gross SF		Per	Total Market	Year
Building	MR	Aff.	Total	Per Unit	Retail	Office	Spaces	Unit	80% AMI	30% AMI	Retail	Office	Space	Value	Completed
Phase One Properties Complete/Underway															
The Metropolitan	380	-	380	1,172	15,319	-	-	$251,684	-	-	$317	-	-	$100,498,900	Complete
TEN.M/m.flats	437	-	437	1,156	34,377	-	-	$248,223	-	-	$317	-	-	$119,377,010	09/2017
One Merriweather	-	-	-	-	9,749	208,034	-	-	-	-	$317	$276	-	$60,561,687	Complete
Two Merriweather	-	-	-	-	29,583	102,993	-	-	-	-	$444	$276	-	$41,579,729	11/2017
Office: Building 3OA	-	-	-	-	15,036	325,197	-	-	-	-	$444	$276	-	$96,508,252	03/2019
Area One Parking Garage	-	-	-	-	-	-	1,127	-	-	-	-	-	$19,699	$22,200,800	Complete
Area Three Phase One Parking Garage	-	-	-	-	-	-	1,341	-	-	-	-	-	$19,699	$26,416,391	03/2019
	817	0	817		104,064	636,224	2,468							$467,142,768	

MuniCap, Inc. *16-Oct-17*

[1]Projected development provided by The Howard Research and Development Corporation.

[2]See Appendix G-1.

Appendix A-2.a: Projected Absorption - Phase One Properties Complete/Underway (Residential) [1]

			Multi-Family Rental							
		Tax	Market Rate		80% AMI		30% AMI		Total Rental[2]	
Year	Assessed	Year	(Units)		(Units)		(Units)		(Units)	
Ending	As Of Date	Beginning	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
31-Dec-16	1-Jan-17	1-Jul-17	0	0	0	0	0	0	0	0
31-Dec-17	1-Jan-18	1-Jul-18	0	0	0	0	0	0	0	0
31-Dec-18	1-Jan-19	1-Jul-19	0	0	0	0	0	0	0	0
31-Dec-19	1-Jan-20	1-Jul-20	0	0	0	0	0	0	0	0
31-Dec-20	1-Jan-21	1-Jul-21	0	0	0	0	0	0	0	0
31-Dec-21	1-Jan-22	1-Jul-22	0	0	0	0	0	0	0	0
31-Dec-22	1-Jan-23	1-Jul-23	0	0	0	0	0	0	0	0
31-Dec-23	1-Jan-24	1-Jul-24	0	0	0	0	0	0	0	0
31-Dec-24	1-Jan-25	1-Jul-25	0	0	0	0	0	0	0	0
31-Dec-25	1-Jan-26	1-Jul-26	0	0	0	0	0	0	0	0
31-Dec-26	1-Jan-27	1-Jul-27	0	0	0	0	0	0	0	0
31-Dec-27	1-Jan-28	1-Jul-28	0	0	0	0	0	0	0	0
31-Dec-28	1-Jan-29	1-Jul-29	0	0	0	0	0	0	0	0
31-Dec-29	1-Jan-30	1-Jul-30	0	0	0	0	0	0	0	0
31-Dec-30	1-Jan-31	1-Jul-31	0	0	0	0	0	0	0	0
31-Dec-31	1-Jan-32	1-Jul-32	0	0	0	0	0	0	0	0
31-Dec-32	1-Jan-33	1-Jul-33	0	0	0	0	0	0	0	0
31-Dec-33	1-Jan-34	1-Jul-34	0	0	0	0	0	0	0	0
31-Dec-34	1-Jan-35	1-Jul-35	0	0	0	0	0	0	0	0
31-Dec-35	1-Jan-36	1-Jul-36	0	0	0	0	0	0	0	0
31-Dec-36	1-Jan-37	1-Jul-37	0	0	0	0	0	0	0	0
31-Dec-37	1-Jan-38	1-Jul-38	0	0	0	0	0	0	0	0
31-Dec-38	1-Jan-39	1-Jul-39	0	0	0	0	0	0	0	0
31-Dec-39	1-Jan-40	1-Jul-40	0	0	0	0	0	0	0	0
31-Dec-40	1-Jan-41	1-Jul-41	0	0	0	0	0	0	0	0
31-Dec-41	1-Jan-42	1-Jul-42	0	0	0	0	0	0	0	0
31-Dec-42	1-Jan-43	1-Jul-43	0	0	0	0	0	0	0	0
31-Dec-43	1-Jan-44	1-Jul-44	0	0	0	0	0	0	0	0
31-Dec-44	1-Jan-45	1-Jul-45	0	0	0	0	0	0	0	0
31-Dec-45	1-Jan-46	1-Jul-46	0	0	0	0	0	0	0	0
31-Dec-46	1-Jan-47	1-Jul-47	0	0	0	0	0	0	0	0
31-Dec-47	1-Jan-48	1-Jul-48	0	0	0	0	0	0	0	0
30-Dec-48	1-Jan-49	1-Jul-49	0	0	0	0	0	0	0	0
30-Dec-49	1-Jan-50	1-Jul-50	0	0	0	0	0	0	0	0
Total			0		0		0		0	

[1]Source: The Howard Research and Development Corporation.

[2]TEN.M/m. flats and The Metropolitan development shown on Appendices A-3.b and A-3.c.

Appendix A-2.b: Projected Absorption - Phase One Properties Complete/Underway (Commercial)[1]

					Retail/Restaurant[2]											
			Office[2]		Retail		Restaurant - Full Service		Restaurant - Fast Food		Sub-Total		Parking			
Year	Assessed	Tax Year	(SF)		(SF)		(SF)		(SF)		(SF)		(Spaces)		(SF)	
Ending	As Of Date	Beginning	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
31-Dec-16	1-Jan-17	1-Jul-17	0	0	0	0	0	0	0	0	0	0	1,127	1,127	394,425	394,425
31-Dec-17	1-Jan-18	1-Jul-18	102,993	102,993	14,792	14,792	8,875	8,875	5,917	5,917	29,583	29,583	0	1,127	0	394,425
31-Dec-18	1-Jan-19	1-Jul-19	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-19	1-Jan-20	1-Jul-20	325,197	428,190	7,518	22,310	4,511	13,386	3,007	8,924	15,036	44,619	1,341	2,468	469,320	863,745
31-Dec-20	1-Jan-21	1-Jul-21	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-21	1-Jan-22	1-Jul-22	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-22	1-Jan-23	1-Jul-23	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-23	1-Jan-24	1-Jul-24	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-24	1-Jan-25	1-Jul-25	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-25	1-Jan-26	1-Jul-26	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-26	1-Jan-27	1-Jul-27	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-27	1-Jan-28	1-Jul-28	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-28	1-Jan-29	1-Jul-29	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-29	1-Jan-30	1-Jul-30	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-30	1-Jan-31	1-Jul-31	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-31	1-Jan-32	1-Jul-32	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-32	1-Jan-33	1-Jul-33	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-33	1-Jan-34	1-Jul-34	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-34	1-Jan-35	1-Jul-35	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-35	1-Jan-36	1-Jul-36	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-36	1-Jan-37	1-Jul-37	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-37	1-Jan-38	1-Jul-38	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-38	1-Jan-39	1-Jul-39	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-39	1-Jan-40	1-Jul-40	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-40	1-Jan-41	1-Jul-41	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-41	1-Jan-42	1-Jul-42	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-42	1-Jan-43	1-Jul-43	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-43	1-Jan-44	1-Jul-44	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-44	1-Jan-45	1-Jul-45	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-45	1-Jan-46	1-Jul-46	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-46	1-Jan-47	1-Jul-47	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
31-Dec-47	1-Jan-48	1-Jul-48	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
30-Dec-48	1-Jan-49	1-Jul-49	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
30-Dec-49	1-Jan-50	1-Jul-50	0	428,190	0	22,310	0	13,386	0	8,924	0	44,619	0	2,468	0	863,745
Total			428,190		22,310		13,386		8,924		44,619		2,468		863,745	

MuniCap, Inc. *16-Oct-17*

[1]Source: The Howard Research and Development Corporation.
[2]One Merriweather development shown on Appendix A-3.e.

Appendix A
Downtown Columbia
Howard County, Maryland

Projected Market Value

Appendix A-3.a: Total Projected Market Value - Phase One Properties Complete/Underway (Residential)

				Multi-Family Rental							
				Market Rate				80% AMI			
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	0	$246,320	0%	$0	0	$158,878	0%	$0
1-Jan-19	1-Jul-19	15-Feb-20	104%	0	$251,246	0%	$0	0	$162,055	0%	$0
1-Jan-20	1-Jul-20	15-Feb-21	106%	0	$256,271	0%	$0	0	$165,296	0%	$0
1-Jan-21	1-Jul-21	15-Feb-22	108%	0	$261,397	0%	$0	0	$168,602	0%	$0
1-Jan-22	1-Jul-22	15-Feb-23	110%	0	$266,624	0%	$0	0	$171,974	0%	$0
1-Jan-23	1-Jul-23	15-Feb-24	113%	0	$271,957	0%	$0	0	$175,414	0%	$0
1-Jan-24	1-Jul-24	15-Feb-25	115%	0	$277,396	0%	$0	0	$178,922	0%	$0
1-Jan-25	1-Jul-25	15-Feb-26	117%	0	$282,944	0%	$0	0	$182,501	0%	$0
1-Jan-26	1-Jul-26	15-Feb-27	120%	0	$288,603	0%	$0	0	$186,151	0%	$0
1-Jan-27	1-Jul-27	15-Feb-28	122%	0	$294,375	0%	$0	0	$189,874	0%	$0
1-Jan-28	1-Jul-28	15-Feb-29	124%	0	$300,262	0%	$0	0	$193,671	0%	$0
1-Jan-29	1-Jul-29	15-Feb-30	127%	0	$306,268	0%	$0	0	$197,545	0%	$0
1-Jan-30	1-Jul-30	15-Feb-31	129%	0	$312,393	0%	$0	0	$201,495	0%	$0
1-Jan-31	1-Jul-31	15-Feb-32	132%	0	$318,641	0%	$0	0	$205,525	0%	$0
1-Jan-32	1-Jul-32	15-Feb-33	135%	0	$325,014	0%	$0	0	$209,636	0%	$0
1-Jan-33	1-Jul-33	15-Feb-34	137%	0	$331,514	0%	$0	0	$213,829	0%	$0
1-Jan-34	1-Jul-34	15-Feb-35	140%	0	$338,144	0%	$0	0	$218,105	0%	$0
1-Jan-35	1-Jul-35	15-Feb-36	143%	0	$344,907	0%	$0	0	$222,467	0%	$0
1-Jan-36	1-Jul-36	15-Feb-37	146%	0	$351,805	0%	$0	0	$226,917	0%	$0
1-Jan-37	1-Jul-37	15-Feb-38	149%	0	$358,841	0%	$0	0	$231,455	0%	$0
1-Jan-38	1-Jul-38	15-Feb-39	152%	0	$366,018	0%	$0	0	$236,084	0%	$0
1-Jan-39	1-Jul-39	15-Feb-40	155%	0	$373,339	0%	$0	0	$240,806	0%	$0
1-Jan-40	1-Jul-40	15-Feb-41	158%	0	$380,805	0%	$0	0	$245,622	0%	$0
1-Jan-41	1-Jul-41	15-Feb-42	161%	0	$388,421	0%	$0	0	$250,534	0%	$0
1-Jan-42	1-Jul-42	15-Feb-43	164%	0	$396,190	0%	$0	0	$255,545	0%	$0
1-Jan-43	1-Jul-43	15-Feb-44	167%	0	$404,114	0%	$0	0	$260,656	0%	$0
1-Jan-44	1-Jul-44	15-Feb-45	171%	0	$412,196	0%	$0	0	$265,869	0%	$0
1-Jan-45	1-Jul-45	15-Feb-46	174%	0	$420,440	0%	$0	0	$271,186	0%	$0
1-Jan-46	1-Jul-46	15-Feb-47	178%	0	$428,849	0%	$0	0	$276,610	0%	$0
1-Jan-47	1-Jul-47	15-Feb-48	181%	0	$437,426	0%	$0	0	$282,142	0%	$0
1-Jan-48	1-Jul-48	15-Feb-49	185%	0	$446,174	0%	$0	0	$287,785	0%	$0
1-Jan-49	1-Jul-49	15-Feb-50	188%	0	$455,098	0%	$0	0	$293,541	0%	$0
1-Jan-50	1-Jul-50	15-Feb-51	192%	0	$464,200	0%	$0	0	$299,412	0%	$0

[1]See Appendix A-2.a.

[2]See Appendix A-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

Appendix A-3.a: Total Projected Market Value - Phase One Properties Complete/Underway (Residential), continued

				Multi-Family Rental				
				30% AMI				
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value	Total Projected Residential Market Value[4]
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$131,136	0%	$0	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	0	$133,759	0%	$0	$0
1-Jan-19	1-Jul-19	15-Feb-20	104%	0	$136,434	0%	$0	$0
1-Jan-20	1-Jul-20	15-Feb-21	106%	0	$139,163	0%	$0	$0
1-Jan-21	1-Jul-21	15-Feb-22	108%	0	$141,946	0%	$0	$0
1-Jan-22	1-Jul-22	15-Feb-23	110%	0	$144,785	0%	$0	$0
1-Jan-23	1-Jul-23	15-Feb-24	113%	0	$147,680	0%	$0	$0
1-Jan-24	1-Jul-24	15-Feb-25	115%	0	$150,634	0%	$0	$0
1-Jan-25	1-Jul-25	15-Feb-26	117%	0	$153,647	0%	$0	$0
1-Jan-26	1-Jul-26	15-Feb-27	120%	0	$156,720	0%	$0	$0
1-Jan-27	1-Jul-27	15-Feb-28	122%	0	$159,854	0%	$0	$0
1-Jan-28	1-Jul-28	15-Feb-29	124%	0	$163,051	0%	$0	$0
1-Jan-29	1-Jul-29	15-Feb-30	127%	0	$166,312	0%	$0	$0
1-Jan-30	1-Jul-30	15-Feb-31	129%	0	$169,638	0%	$0	$0
1-Jan-31	1-Jul-31	15-Feb-32	132%	0	$173,031	0%	$0	$0
1-Jan-32	1-Jul-32	15-Feb-33	135%	0	$176,492	0%	$0	$0
1-Jan-33	1-Jul-33	15-Feb-34	137%	0	$180,022	0%	$0	$0
1-Jan-34	1-Jul-34	15-Feb-35	140%	0	$183,622	0%	$0	$0
1-Jan-35	1-Jul-35	15-Feb-36	143%	0	$187,295	0%	$0	$0
1-Jan-36	1-Jul-36	15-Feb-37	146%	0	$191,040	0%	$0	$0
1-Jan-37	1-Jul-37	15-Feb-38	149%	0	$194,861	0%	$0	$0
1-Jan-38	1-Jul-38	15-Feb-39	152%	0	$198,758	0%	$0	$0
1-Jan-39	1-Jul-39	15-Feb-40	155%	0	$202,734	0%	$0	$0
1-Jan-40	1-Jul-40	15-Feb-41	158%	0	$206,788	0%	$0	$0
1-Jan-41	1-Jul-41	15-Feb-42	161%	0	$210,924	0%	$0	$0
1-Jan-42	1-Jul-42	15-Feb-43	164%	0	$215,143	0%	$0	$0
1-Jan-43	1-Jul-43	15-Feb-44	167%	0	$219,445	0%	$0	$0
1-Jan-44	1-Jul-44	15-Feb-45	171%	0	$223,834	0%	$0	$0
1-Jan-45	1-Jul-45	15-Feb-46	174%	0	$228,311	0%	$0	$0
1-Jan-46	1-Jul-46	15-Feb-47	178%	0	$232,877	0%	$0	$0
1-Jan-47	1-Jul-47	15-Feb-48	181%	0	$237,535	0%	$0	$0
1-Jan-48	1-Jul-48	15-Feb-49	185%	0	$242,285	0%	$0	$0
1-Jan-49	1-Jul-49	15-Feb-50	188%	0	$247,131	0%	$0	$0
1-Jan-50	1-Jul-50	15-Feb-51	192%	0	$252,074	0%	$0	$0

[1]See Appendix A-2.a.

[2]See Appendix A-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

[4]TEN.M/m. flats and The Metropolitan development shown on Appendices A-3.b and A-3.c.

Appendix A-3.b: Total Projected Market Value - Phase One Properties Complete/Underway (TEN.M/m.flats)

				TEN.M/m.flats											
							Multi-Family				Retail				
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Existing Land Value[1]	Build-Out Percentage to Remain[2]	Remaining Land Value	Units[3]	Value Per Unit[4]	Phase-In Percent[5]	Projected Market Value	Retail[3]	Value Per SF[4]	Phase-In Percent[5]	Projected Market Value	Sub-Total TEN.M/m.flats Land & Build-Out
1-Jan-17	1-Jul-17	15-Feb-18	100%	$2,626,000	100%	$2,626,000	0	$248,223	0%	$0	0	$317	0%	$0	$2,626,000
1-Jan-18	1-Jul-18	15-Feb-19	102%	$2,678,520	0%	$0	437	$253,187	80%	$88,514,187	34,377	$324	80%	$8,897,452	$97,411,640
1-Jan-19	1-Jul-19	15-Feb-20	104%	$2,732,090	0%	$0	437	$258,251	87%	$97,808,177	34,377	$330	87%	$9,831,685	$107,639,862
1-Jan-20	1-Jul-20	15-Feb-21	106%	$2,786,732	0%	$0	437	$263,416	93%	$107,438,521	34,377	$337	93%	$10,799,728	$118,238,249
1-Jan-21	1-Jul-21	15-Feb-22	108%	$2,842,467	0%	$0	437	$268,684	100%	$117,414,955	34,377	$343	100%	$11,802,560	$129,217,515
1-Jan-22	1-Jul-22	15-Feb-23	110%	$2,899,316	0%	$0	437	$274,058	100%	$119,763,254	34,377	$350	100%	$12,038,611	$131,801,865
1-Jan-23	1-Jul-23	15-Feb-24	113%	$2,957,303	0%	$0	437	$279,539	100%	$122,158,519	34,377	$357	100%	$12,279,383	$134,437,902
1-Jan-24	1-Jul-24	15-Feb-25	115%	$3,016,449	0%	$0	437	$285,130	100%	$124,601,689	34,377	$364	100%	$12,524,971	$137,126,660
1-Jan-25	1-Jul-25	15-Feb-26	117%	$3,076,778	0%	$0	437	$290,832	100%	$127,093,723	34,377	$372	100%	$12,775,470	$139,869,193
1-Jan-26	1-Jul-26	15-Feb-27	120%	$3,138,313	0%	$0	437	$296,649	100%	$129,635,598	34,377	$379	100%	$13,030,980	$142,666,577
1-Jan-27	1-Jul-27	15-Feb-28	122%	$3,201,079	0%	$0	437	$302,582	100%	$132,228,310	34,377	$387	100%	$13,291,599	$145,519,909
1-Jan-28	1-Jul-28	15-Feb-29	124%	$3,265,101	0%	$0	437	$308,634	100%	$134,872,876	34,377	$394	100%	$13,557,431	$148,430,307
1-Jan-29	1-Jul-29	15-Feb-30	127%	$3,330,403	0%	$0	437	$314,806	100%	$137,570,333	34,377	$402	100%	$13,828,580	$151,398,913
1-Jan-30	1-Jul-30	15-Feb-31	129%	$3,397,011	0%	$0	437	$321,102	100%	$140,321,740	34,377	$410	100%	$14,105,151	$154,426,891
1-Jan-31	1-Jul-31	15-Feb-32	132%	$3,464,951	0%	$0	437	$327,524	100%	$143,128,175	34,377	$419	100%	$14,387,254	$157,515,429
1-Jan-32	1-Jul-32	15-Feb-33	135%	$3,534,250	0%	$0	437	$334,075	100%	$145,990,738	34,377	$427	100%	$14,675,000	$160,665,738
1-Jan-33	1-Jul-33	15-Feb-34	137%	$3,604,935	0%	$0	437	$340,756	100%	$148,910,553	34,377	$435	100%	$14,968,500	$163,879,053
1-Jan-34	1-Jul-34	15-Feb-35	140%	$3,677,034	0%	$0	437	$347,572	100%	$151,888,764	34,377	$444	100%	$15,267,869	$167,156,634
1-Jan-35	1-Jul-35	15-Feb-36	143%	$3,750,575	0%	$0	437	$354,523	100%	$154,926,539	34,377	$453	100%	$15,573,227	$170,499,766
1-Jan-36	1-Jul-36	15-Feb-37	146%	$3,825,586	0%	$0	437	$361,613	100%	$158,025,070	34,377	$462	100%	$15,884,691	$173,909,762
1-Jan-37	1-Jul-37	15-Feb-38	149%	$3,902,098	0%	$0	437	$368,846	100%	$161,185,572	34,377	$471	100%	$16,202,385	$177,387,957
1-Jan-38	1-Jul-38	15-Feb-39	152%	$3,980,140	0%	$0	437	$376,223	100%	$164,409,283	34,377	$481	100%	$16,526,433	$180,935,716
1-Jan-39	1-Jul-39	15-Feb-40	155%	$4,059,743	0%	$0	437	$383,747	100%	$167,697,469	34,377	$490	100%	$16,856,962	$184,554,430
1-Jan-40	1-Jul-40	15-Feb-41	158%	$4,140,937	0%	$0	437	$391,422	100%	$171,051,418	34,377	$500	100%	$17,194,101	$188,245,519
1-Jan-41	1-Jul-41	15-Feb-42	161%	$4,223,756	0%	$0	437	$399,250	100%	$174,472,446	34,377	$510	100%	$17,537,983	$192,010,429
1-Jan-42	1-Jul-42	15-Feb-43	164%	$4,308,231	0%	$0	437	$407,235	100%	$177,961,895	34,377	$520	100%	$17,888,743	$195,850,638
1-Jan-43	1-Jul-43	15-Feb-44	167%	$4,394,396	0%	$0	437	$415,380	100%	$181,521,133	34,377	$531	100%	$18,246,517	$199,767,651
1-Jan-44	1-Jul-44	15-Feb-45	171%	$4,482,284	0%	$0	437	$423,688	100%	$185,151,556	34,377	$541	100%	$18,611,448	$203,763,004
1-Jan-45	1-Jul-45	15-Feb-46	174%	$4,571,930	0%	$0	437	$432,162	100%	$188,854,587	34,377	$552	100%	$18,983,677	$207,838,264
1-Jan-46	1-Jul-46	15-Feb-47	178%	$4,663,368	0%	$0	437	$440,805	100%	$192,631,679	34,377	$563	100%	$19,363,350	$211,995,029
1-Jan-47	1-Jul-47	15-Feb-48	181%	$4,756,636	0%	$0	437	$449,621	100%	$196,484,312	34,377	$575	100%	$19,750,617	$216,234,930
1-Jan-48	1-Jul-48	15-Feb-49	185%	$4,851,768	0%	$0	437	$458,613	100%	$200,413,999	34,377	$586	100%	$20,145,630	$220,559,628
1-Jan-49	1-Jul-49	15-Feb-50	188%	$4,948,804	0%	$0	437	$467,786	100%	$204,422,279	34,377	$598	100%	$20,548,542	$224,970,821
1-Jan-50	1-Jul-50	15-Feb-51	192%	$5,047,780	0%	$0	437	$477,141	100%	$208,510,724	34,377	$610	100%	$20,959,513	$229,470,237

[1]See Appendix J-1. Assumes base parcel increases with inflation factor shown.

[2]The current land assessed value is assumed to be replaced and accounted for in the total assessed value at build-out. The percentage shown represents the phase-in of the project.

[3]Projected development provided by The Howard Research and Development Corporation.

[4]See Appendix A-1.a. Values are assumed to increase with inflation factor shown.

[5]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

Appendix A-3.c: Total Projected Market Value - Phase One Properties Complete/Underway (The Metropolitan)

				The Metropolitan											
							Multi-Family Rental				Retail				Sub-Total
Assessed	Tax Year	Bond Year	Inflation	Existing	Build-Out Percentage	Remaining		Value Per	Phase-In	Projected		Value Per	Phase-In	Projected	The Metropolitan
As Of Date	Beginning	Ending	Factor	Land Value[1]	to Remain[2]	Land Value	Units[3]	Unit[4]	Percent[5]	Market Value	Retail[3]	SF[4]	Percent[5]	Market Value	Land & Build-Out
1-Jan-17	1-Jul-17	15-Feb-18	100%	$1,815,100	0%	$0	380	$251,184	100%	$95,449,999	15,319	$317	100%	$4,849,267	$100,299,266
1-Jan-18	1-Jul-18	15-Feb-19	102%	$1,851,402	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-19	1-Jul-19	15-Feb-20	104%	$1,888,430	0%	$0	380	$256,718	100%	$97,552,800	15,319	$324	100%	$4,956,078	$102,508,878
1-Jan-20	1-Jul-20	15-Feb-21	106%	$1,926,199	0%	$0	380	$261,852	100%	$99,503,856	15,319	$330	100%	$5,055,200	$104,559,056
1-Jan-21	1-Jul-21	15-Feb-22	108%	$1,964,723	0%	$0	380	$267,089	100%	$101,493,933	15,319	$337	100%	$5,156,304	$106,650,237
1-Jan-22	1-Jul-22	15-Feb-23	110%	$2,004,017	0%	$0	380	$272,431	100%	$103,523,812	15,319	$343	100%	$5,259,430	$108,783,241
1-Jan-23	1-Jul-23	15-Feb-24	113%	$2,044,097	0%	$0	380	$277,880	100%	$105,594,288	15,319	$350	100%	$5,364,618	$110,958,906
1-Jan-24	1-Jul-24	15-Feb-25	115%	$2,084,979	0%	$0	380	$283,437	100%	$107,706,174	15,319	$357	100%	$5,471,911	$113,178,084
1-Jan-25	1-Jul-25	15-Feb-26	117%	$2,126,679	0%	$0	380	$289,106	100%	$109,860,297	15,319	$364	100%	$5,581,349	$115,441,646
1-Jan-26	1-Jul-26	15-Feb-27	120%	$2,169,213	0%	$0	380	$294,888	100%	$112,057,503	15,319	$372	100%	$5,692,976	$117,750,479
1-Jan-27	1-Jul-27	15-Feb-28	122%	$2,212,597	0%	$0	380	$300,786	100%	$114,298,653	15,319	$379	100%	$5,806,835	$120,105,489
1-Jan-28	1-Jul-28	15-Feb-29	124%	$2,256,849	0%	$0	380	$306,802	100%	$116,584,626	15,319	$387	100%	$5,922,972	$122,507,598
1-Jan-29	1-Jul-29	15-Feb-30	127%	$2,301,986	0%	$0	380	$312,938	100%	$118,916,319	15,319	$394	100%	$6,041,431	$124,957,750
1-Jan-30	1-Jul-30	15-Feb-31	129%	$2,348,025	0%	$0	380	$319,196	100%	$121,294,645	15,319	$402	100%	$6,162,260	$127,456,905
1-Jan-31	1-Jul-31	15-Feb-32	132%	$2,394,986	0%	$0	380	$325,580	100%	$123,720,538	15,319	$410	100%	$6,285,505	$130,006,043
1-Jan-32	1-Jul-32	15-Feb-33	135%	$2,442,886	0%	$0	380	$332,092	100%	$126,194,949	15,319	$419	100%	$6,411,215	$132,606,164
1-Jan-33	1-Jul-33	15-Feb-34	137%	$2,491,743	0%	$0	380	$338,734	100%	$128,718,848	15,319	$427	100%	$6,539,440	$135,258,288
1-Jan-34	1-Jul-34	15-Feb-35	140%	$2,541,578	0%	$0	380	$345,508	100%	$131,293,225	15,319	$435	100%	$6,670,228	$137,963,453
1-Jan-35	1-Jul-35	15-Feb-36	143%	$2,592,410	0%	$0	380	$352,419	100%	$133,919,089	15,319	$444	100%	$6,803,633	$140,722,722
1-Jan-36	1-Jul-36	15-Feb-37	146%	$2,644,258	0%	$0	380	$359,467	100%	$136,597,471	15,319	$453	100%	$6,939,706	$143,537,177
1-Jan-37	1-Jul-37	15-Feb-38	149%	$2,697,143	0%	$0	380	$366,656	100%	$139,329,421	15,319	$462	100%	$7,078,500	$146,407,920
1-Jan-38	1-Jul-38	15-Feb-39	152%	$2,751,086	0%	$0	380	$373,989	100%	$142,116,009	15,319	$471	100%	$7,220,070	$149,336,079
1-Jan-39	1-Jul-39	15-Feb-40	155%	$2,806,108	0%	$0	380	$381,469	100%	$144,958,329	15,319	$481	100%	$7,364,471	$152,322,800
1-Jan-40	1-Jul-40	15-Feb-41	158%	$2,862,230	0%	$0	380	$389,099	100%	$147,857,496	15,319	$490	100%	$7,511,761	$155,369,256
1-Jan-41	1-Jul-41	15-Feb-42	161%	$2,919,474	0%	$0	380	$396,881	100%	$150,814,646	15,319	$500	100%	$7,661,996	$158,476,641
1-Jan-42	1-Jul-42	15-Feb-43	164%	$2,977,864	0%	$0	380	$404,818	100%	$153,830,939	15,319	$510	100%	$7,815,236	$161,646,174
1-Jan-43	1-Jul-43	15-Feb-44	167%	$3,037,421	0%	$0	380	$412,915	100%	$156,907,557	15,319	$520	100%	$7,971,540	$164,879,098
1-Jan-44	1-Jul-44	15-Feb-45	171%	$3,098,170	0%	$0	380	$421,173	100%	$160,045,708	15,319	$531	100%	$8,130,971	$168,176,680
1-Jan-45	1-Jul-45	15-Feb-46	174%	$3,160,133	0%	$0	380	$429,596	100%	$163,246,623	15,319	$541	100%	$8,293,591	$171,540,213
1-Jan-46	1-Jul-46	15-Feb-47	178%	$3,223,336	0%	$0	380	$438,188	100%	$166,511,555	15,319	$552	100%	$8,459,463	$174,971,018
1-Jan-47	1-Jul-47	15-Feb-48	181%	$3,287,802	0%	$0	380	$446,952	100%	$169,841,786	15,319	$563	100%	$8,628,652	$178,470,438
1-Jan-48	1-Jul-48	15-Feb-49	185%	$3,353,558	0%	$0	380	$455,891	100%	$173,238,622	15,319	$575	100%	$8,801,225	$182,039,847
1-Jan-49	1-Jul-49	15-Feb-50	188%	$3,420,630	0%	$0	380	$465,009	100%	$176,703,394	15,319	$586	100%	$8,977,249	$185,680,644
1-Jan-50	1-Jul-50	15-Feb-51	192%	$3,489,042	0%	$0	380	$474,309	100%	$180,237,462	15,319	$598	100%	$9,156,794	$189,394,257

[1]See Appendix J-1. Assumes base parcel increases with inflation factor shown.

[2]The current land assessed value is assumed to be replaced and accounted for in the total assessed value at build-out. The percentage shown represents the phase-in of the project.

[3]Projected development provided by The Howard Research and Development Corporation.

[4]See Appendix A-1.a. Values are assumed to increase with inflation factor shown. Value in the first year based on actual value assessed by Maryland State Department of Assessments.

[5]Construction of The Metropolitan Parcel D units is complete and assessed values as of 7/1/2017 are reflected.

Appendix A-3.d: Total Projected Market Value -Phase One Properties Complete/Underway (Commercial)

				Office				Retail				Restaurant - Full Service			
Assessed	Tax Year	Bond Year	Inflation	Square	Value Per	Phase-In	Projected	Square	Value Per	Phase-In	Projected	Square	Value Per	Phase-In	Projected
As Of Date	Beginning	Ending	Factor	Feet[1]	SF[2]	Percent[3]	Market Value	Feet[1]	SF[2]	Percent[3]	Market Value	Feet[1]	SF[2]	Percent[3]	Market Value
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$276	0%	$0	0	$444	0%	$0	0	$444	0%	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	102,993	$282	80%	$23,216,720	14,792	$453	80%	$5,356,169	8,875	$453	80%	$3,213,702
1-Jan-19	1-Jul-19	15-Feb-20	104%	102,993	$287	87%	$25,654,476	14,792	$462	87%	$5,918,567	8,875	$462	87%	$3,551,140
1-Jan-20	1-Jul-20	15-Feb-21	106%	428,190	$293	83%	$104,448,046	22,310	$471	89%	$9,333,654	13,386	$471	89%	$5,600,193
1-Jan-21	1-Jul-21	15-Feb-22	108%	428,190	$299	90%	$115,072,900	22,310	$480	96%	$10,234,743	13,386	$480	96%	$6,140,846
1-Jan-22	1-Jul-22	15-Feb-23	110%	428,190	$305	95%	$123,986,758	22,310	$490	98%	$10,685,002	13,386	$490	98%	$6,411,001
1-Jan-23	1-Jul-23	15-Feb-24	113%	428,190	$311	100%	$133,211,141	22,310	$500	100%	$11,149,177	13,386	$500	100%	$6,689,506
1-Jan-24	1-Jul-24	15-Feb-25	115%	428,190	$317	100%	$135,875,364	22,310	$510	100%	$11,372,160	13,386	$510	100%	$6,823,296
1-Jan-25	1-Jul-25	15-Feb-26	117%	428,190	$324	100%	$138,592,871	22,310	$520	100%	$11,599,603	13,386	$520	100%	$6,959,762
1-Jan-26	1-Jul-26	15-Feb-27	120%	428,190	$330	100%	$141,364,729	22,310	$530	100%	$11,831,595	13,386	$530	100%	$7,098,957
1-Jan-27	1-Jul-27	15-Feb-28	122%	428,190	$337	100%	$144,192,023	22,310	$541	100%	$12,068,227	13,386	$541	100%	$7,240,936
1-Jan-28	1-Jul-28	15-Feb-29	124%	428,190	$343	100%	$147,075,864	22,310	$552	100%	$12,309,592	13,386	$552	100%	$7,385,755
1-Jan-29	1-Jul-29	15-Feb-30	127%	428,190	$350	100%	$150,017,381	22,310	$563	100%	$12,555,784	13,386	$563	100%	$7,533,470
1-Jan-30	1-Jul-30	15-Feb-31	129%	428,190	$357	100%	$153,017,728	22,310	$574	100%	$12,806,899	13,386	$574	100%	$7,684,140
1-Jan-31	1-Jul-31	15-Feb-32	132%	428,190	$365	100%	$156,078,083	22,310	$586	100%	$13,063,037	13,386	$586	100%	$7,837,822
1-Jan-32	1-Jul-32	15-Feb-33	135%	428,190	$372	100%	$159,199,645	22,310	$597	100%	$13,324,298	13,386	$597	100%	$7,994,579
1-Jan-33	1-Jul-33	15-Feb-34	137%	428,190	$379	100%	$162,383,638	22,310	$609	100%	$13,590,784	13,386	$609	100%	$8,154,470
1-Jan-34	1-Jul-34	15-Feb-35	140%	428,190	$387	100%	$165,631,310	22,310	$621	100%	$13,862,600	13,386	$621	100%	$8,317,560
1-Jan-35	1-Jul-35	15-Feb-36	143%	428,190	$395	100%	$168,943,937	22,310	$634	100%	$14,139,852	13,386	$634	100%	$8,483,911
1-Jan-36	1-Jul-36	15-Feb-37	146%	428,190	$402	100%	$172,322,815	22,310	$646	100%	$14,422,649	13,386	$646	100%	$8,653,589
1-Jan-37	1-Jul-37	15-Feb-38	149%	428,190	$410	100%	$175,769,272	22,310	$659	100%	$14,711,102	13,386	$659	100%	$8,826,661
1-Jan-38	1-Jul-38	15-Feb-39	152%	428,190	$419	100%	$179,284,657	22,310	$673	100%	$15,005,324	13,386	$673	100%	$9,003,194
1-Jan-39	1-Jul-39	15-Feb-40	155%	428,190	$427	100%	$182,870,350	22,310	$686	100%	$15,305,430	13,386	$686	100%	$9,183,258
1-Jan-40	1-Jul-40	15-Feb-41	158%	428,190	$436	100%	$186,527,757	22,310	$700	100%	$15,611,539	13,386	$700	100%	$9,366,923
1-Jan-41	1-Jul-41	15-Feb-42	161%	428,190	$444	100%	$190,258,312	22,310	$714	100%	$15,923,770	13,386	$714	100%	$9,554,262
1-Jan-42	1-Jul-42	15-Feb-43	164%	428,190	$453	100%	$194,063,479	22,310	$728	100%	$16,242,245	13,386	$728	100%	$9,745,347
1-Jan-43	1-Jul-43	15-Feb-44	167%	428,190	$462	100%	$197,944,748	22,310	$743	100%	$16,567,090	13,386	$743	100%	$9,940,254
1-Jan-44	1-Jul-44	15-Feb-45	171%	428,190	$472	100%	$201,903,643	22,310	$757	100%	$16,898,432	13,386	$757	100%	$10,139,059
1-Jan-45	1-Jul-45	15-Feb-46	174%	428,190	$481	100%	$205,941,716	22,310	$773	100%	$17,236,400	13,386	$773	100%	$10,341,840
1-Jan-46	1-Jul-46	15-Feb-47	178%	428,190	$491	100%	$210,060,550	22,310	$788	100%	$17,581,128	13,386	$788	100%	$10,548,677
1-Jan-47	1-Jul-47	15-Feb-48	181%	428,190	$500	100%	$214,261,761	22,310	$804	100%	$17,932,751	13,386	$804	100%	$10,759,651
1-Jan-48	1-Jul-48	15-Feb-49	185%	428,190	$510	100%	$218,546,996	22,310	$820	100%	$18,291,406	13,386	$820	100%	$10,974,844
1-Jan-49	1-Jul-49	15-Feb-50	188%	428,190	$521	100%	$222,917,936	22,310	$836	100%	$18,657,234	13,386	$836	100%	$11,194,340
1-Jan-50	1-Jul-50	15-Feb-51	192%	428,190	$531	100%	$227,376,295	22,310	$853	100%	$19,030,379	13,386	$853	100%	$11,418,227

[1]See Appendix A-2.b.

[2]See Appendix A-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

Appendix A-3.d: Total Projected Market Value - Phase One Properties Complete/Underway (Commercial), continued

				Restaurant - Fast Food				Parking				
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Square Feet[1]	Value Per SF[2]	Phase-In Percent[3]	Projected Market Value	Spaces[1]	Value Per Space[2]	Phase-In Percent[3]	Projected Market Value	Total Projected Commercial Market Value[4]
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$444	0%	$0	1,127	$18,681	100%	$21,053,533	$21,053,533
1-Jan-18	1-Jul-18	15-Feb-19	102%	5,917	$453	80%	$2,142,468	1,127	$19,699	100%	$22,200,800	$56,129,859
1-Jan-19	1-Jul-19	15-Feb-20	104%	5,917	$462	87%	$2,367,427	1,127	$20,093	100%	$22,644,816	$60,136,426
1-Jan-20	1-Jul-20	15-Feb-21	106%	8,924	$471	89%	$3,733,462	2,468	$20,695	89%	$45,524,341	$168,639,695
1-Jan-21	1-Jul-21	15-Feb-22	108%	8,924	$480	96%	$4,093,897	2,468	$21,117	93%	$48,341,091	$183,883,477
1-Jan-22	1-Jul-22	15-Feb-23	110%	8,924	$490	98%	$4,274,001	2,468	$21,547	96%	$51,252,302	$196,609,063
1-Jan-23	1-Jul-23	15-Feb-24	113%	8,924	$500	100%	$4,459,671	2,468	$21,986	100%	$54,260,624	$209,770,118
1-Jan-24	1-Jul-24	15-Feb-25	115%	8,924	$510	100%	$4,548,864	2,468	$22,425	100%	$55,345,837	$213,965,520
1-Jan-25	1-Jul-25	15-Feb-26	117%	8,924	$520	100%	$4,639,841	2,468	$22,874	100%	$56,452,753	$218,244,831
1-Jan-26	1-Jul-26	15-Feb-27	120%	8,924	$530	100%	$4,732,638	2,468	$23,331	100%	$57,581,808	$222,609,728
1-Jan-27	1-Jul-27	15-Feb-28	122%	8,924	$541	100%	$4,827,291	2,468	$23,798	100%	$58,733,444	$227,061,922
1-Jan-28	1-Jul-28	15-Feb-29	124%	8,924	$552	100%	$4,923,837	2,468	$24,274	100%	$59,908,113	$231,603,161
1-Jan-29	1-Jul-29	15-Feb-30	127%	8,924	$563	100%	$5,022,313	2,468	$24,759	100%	$61,106,276	$236,235,224
1-Jan-30	1-Jul-30	15-Feb-31	129%	8,924	$574	100%	$5,122,760	2,468	$25,255	100%	$62,328,401	$240,959,928
1-Jan-31	1-Jul-31	15-Feb-32	132%	8,924	$586	100%	$5,225,215	2,468	$25,760	100%	$63,574,969	$245,779,127
1-Jan-32	1-Jul-32	15-Feb-33	135%	8,924	$597	100%	$5,329,719	2,468	$26,275	100%	$64,846,469	$250,694,709
1-Jan-33	1-Jul-33	15-Feb-34	137%	8,924	$609	100%	$5,436,314	2,468	$26,800	100%	$66,143,398	$255,708,603
1-Jan-34	1-Jul-34	15-Feb-35	140%	8,924	$621	100%	$5,545,040	2,468	$27,336	100%	$67,466,266	$260,822,776
1-Jan-35	1-Jul-35	15-Feb-36	143%	8,924	$634	100%	$5,655,941	2,468	$27,883	100%	$68,815,591	$266,039,231
1-Jan-36	1-Jul-36	15-Feb-37	146%	8,924	$646	100%	$5,769,059	2,468	$28,441	100%	$70,191,903	$271,360,016
1-Jan-37	1-Jul-37	15-Feb-38	149%	8,924	$659	100%	$5,884,441	2,468	$29,010	100%	$71,595,741	$276,787,216
1-Jan-38	1-Jul-38	15-Feb-39	152%	8,924	$673	100%	$6,002,129	2,468	$29,590	100%	$73,027,656	$282,322,960
1-Jan-39	1-Jul-39	15-Feb-40	155%	8,924	$686	100%	$6,122,172	2,468	$30,182	100%	$74,488,209	$287,969,420
1-Jan-40	1-Jul-40	15-Feb-41	158%	8,924	$700	100%	$6,244,616	2,468	$30,785	100%	$75,977,973	$293,728,808
1-Jan-41	1-Jul-41	15-Feb-42	161%	8,924	$714	100%	$6,369,508	2,468	$31,401	100%	$77,497,533	$299,603,384
1-Jan-42	1-Jul-42	15-Feb-43	164%	8,924	$728	100%	$6,496,898	2,468	$32,029	100%	$79,047,483	$305,595,452
1-Jan-43	1-Jul-43	15-Feb-44	167%	8,924	$743	100%	$6,626,836	2,468	$32,670	100%	$80,628,433	$311,707,361
1-Jan-44	1-Jul-44	15-Feb-45	171%	8,924	$757	100%	$6,759,373	2,468	$33,323	100%	$82,241,002	$317,941,508
1-Jan-45	1-Jul-45	15-Feb-46	174%	8,924	$773	100%	$6,894,560	2,468	$33,989	100%	$83,885,822	$324,300,338
1-Jan-46	1-Jul-46	15-Feb-47	178%	8,924	$788	100%	$7,032,451	2,468	$34,669	100%	$85,563,538	$330,786,345
1-Jan-47	1-Jul-47	15-Feb-48	181%	8,924	$804	100%	$7,173,100	2,468	$35,363	100%	$87,274,809	$337,402,072
1-Jan-48	1-Jul-48	15-Feb-49	185%	8,924	$820	100%	$7,316,562	2,468	$36,070	100%	$89,020,305	$344,150,113
1-Jan-49	1-Jul-49	15-Feb-50	188%	8,924	$836	100%	$7,462,894	2,468	$36,791	100%	$90,800,711	$351,033,116
1-Jan-50	1-Jul-50	15-Feb-51	192%	8,924	$853	100%	$7,612,151	2,468	$37,527	100%	$92,616,725	$358,053,778

[1]See Appendix A-2.b.

[2]See Appendix A-1.a. Values are assumed to increase with inflation factor shown. Value for the parking in the first and second year based on actual value assessed by Maryland State Department of Assessments.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization. Construction of Area One Parking Garage is complete and assessed values as of 7/1/2017 are reflected.

[4]One Merriweather development shown on Appendix A-3.e.

Appendix A-3.e: Total Projected Market Value - Phase One Properties Complete/Underway (One Merriweather)

				One Merriweather									
					Office				Retail				Sub-Total
Assessed	Tax Year	Bond Year	Inflation	Remaining		Value Per	Phase-In	Projected		Value Per	Phase-In	Projected	One Merriweather
As Of Date	Beginning	Ending	Factor	Land Value[1]	Office[2]	SF[3]	Percent[4]	Market Value	Retail[2]	SF[3]	Percent[4]	Market Value	Land & Build-Out
1-Jan-17	1-Jul-17	15-Feb-18	100%	$0	208,034	$249	100%	$51,834,058	9,749	$249	100%	$2,429,075	$54,263,133
1-Jan-18	1-Jul-18	15-Feb-19	102%	$0	208,034	$266	100%	$55,252,336	9,749	$266	100%	$2,589,264	$57,841,600
1-Jan-19	1-Jul-19	15-Feb-20	104%	$0	208,034	$271	100%	$56,357,382	9,749	$271	100%	$2,641,050	$58,998,432
1-Jan-20	1-Jul-20	15-Feb-21	106%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-21	1-Jul-21	15-Feb-22	108%	$0	208,034	$282	100%	$58,618,876	9,749	$324	100%	$3,154,044	$61,772,921
1-Jan-22	1-Jul-22	15-Feb-23	110%	$0	208,034	$287	100%	$59,791,254	9,749	$330	100%	$3,217,125	$63,008,379
1-Jan-23	1-Jul-23	15-Feb-24	113%	$0	208,034	$293	100%	$60,987,079	9,749	$337	100%	$3,281,468	$64,268,547
1-Jan-24	1-Jul-24	15-Feb-25	115%	$0	208,034	$299	100%	$62,206,820	9,749	$343	100%	$3,347,097	$65,553,917
1-Jan-25	1-Jul-25	15-Feb-26	117%	$0	208,034	$305	100%	$63,450,957	9,749	$350	100%	$3,414,039	$66,864,996
1-Jan-26	1-Jul-26	15-Feb-27	120%	$0	208,034	$311	100%	$64,719,976	9,749	$357	100%	$3,482,320	$68,202,296
1-Jan-27	1-Jul-27	15-Feb-28	122%	$0	208,034	$317	100%	$66,014,375	9,749	$364	100%	$3,551,966	$69,566,342
1-Jan-28	1-Jul-28	15-Feb-29	124%	$0	208,034	$324	100%	$67,334,663	9,749	$372	100%	$3,623,005	$70,957,668
1-Jan-29	1-Jul-29	15-Feb-30	127%	$0	208,034	$330	100%	$68,681,356	9,749	$379	100%	$3,695,466	$72,376,822
1-Jan-30	1-Jul-30	15-Feb-31	129%	$0	208,034	$337	100%	$70,054,983	9,749	$387	100%	$3,769,375	$73,824,358
1-Jan-31	1-Jul-31	15-Feb-32	132%	$0	208,034	$343	100%	$71,456,083	9,749	$394	100%	$3,844,762	$75,300,845
1-Jan-32	1-Jul-32	15-Feb-33	135%	$0	208,034	$350	100%	$72,885,205	9,749	$402	100%	$3,921,658	$76,806,862
1-Jan-33	1-Jul-33	15-Feb-34	137%	$0	208,034	$357	100%	$74,342,909	9,749	$410	100%	$4,000,091	$78,343,000
1-Jan-34	1-Jul-34	15-Feb-35	140%	$0	208,034	$365	100%	$75,829,767	9,749	$419	100%	$4,080,093	$79,909,860
1-Jan-35	1-Jul-35	15-Feb-36	143%	$0	208,034	$372	100%	$77,346,362	9,749	$427	100%	$4,161,694	$81,508,057
1-Jan-36	1-Jul-36	15-Feb-37	146%	$0	208,034	$379	100%	$78,893,290	9,749	$435	100%	$4,244,928	$83,138,218
1-Jan-37	1-Jul-37	15-Feb-38	149%	$0	208,034	$387	100%	$80,471,155	9,749	$444	100%	$4,329,827	$84,800,982
1-Jan-38	1-Jul-38	15-Feb-39	152%	$0	208,034	$395	100%	$82,080,578	9,749	$453	100%	$4,416,423	$86,497,002
1-Jan-39	1-Jul-39	15-Feb-40	155%	$0	208,034	$402	100%	$83,722,190	9,749	$462	100%	$4,504,752	$88,226,942
1-Jan-40	1-Jul-40	15-Feb-41	158%	$0	208,034	$410	100%	$85,396,634	9,749	$471	100%	$4,594,847	$89,991,481
1-Jan-41	1-Jul-41	15-Feb-42	161%	$0	208,034	$419	100%	$87,104,567	9,749	$481	100%	$4,686,744	$91,791,310
1-Jan-42	1-Jul-42	15-Feb-43	164%	$0	208,034	$427	100%	$88,846,658	9,749	$490	100%	$4,780,479	$93,627,137
1-Jan-43	1-Jul-43	15-Feb-44	167%	$0	208,034	$436	100%	$90,623,591	9,749	$500	100%	$4,876,088	$95,499,679
1-Jan-44	1-Jul-44	15-Feb-45	171%	$0	208,034	$444	100%	$92,436,063	9,749	$510	100%	$4,973,610	$97,409,673
1-Jan-45	1-Jul-45	15-Feb-46	174%	$0	208,034	$453	100%	$94,284,784	9,749	$520	100%	$5,073,082	$99,357,866
1-Jan-46	1-Jul-46	15-Feb-47	178%	$0	208,034	$462	100%	$96,170,480	9,749	$531	100%	$5,174,544	$101,345,024
1-Jan-47	1-Jul-47	15-Feb-48	181%	$0	208,034	$472	100%	$98,093,889	9,749	$541	100%	$5,278,035	$103,371,924
1-Jan-48	1-Jul-48	15-Feb-49	185%	$0	208,034	$481	100%	$100,055,767	9,749	$552	100%	$5,383,596	$105,439,363
1-Jan-49	1-Jul-49	15-Feb-50	188%	$0	208,034	$491	100%	$102,056,882	9,749	$563	100%	$5,491,267	$107,548,150
1-Jan-50	1-Jul-50	15-Feb-51	192%	$0	208,034	$500	100%	$104,098,020	9,749	$575	100%	$5,601,093	$109,699,113

[1]Current land assessed value is assumed to be replaced and accounted for in the total assessed value at build-out.

[2]Projected development provided by The Howard Research and Development Corporation.

[3]Values are assumed to increase with inflation factor shown. Value shown for the first year shown based on actual values as picked up by the Maryland State Department of Assessments for One Merriweather shown on Appendix H-1.b through the next triennia reassessment date at which point values are adjusted to reflect stabilized values increased with the inflation factor shown.

[4]Construction of One Merriweather is complete and assessed values as of 7/1/2017 are reflected.

Appendix A-3.f: Total Projected Market Value - Phase One Properties Complete/Underway (Total)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Projected Assessed Value[1]						Total Projected Assessed Value
			Residential	TEN.M/m.flats	The Metropolitan	Commercial	One Merriweather	Residual Base[2]	
1-Jul-17	15-Feb-18	100%	$0	$2,626,000	$100,299,266	$21,053,533	$54,263,133	$39,676,300	$217,918,232
1-Jul-18	15-Feb-19	102%	$0	$97,411,640	$100,498,900	$56,129,859	$57,841,600	$39,226,907	$351,108,905
1-Jul-19	15-Feb-20	104%	$0	$107,639,862	$102,508,878	$60,136,426	$58,998,432	$39,922,388	$369,205,986
1-Jul-20	15-Feb-21	106%	$0	$118,238,249	$104,559,056	$168,639,695	$60,561,687	$36,790,107	$488,788,793
1-Jul-21	15-Feb-22	108%	$0	$129,217,515	$106,650,237	$183,883,477	$61,772,921	$37,091,041	$518,615,190
1-Jul-22	15-Feb-23	110%	$0	$131,801,865	$108,783,241	$196,609,063	$63,008,379	$37,501,410	$537,703,958
1-Jul-23	15-Feb-24	113%	$0	$134,437,902	$110,958,906	$209,770,118	$64,268,547	$37,913,358	$557,348,831
1-Jul-24	15-Feb-25	115%	$0	$137,126,660	$113,178,084	$213,965,520	$65,553,917	$38,671,625	$568,495,808
1-Jul-25	15-Feb-26	117%	$0	$139,869,193	$115,441,646	$218,244,831	$66,864,996	$39,445,058	$579,865,724
1-Jul-26	15-Feb-27	120%	$0	$142,666,577	$117,750,479	$222,609,728	$68,202,296	$40,233,959	$591,463,038
1-Jul-27	15-Feb-28	122%	$0	$145,519,909	$120,105,489	$227,061,922	$69,566,342	$41,038,638	$603,292,299
1-Jul-28	15-Feb-29	124%	$0	$148,430,307	$122,507,598	$231,603,161	$70,957,668	$41,859,411	$615,358,145
1-Jul-29	15-Feb-30	127%	$0	$151,398,913	$124,957,750	$236,235,224	$72,376,822	$42,696,599	$627,665,308
1-Jul-30	15-Feb-31	129%	$0	$154,426,891	$127,456,905	$240,959,928	$73,824,358	$43,550,531	$640,218,614
1-Jul-31	15-Feb-32	132%	$0	$157,515,429	$130,006,043	$245,779,127	$75,300,845	$44,421,542	$653,022,987
1-Jul-32	15-Feb-33	135%	$0	$160,665,738	$132,606,164	$250,694,709	$76,806,862	$45,309,973	$666,083,446
1-Jul-33	15-Feb-34	137%	$0	$163,879,053	$135,258,288	$255,708,603	$78,343,000	$46,216,172	$679,405,115
1-Jul-34	15-Feb-35	140%	$0	$167,156,634	$137,963,453	$260,822,776	$79,909,860	$47,140,495	$692,993,217
1-Jul-35	15-Feb-36	143%	$0	$170,499,766	$140,722,722	$266,039,231	$81,508,057	$48,083,305	$706,853,082
1-Jul-36	15-Feb-37	146%	$0	$173,909,762	$143,537,177	$271,360,016	$83,138,218	$49,044,971	$720,990,143
1-Jul-37	15-Feb-38	149%	$0	$177,387,957	$146,407,920	$276,787,216	$84,800,982	$50,025,871	$735,409,946
1-Jul-38	15-Feb-39	152%	$0	$180,935,716	$149,336,079	$282,322,960	$86,497,002	$51,026,388	$750,118,145
1-Jul-39	15-Feb-40	155%	$0	$184,554,430	$152,322,800	$287,969,420	$88,226,942	$52,046,916	$765,120,508
1-Jul-40	15-Feb-41	158%	$0	$188,245,519	$155,369,256	$293,728,808	$89,991,481	$53,087,854	$780,422,918
1-Jul-41	15-Feb-42	161%	$0	$192,010,429	$158,476,641	$299,603,384	$91,791,310	$54,149,611	$796,031,377
1-Jul-42	15-Feb-43	164%	$0	$195,850,638	$161,646,174	$305,595,452	$93,627,137	$55,232,604	$811,952,004
1-Jul-43	15-Feb-44	167%	$0	$199,767,651	$164,879,098	$311,707,361	$95,499,679	$56,337,256	$828,191,044
1-Jul-44	15-Feb-45	171%	$0	$203,763,004	$168,176,680	$317,941,508	$97,409,673	$57,464,001	$844,754,865
1-Jul-45	15-Feb-46	174%	$0	$207,838,264	$171,540,213	$324,300,338	$99,357,866	$58,613,281	$861,649,962
1-Jul-46	15-Feb-47	178%	$0	$211,995,029	$174,971,018	$330,786,345	$101,345,024	$59,785,547	$878,882,962
1-Jul-47	15-Feb-48	181%	$0	$216,234,930	$178,470,438	$337,402,072	$103,371,924	$60,981,257	$896,460,621
1-Jul-48	15-Feb-49	185%	$0	$220,559,628	$182,039,847	$344,150,113	$105,439,363	$62,200,883	$914,389,833
1-Jul-49	15-Feb-50	188%	$0	$224,970,821	$185,680,644	$351,033,116	$107,548,150	$63,444,900	$932,677,630
1-Jul-50	15-Feb-51	192%	$0	$229,470,237	$189,394,257	$358,053,778	$109,699,113	$64,713,798	$951,331,183

[1]See Appendices A-3.a, A-3.b, A-3.c, A-3.d, and A-3.e.

[2]See Appendix J-2. Residual base value represents the value of the crescent tax parcel 1415019921 expected to remain or to be redeveloped. As of January 1, 2017, total value of the crescent tax parcel is $114,992,966, of which $75,316,666 is attributable to development underway or complete. Values shown are assumed to be adjusted for inflation factor shown. Furthermore, the residual base value is adjusted for the replacement of value attributable to new construction.

Appendix A
Downtown Columbia
Howard County, Maryland

Available Tax Increment Revenues &
Projected Debt Service Coverage

Appendix A-4: Projected Real Property Tax Increment Revenues - Phase One Properties Complete/Underway

Tax Year Beginning	Bond Year Ending	Inflation Factor	Total Projected Assessed Value[1]	Phase I Base Value[2]	Incremental Property Value	FY 17 Howard County Tax Rate Per $100 A.V	Projected Tax Increment Revenues	Percent Available After Tax Discount[3]	Available Incremental Tax Revenues	Available For Debt Service	Phase One Properties Complete/Underway: Tax Increment Revenues	Phase One Properties Complete/Underway: Tax Credits[4]	Phase One Properties Complete/Underway: Net Tax Increment Revenues Available for Debt Service
1-Jul-17	15-Feb-18	100%	$217,918,232	($9,907,900)	$208,010,332	$1.014	$2,109,225	99.5%	$2,098,679	100%	$2,098,679	($454,972)	$1,643,707
1-Jul-18	15-Feb-19	102%	$351,108,905	($9,907,900)	$341,201,005	$1.014	$3,459,778	99.5%	$3,442,479	100%	$3,442,479	($696,637)	$2,745,842
1-Jul-19	15-Feb-20	104%	$369,205,986	($9,907,900)	$359,298,086	$1.014	$3,643,283	99.5%	$3,625,066	100%	$3,625,066	($656,244)	$2,968,822
1-Jul-20	15-Feb-21	106%	$488,788,793	($9,907,900)	$478,880,893	$1.014	$4,855,852	99.5%	$4,831,573	100%	$4,831,573	($989,364)	$3,842,209
1-Jul-21	15-Feb-22	108%	$518,615,190	($9,907,900)	$508,707,290	$1.014	$5,158,292	99.5%	$5,132,500	100%	$5,132,500	($966,195)	$4,166,305
1-Jul-22	15-Feb-23	110%	$537,703,958	($9,907,900)	$527,796,058	$1.014	$5,351,852	99.5%	$5,325,093	100%	$5,325,093	($847,190)	$4,477,903
1-Jul-23	15-Feb-24	113%	$557,348,831	($9,907,900)	$547,440,931	$1.014	$5,551,051	99.5%	$5,523,296	100%	$5,523,296	($238,812)	$5,284,484
1-Jul-24	15-Feb-25	115%	$568,495,808	($9,907,900)	$558,587,908	$1.014	$5,664,081	99.5%	$5,635,761	100%	$5,635,761	($243,588)	$5,392,173
1-Jul-25	15-Feb-26	117%	$579,865,724	($9,907,900)	$569,957,824	$1.014	$5,779,372	99.5%	$5,750,475	100%	$5,750,475	$0	$5,750,475
1-Jul-26	15-Feb-27	120%	$591,463,038	($9,907,900)	$581,555,138	$1.014	$5,896,969	99.5%	$5,867,484	100%	$5,867,484	$0	$5,867,484
1-Jul-27	15-Feb-28	122%	$603,292,299	($9,907,900)	$593,384,399	$1.014	$6,016,918	99.5%	$5,986,833	100%	$5,986,833	$0	$5,986,833
1-Jul-28	15-Feb-29	124%	$615,358,145	($9,907,900)	$605,450,245	$1.014	$6,139,265	99.5%	$6,108,569	100%	$6,108,569	$0	$6,108,569
1-Jul-29	15-Feb-30	127%	$627,665,308	($9,907,900)	$617,757,408	$1.014	$6,264,060	99.5%	$6,232,740	100%	$6,232,740	$0	$6,232,740
1-Jul-30	15-Feb-31	129%	$640,218,614	($9,907,900)	$630,310,714	$1.014	$6,391,351	99.5%	$6,359,394	100%	$6,359,394	$0	$6,359,394
1-Jul-31	15-Feb-32	132%	$653,022,987	($9,907,900)	$643,115,087	$1.014	$6,521,187	99.5%	$6,488,581	100%	$6,488,581	$0	$6,488,581
1-Jul-32	15-Feb-33	135%	$666,083,446	($9,907,900)	$656,175,546	$1.014	$6,653,620	99.5%	$6,620,352	100%	$6,620,352	$0	$6,620,352
1-Jul-33	15-Feb-34	137%	$679,405,115	($9,907,900)	$669,497,215	$1.014	$6,788,702	99.5%	$6,754,758	100%	$6,754,758	$0	$6,754,758
1-Jul-34	15-Feb-35	140%	$692,993,217	($9,907,900)	$683,085,317	$1.014	$6,926,485	99.5%	$6,891,853	100%	$6,891,853	$0	$6,891,853
1-Jul-35	15-Feb-36	143%	$706,853,082	($9,907,900)	$696,945,182	$1.014	$7,067,024	99.5%	$7,031,689	100%	$7,031,689	$0	$7,031,689
1-Jul-36	15-Feb-37	146%	$720,990,143	($9,907,900)	$711,082,243	$1.014	$7,210,374	99.5%	$7,174,322	100%	$7,174,322	$0	$7,174,322
1-Jul-37	15-Feb-38	149%	$735,409,946	($9,907,900)	$725,502,046	$1.014	$7,356,591	99.5%	$7,319,808	100%	$7,319,808	$0	$7,319,808
1-Jul-38	15-Feb-39	152%	$750,118,145	($9,907,900)	$740,210,245	$1.014	$7,505,732	99.5%	$7,468,203	100%	$7,468,203	$0	$7,468,203
1-Jul-39	15-Feb-40	155%	$765,120,508	($9,907,900)	$755,212,608	$1.014	$7,657,856	99.5%	$7,619,567	100%	$7,619,567	$0	$7,619,567
1-Jul-40	15-Feb-41	158%	$780,422,918	($9,907,900)	$770,515,018	$1.014	$7,813,022	99.5%	$7,773,957	100%	$7,773,957	$0	$7,773,957
1-Jul-41	15-Feb-42	161%	$796,031,377	($9,907,900)	$786,123,477	$1.014	$7,971,292	99.5%	$7,931,436	100%	$7,931,436	$0	$7,931,436
1-Jul-42	15-Feb-43	164%	$811,952,004	($9,907,900)	$802,044,104	$1.014	$8,132,727	99.5%	$8,092,064	100%	$8,092,064	$0	$8,092,064
1-Jul-43	15-Feb-44	167%	$828,191,044	($9,907,900)	$818,283,144	$1.014	$8,297,391	99.5%	$8,255,904	100%	$8,255,904	$0	$8,255,904
1-Jul-44	15-Feb-45	171%	$844,754,865	($9,907,900)	$834,846,965	$1.014	$8,465,348	99.5%	$8,423,021	100%	$8,423,021	$0	$8,423,021
1-Jul-45	15-Feb-46	174%	$861,649,962	($9,907,900)	$851,742,062	$1.014	$8,636,665	99.5%	$8,593,481	100%	$8,593,481	$0	$8,593,481
1-Jul-46	15-Feb-47	178%	$878,882,962	($9,907,900)	$868,975,062	$1.014	$8,811,407	99.5%	$8,767,350	100%	$8,767,350	$0	$8,767,350
1-Jul-47	15-Feb-48	181%	$896,460,621	($9,907,900)	$886,552,721	$1.014	$8,989,645	99.5%	$8,944,696	100%	$8,944,696	$0	$8,944,696
1-Jul-48	15-Feb-49	185%	$914,389,833	($9,907,900)	$904,481,933	$1.014	$9,171,447	99.5%	$9,125,590	100%	$9,125,590	$0	$9,125,590
1-Jul-49	15-Feb-50	188%	$932,677,630	($9,907,900)	$922,769,730	$1.014	$9,356,885	99.5%	$9,310,101	100%	$9,310,101	$0	$9,310,101
1-Jul-50	15-Feb-51	192%	$951,331,183	($9,907,900)	$941,423,283	$1.014	$9,546,032	99.5%	$9,498,302	100%	$9,498,302	$0	$9,498,302
Total							$231,160,781		$230,004,977		$230,004,977	($5,093,004)	$224,911,973

MuniCap, Inc. *16-Oct-17*

[1]See Appendix A-3.f.

[2]See Appendix J-1.

[3]Assumes all tax payers pay 100% of taxes due by end of July, and thus receive a 0.5% discount.

[4]See Appendix K-1.

Appendix A-5: Projected Payment of Debt Service and Debt Service Coverage - Phase One Properties Complete/Underway - Projected Coverage

Tax Year Beginning	Bond Year Ending	Net Annual Debt Service[1] Series 2017 A Bonds	Additional Phase One Bonds	Total Debt Service	Tax Increment Revenues Available For DS **After Tax Credits**[2]	Surplus/ (Deficit)	Backup Special Tax[3]	Net Surplus/ (Deficit)	Cumulative Surplus	Debt Service Coverage Incremental Revenues	Total Revenues (TIF/Special Tax)	
1-Jul-17	15-Feb-18	$0	$0	$0	$1,643,707	$1,643,707	$0	$1,643,707	$1,643,707	NA	NA	
1-Jul-18	15-Feb-19	$0	$0	$0	$2,745,842	$2,745,842	$0	$2,745,842	$4,389,549	NA	NA	
1-Jul-19	15-Feb-20	$2,102,219	$0	$2,102,219	$2,968,822	$866,603	$0	$866,603	$5,256,152	141%	141%	
1-Jul-20	15-Feb-21	$2,334,055	$0	$2,334,055	$3,842,209	$1,508,154	$0	$1,508,154	$6,764,305	165%	165%	
1-Jul-21	15-Feb-22	$2,226,691	$0	$2,226,691	$4,166,305	$1,939,614	$0	$1,939,614	$8,703,919	187%	187%	
1-Jul-22	15-Feb-23	$2,223,341	$0	$2,223,341	$4,477,903	$2,254,562	$0	$2,254,562	$10,958,481	201%	201%	
1-Jul-23	15-Feb-24	$2,605,003	$0	$2,605,003	$5,284,484	$2,679,480	$0	$2,679,480	$13,637,961	203%	203%	(stabilized FY24)
1-Jul-24	15-Feb-25	$2,566,279	$0	$2,566,279	$5,392,173	$2,825,894	$0	$2,825,894	$16,463,855	210%	210%	
1-Jul-25	15-Feb-26	$2,958,368	$0	$2,958,368	$5,750,475	$2,792,107	$0	$2,792,107	$19,255,962	194%	194%	
1-Jul-26	15-Feb-27	$3,149,071	$0	$3,149,071	$5,867,484	$2,718,413	$0	$2,718,413	$21,974,375	186%	186%	
1-Jul-27	15-Feb-28	$3,180,788	$0	$3,180,788	$5,986,833	$2,806,045	$0	$2,806,045	$24,780,420	188%	188%	
1-Jul-28	15-Feb-29	$3,209,520	$0	$3,209,520	$6,108,569	$2,899,049	$0	$2,899,049	$27,679,469	190%	190%	
1-Jul-29	15-Feb-30	$3,233,703	$0	$3,233,703	$6,232,740	$2,999,037	$0	$2,999,037	$30,678,506	193%	193%	
1-Jul-30	15-Feb-31	$3,254,808	$0	$3,254,808	$6,359,394	$3,104,586	$0	$3,104,586	$33,783,092	195%	195%	
1-Jul-31	15-Feb-32	$3,272,834	$0	$3,272,834	$6,488,581	$3,215,747	$0	$3,215,747	$36,998,839	198%	198%	
1-Jul-32	15-Feb-33	$3,312,782	$0	$3,312,782	$6,620,352	$3,307,570	$0	$3,307,570	$40,306,409	200%	200%	
1-Jul-33	15-Feb-34	$3,323,621	$0	$3,323,621	$6,754,758	$3,431,137	$0	$3,431,137	$43,737,546	203%	203%	
1-Jul-34	15-Feb-35	$3,356,382	$0	$3,356,382	$6,891,853	$3,535,471	$0	$3,535,471	$47,273,017	205%	205%	
1-Jul-35	15-Feb-36	$3,380,660	$0	$3,380,660	$7,031,689	$3,651,029	$0	$3,651,029	$50,924,047	208%	208%	
1-Jul-36	15-Feb-37	$3,375,579	$0	$3,375,579	$7,174,322	$3,798,743	$0	$3,798,743	$54,722,790	213%	213%	
1-Jul-37	15-Feb-38	$3,417,234	$0	$3,417,234	$7,319,808	$3,902,573	$0	$3,902,573	$58,625,363	214%	214%	
1-Jul-38	15-Feb-39	$4,003,438	$0	$4,003,438	$7,468,203	$3,464,765	$0	$3,464,765	$62,090,128	187%	187%	
1-Jul-39	15-Feb-40	$4,060,129	$0	$4,060,129	$7,619,567	$3,559,438	$0	$3,559,438	$65,649,566	188%	188%	
1-Jul-40	15-Feb-41	$4,155,557	$0	$4,155,557	$7,773,957	$3,618,401	$0	$3,618,401	$69,267,966	187%	187%	
1-Jul-41	15-Feb-42	$4,240,878	$0	$4,240,878	$7,931,436	$3,690,558	$0	$3,690,558	$72,958,524	187%	187%	
1-Jul-42	15-Feb-43	$4,341,093	$0	$4,341,093	$8,092,064	$3,750,971	$0	$3,750,971	$76,709,495	186%	186%	
1-Jul-43	15-Feb-44	$4,430,077	$0	$4,430,077	$8,255,904	$3,825,827	$0	$3,825,827	$80,535,322	186%	186%	
1-Jul-44	15-Feb-45	$4,532,831	$0	$4,532,831	$8,423,021	$3,890,190	$0	$3,890,190	$84,425,512	186%	186%	
1-Jul-45	15-Feb-46	$3,873,230	$0	$3,873,230	$8,593,481	$4,720,251	$0	$4,720,251	$89,145,763	222%	222%	
1-Jul-46	15-Feb-47	$210,025	$0	$210,025	$8,767,350	$8,557,325	$0	$8,557,325	$97,703,088	4174%	4174%	
1-Jul-47	15-Feb-48	$0	$0	$0	$8,944,696	$8,944,696	$0	$8,944,696	$106,647,784	NA	NA	
1-Jul-48	15-Feb-49	$0	$0	$0	$9,125,590	$9,125,590	$0	$9,125,590	$115,773,374	NA	NA	
1-Jul-49	15-Feb-50	$0	$0	$0	$9,310,101	$9,310,101	$0	$9,310,101	$125,083,475	NA	NA	
1-Jul-50	15-Feb-51	$0	$0	$0	$9,498,302	$9,498,302	$0	$9,498,302	$134,581,776	NA	NA	
Total		$90,330,197	$0	$90,330,197	$224,911,973	$134,581,776	$0	$134,581,776				

MuniCap, Inc. *16-Oct-17*

[1]See Appendix M.

[2]See Appendix A-4. Represents incremental tax revenues after tax credits. Revenues shown exclude required set asides as shown on Appendix L.

[3]Maximum special taxes equal to 110% of debt service have been levied but would be collected only to the extent that TIF revenues in the then current year are calculated to be insufficient to meet debt service.

Appendix A
Downtown Columbia
Howard County, Maryland

Projected Special Taxes After Set Asides

Appendix A-6: Projection of Available Revenues for Debt Service After Set Asides - Phase One Properties Complete/Underway

Tax Year Beginning	Bond Year Ending	Inflation Factor	Projected Net Incremental Tax Revenues (Appendix A-4)	First Set Aside & Surplus[1] Debt Service Threshold (Appendix L-1)	First Set Aside & Surplus[1] Surplus After First Set Aside	Second Set Aside & Surplus[1] County Threshold (Appendix L-1)	Second Set Aside & Surplus[1] Surplus After Second Set Aside	Allocation of Incremental Taxes: First Available to Debt Service[1]	Allocation of Incremental Taxes: Second Available to Howard County[2]	Allocation of Incremental Taxes: Third Available to Debt Service	Allocation of Incremental Taxes: Total	Projected Increment Available for Special Tax Credit[3]
1-Jul-17	15-Feb-18	100%	$1,643,707	$0	$1,643,707	$1,160,055	$483,652	$0	$1,160,055	$483,652	$1,643,707	$483,652
1-Jul-18	15-Feb-19	102%	$2,745,842	$0	$2,745,842	$2,233,028	$512,814	$0	$2,233,028	$512,814	$2,745,842	$512,814
1-Jul-19	15-Feb-20	104%	$2,968,822	$3,292,800	$0	$1,179,980	$0	$2,968,822	$0	$0	$2,968,822	$2,968,822
1-Jul-20	15-Feb-21	106%	$3,842,209	$3,059,533	$782,676	$2,093,331	$0	$3,059,533	$782,676	$0	$3,842,209	$3,059,533
1-Jul-21	15-Feb-22	108%	$4,166,305	$3,183,396	$982,909	$3,244,670	$0	$3,183,396	$982,909	$0	$4,166,305	$3,183,396
1-Jul-22	15-Feb-23	110%	$4,477,903	$3,405,516	$1,072,387	$3,705,097	$0	$3,405,516	$1,072,387	$0	$4,477,903	$3,405,516
1-Jul-23	15-Feb-24	113%	$5,284,484	$4,117,892	$1,166,592	$3,944,347	$0	$4,117,892	$1,166,592	$0	$5,284,484	$4,117,892
1-Jul-24	15-Feb-25	115%	$5,392,173	$4,221,515	$1,170,658	$4,151,682	$0	$4,221,515	$1,170,658	$0	$5,392,173	$4,221,515
1-Jul-25	15-Feb-26	117%	$5,750,475	$4,574,186	$1,176,289	$4,303,351	$0	$4,574,186	$1,176,289	$0	$5,750,475	$4,574,186
1-Jul-26	15-Feb-27	120%	$5,867,484	$4,685,412	$1,182,072	$4,460,699	$0	$4,685,412	$1,182,072	$0	$5,867,484	$4,685,412
1-Jul-27	15-Feb-28	122%	$5,986,833	$4,799,121	$1,187,712	$4,623,620	$0	$4,799,121	$1,187,712	$0	$5,986,833	$4,799,121
1-Jul-28	15-Feb-29	124%	$6,108,569	$4,914,595	$1,193,974	$4,793,076	$0	$4,914,595	$1,193,974	$0	$6,108,569	$4,914,595
1-Jul-29	15-Feb-30	127%	$6,232,740	$5,033,113	$1,199,627	$4,968,036	$0	$5,033,113	$1,199,627	$0	$6,232,740	$5,033,113
1-Jul-30	15-Feb-31	129%	$6,359,394	$5,153,836	$1,205,558	$5,149,594	$0	$5,153,836	$1,205,558	$0	$6,359,394	$5,153,836
1-Jul-31	15-Feb-32	132%	$6,488,581	$5,276,926	$1,211,655	$5,337,855	$0	$5,276,926	$1,211,655	$0	$6,488,581	$5,276,926
1-Jul-32	15-Feb-33	135%	$6,620,352	$5,402,481	$1,217,871	$5,532,991	$0	$5,402,481	$1,217,871	$0	$6,620,352	$5,402,481
1-Jul-33	15-Feb-34	137%	$6,754,758	$5,530,543	$1,224,215	$5,735,240	$0	$5,530,543	$1,224,215	$0	$6,754,758	$5,530,543
1-Jul-34	15-Feb-35	140%	$6,891,853	$5,662,092	$1,229,761	$5,943,912	$0	$5,662,092	$1,229,761	$0	$6,891,853	$5,662,092
1-Jul-35	15-Feb-36	143%	$7,031,689	$5,793,989	$1,237,700	$6,162,443	$0	$5,793,989	$1,237,700	$0	$7,031,689	$5,793,989
1-Jul-36	15-Feb-37	146%	$7,174,322	$5,931,215	$1,243,107	$6,386,158	$0	$5,931,215	$1,243,107	$0	$7,174,322	$5,931,215
1-Jul-37	15-Feb-38	149%	$7,319,808	$6,069,389	$1,250,419	$6,619,752	$0	$6,069,389	$1,250,419	$0	$7,319,808	$6,069,389
1-Jul-38	15-Feb-39	152%	$7,468,203	$7,210,313	$257,890	$5,861,750	$0	$7,210,313	$257,890	$0	$7,468,203	$7,210,313
1-Jul-39	15-Feb-40	155%	$7,619,567	$7,354,607	$264,960	$6,111,865	$0	$7,354,607	$264,960	$0	$7,619,567	$7,354,607
1-Jul-40	15-Feb-41	158%	$7,773,957	$7,502,771	$271,186	$6,369,942	$0	$7,502,771	$271,186	$0	$7,773,957	$7,502,771
1-Jul-41	15-Feb-42	161%	$7,931,436	$7,652,187	$279,249	$6,638,956	$0	$7,652,187	$279,249	$0	$7,931,436	$7,652,187
1-Jul-42	15-Feb-43	164%	$8,092,064	$7,805,295	$286,769	$6,916,830	$0	$7,805,295	$286,769	$0	$8,092,064	$7,805,295
1-Jul-43	15-Feb-44	167%	$8,255,904	$7,961,295	$294,609	$7,204,740	$0	$7,961,295	$294,609	$0	$8,255,904	$7,961,295
1-Jul-44	15-Feb-45	171%	$8,423,021	$8,120,328	$302,693	$7,502,935	$0	$8,120,328	$302,693	$0	$8,423,021	$8,120,328
1-Jul-45	15-Feb-46	174%	$8,593,481	$6,919,852	$1,673,629	$9,174,358	$0	$6,919,852	$1,673,629	$0	$8,593,481	$6,919,852
1-Jul-46	15-Feb-47	178%	$8,767,350	$362,362	$8,404,988	$16,216,921	$0	$362,362	$8,404,988	$0	$8,767,350	$362,362
1-Jul-47	15-Feb-48	181%	$8,944,696	$0	$8,944,696	$17,078,909	$0	$0	$8,944,696	$0	$8,944,696	$0
1-Jul-48	15-Feb-49	185%	$9,125,590	$0	$9,125,590	$17,593,524	$0	$0	$9,125,590	$0	$9,125,590	$0
1-Jul-49	15-Feb-50	188%	$9,310,101	$0	$9,310,101	$18,123,577	$0	$0	$9,310,101	$0	$9,310,101	$0
1-Jul-50	15-Feb-51	192%	$9,498,302	$0	$9,498,302	$18,669,532	$0	$0	$9,498,302	$0	$9,498,302	$0
Total			$224,911,973	$150,996,558	$74,239,393	$235,192,755	$996,466	$150,672,581	$73,242,927	$996,466	$224,911,973	$151,669,047

MuniCap, Inc. *16-Oct-17*

[1]Represents baseline revenues available for debt service after reducing for school general obligation debt and tax credits as shown on Appendix L.

[2]Represents the baseline surplus projected to be available to Howard County to pay for capital expenditures. Pursuant to the Indenture, these revenues would be available to pay debt service and not to pay the County if the combination of first available tax increment and special taxes are insufficient to pay debt service and expenses.

[3]Projected increment available for special tax credit is calculated by taking the first available incremental taxes available to debt service and the surplus taxes available to debt service after the set aside to the County.

Appendix A-7: Projected Payment of Debt Service - Phase One Properties Complete/Underway (Revenues Available for the Special Tax Credit)

Revenue Available as Special Tax Credit

Tax Year Beginning	Bond Year Ending	Net Annual Debt Service[1] Series 2017 A Bonds	Additional Phase One Bonds	Total Debt Service	Tax Increment Revenues Available For DS **After Set Asides &Tax Credits**[2]	Surplus/ (Deficit)	Backup Special Tax	Net Surplus/ (Deficit)	Cumulative Surplus	Crescent Special Taxing District Maximum Special Taxes[3]
1-Jul-17	15-Feb-18	$0	$0	$0	$483,652	$483,652	$0	$483,652	$483,652	$7,727,599
1-Jul-18	15-Feb-19	$0	$0	$0	$512,814	$512,814	$0	$512,814	$996,466	$7,882,151
1-Jul-19	15-Feb-20	$2,102,219	$0	$2,102,219	$2,968,822	$866,603	$0	$866,603	$1,863,069	$8,039,794
1-Jul-20	15-Feb-21	$2,334,055	$0	$2,334,055	$3,059,533	$725,478	$0	$725,478	$2,588,547	$8,200,590
1-Jul-21	15-Feb-22	$2,226,691	$0	$2,226,691	$3,183,396	$956,704	$0	$956,704	$3,545,251	$8,364,602
1-Jul-22	15-Feb-23	$2,223,341	$0	$2,223,341	$3,405,516	$1,182,175	$0	$1,182,175	$4,727,426	$8,531,894
1-Jul-23	15-Feb-24	$2,605,003	$0	$2,605,003	$4,117,892	$1,512,889	$0	$1,512,889	$6,240,315	$8,702,532
1-Jul-24	15-Feb-25	$2,566,279	$0	$2,566,279	$4,221,515	$1,655,236	$0	$1,655,236	$7,895,550	$8,876,582
1-Jul-25	15-Feb-26	$2,958,368	$0	$2,958,368	$4,574,186	$1,615,818	$0	$1,615,818	$9,511,368	$9,054,114
1-Jul-26	15-Feb-27	$3,149,071	$0	$3,149,071	$4,685,412	$1,536,341	$0	$1,536,341	$11,047,709	$9,235,196
1-Jul-27	15-Feb-28	$3,180,788	$0	$3,180,788	$4,799,121	$1,618,333	$0	$1,618,333	$12,666,042	$9,419,900
1-Jul-28	15-Feb-29	$3,209,520	$0	$3,209,520	$4,914,595	$1,705,075	$0	$1,705,075	$14,371,117	$9,608,298
1-Jul-29	15-Feb-30	$3,233,703	$0	$3,233,703	$5,033,113	$1,799,410	$0	$1,799,410	$16,170,527	$9,800,464
1-Jul-30	15-Feb-31	$3,254,808	$0	$3,254,808	$5,153,836	$1,899,028	$0	$1,899,028	$18,069,555	$9,996,473
1-Jul-31	15-Feb-32	$3,272,834	$0	$3,272,834	$5,276,926	$2,004,092	$0	$2,004,092	$20,073,647	$10,196,403
1-Jul-32	15-Feb-33	$3,312,782	$0	$3,312,782	$5,402,481	$2,089,699	$0	$2,089,699	$22,163,346	$10,400,331
1-Jul-33	15-Feb-34	$3,323,621	$0	$3,323,621	$5,530,543	$2,206,922	$0	$2,206,922	$24,370,268	$10,608,337
1-Jul-34	15-Feb-35	$3,356,382	$0	$3,356,382	$5,662,092	$2,305,710	$0	$2,305,710	$26,675,978	$10,820,504
1-Jul-35	15-Feb-36	$3,380,660	$0	$3,380,660	$5,793,989	$2,413,329	$0	$2,413,329	$29,089,307	$11,036,914
1-Jul-36	15-Feb-37	$3,375,579	$0	$3,375,579	$5,931,215	$2,555,636	$0	$2,555,636	$31,644,943	$11,257,653
1-Jul-37	15-Feb-38	$3,417,234	$0	$3,417,234	$6,069,389	$2,652,155	$0	$2,652,155	$34,297,098	$11,482,806
1-Jul-38	15-Feb-39	$4,003,438	$0	$4,003,438	$7,210,313	$3,206,875	$0	$3,206,875	$37,503,973	$11,712,462
1-Jul-39	15-Feb-40	$4,060,129	$0	$4,060,129	$7,354,607	$3,294,478	$0	$3,294,478	$40,798,451	$11,946,711
1-Jul-40	15-Feb-41	$4,155,557	$0	$4,155,557	$7,502,771	$3,347,214	$0	$3,347,214	$44,145,665	$12,185,645
1-Jul-41	15-Feb-42	$4,240,878	$0	$4,240,878	$7,652,187	$3,411,309	$0	$3,411,309	$47,556,974	$12,429,358
1-Jul-42	15-Feb-43	$4,341,093	$0	$4,341,093	$7,805,295	$3,464,202	$0	$3,464,202	$51,021,176	$12,677,945
1-Jul-43	15-Feb-44	$4,430,077	$0	$4,430,077	$7,961,295	$3,531,218	$0	$3,531,218	$54,552,394	$12,931,504
1-Jul-44	15-Feb-45	$4,532,831	$0	$4,532,831	$8,120,328	$3,587,497	$0	$3,587,497	$58,139,891	$13,190,134
1-Jul-45	15-Feb-46	$3,873,230	$0	$3,873,230	$6,919,852	$3,046,622	$0	$3,046,622	$61,186,513	$13,453,937
1-Jul-46	15-Feb-47	$210,025	$0	$210,025	$362,362	$152,337	$0	$152,337	$61,338,850	$13,723,016
1-Jul-47	15-Feb-48	$0	$0	$0	$0	$0	$0	$0	$61,338,850	$13,997,476
1-Jul-48	15-Feb-49	$0	$0	$0	$0	$0	$0	$0	$61,338,850	$14,277,426
1-Jul-49	15-Feb-50	$0	$0	$0	$0	$0	$0	$0	$61,338,850	$14,562,974
1-Jul-50	15-Feb-51	$0	$0	$0	$0	$0	$0	$0	$61,338,850	$14,854,234
Total		$90,330,197	$0	$90,330,197	$151,669,047	$61,338,850	$0	$61,338,850		

MuniCap, Inc. *16-Oct-17*

[1]See Appendix M.

[2]See Appendix A-6.

[3]Represents the adjusted maximum special taxes pursuant to the *Crescent Special Taxing District Rate and Method of Apportionment.* May be reduced after final bond issue to provide 110% debt service coverage

Appendix B
Downtown Columbia
Howard County, Maryland

SCENARIO B
Includes Phase One Properties Complete or Underway
Assumes No Inflation
Includes Tax Credits
Series 2017 A Bonds Only

Appendix B
Downtown Columbia
Howard County, Maryland

Projected Market Value

Appendix B
Downtown Columbia
Howard County, Maryland

Appendix B-1.a: Total Projected Market Value - Phase One Properties Complete/Underway (Residential)

				Multi-Family Rental							
				Market Rate				80% AMI			
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-18	1-Jul-18	15-Feb-19	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-19	1-Jul-19	15-Feb-20	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-20	1-Jul-20	15-Feb-21	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-21	1-Jul-21	15-Feb-22	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-22	1-Jul-22	15-Feb-23	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-23	1-Jul-23	15-Feb-24	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-24	1-Jul-24	15-Feb-25	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-25	1-Jul-25	15-Feb-26	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-26	1-Jul-26	15-Feb-27	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-27	1-Jul-27	15-Feb-28	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-28	1-Jul-28	15-Feb-29	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-29	1-Jul-29	15-Feb-30	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-30	1-Jul-30	15-Feb-31	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-31	1-Jul-31	15-Feb-32	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-32	1-Jul-32	15-Feb-33	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-33	1-Jul-33	15-Feb-34	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-34	1-Jul-34	15-Feb-35	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-35	1-Jul-35	15-Feb-36	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-36	1-Jul-36	15-Feb-37	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-37	1-Jul-37	15-Feb-38	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-38	1-Jul-38	15-Feb-39	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-39	1-Jul-39	15-Feb-40	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-40	1-Jul-40	15-Feb-41	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-41	1-Jul-41	15-Feb-42	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-42	1-Jul-42	15-Feb-43	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-43	1-Jul-43	15-Feb-44	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-44	1-Jul-44	15-Feb-45	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-45	1-Jul-45	15-Feb-46	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-46	1-Jul-46	15-Feb-47	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-47	1-Jul-47	15-Feb-48	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-48	1-Jul-48	15-Feb-49	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-49	1-Jul-49	15-Feb-50	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-50	1-Jul-50	15-Feb-51	100%	0	$241,490	0%	$0	0	$155,763	0%	$0

[1]See Appendix A-2.a.

[2]See Appendix A-1.a. Assumes no inflation.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

Appendix B-1.a: Total Projected Market Value - Phase One Properties Complete/Underway (Residential), continued

				Multi-Family Rental				
				30% AMI				
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value	Total Projected Residential Market Value[4]
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$131,136	0%	$0	$0
1-Jan-18	1-Jul-18	15-Feb-19	100%	0	$131,136	0%	$0	$0
1-Jan-19	1-Jul-19	15-Feb-20	100%	0	$131,136	0%	$0	$0
1-Jan-20	1-Jul-20	15-Feb-21	100%	0	$131,136	0%	$0	$0
1-Jan-21	1-Jul-21	15-Feb-22	100%	0	$131,136	0%	$0	$0
1-Jan-22	1-Jul-22	15-Feb-23	100%	0	$131,136	0%	$0	$0
1-Jan-23	1-Jul-23	15-Feb-24	100%	0	$131,136	0%	$0	$0
1-Jan-24	1-Jul-24	15-Feb-25	100%	0	$131,136	0%	$0	$0
1-Jan-25	1-Jul-25	15-Feb-26	100%	0	$131,136	0%	$0	$0
1-Jan-26	1-Jul-26	15-Feb-27	100%	0	$131,136	0%	$0	$0
1-Jan-27	1-Jul-27	15-Feb-28	100%	0	$131,136	0%	$0	$0
1-Jan-28	1-Jul-28	15-Feb-29	100%	0	$131,136	0%	$0	$0
1-Jan-29	1-Jul-29	15-Feb-30	100%	0	$131,136	0%	$0	$0
1-Jan-30	1-Jul-30	15-Feb-31	100%	0	$131,136	0%	$0	$0
1-Jan-31	1-Jul-31	15-Feb-32	100%	0	$131,136	0%	$0	$0
1-Jan-32	1-Jul-32	15-Feb-33	100%	0	$131,136	0%	$0	$0
1-Jan-33	1-Jul-33	15-Feb-34	100%	0	$131,136	0%	$0	$0
1-Jan-34	1-Jul-34	15-Feb-35	100%	0	$131,136	0%	$0	$0
1-Jan-35	1-Jul-35	15-Feb-36	100%	0	$131,136	0%	$0	$0
1-Jan-36	1-Jul-36	15-Feb-37	100%	0	$131,136	0%	$0	$0
1-Jan-37	1-Jul-37	15-Feb-38	100%	0	$131,136	0%	$0	$0
1-Jan-38	1-Jul-38	15-Feb-39	100%	0	$131,136	0%	$0	$0
1-Jan-39	1-Jul-39	15-Feb-40	100%	0	$131,136	0%	$0	$0
1-Jan-40	1-Jul-40	15-Feb-41	100%	0	$131,136	0%	$0	$0
1-Jan-41	1-Jul-41	15-Feb-42	100%	0	$131,136	0%	$0	$0
1-Jan-42	1-Jul-42	15-Feb-43	100%	0	$131,136	0%	$0	$0
1-Jan-43	1-Jul-43	15-Feb-44	100%	0	$131,136	0%	$0	$0
1-Jan-44	1-Jul-44	15-Feb-45	100%	0	$131,136	0%	$0	$0
1-Jan-45	1-Jul-45	15-Feb-46	100%	0	$131,136	0%	$0	$0
1-Jan-46	1-Jul-46	15-Feb-47	100%	0	$131,136	0%	$0	$0
1-Jan-47	1-Jul-47	15-Feb-48	100%	0	$131,136	0%	$0	$0
1-Jan-48	1-Jul-48	15-Feb-49	100%	0	$131,136	0%	$0	$0
1-Jan-49	1-Jul-49	15-Feb-50	100%	0	$131,136	0%	$0	$0
1-Jan-50	1-Jul-50	15-Feb-51	100%	0	$131,136	0%	$0	$0

[1]See Appendix A-2.a.

[2]See Appendix A-1.a. Assumes no inflation.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

[4]TEN.M/m. flats and The Metropolitan development shown on Appendices B-1.b and B-1.c.

Appendix B-1.b: Total Projected Market Value - Phase One Properties Complete/Underway (TEN.M/m.flats)

				TEN.M/m.flats											
							Multi-Family				Retail				
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Existing Land Value[1]	Build-Out Percentage to Remain[2]	Remaining Land Value	Units[3]	Value Per Unit[4]	Phase-In Percent[5]	Projected Market Value	Retail[3]	Value Per SF[4]	Phase-In Percent[5]	Projected Market Value	Sub-Total TEN.M/m.flats Land & Build-Out
1-Jan-17	1-Jul-17	15-Feb-18	100%	$2,626,000	100%	$2,626,000	0	$248,223	0%	$0	0	$317	0%	$0	$2,626,000
1-Jan-18	1-Jul-18	15-Feb-19	100%	$2,626,000	0%	$0	437	$248,223	80%	$86,778,615	34,377	$317	80%	$8,722,993	$95,501,608
1-Jan-19	1-Jul-19	15-Feb-20	100%	$2,626,000	0%	$0	437	$248,223	87%	$94,010,166	34,377	$317	87%	$9,449,909	$103,460,075
1-Jan-20	1-Jul-20	15-Feb-21	100%	$2,626,000	0%	$0	437	$248,223	93%	$101,241,718	34,377	$317	93%	$10,176,825	$111,418,542
1-Jan-21	1-Jul-21	15-Feb-22	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-22	1-Jul-22	15-Feb-23	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-23	1-Jul-23	15-Feb-24	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-24	1-Jul-24	15-Feb-25	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-25	1-Jul-25	15-Feb-26	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-26	1-Jul-26	15-Feb-27	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-27	1-Jul-27	15-Feb-28	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-28	1-Jul-28	15-Feb-29	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-29	1-Jul-29	15-Feb-30	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-30	1-Jul-30	15-Feb-31	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-31	1-Jul-31	15-Feb-32	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-32	1-Jul-32	15-Feb-33	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-33	1-Jul-33	15-Feb-34	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-34	1-Jul-34	15-Feb-35	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-35	1-Jul-35	15-Feb-36	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-36	1-Jul-36	15-Feb-37	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-37	1-Jul-37	15-Feb-38	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-38	1-Jul-38	15-Feb-39	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-39	1-Jul-39	15-Feb-40	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-40	1-Jul-40	15-Feb-41	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-41	1-Jul-41	15-Feb-42	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-42	1-Jul-42	15-Feb-43	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-43	1-Jul-43	15-Feb-44	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-44	1-Jul-44	15-Feb-45	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-45	1-Jul-45	15-Feb-46	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-46	1-Jul-46	15-Feb-47	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-47	1-Jul-47	15-Feb-48	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-48	1-Jul-48	15-Feb-49	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-49	1-Jul-49	15-Feb-50	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010
1-Jan-50	1-Jul-50	15-Feb-51	100%	$2,626,000	0%	$0	437	$248,223	100%	$108,473,269	34,377	$317	100%	$10,903,741	$119,377,010

[1]See Appendix J-1. Assumes no inflation.

[2]The current land assessed value is assumed to be replaced and accounted for in the total assessed value at build-out. The percentage shown represents the phase-in of the project.

[3]Projected development provided by The Howard Research and Development Corporation.

[4]See Appendix A-1.a. Assumes no inflation.

[5]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

Appendix B-1.c: Total Projected Market Value - Phase One Properties Complete/Underway (The Metropolitan)

				The Metropolitan										
							Multi-Family Rental				Retail				Sub-Total
Assessed	Tax Year	Bond Year	Inflation	Existing	Build-Out Percentage	Remaining		Value Per	Phase-In	Projected		Value Per	Phase-In	Projected	Metropolitan
As Of Date	Beginning	Ending	Factor	Land Value[1]	to Remain[2]	Land Value	Units[3]	Unit[4]	Percent[5]	Market Value	Retail[3]	SF[4]	Percent[5]	Market Value	Land & Build-Out
1-Jan-17	1-Jul-17	15-Feb-18	100%	$1,815,100	0%	$0	380	$251,184	100%	$95,449,999	15,319	$317	100%	$4,849,267	$100,299,266
1-Jan-18	1-Jul-18	15-Feb-19	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-19	1-Jul-19	15-Feb-20	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-20	1-Jul-20	15-Feb-21	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-21	1-Jul-21	15-Feb-22	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-22	1-Jul-22	15-Feb-23	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-23	1-Jul-23	15-Feb-24	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-24	1-Jul-24	15-Feb-25	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-25	1-Jul-25	15-Feb-26	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-26	1-Jul-26	15-Feb-27	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-27	1-Jul-27	15-Feb-28	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-28	1-Jul-28	15-Feb-29	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-29	1-Jul-29	15-Feb-30	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-30	1-Jul-30	15-Feb-31	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-31	1-Jul-31	15-Feb-32	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-32	1-Jul-32	15-Feb-33	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-33	1-Jul-33	15-Feb-34	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-34	1-Jul-34	15-Feb-35	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-35	1-Jul-35	15-Feb-36	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-36	1-Jul-36	15-Feb-37	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-37	1-Jul-37	15-Feb-38	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-38	1-Jul-38	15-Feb-39	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-39	1-Jul-39	15-Feb-40	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-40	1-Jul-40	15-Feb-41	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-41	1-Jul-41	15-Feb-42	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-42	1-Jul-42	15-Feb-43	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-43	1-Jul-43	15-Feb-44	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-44	1-Jul-44	15-Feb-45	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-45	1-Jul-45	15-Feb-46	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-46	1-Jul-46	15-Feb-47	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-47	1-Jul-47	15-Feb-48	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-48	1-Jul-48	15-Feb-49	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-49	1-Jul-49	15-Feb-50	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900
1-Jan-50	1-Jul-50	15-Feb-51	100%	$1,815,100	0%	$0	380	$251,684	100%	$95,640,000	15,319	$317	100%	$4,858,900	$100,498,900

[1]See Appendix J-1. Assumes no inflation.

[2]The current land assessed value is assumed to be replaced and accounted for in the total assessed value at build-out. The percentage shown represents the phase-in of the project.

[3]Projected development provided by The Howard Research and Development Corporation.

[4]See Appendix A-1.a. Assumes no inflation.

[5]Construction of Metropolitan Parcel D units is complete and assessed values as of 7/1/2017 are reflected.

Appendix B-1.d: Total Projected Market Value -Phase One Properties Complete/Underway (Commercial)

				Office				Retail				Restaurant - Full Service			
Assessed	Tax Year	Bond Year	Inflation	Square	Value Per	Phase-In	Projected	Square	Value Per	Phase-In	Projected	Square	Value Per	Phase-In	Projected
As Of Date	Beginning	Ending	Factor	Feet[1]	SF[2]	Percent[3]	Market Value	Feet[1]	SF[2]	Percent[3]	Market Value	Feet[1]	SF[2]	Percent[3]	Market Value
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$276	0%	$0	0	$444	0%	$0	0	$444	0%	$0
1-Jan-18	1-Jul-18	15-Feb-19	100%	102,993	$276	80%	$22,761,490	14,792	$444	80%	$5,251,146	8,875	$444	80%	$3,150,688
1-Jan-19	1-Jul-19	15-Feb-20	100%	102,993	$276	87%	$24,658,281	14,792	$444	87%	$5,688,742	8,875	$444	87%	$3,413,245
1-Jan-20	1-Jul-20	15-Feb-21	100%	428,190	$276	83%	$98,423,727	22,310	$444	89%	$8,795,311	13,386	$444	89%	$5,277,187
1-Jan-21	1-Jul-21	15-Feb-22	100%	428,190	$276	90%	$106,309,572	22,310	$444	96%	$9,455,321	13,386	$444	96%	$5,673,192
1-Jan-22	1-Jul-22	15-Feb-23	100%	428,190	$276	95%	$112,298,626	22,310	$444	98%	$9,677,735	13,386	$444	98%	$5,806,641
1-Jan-23	1-Jul-23	15-Feb-24	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-24	1-Jul-24	15-Feb-25	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-25	1-Jul-25	15-Feb-26	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-26	1-Jul-26	15-Feb-27	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-27	1-Jul-27	15-Feb-28	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-28	1-Jul-28	15-Feb-29	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-29	1-Jul-29	15-Feb-30	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-30	1-Jul-30	15-Feb-31	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-31	1-Jul-31	15-Feb-32	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-32	1-Jul-32	15-Feb-33	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-33	1-Jul-33	15-Feb-34	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-34	1-Jul-34	15-Feb-35	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-35	1-Jul-35	15-Feb-36	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-36	1-Jul-36	15-Feb-37	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-37	1-Jul-37	15-Feb-38	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-38	1-Jul-38	15-Feb-39	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-39	1-Jul-39	15-Feb-40	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-40	1-Jul-40	15-Feb-41	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-41	1-Jul-41	15-Feb-42	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-42	1-Jul-42	15-Feb-43	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-43	1-Jul-43	15-Feb-44	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-44	1-Jul-44	15-Feb-45	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-45	1-Jul-45	15-Feb-46	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-46	1-Jul-46	15-Feb-47	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-47	1-Jul-47	15-Feb-48	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-48	1-Jul-48	15-Feb-49	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-49	1-Jul-49	15-Feb-50	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090
1-Jan-50	1-Jul-50	15-Feb-51	100%	428,190	$276	100%	$118,287,681	22,310	$444	100%	$9,900,150	13,386	$444	100%	$5,940,090

[1]See Appendix A-2.b.

[2]See Appendix A-1.a. Assumes no inflation.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

Appendix B-1.d: Total Projected Market Value - Phase One Properties Complete/Underway (Commercial), continued

				Restaurant - Fast Food				Parking				
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Square Feet[1]	Value Per SF[2]	Phase-In Percent[3]	Projected Market Value	Spaces[1]	Value Per Space[2]	Phase-In Percent[3]	Projected Market Value	Total Projected Commercial Market Value[4]
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$444	0%	$0	1,127	$18,681	100%	$21,053,533	$21,053,533
1-Jan-18	1-Jul-18	15-Feb-19	100%	5,917	$444	80%	$2,100,459	1,127	$19,699	100%	$22,200,800	$55,464,583
1-Jan-19	1-Jul-19	15-Feb-20	100%	5,917	$444	87%	$2,275,497	1,127	$19,699	100%	$22,200,800	$58,236,565
1-Jan-20	1-Jul-20	15-Feb-21	100%	8,924	$444	89%	$3,518,124	2,468	$19,699	89%	$43,333,913	$159,348,261
1-Jan-21	1-Jul-21	15-Feb-22	100%	8,924	$444	96%	$3,782,128	2,468	$19,699	93%	$45,095,006	$170,315,219
1-Jan-22	1-Jul-22	15-Feb-23	100%	8,924	$444	98%	$3,871,094	2,468	$19,699	96%	$46,856,098	$178,510,195
1-Jan-23	1-Jul-23	15-Feb-24	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-24	1-Jul-24	15-Feb-25	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-25	1-Jul-25	15-Feb-26	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-26	1-Jul-26	15-Feb-27	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-27	1-Jul-27	15-Feb-28	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-28	1-Jul-28	15-Feb-29	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-29	1-Jul-29	15-Feb-30	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-30	1-Jul-30	15-Feb-31	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-31	1-Jul-31	15-Feb-32	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-32	1-Jul-32	15-Feb-33	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-33	1-Jul-33	15-Feb-34	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-34	1-Jul-34	15-Feb-35	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-35	1-Jul-35	15-Feb-36	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-36	1-Jul-36	15-Feb-37	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-37	1-Jul-37	15-Feb-38	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-38	1-Jul-38	15-Feb-39	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-39	1-Jul-39	15-Feb-40	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-40	1-Jul-40	15-Feb-41	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-41	1-Jul-41	15-Feb-42	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-42	1-Jul-42	15-Feb-43	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-43	1-Jul-43	15-Feb-44	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-44	1-Jul-44	15-Feb-45	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-45	1-Jul-45	15-Feb-46	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-46	1-Jul-46	15-Feb-47	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-47	1-Jul-47	15-Feb-48	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-48	1-Jul-48	15-Feb-49	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-49	1-Jul-49	15-Feb-50	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172
1-Jan-50	1-Jul-50	15-Feb-51	100%	8,924	$444	100%	$3,960,060	2,468	$19,699	100%	$48,617,191	$186,705,172

[1]See Appendix A-2.b.

[2]See Appendix A-1.a. Assumes no inflation. Value for the parking in the first year based on actual value assessed by Maryland State Department of Assessments.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization. Construction of Area One Parking Garage is complete and assessed values as of 7/1/2017 are reflected.

[4]One Merriweather development shown on Appendix B-1.e.

Appendix B-1.e: Total Projected Market Value - Phase One Properties Complete/Underway (One Merriweather)

				One Merriweather									
					Office				Retail				Sub-Total
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Remaining Land Value[1]	Office[3]	Value Per SF[4]	Phase-In Percent[5]	Projected Market Value	Retail[3]	Value Per SF[4]	Phase-In Percent[5]	Projected Market Value	One Merriweather Land & Build-Out
1-Jan-17	1-Jul-17	15-Feb-18	100%	$0	208,034	$249	100%	$51,834,058	9,749	$249	100%	$2,429,075	$54,263,133
1-Jan-18	1-Jul-18	15-Feb-19	100%	$0	208,034	$266	100%	$55,252,336	9,749	$266	100%	$2,589,264	$57,841,600
1-Jan-19	1-Jul-19	15-Feb-20	100%	$0	208,034	$266	100%	$55,252,336	9,749	$266	100%	$2,589,264	$57,841,600
1-Jan-20	1-Jul-20	15-Feb-21	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-21	1-Jul-21	15-Feb-22	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-22	1-Jul-22	15-Feb-23	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-23	1-Jul-23	15-Feb-24	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-24	1-Jul-24	15-Feb-25	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-25	1-Jul-25	15-Feb-26	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-26	1-Jul-26	15-Feb-27	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-27	1-Jul-27	15-Feb-28	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-28	1-Jul-28	15-Feb-29	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-29	1-Jul-29	15-Feb-30	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-30	1-Jul-30	15-Feb-31	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-31	1-Jul-31	15-Feb-32	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-32	1-Jul-32	15-Feb-33	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-33	1-Jul-33	15-Feb-34	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-34	1-Jul-34	15-Feb-35	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-35	1-Jul-35	15-Feb-36	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-36	1-Jul-36	15-Feb-37	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-37	1-Jul-37	15-Feb-38	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-38	1-Jul-38	15-Feb-39	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-39	1-Jul-39	15-Feb-40	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-40	1-Jul-40	15-Feb-41	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-41	1-Jul-41	15-Feb-42	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-42	1-Jul-42	15-Feb-43	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-43	1-Jul-43	15-Feb-44	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-44	1-Jul-44	15-Feb-45	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-45	1-Jul-45	15-Feb-46	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-46	1-Jul-46	15-Feb-47	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-47	1-Jul-47	15-Feb-48	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-48	1-Jul-48	15-Feb-49	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-49	1-Jul-49	15-Feb-50	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687
1-Jan-50	1-Jul-50	15-Feb-51	100%	$0	208,034	$276	100%	$57,469,487	9,749	$317	100%	$3,092,200	$60,561,687

[1]Current land assessed value is assumed to be replaced and accounted for in the total assessed value at build-out.

[2]Projected development provided by The Howard Research and Development Corporation.

[3]Assumes no inflation. Value shown for the first year shown based on actual value as picked up by the Maryland State Department of Assessments for One Merriweather shown on Appendix H-1.b through the next triennial reassessment date at which point values are adjusted to reflect stabilized values.

[4]Construction of One Merriweather is complete and assessed values as of 7/1/2017 are reflected.

Appendix B-1.f: Total Projected Market Value - Phase One Properties Complete/Underway (Total)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Projected Assessed Value[1]						Total Projected Assessed Value
			Residential	TEN.M/m.flats	The Metropolitan	Commercial	One Merriweather	Residual Base[2]	
1-Jul-17	15-Feb-18	100%	$0	$2,626,000	$100,299,266	$21,053,533	$54,263,133	$39,676,300	$217,918,232
1-Jul-18	15-Feb-19	100%	$0	$95,501,608	$100,498,900	$55,464,583	$57,841,600	$38,457,752	$347,764,443
1-Jul-19	15-Feb-20	100%	$0	$103,460,075	$100,498,900	$58,236,565	$57,841,600	$38,372,153	$358,409,293
1-Jul-20	15-Feb-21	100%	$0	$111,418,542	$100,498,900	$159,348,261	$60,561,687	$34,668,140	$466,495,530
1-Jul-21	15-Feb-22	100%	$0	$119,377,010	$100,498,900	$170,315,219	$60,561,687	$34,266,388	$485,019,204
1-Jul-22	15-Feb-23	100%	$0	$119,377,010	$100,498,900	$178,510,195	$60,561,687	$33,966,183	$492,913,975
1-Jul-23	15-Feb-24	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-24	15-Feb-25	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-25	15-Feb-26	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-26	15-Feb-27	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-27	15-Feb-28	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-28	15-Feb-29	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-29	15-Feb-30	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-30	15-Feb-31	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-31	15-Feb-32	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-32	15-Feb-33	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-33	15-Feb-34	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-34	15-Feb-35	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-35	15-Feb-36	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-36	15-Feb-37	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-37	15-Feb-38	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-38	15-Feb-39	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-39	15-Feb-40	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-40	15-Feb-41	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-41	15-Feb-42	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-42	15-Feb-43	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-43	15-Feb-44	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-44	15-Feb-45	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-45	15-Feb-46	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-46	15-Feb-47	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-47	15-Feb-48	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-48	15-Feb-49	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-49	15-Feb-50	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745
1-Jul-50	15-Feb-51	100%	$0	$119,377,010	$100,498,900	$186,705,172	$60,561,687	$33,665,977	$500,808,745

[1]See Appendices B-1.a, B-1.b, B-1.c, B-1.d, and B-1.e.

[2]See Appendix J-2. Residual base value represents the value of the crescent tax parcel 1415019921 expected to remain or to be redeveloped. As of January 1, 2017, total value of the crescent tax parcel is $114,992,966, of which $75,316,666 is attributable to development underway or complete. Values shown are assumed to be adjusted for inflation factor shown. Furthermore, the residual base value is adjusted for the replacement of value attributable to new construction.

Appendix B
Downtown Columbia
Howard County, Maryland

Available Tax Increment Revenues &
Projected Debt Service Coverage

Appendix B-2: Projected Real Property Tax Increment Revenues - Phase One Properties Complete/Underway

Tax Year Beginning	Bond Year Ending	Inflation Factor	Total Projected Assessed Value[1]	Phase I Base Value[2]	Incremental Property Value	FY 17 Howard County Tax Rate Per $100 A.V	Projected Tax Increment Revenues	Percent Available After Tax Discount[3]	Available Incremental Tax Revenues	Available For Debt Service	Phase One Properties Complete/Underway: Tax Increment Revenues	Phase One Properties Complete/Underway: Tax Credits[4]	Phase One Properties Complete/Underway: Net Tax Increment Revenues Available for Debt Service
1-Jul-17	15-Feb-18	100%	$217,918,232	($9,907,900)	$208,010,332	$1.014	$2,109,225	99.5%	$2,098,679	100%	$2,098,679	($448,584)	$1,650,095
1-Jul-18	15-Feb-19	100%	$347,764,443	($9,907,900)	$337,856,543	$1.014	$3,425,865	99.5%	$3,408,736	100%	$3,408,736	($682,978)	$2,725,758
1-Jul-19	15-Feb-20	100%	$358,409,293	($9,907,900)	$348,501,393	$1.014	$3,533,804	99.5%	$3,516,135	100%	$3,516,135	($630,762)	$2,885,373
1-Jul-20	15-Feb-21	100%	$466,495,530	($9,907,900)	$456,587,630	$1.014	$4,629,799	99.5%	$4,606,650	100%	$4,606,650	($963,706)	$3,642,944
1-Jul-21	15-Feb-22	100%	$485,019,204	($9,907,900)	$475,111,304	$1.014	$4,817,629	99.5%	$4,793,540	100%	$4,793,540	($918,000)	$3,875,540
1-Jul-22	15-Feb-23	100%	$492,913,975	($9,907,900)	$483,006,075	$1.014	$4,897,682	99.5%	$4,873,193	100%	$4,873,193	($798,749)	$4,074,444
1-Jul-23	15-Feb-24	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	($212,058)	$4,740,788
1-Jul-24	15-Feb-25	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	($212,058)	$4,740,788
1-Jul-25	15-Feb-26	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-26	15-Feb-27	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-27	15-Feb-28	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-28	15-Feb-29	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-29	15-Feb-30	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-30	15-Feb-31	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-31	15-Feb-32	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-32	15-Feb-33	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-33	15-Feb-34	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-34	15-Feb-35	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-35	15-Feb-36	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-36	15-Feb-37	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-37	15-Feb-38	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-38	15-Feb-39	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-39	15-Feb-40	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-40	15-Feb-41	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-41	15-Feb-42	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-42	15-Feb-43	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-43	15-Feb-44	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-44	15-Feb-45	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-45	15-Feb-46	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-46	15-Feb-47	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-47	15-Feb-48	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-48	15-Feb-49	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-49	15-Feb-50	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
1-Jul-50	15-Feb-51	100%	$500,808,745	($9,907,900)	$490,900,845	$1.014	$4,977,735	99.5%	$4,952,846	100%	$4,952,846	$0	$4,952,846
Total							$162,790,571		$161,976,618		$161,976,618	($4,866,894)	$157,109,724

MuniCap, Inc. *16-Oct-17*

[1]See Appendix B-1.f.

[2]See Appendix J-1.

[3]Assumes all tax payers pay 100% of taxes due by end of July, and thus receive a 0.5% discount.

[4]See Appendix K-1.

Appendix B-3: Projected Payment of Debt Service and Debt Service Coverage - Phase One Properties Complete/Underway - Projected Coverage

Tax Year Beginning	Bond Year Ending	Net Annual Debt Service[1] Series 2017 A Bonds	Additional Phase One Bonds	Total Debt Service	Tax Increment Revenues Available For DS **After Tax Credits**[2]	Surplus/ (Deficit)	Backup Special Tax[3]	Net Surplus/ (Deficit)	Cumulative Surplus	Debt Service Coverage Incremental Revenues	Total Revenues (TIF/Special Tax)	
1-Jul-17	15-Feb-18	$0	$0	$0	$1,650,095	$1,650,095	$0	$1,650,095	$1,650,095	NA	NA	
1-Jul-18	15-Feb-19	$0	$0	$0	$2,725,758	$2,725,758	$0	$2,725,758	$4,375,853	NA	NA	
1-Jul-19	15-Feb-20	$2,102,219	$0	$2,102,219	$2,885,373	$783,155	$0	$783,155	$5,159,008	137%	137%	
1-Jul-20	15-Feb-21	$2,334,055	$0	$2,334,055	$3,642,944	$1,308,889	$0	$1,308,889	$6,467,897	156%	156%	
1-Jul-21	15-Feb-22	$2,226,691	$0	$2,226,691	$3,875,540	$1,648,849	$0	$1,648,849	$8,116,746	174%	174%	
1-Jul-22	15-Feb-23	$2,223,341	$0	$2,223,341	$4,074,444	$1,851,103	$0	$1,851,103	$9,967,849	183%	183%	
1-Jul-23	15-Feb-24	$2,605,003	$0	$2,605,003	$4,740,788	$2,135,784	$0	$2,135,784	$12,103,633	182%	182%	(stabilized FY24)
1-Jul-24	15-Feb-25	$2,566,279	$0	$2,566,279	$4,740,788	$2,174,509	$0	$2,174,509	$14,278,142	185%	185%	
1-Jul-25	15-Feb-26	$2,958,368	$0	$2,958,368	$4,952,846	$1,994,478	$0	$1,994,478	$16,272,620	167%	167%	
1-Jul-26	15-Feb-27	$3,149,071	$0	$3,149,071	$4,952,846	$1,803,775	$0	$1,803,775	$18,076,394	157%	157%	
1-Jul-27	15-Feb-28	$3,180,788	$0	$3,180,788	$4,952,846	$1,772,058	$0	$1,772,058	$19,848,452	156%	156%	
1-Jul-28	15-Feb-29	$3,209,520	$0	$3,209,520	$4,952,846	$1,743,326	$0	$1,743,326	$21,591,778	154%	154%	
1-Jul-29	15-Feb-30	$3,233,703	$0	$3,233,703	$4,952,846	$1,719,143	$0	$1,719,143	$23,310,921	153%	153%	
1-Jul-30	15-Feb-31	$3,254,808	$0	$3,254,808	$4,952,846	$1,698,038	$0	$1,698,038	$25,008,959	152%	152%	
1-Jul-31	15-Feb-32	$3,272,834	$0	$3,272,834	$4,952,846	$1,680,012	$0	$1,680,012	$26,688,971	151%	151%	
1-Jul-32	15-Feb-33	$3,312,782	$0	$3,312,782	$4,952,846	$1,640,064	$0	$1,640,064	$28,329,034	150%	150%	
1-Jul-33	15-Feb-34	$3,323,621	$0	$3,323,621	$4,952,846	$1,629,225	$0	$1,629,225	$29,958,260	149%	149%	
1-Jul-34	15-Feb-35	$3,356,382	$0	$3,356,382	$4,952,846	$1,596,464	$0	$1,596,464	$31,554,724	148%	148%	
1-Jul-35	15-Feb-36	$3,380,660	$0	$3,380,660	$4,952,846	$1,572,186	$0	$1,572,186	$33,126,910	147%	147%	
1-Jul-36	15-Feb-37	$3,375,579	$0	$3,375,579	$4,952,846	$1,577,267	$0	$1,577,267	$34,704,177	147%	147%	
1-Jul-37	15-Feb-38	$3,417,234	$0	$3,417,234	$4,952,846	$1,535,612	$0	$1,535,612	$36,239,788	145%	145%	
1-Jul-38	15-Feb-39	$4,003,438	$0	$4,003,438	$4,952,846	$949,407	$0	$949,407	$37,189,196	124%	124%	
1-Jul-39	15-Feb-40	$4,060,129	$0	$4,060,129	$4,952,846	$892,717	$0	$892,717	$38,081,913	122%	122%	
1-Jul-40	15-Feb-41	$4,155,557	$0	$4,155,557	$4,952,846	$797,289	$0	$797,289	$38,879,202	119%	119%	
1-Jul-41	15-Feb-42	$4,240,878	$0	$4,240,878	$4,952,846	$711,968	$0	$711,968	$39,591,170	117%	117%	
1-Jul-42	15-Feb-43	$4,341,093	$0	$4,341,093	$4,952,846	$611,753	$0	$611,753	$40,202,923	114%	114%	
1-Jul-43	15-Feb-44	$4,430,077	$0	$4,430,077	$4,952,846	$522,769	$0	$522,769	$40,725,692	112%	112%	
1-Jul-44	15-Feb-45	$4,532,831	$0	$4,532,831	$4,952,846	$420,015	$0	$420,015	$41,145,707	109%	109%	
1-Jul-45	15-Feb-46	$3,873,230	$0	$3,873,230	$4,952,846	$1,079,616	$0	$1,079,616	$42,225,322	128%	128%	
1-Jul-46	15-Feb-47	$210,025	$0	$210,025	$4,952,846	$4,742,821	$0	$4,742,821	$46,968,143	2358%	2358%	
1-Jul-47	15-Feb-48	$0	$0	$0	$4,952,846	$4,952,846	$0	$4,952,846	$51,920,989	NA	NA	
1-Jul-48	15-Feb-49	$0	$0	$0	$4,952,846	$4,952,846	$0	$4,952,846	$56,873,835	NA	NA	
1-Jul-49	15-Feb-50	$0	$0	$0	$4,952,846	$4,952,846	$0	$4,952,846	$61,826,681	NA	NA	
1-Jul-50	15-Feb-51	$0	$0	$0	$4,952,846	$4,952,846	$0	$4,952,846	$66,779,527	NA	NA	
Total		$90,330,197	$0	$90,330,197	$157,109,724	$66,779,527	$0	$66,779,527				

MuniCap, Inc. *16-Oct-17*

[1]See Appendix M.

[2]See Appendix B-2. Represents incremental tax revenues after tax credits. Revenues shown exclude required set asides as shown on Appendix L.

[3]Maximum special taxes equal to 110% of debt service have been levied but would be collected only to the extent that TIF revenues in the then current year are calculated to be insufficient to meet debt service.

Appendix B
Downtown Columbia
Howard County, Maryland

Projected Special Taxes After Set Asides

Appendix B-4: Projection of Available Revenues for Debt Service After Set Asides - Phase One Properties Complete/Underway

Tax Year Beginning	Bond Year Ending	Inflation Factor	Projected Net Incremental Tax Revenues (Appendix B-2)	First Set Aside & Surplus[1] Debt Service Threshold (Appendix L-2)	First Set Aside & Surplus[1] Surplus After First Set Aside	Second Set Aside & Surplus[1] County Threshold (Appendix L-2)	Second Set Aside & Surplus[1] Surplus After Second Set Aside	Allocation of Incremental Taxes: First Available to Debt Service[1]	Allocation of Incremental Taxes: Second Available to Howard County[2]	Allocation of Incremental Taxes: Third Available to Debt Service	Allocation of Incremental Taxes: Total	Projected Increment Available for Special Tax Credit[3]
1-Jul-17	15-Feb-18	100%	$1,650,095	$0	$1,650,095	$1,160,055	$490,040	$0	$1,160,055	$490,040	$1,650,095	$490,040
1-Jul-18	15-Feb-19	100%	$2,725,758	$0	$2,725,758	$2,233,028	$492,731	$0	$2,233,028	$492,731	$2,725,758	$492,731
1-Jul-19	15-Feb-20	100%	$2,885,373	$3,292,800	$0	$1,179,980	$0	$2,885,373	$0	$0	$2,885,373	$2,885,373
1-Jul-20	15-Feb-21	100%	$3,642,944	$3,059,533	$583,411	$2,093,331	$0	$3,059,533	$583,411	$0	$3,642,944	$3,059,533
1-Jul-21	15-Feb-22	100%	$3,875,540	$3,183,396	$692,145	$3,244,670	$0	$3,183,396	$692,145	$0	$3,875,540	$3,183,396
1-Jul-22	15-Feb-23	100%	$4,074,444	$3,405,516	$668,928	$3,705,097	$0	$3,405,516	$668,928	$0	$4,074,444	$3,405,516
1-Jul-23	15-Feb-24	100%	$4,740,788	$4,117,892	$622,896	$3,944,347	$0	$4,117,892	$622,896	$0	$4,740,788	$4,117,892
1-Jul-24	15-Feb-25	100%	$4,740,788	$4,221,515	$519,273	$4,151,682	$0	$4,221,515	$519,273	$0	$4,740,788	$4,221,515
1-Jul-25	15-Feb-26	100%	$4,952,846	$4,574,186	$378,660	$4,303,351	$0	$4,574,186	$378,660	$0	$4,952,846	$4,574,186
1-Jul-26	15-Feb-27	100%	$4,952,846	$4,685,412	$267,434	$4,460,699	$0	$4,685,412	$267,434	$0	$4,952,846	$4,685,412
1-Jul-27	15-Feb-28	100%	$4,952,846	$4,799,121	$153,725	$4,623,620	$0	$4,799,121	$153,725	$0	$4,952,846	$4,799,121
1-Jul-28	15-Feb-29	100%	$4,952,846	$4,914,595	$38,251	$4,793,076	$0	$4,914,595	$38,251	$0	$4,952,846	$4,914,595
1-Jul-29	15-Feb-30	100%	$4,952,846	$5,033,113	$0	$4,968,036	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-30	15-Feb-31	100%	$4,952,846	$5,153,836	$0	$5,149,594	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-31	15-Feb-32	100%	$4,952,846	$5,276,926	$0	$5,337,855	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-32	15-Feb-33	100%	$4,952,846	$5,402,481	$0	$5,532,991	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-33	15-Feb-34	100%	$4,952,846	$5,530,543	$0	$5,735,240	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-34	15-Feb-35	100%	$4,952,846	$5,662,092	$0	$5,943,912	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-35	15-Feb-36	100%	$4,952,846	$5,793,989	$0	$6,162,443	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-36	15-Feb-37	100%	$4,952,846	$5,931,215	$0	$6,386,158	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-37	15-Feb-38	100%	$4,952,846	$6,069,389	$0	$6,619,752	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-38	15-Feb-39	100%	$4,952,846	$7,210,313	$0	$5,861,750	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-39	15-Feb-40	100%	$4,952,846	$7,354,607	$0	$6,111,865	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-40	15-Feb-41	100%	$4,952,846	$7,502,771	$0	$6,369,942	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-41	15-Feb-42	100%	$4,952,846	$7,652,187	$0	$6,638,956	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-42	15-Feb-43	100%	$4,952,846	$7,805,295	$0	$6,916,830	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-43	15-Feb-44	100%	$4,952,846	$7,961,295	$0	$7,204,740	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-44	15-Feb-45	100%	$4,952,846	$8,120,328	$0	$7,502,935	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-45	15-Feb-46	100%	$4,952,846	$6,919,852	$0	$9,174,358	$0	$4,952,846	$0	$0	$4,952,846	$4,952,846
1-Jul-46	15-Feb-47	100%	$4,952,846	$362,362	$4,590,484	$16,216,921	$0	$362,362	$4,590,484	$0	$4,952,846	$362,362
1-Jul-47	15-Feb-48	100%	$4,952,846	$0	$4,952,846	$17,078,909	$0	$0	$4,952,846	$0	$4,952,846	$0
1-Jul-48	15-Feb-49	100%	$4,952,846	$0	$4,952,846	$17,593,524	$0	$0	$4,952,846	$0	$4,952,846	$0
1-Jul-49	15-Feb-50	100%	$4,952,846	$0	$4,952,846	$18,123,577	$0	$0	$4,952,846	$0	$4,952,846	$0
1-Jul-50	15-Feb-51	100%	$4,952,846	$0	$4,952,846	$18,669,532	$0	$0	$4,952,846	$0	$4,952,846	$0
Total			$157,109,724	$150,996,558	$32,702,443	$235,192,755	$982,771	$124,407,281	$31,719,673	$982,771	$157,109,724	$125,390,051

MuniCap, Inc. *16-Oct-17*

[1]Represents baseline revenues available for debt service after reducing for school general obligation debt and tax credits as shown on Appendix L.

[2]Represents the baseline surplus projected to be available to Howard County to pay for capital expenditures. Pursuant to the Indenture, these revenues would be available to pay debt service and not to pay the County if the combination of first available tax increment and special taxes are insufficient to pay debt service and expenses.

[3]Projected increment available for special tax credit is calculated by taking the first available incremental taxes available to debt service and the surplus taxes available to debt service after the set aside to the County.

Appendix B-5: Projected Payment of Debt Service - Phase One Properties Complete/Underway (Revenues Available for the Special Tax Credit)

Revenue Available as Special Tax Credit

Tax Year Beginning	Bond Year Ending	Net Annual Debt Service[1] Series 2017 A Bonds	Additional Phase One Bonds	Total Debt Service	Tax Increment Revenues Available For DS **After Set Asides &Tax Credits**[2]	Surplus/ (Deficit)	Backup Special Tax	Net Surplus/ (Deficit)	Cumulative Surplus	Crescent Special Taxing District Maximum Special Taxes[3]
1-Jul-17	15-Feb-18	$0	$0	$0	$490,040	$490,040	$0	$490,040	$490,040	$7,727,599
1-Jul-18	15-Feb-19	$0	$0	$0	$492,731	$492,731	$0	$492,731	$982,771	$7,882,151
1-Jul-19	15-Feb-20	$2,102,219	$0	$2,102,219	$2,885,373	$783,155	$0	$783,155	$1,765,925	$8,039,794
1-Jul-20	15-Feb-21	$2,334,055	$0	$2,334,055	$3,059,533	$725,478	$0	$725,478	$2,491,403	$8,200,590
1-Jul-21	15-Feb-22	$2,226,691	$0	$2,226,691	$3,183,396	$956,704	$0	$956,704	$3,448,107	$8,364,602
1-Jul-22	15-Feb-23	$2,223,341	$0	$2,223,341	$3,405,516	$1,182,175	$0	$1,182,175	$4,630,282	$8,531,894
1-Jul-23	15-Feb-24	$2,605,003	$0	$2,605,003	$4,117,892	$1,512,889	$0	$1,512,889	$6,143,171	$8,702,532
1-Jul-24	15-Feb-25	$2,566,279	$0	$2,566,279	$4,221,515	$1,655,236	$0	$1,655,236	$7,798,407	$8,876,582
1-Jul-25	15-Feb-26	$2,958,368	$0	$2,958,368	$4,574,186	$1,615,818	$0	$1,615,818	$9,414,224	$9,054,114
1-Jul-26	15-Feb-27	$3,149,071	$0	$3,149,071	$4,685,412	$1,536,341	$0	$1,536,341	$10,950,565	$9,235,196
1-Jul-27	15-Feb-28	$3,180,788	$0	$3,180,788	$4,799,121	$1,618,333	$0	$1,618,333	$12,568,898	$9,419,900
1-Jul-28	15-Feb-29	$3,209,520	$0	$3,209,520	$4,914,595	$1,705,075	$0	$1,705,075	$14,273,973	$9,608,298
1-Jul-29	15-Feb-30	$3,233,703	$0	$3,233,703	$4,952,846	$1,719,143	$0	$1,719,143	$15,993,116	$9,800,464
1-Jul-30	15-Feb-31	$3,254,808	$0	$3,254,808	$4,952,846	$1,698,038	$0	$1,698,038	$17,691,154	$9,996,473
1-Jul-31	15-Feb-32	$3,272,834	$0	$3,272,834	$4,952,846	$1,680,012	$0	$1,680,012	$19,371,165	$10,196,403
1-Jul-32	15-Feb-33	$3,312,782	$0	$3,312,782	$4,952,846	$1,640,064	$0	$1,640,064	$21,011,229	$10,400,331
1-Jul-33	15-Feb-34	$3,323,621	$0	$3,323,621	$4,952,846	$1,629,225	$0	$1,629,225	$22,640,455	$10,608,337
1-Jul-34	15-Feb-35	$3,356,382	$0	$3,356,382	$4,952,846	$1,596,464	$0	$1,596,464	$24,236,919	$10,820,504
1-Jul-35	15-Feb-36	$3,380,660	$0	$3,380,660	$4,952,846	$1,572,186	$0	$1,572,186	$25,809,105	$11,036,914
1-Jul-36	15-Feb-37	$3,375,579	$0	$3,375,579	$4,952,846	$1,577,267	$0	$1,577,267	$27,386,372	$11,257,653
1-Jul-37	15-Feb-38	$3,417,234	$0	$3,417,234	$4,952,846	$1,535,612	$0	$1,535,612	$28,921,983	$11,482,806
1-Jul-38	15-Feb-39	$4,003,438	$0	$4,003,438	$4,952,846	$949,407	$0	$949,407	$29,871,391	$11,712,462
1-Jul-39	15-Feb-40	$4,060,129	$0	$4,060,129	$4,952,846	$892,717	$0	$892,717	$30,764,108	$11,946,711
1-Jul-40	15-Feb-41	$4,155,557	$0	$4,155,557	$4,952,846	$797,289	$0	$797,289	$31,561,397	$12,185,645
1-Jul-41	15-Feb-42	$4,240,878	$0	$4,240,878	$4,952,846	$711,968	$0	$711,968	$32,273,365	$12,429,358
1-Jul-42	15-Feb-43	$4,341,093	$0	$4,341,093	$4,952,846	$611,753	$0	$611,753	$32,885,118	$12,677,945
1-Jul-43	15-Feb-44	$4,430,077	$0	$4,430,077	$4,952,846	$522,769	$0	$522,769	$33,407,887	$12,931,504
1-Jul-44	15-Feb-45	$4,532,831	$0	$4,532,831	$4,952,846	$420,015	$0	$420,015	$33,827,902	$13,190,134
1-Jul-45	15-Feb-46	$3,873,230	$0	$3,873,230	$4,952,846	$1,079,616	$0	$1,079,616	$34,907,517	$13,453,937
1-Jul-46	15-Feb-47	$210,025	$0	$210,025	$362,362	$152,337	$0	$152,337	$35,059,854	$13,723,016
1-Jul-47	15-Feb-48	$0	$0	$0	$0	$0	$0	$0	$35,059,854	$13,997,476
1-Jul-48	15-Feb-49	$0	$0	$0	$0	$0	$0	$0	$35,059,854	$14,277,426
1-Jul-49	15-Feb-50	$0	$0	$0	$0	$0	$0	$0	$35,059,854	$14,562,974
1-Jul-50	15-Feb-51	$0	$0	$0	$0	$0	$0	$0	$35,059,854	$14,854,234
Total		$90,330,197	$0	$90,330,197	$125,390,051	$35,059,854	$0	$35,059,854		

MuniCap, Inc. *16-Oct-17*

[1]See Appendix M.

[2]See Appendix B-4.

[3]Represents the adjusted maximum special taxes pursuant to the *Crescent Special Taxing District Rate and Method of Apportionment.* May be reduced after final bond issue to provide 110% debt service coverage

Appendix C
Downtown Columbia
Howard County, Maryland

SCENARIO C
Includes Phase One Properties Complete or Underway
Excludes 3OA/Area Three Phase One Parking
2% Inflation Factor
Includes Tax Credits
Series 2017 A Bonds Only

Appendix C
Downtown Columbia
Howard County, Maryland

Projected Development

Appendix C
Downtown Columbia
Howard County, Maryland

Appendix C-1.a: Projected Development by Type - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking

	Area[1]					Market Value[2]				Total Market	Year
Property Type	Units	Rooms	GSF Per Unit/Space	Spaces	Gross SF	Per Unit	Per Room	Per GSF	Per Space	Value	Completed
Residential											
Rental:											
MF rental - market rate	0	-	0	-	0	$241,490	-	$215	-	$0	-
MF rental - market rate (TEN.M/m.flats)	437	-	1,156	-	504,978	$248,223	-	$215	-	$108,473,269	2017
MF rental - market rate (The Metropolitan)	380	-	1,172	-	445,235	$251,684	-	$215	-	$95,640,000	2014
MF rental - 80% AMI	0	-	0	-	0	$155,763	-	$139	-	$0	-
MF rental - 30% AMI	0	-	0	-	0	$131,136		$117	-	$0	-
Sub-total residential	817				950,213					$204,113,269	
Commercial											
Office:											
One Merriweather	-	-	-	-	208,034	-	-	$276	-	$57,469,487	2016
Two Merriweather	-	-	-	-	102,993	-	-	$276	-	$28,451,863	2017
Building 3OA	-	-	-	-	0	-	-	$276	-	$0	-
Building 3OB	-	-	-	-	0	-	-	$276	-	$0	-
Sub-total office					311,027					$85,921,349	
Retail:											
The Metropolitan ground floor	-	-	-	-	15,319	-	-	$317	-	$4,858,900	2014
TEN.M/m.flats ground floor	-	-	-	-	34,377	-	-	$317	-	$10,903,741	2017
One Merriweather ground floor	-	-	-	-	9,749	-	-	$317	-	$3,092,200	2016
Special taxing district retail (remaining area)	-	-	-	-	14,792	-	-	$444	-	$6,563,933	2017
Sub-total retail					74,237					$25,418,774	
Restaurant:											
Full service	-	-	-	-	8,875	-	-	$444	-	$3,938,360	2017
Fast food service	-	-	-	-	5,917	-	-	$444	-	$2,625,573	2017
Sub-total restaurant					14,792					$6,563,933	
Parking:											
Area one parking garage	-	-	350	1,127	394,425	-	-	$56	$19,699	$22,200,800	2017
Area three phase one parking garage	-	-	0	0	0	-	-	$56	$19,699	$0	-
Sub-total parking				1,127	394,425					$22,200,800	
Total (excluding parking SF)	817			1,127	1,350,268					$344,218,125	

MuniCap, Inc. *16-Oct-17*

[1]Projected development provided by The Howard Research and Development Corporation.
[2]See Appendix G-1.

Appendix C-1.b: Projected Development by Building - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking

	Area[1]							Market Value[2]							
	Rental Units			Gross Square Feet			Parking	Per MR	Per Aff. Unit		Per Gross SF		Per	Total Market	Year
Building	MR	Aff.	Total	Per Unit	Retail	Office	Spaces	Unit	80% AMI	30% AMI	Retail	Office	Space	Value	Completed
Phase One Properties Complete/Underway															
The Metropolitan	380	-	380	1,172	15,319	-	-	$251,684	-	-	$317	-	-	$100,498,900	Complete
TEN.M/m.flats	437	-	437	1,156	34,377	-	-	$248,223	-	-	$317	-	-	$119,377,010	09/2017
One Merriweather	-	-	-	-	9,749	208,034	-	-	-	-	$317	$276	-	$60,561,687	Complete
Two Merriweather	-	-	-	-	29,583	102,993	-	-	-	-	$444	$276	-	$41,579,729	11/2017
Area One Parking Garage	-	-	-	-	-	-	1,127	-	-	-	-	-	$19,699	$22,200,800	Complete
	817	0	817		89,028	311,027	1,127							$344,218,125	

MuniCap, Inc. *16-Oct-17*

[1]Projected development provided by The Howard Research and Development Corporation.

[2]See Appendix G-1.

Appendix C-2.a: Projected Absorption - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking (Residential) [1]

			Multi-Family Rental							
		Tax	Market Rate		80% AMI		30% AMI		Total Rental[2]	
Year	Assessed	Year	(Units)		(Units)		(Units)		(Units)	
Ending	As Of Date	Beginning	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
31-Dec-16	1-Jan-17	1-Jul-17	0	0	0	0	0	0	0	0
31-Dec-17	1-Jan-18	1-Jul-18	0	0	0	0	0	0	0	0
31-Dec-18	1-Jan-19	1-Jul-19	0	0	0	0	0	0	0	0
31-Dec-19	1-Jan-20	1-Jul-20	0	0	0	0	0	0	0	0
31-Dec-20	1-Jan-21	1-Jul-21	0	0	0	0	0	0	0	0
31-Dec-21	1-Jan-22	1-Jul-22	0	0	0	0	0	0	0	0
31-Dec-22	1-Jan-23	1-Jul-23	0	0	0	0	0	0	0	0
31-Dec-23	1-Jan-24	1-Jul-24	0	0	0	0	0	0	0	0
31-Dec-24	1-Jan-25	1-Jul-25	0	0	0	0	0	0	0	0
31-Dec-25	1-Jan-26	1-Jul-26	0	0	0	0	0	0	0	0
31-Dec-26	1-Jan-27	1-Jul-27	0	0	0	0	0	0	0	0
31-Dec-27	1-Jan-28	1-Jul-28	0	0	0	0	0	0	0	0
31-Dec-28	1-Jan-29	1-Jul-29	0	0	0	0	0	0	0	0
31-Dec-29	1-Jan-30	1-Jul-30	0	0	0	0	0	0	0	0
31-Dec-30	1-Jan-31	1-Jul-31	0	0	0	0	0	0	0	0
31-Dec-31	1-Jan-32	1-Jul-32	0	0	0	0	0	0	0	0
31-Dec-32	1-Jan-33	1-Jul-33	0	0	0	0	0	0	0	0
31-Dec-33	1-Jan-34	1-Jul-34	0	0	0	0	0	0	0	0
31-Dec-34	1-Jan-35	1-Jul-35	0	0	0	0	0	0	0	0
31-Dec-35	1-Jan-36	1-Jul-36	0	0	0	0	0	0	0	0
31-Dec-36	1-Jan-37	1-Jul-37	0	0	0	0	0	0	0	0
31-Dec-37	1-Jan-38	1-Jul-38	0	0	0	0	0	0	0	0
31-Dec-38	1-Jan-39	1-Jul-39	0	0	0	0	0	0	0	0
31-Dec-39	1-Jan-40	1-Jul-40	0	0	0	0	0	0	0	0
31-Dec-40	1-Jan-41	1-Jul-41	0	0	0	0	0	0	0	0
31-Dec-41	1-Jan-42	1-Jul-42	0	0	0	0	0	0	0	0
31-Dec-42	1-Jan-43	1-Jul-43	0	0	0	0	0	0	0	0
31-Dec-43	1-Jan-44	1-Jul-44	0	0	0	0	0	0	0	0
31-Dec-44	1-Jan-45	1-Jul-45	0	0	0	0	0	0	0	0
31-Dec-45	1-Jan-46	1-Jul-46	0	0	0	0	0	0	0	0
31-Dec-46	1-Jan-47	1-Jul-47	0	0	0	0	0	0	0	0
31-Dec-47	1-Jan-48	1-Jul-48	0	0	0	0	0	0	0	0
30-Dec-48	1-Jan-49	1-Jul-49	0	0	0	0	0	0	0	0
30-Dec-49	1-Jan-50	1-Jul-50	0	0	0	0	0	0	0	0
Total			0		0		0		0	

MuniCap, Inc. *16-Oct-17*

[1]Source: The Howard Research and Development Corporation.

[2]TEN.M/m. flats and The Metropolitan development shown on Appendices A-3.b and A-3.c.

Appendix C-2.b: Projected Absorption - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking (Commercial)[1]

					Retail/Restaurant[2]											
			Office[2]		Retail		Restaurant - Full Service		Restaurant - Fast Food		Sub-Total		Parking			
Year	Assessed	Tax Year	(SF)		(SF)		(SF)		(SF)		(SF)		(Spaces)		(SF)	
Ending	As Of Date	Beginning	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
31-Dec-16	1-Jan-17	1-Jul-17	0	0	0	0	0	0	0	0	0	0	1,127	1,127	394,425	394,425
31-Dec-17	1-Jan-18	1-Jul-18	102,993	102,993	14,792	14,792	8,875	8,875	5,917	5,917	29,583	29,583	0	1,127	0	394,425
31-Dec-18	1-Jan-19	1-Jul-19	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-19	1-Jan-20	1-Jul-20	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-20	1-Jan-21	1-Jul-21	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-21	1-Jan-22	1-Jul-22	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-22	1-Jan-23	1-Jul-23	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-23	1-Jan-24	1-Jul-24	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-24	1-Jan-25	1-Jul-25	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-25	1-Jan-26	1-Jul-26	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-26	1-Jan-27	1-Jul-27	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-27	1-Jan-28	1-Jul-28	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-28	1-Jan-29	1-Jul-29	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-29	1-Jan-30	1-Jul-30	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-30	1-Jan-31	1-Jul-31	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-31	1-Jan-32	1-Jul-32	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-32	1-Jan-33	1-Jul-33	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-33	1-Jan-34	1-Jul-34	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-34	1-Jan-35	1-Jul-35	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-35	1-Jan-36	1-Jul-36	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-36	1-Jan-37	1-Jul-37	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-37	1-Jan-38	1-Jul-38	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-38	1-Jan-39	1-Jul-39	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-39	1-Jan-40	1-Jul-40	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-40	1-Jan-41	1-Jul-41	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-41	1-Jan-42	1-Jul-42	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-42	1-Jan-43	1-Jul-43	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-43	1-Jan-44	1-Jul-44	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-44	1-Jan-45	1-Jul-45	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-45	1-Jan-46	1-Jul-46	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-46	1-Jan-47	1-Jul-47	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-47	1-Jan-48	1-Jul-48	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
30-Dec-48	1-Jan-49	1-Jul-49	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
30-Dec-49	1-Jan-50	1-Jul-50	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
Total			102,993		14,792		8,875		5,917		29,583		1,127		394,425	

MuniCap, Inc. *16-Oct-17*

[1]Source: The Howard Research and Development Corporation.
[2]One Merriweather development shown on Appendix A-3.e.

Appendix C
Downtown Columbia
Howard County, Maryland

Projected Market Value

Appendix C-3.a: Total Projected Market Value - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking (Residential)

				Multi-Family Rental							
				Market Rate				80% AMI			
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	0	$246,320	0%	$0	0	$158,878	0%	$0
1-Jan-19	1-Jul-19	15-Feb-20	104%	0	$251,246	0%	$0	0	$162,055	0%	$0
1-Jan-20	1-Jul-20	15-Feb-21	106%	0	$256,271	0%	$0	0	$165,296	0%	$0
1-Jan-21	1-Jul-21	15-Feb-22	108%	0	$261,397	0%	$0	0	$168,602	0%	$0
1-Jan-22	1-Jul-22	15-Feb-23	110%	0	$266,624	0%	$0	0	$171,974	0%	$0
1-Jan-23	1-Jul-23	15-Feb-24	113%	0	$271,957	0%	$0	0	$175,414	0%	$0
1-Jan-24	1-Jul-24	15-Feb-25	115%	0	$277,396	0%	$0	0	$178,922	0%	$0
1-Jan-25	1-Jul-25	15-Feb-26	117%	0	$282,944	0%	$0	0	$182,501	0%	$0
1-Jan-26	1-Jul-26	15-Feb-27	120%	0	$288,603	0%	$0	0	$186,151	0%	$0
1-Jan-27	1-Jul-27	15-Feb-28	122%	0	$294,375	0%	$0	0	$189,874	0%	$0
1-Jan-28	1-Jul-28	15-Feb-29	124%	0	$300,262	0%	$0	0	$193,671	0%	$0
1-Jan-29	1-Jul-29	15-Feb-30	127%	0	$306,268	0%	$0	0	$197,545	0%	$0
1-Jan-30	1-Jul-30	15-Feb-31	129%	0	$312,393	0%	$0	0	$201,495	0%	$0
1-Jan-31	1-Jul-31	15-Feb-32	132%	0	$318,641	0%	$0	0	$205,525	0%	$0
1-Jan-32	1-Jul-32	15-Feb-33	135%	0	$325,014	0%	$0	0	$209,636	0%	$0
1-Jan-33	1-Jul-33	15-Feb-34	137%	0	$331,514	0%	$0	0	$213,829	0%	$0
1-Jan-34	1-Jul-34	15-Feb-35	140%	0	$338,144	0%	$0	0	$218,105	0%	$0
1-Jan-35	1-Jul-35	15-Feb-36	143%	0	$344,907	0%	$0	0	$222,467	0%	$0
1-Jan-36	1-Jul-36	15-Feb-37	146%	0	$351,805	0%	$0	0	$226,917	0%	$0
1-Jan-37	1-Jul-37	15-Feb-38	149%	0	$358,841	0%	$0	0	$231,455	0%	$0
1-Jan-38	1-Jul-38	15-Feb-39	152%	0	$366,018	0%	$0	0	$236,084	0%	$0
1-Jan-39	1-Jul-39	15-Feb-40	155%	0	$373,339	0%	$0	0	$240,806	0%	$0
1-Jan-40	1-Jul-40	15-Feb-41	158%	0	$380,805	0%	$0	0	$245,622	0%	$0
1-Jan-41	1-Jul-41	15-Feb-42	161%	0	$388,421	0%	$0	0	$250,534	0%	$0
1-Jan-42	1-Jul-42	15-Feb-43	164%	0	$396,190	0%	$0	0	$255,545	0%	$0
1-Jan-43	1-Jul-43	15-Feb-44	167%	0	$404,114	0%	$0	0	$260,656	0%	$0
1-Jan-44	1-Jul-44	15-Feb-45	171%	0	$412,196	0%	$0	0	$265,869	0%	$0
1-Jan-45	1-Jul-45	15-Feb-46	174%	0	$420,440	0%	$0	0	$271,186	0%	$0
1-Jan-46	1-Jul-46	15-Feb-47	178%	0	$428,849	0%	$0	0	$276,610	0%	$0
1-Jan-47	1-Jul-47	15-Feb-48	181%	0	$437,426	0%	$0	0	$282,142	0%	$0
1-Jan-48	1-Jul-48	15-Feb-49	185%	0	$446,174	0%	$0	0	$287,785	0%	$0
1-Jan-49	1-Jul-49	15-Feb-50	188%	0	$455,098	0%	$0	0	$293,541	0%	$0
1-Jan-50	1-Jul-50	15-Feb-51	192%	0	$464,200	0%	$0	0	$299,412	0%	$0

[1]See Appendix C-2.a.

[2]See Appendix C-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

Appendix C-3.a: Total Projected Market Value - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking (Residential), continued

				Multi-Family Rental				
				30% AMI				Total Projected
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value	Residential Market Value[4]
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$131,136	0%	$0	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	0	$133,759	0%	$0	$0
1-Jan-19	1-Jul-19	15-Feb-20	104%	0	$136,434	0%	$0	$0
1-Jan-20	1-Jul-20	15-Feb-21	106%	0	$139,163	0%	$0	$0
1-Jan-21	1-Jul-21	15-Feb-22	108%	0	$141,946	0%	$0	$0
1-Jan-22	1-Jul-22	15-Feb-23	110%	0	$144,785	0%	$0	$0
1-Jan-23	1-Jul-23	15-Feb-24	113%	0	$147,680	0%	$0	$0
1-Jan-24	1-Jul-24	15-Feb-25	115%	0	$150,634	0%	$0	$0
1-Jan-25	1-Jul-25	15-Feb-26	117%	0	$153,647	0%	$0	$0
1-Jan-26	1-Jul-26	15-Feb-27	120%	0	$156,720	0%	$0	$0
1-Jan-27	1-Jul-27	15-Feb-28	122%	0	$159,854	0%	$0	$0
1-Jan-28	1-Jul-28	15-Feb-29	124%	0	$163,051	0%	$0	$0
1-Jan-29	1-Jul-29	15-Feb-30	127%	0	$166,312	0%	$0	$0
1-Jan-30	1-Jul-30	15-Feb-31	129%	0	$169,638	0%	$0	$0
1-Jan-31	1-Jul-31	15-Feb-32	132%	0	$173,031	0%	$0	$0
1-Jan-32	1-Jul-32	15-Feb-33	135%	0	$176,492	0%	$0	$0
1-Jan-33	1-Jul-33	15-Feb-34	137%	0	$180,022	0%	$0	$0
1-Jan-34	1-Jul-34	15-Feb-35	140%	0	$183,622	0%	$0	$0
1-Jan-35	1-Jul-35	15-Feb-36	143%	0	$187,295	0%	$0	$0
1-Jan-36	1-Jul-36	15-Feb-37	146%	0	$191,040	0%	$0	$0
1-Jan-37	1-Jul-37	15-Feb-38	149%	0	$194,861	0%	$0	$0
1-Jan-38	1-Jul-38	15-Feb-39	152%	0	$198,758	0%	$0	$0
1-Jan-39	1-Jul-39	15-Feb-40	155%	0	$202,734	0%	$0	$0
1-Jan-40	1-Jul-40	15-Feb-41	158%	0	$206,788	0%	$0	$0
1-Jan-41	1-Jul-41	15-Feb-42	161%	0	$210,924	0%	$0	$0
1-Jan-42	1-Jul-42	15-Feb-43	164%	0	$215,143	0%	$0	$0
1-Jan-43	1-Jul-43	15-Feb-44	167%	0	$219,445	0%	$0	$0
1-Jan-44	1-Jul-44	15-Feb-45	171%	0	$223,834	0%	$0	$0
1-Jan-45	1-Jul-45	15-Feb-46	174%	0	$228,311	0%	$0	$0
1-Jan-46	1-Jul-46	15-Feb-47	178%	0	$232,877	0%	$0	$0
1-Jan-47	1-Jul-47	15-Feb-48	181%	0	$237,535	0%	$0	$0
1-Jan-48	1-Jul-48	15-Feb-49	185%	0	$242,285	0%	$0	$0
1-Jan-49	1-Jul-49	15-Feb-50	188%	0	$247,131	0%	$0	$0
1-Jan-50	1-Jul-50	15-Feb-51	192%	0	$252,074	0%	$0	$0

[1]See Appendix C-2.a.

[2]See Appendix C-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

[4]TEN.M/m. flats and The Metropolitan development shown on Appendices A-3.b and A-3.c.

Appendix C-3.b: Total Projected Market Value -Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking (Commercial)

				Office				Retail				Restaurant - Full Service			
Assessed	Tax Year	Bond Year	Inflation	Square	Value Per	Phase-In	Projected	Square	Value Per	Phase-In	Projected	Square	Value Per	Phase-In	Projected
As Of Date	Beginning	Ending	Factor	Feet[1]	SF[2]	Percent[3]	Market Value	Feet[1]	SF[2]	Percent[3]	Market Value	Feet[1]	SF[2]	Percent[3]	Market Value
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$276	0%	$0	0	$444	0%	$0	0	$444	0%	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	102,993	$282	80%	$23,216,720	14,792	$453	80%	$5,356,169	8,875	$453	80%	$3,213,702
1-Jan-19	1-Jul-19	15-Feb-20	104%	102,993	$287	87%	$25,654,476	14,792	$462	87%	$5,918,567	8,875	$462	87%	$3,551,140
1-Jan-20	1-Jul-20	15-Feb-21	106%	102,993	$293	93%	$28,180,455	14,792	$471	93%	$6,501,318	8,875	$471	93%	$3,900,791
1-Jan-21	1-Jul-21	15-Feb-22	108%	102,993	$299	100%	$30,797,211	14,792	$480	100%	$7,105,012	8,875	$480	100%	$4,263,007
1-Jan-22	1-Jul-22	15-Feb-23	110%	102,993	$305	100%	$31,413,156	14,792	$490	100%	$7,247,112	8,875	$490	100%	$4,348,267
1-Jan-23	1-Jul-23	15-Feb-24	113%	102,993	$311	100%	$32,041,419	14,792	$500	100%	$7,392,055	8,875	$500	100%	$4,435,233
1-Jan-24	1-Jul-24	15-Feb-25	115%	102,993	$317	100%	$32,682,247	14,792	$510	100%	$7,539,896	8,875	$510	100%	$4,523,937
1-Jan-25	1-Jul-25	15-Feb-26	117%	102,993	$324	100%	$33,335,892	14,792	$520	100%	$7,690,694	8,875	$520	100%	$4,614,416
1-Jan-26	1-Jul-26	15-Feb-27	120%	102,993	$330	100%	$34,002,610	14,792	$530	100%	$7,844,508	8,875	$530	100%	$4,706,705
1-Jan-27	1-Jul-27	15-Feb-28	122%	102,993	$337	100%	$34,682,662	14,792	$541	100%	$8,001,398	8,875	$541	100%	$4,800,839
1-Jan-28	1-Jul-28	15-Feb-29	124%	102,993	$343	100%	$35,376,315	14,792	$552	100%	$8,161,426	8,875	$552	100%	$4,896,855
1-Jan-29	1-Jul-29	15-Feb-30	127%	102,993	$350	100%	$36,083,842	14,792	$563	100%	$8,324,654	8,875	$563	100%	$4,994,793
1-Jan-30	1-Jul-30	15-Feb-31	129%	102,993	$357	100%	$36,805,518	14,792	$574	100%	$8,491,147	8,875	$574	100%	$5,094,688
1-Jan-31	1-Jul-31	15-Feb-32	132%	102,993	$365	100%	$37,541,629	14,792	$586	100%	$8,660,970	8,875	$586	100%	$5,196,582
1-Jan-32	1-Jul-32	15-Feb-33	135%	102,993	$372	100%	$38,292,461	14,792	$597	100%	$8,834,190	8,875	$597	100%	$5,300,514
1-Jan-33	1-Jul-33	15-Feb-34	137%	102,993	$379	100%	$39,058,311	14,792	$609	100%	$9,010,873	8,875	$609	100%	$5,406,524
1-Jan-34	1-Jul-34	15-Feb-35	140%	102,993	$387	100%	$39,839,477	14,792	$621	100%	$9,191,091	8,875	$621	100%	$5,514,655
1-Jan-35	1-Jul-35	15-Feb-36	143%	102,993	$395	100%	$40,636,266	14,792	$634	100%	$9,374,913	8,875	$634	100%	$5,624,948
1-Jan-36	1-Jul-36	15-Feb-37	146%	102,993	$402	100%	$41,448,992	14,792	$646	100%	$9,562,411	8,875	$646	100%	$5,737,447
1-Jan-37	1-Jul-37	15-Feb-38	149%	102,993	$410	100%	$42,277,971	14,792	$659	100%	$9,753,659	8,875	$659	100%	$5,852,196
1-Jan-38	1-Jul-38	15-Feb-39	152%	102,993	$419	100%	$43,123,531	14,792	$673	100%	$9,948,732	8,875	$673	100%	$5,969,239
1-Jan-39	1-Jul-39	15-Feb-40	155%	102,993	$427	100%	$43,986,001	14,792	$686	100%	$10,147,707	8,875	$686	100%	$6,088,624
1-Jan-40	1-Jul-40	15-Feb-41	158%	102,993	$436	100%	$44,865,722	14,792	$700	100%	$10,350,661	8,875	$700	100%	$6,210,397
1-Jan-41	1-Jul-41	15-Feb-42	161%	102,993	$444	100%	$45,763,036	14,792	$714	100%	$10,557,674	8,875	$714	100%	$6,334,605
1-Jan-42	1-Jul-42	15-Feb-43	164%	102,993	$453	100%	$46,678,297	14,792	$728	100%	$10,768,828	8,875	$728	100%	$6,461,297
1-Jan-43	1-Jul-43	15-Feb-44	167%	102,993	$462	100%	$47,611,863	14,792	$743	100%	$10,984,204	8,875	$743	100%	$6,590,523
1-Jan-44	1-Jul-44	15-Feb-45	171%	102,993	$472	100%	$48,564,100	14,792	$757	100%	$11,203,889	8,875	$757	100%	$6,722,333
1-Jan-45	1-Jul-45	15-Feb-46	174%	102,993	$481	100%	$49,535,382	14,792	$773	100%	$11,427,966	8,875	$773	100%	$6,856,780
1-Jan-46	1-Jul-46	15-Feb-47	178%	102,993	$491	100%	$50,526,089	14,792	$788	100%	$11,656,526	8,875	$788	100%	$6,993,915
1-Jan-47	1-Jul-47	15-Feb-48	181%	102,993	$500	100%	$51,536,611	14,792	$804	100%	$11,889,656	8,875	$804	100%	$7,133,794
1-Jan-48	1-Jul-48	15-Feb-49	185%	102,993	$510	100%	$52,567,343	14,792	$820	100%	$12,127,449	8,875	$820	100%	$7,276,470
1-Jan-49	1-Jul-49	15-Feb-50	188%	102,993	$521	100%	$53,618,690	14,792	$836	100%	$12,369,998	8,875	$836	100%	$7,421,999
1-Jan-50	1-Jul-50	15-Feb-51	192%	102,993	$531	100%	$54,691,064	14,792	$853	100%	$12,617,398	8,875	$853	100%	$7,570,439

[1]See Appendix C-2.b.

[2]See Appendix C-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

Appendix C-3.b: Total Projected Market Value - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking (Commercial), continued

				Restaurant - Fast Food				Parking				
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Square Feet[1]	Value Per SF[2]	Phase-In Percent[3]	Projected Market Value	Spaces[1]	Value Per Space[2]	Phase-In Percent[3]	Projected Market Value	Total Projected Commercial Market Value[4]
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$444	0%	$0	1,127	$18,681	100%	$21,053,533	$21,053,533
1-Jan-18	1-Jul-18	15-Feb-19	102%	5,917	$453	80%	$2,142,468	1,127	$19,699	100%	$22,200,800	$56,129,859
1-Jan-19	1-Jul-19	15-Feb-20	104%	5,917	$462	87%	$2,367,427	1,127	$20,495	100%	$23,097,712	$60,589,322
1-Jan-20	1-Jul-20	15-Feb-21	106%	5,917	$471	93%	$2,600,527	1,127	$20,905	100%	$23,559,667	$64,742,758
1-Jan-21	1-Jul-21	15-Feb-22	108%	5,917	$480	100%	$2,842,005	1,127	$21,323	100%	$24,030,860	$69,038,096
1-Jan-22	1-Jul-22	15-Feb-23	110%	5,917	$490	100%	$2,898,845	1,127	$21,749	100%	$24,511,477	$70,418,858
1-Jan-23	1-Jul-23	15-Feb-24	113%	5,917	$500	100%	$2,956,822	1,127	$22,184	100%	$25,001,707	$71,827,235
1-Jan-24	1-Jul-24	15-Feb-25	115%	5,917	$510	100%	$3,015,958	1,127	$22,628	100%	$25,501,741	$73,263,779
1-Jan-25	1-Jul-25	15-Feb-26	117%	5,917	$520	100%	$3,076,277	1,127	$23,081	100%	$26,011,776	$74,729,055
1-Jan-26	1-Jul-26	15-Feb-27	120%	5,917	$530	100%	$3,137,803	1,127	$23,542	100%	$26,532,011	$76,223,636
1-Jan-27	1-Jul-27	15-Feb-28	122%	5,917	$541	100%	$3,200,559	1,127	$24,013	100%	$27,062,651	$77,748,109
1-Jan-28	1-Jul-28	15-Feb-29	124%	5,917	$552	100%	$3,264,570	1,127	$24,493	100%	$27,603,904	$79,303,071
1-Jan-29	1-Jul-29	15-Feb-30	127%	5,917	$563	100%	$3,329,862	1,127	$24,983	100%	$28,155,982	$80,889,132
1-Jan-30	1-Jul-30	15-Feb-31	129%	5,917	$574	100%	$3,396,459	1,127	$25,483	100%	$28,719,102	$82,506,915
1-Jan-31	1-Jul-31	15-Feb-32	132%	5,917	$586	100%	$3,464,388	1,127	$25,992	100%	$29,293,484	$84,157,053
1-Jan-32	1-Jul-32	15-Feb-33	135%	5,917	$597	100%	$3,533,676	1,127	$26,512	100%	$29,879,354	$85,840,194
1-Jan-33	1-Jul-33	15-Feb-34	137%	5,917	$609	100%	$3,604,349	1,127	$27,043	100%	$30,476,941	$87,556,998
1-Jan-34	1-Jul-34	15-Feb-35	140%	5,917	$621	100%	$3,676,436	1,127	$27,583	100%	$31,086,480	$89,308,138
1-Jan-35	1-Jul-35	15-Feb-36	143%	5,917	$634	100%	$3,749,965	1,127	$28,135	100%	$31,708,209	$91,094,301
1-Jan-36	1-Jul-36	15-Feb-37	146%	5,917	$646	100%	$3,824,964	1,127	$28,698	100%	$32,342,373	$92,916,187
1-Jan-37	1-Jul-37	15-Feb-38	149%	5,917	$659	100%	$3,901,464	1,127	$29,272	100%	$32,989,221	$94,774,511
1-Jan-38	1-Jul-38	15-Feb-39	152%	5,917	$673	100%	$3,979,493	1,127	$29,857	100%	$33,649,005	$96,670,001
1-Jan-39	1-Jul-39	15-Feb-40	155%	5,917	$686	100%	$4,059,083	1,127	$30,454	100%	$34,321,985	$98,603,401
1-Jan-40	1-Jul-40	15-Feb-41	158%	5,917	$700	100%	$4,140,264	1,127	$31,063	100%	$35,008,425	$100,575,469
1-Jan-41	1-Jul-41	15-Feb-42	161%	5,917	$714	100%	$4,223,070	1,127	$31,685	100%	$35,708,594	$102,586,978
1-Jan-42	1-Jul-42	15-Feb-43	164%	5,917	$728	100%	$4,307,531	1,127	$32,318	100%	$36,422,766	$104,638,718
1-Jan-43	1-Jul-43	15-Feb-44	167%	5,917	$743	100%	$4,393,682	1,127	$32,965	100%	$37,151,221	$106,731,492
1-Jan-44	1-Jul-44	15-Feb-45	171%	5,917	$757	100%	$4,481,555	1,127	$33,624	100%	$37,894,245	$108,866,122
1-Jan-45	1-Jul-45	15-Feb-46	174%	5,917	$773	100%	$4,571,187	1,127	$34,296	100%	$38,652,130	$111,043,445
1-Jan-46	1-Jul-46	15-Feb-47	178%	5,917	$788	100%	$4,662,610	1,127	$34,982	100%	$39,425,173	$113,264,314
1-Jan-47	1-Jul-47	15-Feb-48	181%	5,917	$804	100%	$4,755,862	1,127	$35,682	100%	$40,213,676	$115,529,600
1-Jan-48	1-Jul-48	15-Feb-49	185%	5,917	$820	100%	$4,850,980	1,127	$36,396	100%	$41,017,950	$117,840,192
1-Jan-49	1-Jul-49	15-Feb-50	188%	5,917	$836	100%	$4,947,999	1,127	$37,124	100%	$41,838,309	$120,196,996
1-Jan-50	1-Jul-50	15-Feb-51	192%	5,917	$853	100%	$5,046,959	1,127	$37,866	100%	$42,675,075	$122,600,936

[1]See Appendix C-2.b.

[2]See Appendix C-1.a. Values are assumed to increase with inflation factor shown. Value for the parking in the first year based on actual value assessed by Maryland State Department of Assessments.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization. Construction of Area One Parking Garage is complete and assessed values as of 7/1/2017 are reflected.

[4]One Merriweather development shown on Appendix A-3.e.

Appendix C-3.c: Total Projected Market Value - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking (Total)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Projected Assessed Value[1]						Total Projected Assessed Value
			Residential	TEN.M/m.flats	The Metropolitan	Commercial	One Merriweather	Residual Base[2]	
1-Jul-17	15-Feb-18	100%	$0	$2,626,000	$100,299,266	$21,053,533	$54,263,133	$39,676,300	$217,918,232
1-Jul-18	15-Feb-19	102%	$0	$97,411,640	$100,498,900	$56,129,859	$57,841,600	$39,226,907	$351,108,905
1-Jul-19	15-Feb-20	104%	$0	$107,639,862	$102,508,878	$60,589,322	$58,998,432	$39,905,797	$369,642,291
1-Jul-20	15-Feb-21	106%	$0	$118,238,249	$104,559,056	$64,742,758	$60,561,687	$40,596,152	$388,697,901
1-Jul-21	15-Feb-22	108%	$0	$129,217,515	$106,650,237	$69,038,096	$61,772,921	$41,298,158	$407,976,926
1-Jul-22	15-Feb-23	110%	$0	$131,801,865	$108,783,241	$70,418,858	$63,008,379	$42,124,121	$416,136,464
1-Jul-23	15-Feb-24	113%	$0	$134,437,902	$110,958,906	$71,827,235	$64,268,547	$42,966,604	$424,459,193
1-Jul-24	15-Feb-25	115%	$0	$137,126,660	$113,178,084	$73,263,779	$65,553,917	$43,825,936	$432,948,377
1-Jul-25	15-Feb-26	117%	$0	$139,869,193	$115,441,646	$74,729,055	$66,864,996	$44,702,455	$441,607,345
1-Jul-26	15-Feb-27	120%	$0	$142,666,577	$117,750,479	$76,223,636	$68,202,296	$45,596,504	$450,439,492
1-Jul-27	15-Feb-28	122%	$0	$145,519,909	$120,105,489	$77,748,109	$69,566,342	$46,508,434	$459,448,282
1-Jul-28	15-Feb-29	124%	$0	$148,430,307	$122,507,598	$79,303,071	$70,957,668	$47,438,602	$468,637,247
1-Jul-29	15-Feb-30	127%	$0	$151,398,913	$124,957,750	$80,889,132	$72,376,822	$48,387,375	$478,009,992
1-Jul-30	15-Feb-31	129%	$0	$154,426,891	$127,456,905	$82,506,915	$73,824,358	$49,355,122	$487,570,192
1-Jul-31	15-Feb-32	132%	$0	$157,515,429	$130,006,043	$84,157,053	$75,300,845	$50,342,224	$497,321,596
1-Jul-32	15-Feb-33	135%	$0	$160,665,738	$132,606,164	$85,840,194	$76,806,862	$51,349,069	$507,268,028
1-Jul-33	15-Feb-34	137%	$0	$163,879,053	$135,258,288	$87,556,998	$78,343,000	$52,376,050	$517,413,388
1-Jul-34	15-Feb-35	140%	$0	$167,156,634	$137,963,453	$89,308,138	$79,909,860	$53,423,571	$527,761,656
1-Jul-35	15-Feb-36	143%	$0	$170,499,766	$140,722,722	$91,094,301	$81,508,057	$54,492,043	$538,316,889
1-Jul-36	15-Feb-37	146%	$0	$173,909,762	$143,537,177	$92,916,187	$83,138,218	$55,581,884	$549,083,227
1-Jul-37	15-Feb-38	149%	$0	$177,387,957	$146,407,920	$94,774,511	$84,800,982	$56,693,521	$560,064,892
1-Jul-38	15-Feb-39	152%	$0	$180,935,716	$149,336,079	$96,670,001	$86,497,002	$57,827,392	$571,266,189
1-Jul-39	15-Feb-40	155%	$0	$184,554,430	$152,322,800	$98,603,401	$88,226,942	$58,983,940	$582,691,513
1-Jul-40	15-Feb-41	158%	$0	$188,245,519	$155,369,256	$100,575,469	$89,991,481	$60,163,618	$594,345,343
1-Jul-41	15-Feb-42	161%	$0	$192,010,429	$158,476,641	$102,586,978	$91,791,310	$61,366,891	$606,232,250
1-Jul-42	15-Feb-43	164%	$0	$195,850,638	$161,646,174	$104,638,718	$93,627,137	$62,594,229	$618,356,895
1-Jul-43	15-Feb-44	167%	$0	$199,767,651	$164,879,098	$106,731,492	$95,499,679	$63,846,113	$630,724,033
1-Jul-44	15-Feb-45	171%	$0	$203,763,004	$168,176,680	$108,866,122	$97,409,673	$65,123,035	$643,338,514
1-Jul-45	15-Feb-46	174%	$0	$207,838,264	$171,540,213	$111,043,445	$99,357,866	$66,425,496	$656,205,284
1-Jul-46	15-Feb-47	178%	$0	$211,995,029	$174,971,018	$113,264,314	$101,345,024	$67,754,006	$669,329,390
1-Jul-47	15-Feb-48	181%	$0	$216,234,930	$178,470,438	$115,529,600	$103,371,924	$69,109,086	$682,715,978
1-Jul-48	15-Feb-49	185%	$0	$220,559,628	$182,039,847	$117,840,192	$105,439,363	$70,491,268	$696,370,297
1-Jul-49	15-Feb-50	188%	$0	$224,970,821	$185,680,644	$120,196,996	$107,548,150	$71,901,093	$710,297,703
1-Jul-50	15-Feb-51	192%	$0	$229,470,237	$189,394,257	$122,600,936	$109,699,113	$73,339,115	$724,503,657

[1]See Appendices C-3.a, C-3.b, A-3.b, A-3.c, and A-3.e.

[2]See Appendix J-2. Residual base value represents the value of the crescent tax parcel 1415019921 expected to remain or to be redeveloped. As of January 1, 2017, total value of the crescent tax parcel is $114,992,966, of which $75,316,666 is attributable to development underway or complete. Values shown are assumed to be adjusted for inflation factor shown. Furthermore, the residual base value is adjusted for the replacement of value attributable to new construction.

Appendix C
Downtown Columbia
Howard County, Maryland

Available Tax Increment Revenues &
Projected Debt Service Coverage

Appendix C-4: Projected Real Property Tax Increment Revenues - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking

Tax Year Beginning	Bond Year Ending	Inflation Factor	Total Projected Assessed Value[1]	Phase I Base Value[2]	Incremental Property Value	FY 17 Howard County Tax Rate Per $100 A.V	Projected Tax Increment Revenues	Percent Available After Tax Discount[3]	Available Incremental Tax Revenues	Available For Debt Service	Phase One Properties Complete/Underway Tax Increment Revenues	Tax Credits[4]	Net Tax Increment Revenues Available for Debt Service
1-Jul-17	15-Feb-18	100%	$217,918,232	($9,907,900)	$208,010,332	$1.014	$2,109,225	99.5%	$2,098,679	100%	$2,098,679	($454,972)	$1,643,707
1-Jul-18	15-Feb-19	102%	$351,108,905	($9,907,900)	$341,201,005	$1.014	$3,459,778	99.5%	$3,442,479	100%	$3,442,479	($696,637)	$2,745,842
1-Jul-19	15-Feb-20	104%	$369,642,291	($9,907,900)	$359,734,391	$1.014	$3,647,707	99.5%	$3,629,468	100%	$3,629,468	($656,244)	$2,973,224
1-Jul-20	15-Feb-21	106%	$388,697,901	($9,907,900)	$378,790,001	$1.014	$3,840,931	99.5%	$3,821,726	100%	$3,821,726	($476,001)	$3,345,725
1-Jul-21	15-Feb-22	108%	$407,976,926	($9,907,900)	$398,069,026	$1.014	$4,036,420	99.5%	$4,016,238	100%	$4,016,238	($433,929)	$3,582,309
1-Jul-22	15-Feb-23	110%	$416,136,464	($9,907,900)	$406,228,564	$1.014	$4,119,158	99.5%	$4,098,562	100%	$4,098,562	($295,336)	$3,803,226
1-Jul-23	15-Feb-24	113%	$424,459,193	($9,907,900)	$414,551,293	$1.014	$4,203,550	99.5%	$4,182,532	100%	$4,182,532	$0	$4,182,532
1-Jul-24	15-Feb-25	115%	$432,948,377	($9,907,900)	$423,040,477	$1.014	$4,289,630	99.5%	$4,268,182	100%	$4,268,182	$0	$4,268,182
1-Jul-25	15-Feb-26	117%	$441,607,345	($9,907,900)	$431,699,445	$1.014	$4,377,432	99.5%	$4,355,545	100%	$4,355,545	$0	$4,355,545
1-Jul-26	15-Feb-27	120%	$450,439,492	($9,907,900)	$440,531,592	$1.014	$4,466,990	99.5%	$4,444,655	100%	$4,444,655	$0	$4,444,655
1-Jul-27	15-Feb-28	122%	$459,448,282	($9,907,900)	$449,540,382	$1.014	$4,558,339	99.5%	$4,535,548	100%	$4,535,548	$0	$4,535,548
1-Jul-28	15-Feb-29	124%	$468,637,247	($9,907,900)	$458,729,347	$1.014	$4,651,516	99.5%	$4,628,258	100%	$4,628,258	$0	$4,628,258
1-Jul-29	15-Feb-30	127%	$478,009,992	($9,907,900)	$468,102,092	$1.014	$4,746,555	99.5%	$4,722,822	100%	$4,722,822	$0	$4,722,822
1-Jul-30	15-Feb-31	129%	$487,570,192	($9,907,900)	$477,662,292	$1.014	$4,843,496	99.5%	$4,819,278	100%	$4,819,278	$0	$4,819,278
1-Jul-31	15-Feb-32	132%	$497,321,596	($9,907,900)	$487,413,696	$1.014	$4,942,375	99.5%	$4,917,663	100%	$4,917,663	$0	$4,917,663
1-Jul-32	15-Feb-33	135%	$507,268,028	($9,907,900)	$497,360,128	$1.014	$5,043,232	99.5%	$5,018,016	100%	$5,018,016	$0	$5,018,016
1-Jul-33	15-Feb-34	137%	$517,413,388	($9,907,900)	$507,505,488	$1.014	$5,146,106	99.5%	$5,120,375	100%	$5,120,375	$0	$5,120,375
1-Jul-34	15-Feb-35	140%	$527,761,656	($9,907,900)	$517,853,756	$1.014	$5,251,037	99.5%	$5,224,782	100%	$5,224,782	$0	$5,224,782
1-Jul-35	15-Feb-36	143%	$538,316,889	($9,907,900)	$528,408,989	$1.014	$5,358,067	99.5%	$5,331,277	100%	$5,331,277	$0	$5,331,277
1-Jul-36	15-Feb-37	146%	$549,083,227	($9,907,900)	$539,175,327	$1.014	$5,467,238	99.5%	$5,439,902	100%	$5,439,902	$0	$5,439,902
1-Jul-37	15-Feb-38	149%	$560,064,892	($9,907,900)	$550,156,992	$1.014	$5,578,592	99.5%	$5,550,699	100%	$5,550,699	$0	$5,550,699
1-Jul-38	15-Feb-39	152%	$571,266,189	($9,907,900)	$561,358,289	$1.014	$5,692,173	99.5%	$5,663,712	100%	$5,663,712	$0	$5,663,712
1-Jul-39	15-Feb-40	155%	$582,691,513	($9,907,900)	$572,783,613	$1.014	$5,808,026	99.5%	$5,778,986	100%	$5,778,986	$0	$5,778,986
1-Jul-40	15-Feb-41	158%	$594,345,343	($9,907,900)	$584,437,443	$1.014	$5,926,196	99.5%	$5,896,565	100%	$5,896,565	$0	$5,896,565
1-Jul-41	15-Feb-42	161%	$606,232,250	($9,907,900)	$596,324,350	$1.014	$6,046,729	99.5%	$6,016,495	100%	$6,016,495	$0	$6,016,495
1-Jul-42	15-Feb-43	164%	$618,356,895	($9,907,900)	$608,448,995	$1.014	$6,169,673	99.5%	$6,138,824	100%	$6,138,824	$0	$6,138,824
1-Jul-43	15-Feb-44	167%	$630,724,033	($9,907,900)	$620,816,133	$1.014	$6,295,076	99.5%	$6,263,600	100%	$6,263,600	$0	$6,263,600
1-Jul-44	15-Feb-45	171%	$643,338,514	($9,907,900)	$633,430,614	$1.014	$6,422,986	99.5%	$6,390,871	100%	$6,390,871	$0	$6,390,871
1-Jul-45	15-Feb-46	174%	$656,205,284	($9,907,900)	$646,297,384	$1.014	$6,553,455	99.5%	$6,520,688	100%	$6,520,688	$0	$6,520,688
1-Jul-46	15-Feb-47	178%	$669,329,390	($9,907,900)	$659,421,490	$1.014	$6,686,534	99.5%	$6,653,101	100%	$6,653,101	$0	$6,653,101
1-Jul-47	15-Feb-48	181%	$682,715,978	($9,907,900)	$672,808,078	$1.014	$6,822,274	99.5%	$6,788,163	100%	$6,788,163	$0	$6,788,163
1-Jul-48	15-Feb-49	185%	$696,370,297	($9,907,900)	$686,462,397	$1.014	$6,960,729	99.5%	$6,925,925	100%	$6,925,925	$0	$6,925,925
1-Jul-49	15-Feb-50	188%	$710,297,703	($9,907,900)	$700,389,803	$1.014	$7,101,953	99.5%	$7,066,443	100%	$7,066,443	$0	$7,066,443
1-Jul-50	15-Feb-51	192%	$724,503,657	($9,907,900)	$714,595,757	$1.014	$7,246,001	99.5%	$7,209,771	100%	$7,209,771	$0	$7,209,771
Total							$177,869,177		$176,979,831		$176,979,831	($3,013,119)	$173,966,712

MuniCap, Inc. *16-Oct-17*

[1]See Appendix C-3.c.

[2]See Appendix J-1.

[3]Assumes all tax payers pay 100% of taxes due by end of July, and thus receive a 0.5% discount.

[4]See Appendix K-1.

Appendix C-5: Projected Payment of Debt Service and Debt Service Coverage - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking - Projected Coverage

Tax Year Beginning	Bond Year Ending	Net Annual Debt Service[1] Series 2017 A Bonds	Additional Phase One Bonds	Total Debt Service	Tax Increment Revenues Available For DS **After Tax Credits**[2]	Surplus/ (Deficit)	Backup Special Tax[3]	Net Surplus/ (Deficit)	Cumulative Surplus	Debt Service Coverage Incremental Revenues	Total Revenues (TIF/Special Tax)	
1-Jul-17	15-Feb-18	$0	$0	$0	$1,643,707	$1,643,707	$0	$1,643,707	$1,643,707	NA	NA	
1-Jul-18	15-Feb-19	$0	$0	$0	$2,745,842	$2,745,842	$0	$2,745,842	$4,389,549	NA	NA	
1-Jul-19	15-Feb-20	$2,102,219	$0	$2,102,219	$2,973,224	$871,005	$0	$871,005	$5,260,554	141%	141%	
1-Jul-20	15-Feb-21	$2,334,055	$0	$2,334,055	$3,345,725	$1,011,670	$0	$1,011,670	$6,272,224	143%	143%	
1-Jul-21	15-Feb-22	$2,226,691	$0	$2,226,691	$3,582,309	$1,355,618	$0	$1,355,618	$7,627,842	161%	161%	(stabilized FY22)
1-Jul-22	15-Feb-23	$2,223,341	$0	$2,223,341	$3,803,226	$1,579,885	$0	$1,579,885	$9,207,727	171%	171%	
1-Jul-23	15-Feb-24	$2,605,003	$0	$2,605,003	$4,182,532	$1,577,529	$0	$1,577,529	$10,785,256	161%	161%	
1-Jul-24	15-Feb-25	$2,566,279	$0	$2,566,279	$4,268,182	$1,701,903	$0	$1,701,903	$12,487,159	166%	166%	
1-Jul-25	15-Feb-26	$2,958,368	$0	$2,958,368	$4,355,545	$1,397,177	$0	$1,397,177	$13,884,336	147%	147%	
1-Jul-26	15-Feb-27	$3,149,071	$0	$3,149,071	$4,444,655	$1,295,584	$0	$1,295,584	$15,179,920	141%	141%	
1-Jul-27	15-Feb-28	$3,180,788	$0	$3,180,788	$4,535,548	$1,354,759	$0	$1,354,759	$16,534,679	143%	143%	
1-Jul-28	15-Feb-29	$3,209,520	$0	$3,209,520	$4,628,258	$1,418,738	$0	$1,418,738	$17,953,418	144%	144%	
1-Jul-29	15-Feb-30	$3,233,703	$0	$3,233,703	$4,722,822	$1,489,119	$0	$1,489,119	$19,442,537	146%	146%	
1-Jul-30	15-Feb-31	$3,254,808	$0	$3,254,808	$4,819,278	$1,564,470	$0	$1,564,470	$21,007,007	148%	148%	
1-Jul-31	15-Feb-32	$3,272,834	$0	$3,272,834	$4,917,663	$1,644,829	$0	$1,644,829	$22,651,836	150%	150%	
1-Jul-32	15-Feb-33	$3,312,782	$0	$3,312,782	$5,018,016	$1,705,234	$0	$1,705,234	$24,357,070	151%	151%	
1-Jul-33	15-Feb-34	$3,323,621	$0	$3,323,621	$5,120,375	$1,796,754	$0	$1,796,754	$26,153,824	154%	154%	
1-Jul-34	15-Feb-35	$3,356,382	$0	$3,356,382	$5,224,782	$1,868,400	$0	$1,868,400	$28,022,224	156%	156%	
1-Jul-35	15-Feb-36	$3,380,660	$0	$3,380,660	$5,331,277	$1,950,617	$0	$1,950,617	$29,972,841	158%	158%	
1-Jul-36	15-Feb-37	$3,375,579	$0	$3,375,579	$5,439,902	$2,064,323	$0	$2,064,323	$32,037,164	161%	161%	
1-Jul-37	15-Feb-38	$3,417,234	$0	$3,417,234	$5,550,699	$2,133,465	$0	$2,133,465	$34,170,629	162%	162%	
1-Jul-38	15-Feb-39	$4,003,438	$0	$4,003,438	$5,663,712	$1,660,274	$0	$1,660,274	$35,830,902	141%	141%	
1-Jul-39	15-Feb-40	$4,060,129	$0	$4,060,129	$5,778,986	$1,718,857	$0	$1,718,857	$37,549,759	142%	142%	
1-Jul-40	15-Feb-41	$4,155,557	$0	$4,155,557	$5,896,565	$1,741,008	$0	$1,741,008	$39,290,767	142%	142%	
1-Jul-41	15-Feb-42	$4,240,878	$0	$4,240,878	$6,016,495	$1,775,618	$0	$1,775,618	$41,066,385	142%	142%	
1-Jul-42	15-Feb-43	$4,341,093	$0	$4,341,093	$6,138,824	$1,797,732	$0	$1,797,732	$42,864,116	141%	141%	
1-Jul-43	15-Feb-44	$4,430,077	$0	$4,430,077	$6,263,600	$1,833,523	$0	$1,833,523	$44,697,639	141%	141%	
1-Jul-44	15-Feb-45	$4,532,831	$0	$4,532,831	$6,390,871	$1,858,040	$0	$1,858,040	$46,555,680	141%	141%	
1-Jul-45	15-Feb-46	$3,873,230	$0	$3,873,230	$6,520,688	$2,647,458	$0	$2,647,458	$49,203,137	168%	168%	
1-Jul-46	15-Feb-47	$210,025	$0	$210,025	$6,653,101	$6,443,076	$0	$6,443,076	$55,646,214	3168%	3168%	
1-Jul-47	15-Feb-48	$0	$0	$0	$6,788,163	$6,788,163	$0	$6,788,163	$62,434,376	NA	NA	
1-Jul-48	15-Feb-49	$0	$0	$0	$6,925,925	$6,925,925	$0	$6,925,925	$69,360,301	NA	NA	
1-Jul-49	15-Feb-50	$0	$0	$0	$7,066,443	$7,066,443	$0	$7,066,443	$76,426,744	NA	NA	
1-Jul-50	15-Feb-51	$0	$0	$0	$7,209,771	$7,209,771	$0	$7,209,771	$83,636,515	NA	NA	
Total		$90,330,197	$0	$90,330,197	$173,966,712	$83,636,515	$0	$83,636,515				

MuniCap, Inc. *16-Oct-17*

[1]See Appendix M.

[2]See Appendix C-4. Represents incremental tax revenues after tax credits. Revenues shown exclude required set asides as shown on Appendix L.

[3]Maximum special taxes equal to 110% of debt service have been levied but would be collected only to the extent that TIF revenues in the then current year are calculated to be insufficient to meet debt service.

Appendix C
Downtown Columbia
Howard County, Maryland

Projected Special Taxes After Set Asides

Appendix C-6: Projection of Available Revenues for Debt Service After Set Asides - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking

Tax Year Beginning	Bond Year Ending	Inflation Factor	Projected Net Incremental Tax Revenues (Appendix C-4)	First Set Aside & Surplus[1] Debt Service Threshold (Appendix L-3)	First Set Aside & Surplus[1] Surplus After First Set Aside	Second Set Aside & Surplus[1] County Threshold (Appendix L-3)	Second Set Aside & Surplus[1] Surplus After Second Set Aside	Allocation of Incremental Taxes: First Available to Debt Service[1]	Allocation of Incremental Taxes: Second Available to Howard County[2]	Allocation of Incremental Taxes: Third Available to Debt Service	Allocation of Incremental Taxes: Total	Projected Increment Available for Special Tax Credit[3]
1-Jul-17	15-Feb-18	100%	$1,643,707	$0	$1,643,707	$1,160,055	$483,652	$0	$1,160,055	$483,652	$1,643,707	$483,652
1-Jul-18	15-Feb-19	102%	$2,745,842	$0	$2,745,842	$2,233,028	$512,814	$0	$2,233,028	$512,814	$2,745,842	$512,814
1-Jul-19	15-Feb-20	104%	$2,973,224	$3,292,800	$0	$1,179,980	$0	$2,973,224	$0	$0	$2,973,224	$2,973,224
1-Jul-20	15-Feb-21	106%	$3,345,725	$3,572,896	$0	$2,093,331	$0	$3,345,725	$0	$0	$3,345,725	$3,345,725
1-Jul-21	15-Feb-22	108%	$3,582,309	$3,715,662	$0	$3,244,670	$0	$3,582,309	$0	$0	$3,582,309	$3,582,309
1-Jul-22	15-Feb-23	110%	$3,803,226	$3,957,370	$0	$3,705,097	$0	$3,803,226	$0	$0	$3,803,226	$3,803,226
1-Jul-23	15-Feb-24	113%	$4,182,532	$4,356,704	$0	$3,944,347	$0	$4,182,532	$0	$0	$4,182,532	$4,182,532
1-Jul-24	15-Feb-25	115%	$4,268,182	$4,465,103	$0	$4,151,682	$0	$4,268,182	$0	$0	$4,268,182	$4,268,182
1-Jul-25	15-Feb-26	117%	$4,355,545	$4,574,186	$0	$4,303,351	$0	$4,355,545	$0	$0	$4,355,545	$4,355,545
1-Jul-26	15-Feb-27	120%	$4,444,655	$4,685,412	$0	$4,460,699	$0	$4,444,655	$0	$0	$4,444,655	$4,444,655
1-Jul-27	15-Feb-28	122%	$4,535,548	$4,799,121	$0	$4,623,620	$0	$4,535,548	$0	$0	$4,535,548	$4,535,548
1-Jul-28	15-Feb-29	124%	$4,628,258	$4,914,595	$0	$4,793,076	$0	$4,628,258	$0	$0	$4,628,258	$4,628,258
1-Jul-29	15-Feb-30	127%	$4,722,822	$5,033,113	$0	$4,968,036	$0	$4,722,822	$0	$0	$4,722,822	$4,722,822
1-Jul-30	15-Feb-31	129%	$4,819,278	$5,153,836	$0	$5,149,594	$0	$4,819,278	$0	$0	$4,819,278	$4,819,278
1-Jul-31	15-Feb-32	132%	$4,917,663	$5,276,926	$0	$5,337,855	$0	$4,917,663	$0	$0	$4,917,663	$4,917,663
1-Jul-32	15-Feb-33	135%	$5,018,016	$5,402,481	$0	$5,532,991	$0	$5,018,016	$0	$0	$5,018,016	$5,018,016
1-Jul-33	15-Feb-34	137%	$5,120,375	$5,530,543	$0	$5,735,240	$0	$5,120,375	$0	$0	$5,120,375	$5,120,375
1-Jul-34	15-Feb-35	140%	$5,224,782	$5,662,092	$0	$5,943,912	$0	$5,224,782	$0	$0	$5,224,782	$5,224,782
1-Jul-35	15-Feb-36	143%	$5,331,277	$5,793,989	$0	$6,162,443	$0	$5,331,277	$0	$0	$5,331,277	$5,331,277
1-Jul-36	15-Feb-37	146%	$5,439,902	$5,931,215	$0	$6,386,158	$0	$5,439,902	$0	$0	$5,439,902	$5,439,902
1-Jul-37	15-Feb-38	149%	$5,550,699	$6,069,389	$0	$6,619,752	$0	$5,550,699	$0	$0	$5,550,699	$5,550,699
1-Jul-38	15-Feb-39	152%	$5,663,712	$7,210,313	$0	$5,861,750	$0	$5,663,712	$0	$0	$5,663,712	$5,663,712
1-Jul-39	15-Feb-40	155%	$5,778,986	$7,354,607	$0	$6,111,865	$0	$5,778,986	$0	$0	$5,778,986	$5,778,986
1-Jul-40	15-Feb-41	158%	$5,896,565	$7,502,771	$0	$6,369,942	$0	$5,896,565	$0	$0	$5,896,565	$5,896,565
1-Jul-41	15-Feb-42	161%	$6,016,495	$7,652,187	$0	$6,638,956	$0	$6,016,495	$0	$0	$6,016,495	$6,016,495
1-Jul-42	15-Feb-43	164%	$6,138,824	$7,805,295	$0	$6,916,830	$0	$6,138,824	$0	$0	$6,138,824	$6,138,824
1-Jul-43	15-Feb-44	167%	$6,263,600	$7,961,295	$0	$7,204,740	$0	$6,263,600	$0	$0	$6,263,600	$6,263,600
1-Jul-44	15-Feb-45	171%	$6,390,871	$8,120,328	$0	$7,502,935	$0	$6,390,871	$0	$0	$6,390,871	$6,390,871
1-Jul-45	15-Feb-46	174%	$6,520,688	$6,919,852	$0	$9,174,358	$0	$6,520,688	$0	$0	$6,520,688	$6,520,688
1-Jul-46	15-Feb-47	178%	$6,653,101	$362,362	$6,290,739	$16,216,921	$0	$362,362	$6,290,739	$0	$6,653,101	$362,362
1-Jul-47	15-Feb-48	181%	$6,788,163	$0	$6,788,163	$17,078,909	$0	$0	$6,788,163	$0	$6,788,163	$0
1-Jul-48	15-Feb-49	185%	$6,925,925	$0	$6,925,925	$17,593,524	$0	$0	$6,925,925	$0	$6,925,925	$0
1-Jul-49	15-Feb-50	188%	$7,066,443	$0	$7,066,443	$18,123,577	$0	$0	$7,066,443	$0	$7,066,443	$0
1-Jul-50	15-Feb-51	192%	$7,209,771	$0	$7,209,771	$18,669,532	$0	$0	$7,209,771	$0	$7,209,771	$0
Total			$173,966,712	$153,076,443	$38,670,589	$235,192,755	$996,466	$135,296,123	$37,674,123	$996,466	$173,966,712	$136,292,589

MuniCap, Inc. *16-Oct-17*

[1]Represents baseline revenues available for debt service after reducing for school general obligation debt and tax credits as shown on Appendix L.

[2]Represents the baseline surplus projected to be available to Howard County to pay for capital expenditures. Pursuant to the Indenture, these revenues would be available to pay debt service and not to pay the County if the combination of first available tax increment and special taxes are insufficient to pay debt service and expenses.

[3]Projected increment available for special tax credit is calculated by taking the first available incremental taxes available to debt service and the surplus taxes available to debt service after the set aside to the County.

Appendix C-7: Projected Payment of Debt Service - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking (Revenues Available for the Special Tax Credit)

Revenue Available as Special Tax Credit

Tax Year Beginning	Bond Year Ending	Net Annual Debt Service[1] Series 2017 A Bonds	Additional Phase One Bonds	Total Debt Service	Tax Increment Revenues Available For DS **After Set Asides & Tax Credits**[2]	Surplus/ (Deficit)	Backup Special Tax	Net Surplus/ (Deficit)	Cumulative Surplus	Crescent Special Taxing District Maximum Special Taxes[3]
1-Jul-17	15-Feb-18	$0	$0	$0	$483,652	$483,652	$0	$483,652	$483,652	$7,727,599
1-Jul-18	15-Feb-19	$0	$0	$0	$512,814	$512,814	$0	$512,814	$996,466	$7,882,151
1-Jul-19	15-Feb-20	$2,102,219	$0	$2,102,219	$2,973,224	$871,005	$0	$871,005	$1,867,471	$8,039,794
1-Jul-20	15-Feb-21	$2,334,055	$0	$2,334,055	$3,345,725	$1,011,670	$0	$1,011,670	$2,879,141	$8,200,590
1-Jul-21	15-Feb-22	$2,226,691	$0	$2,226,691	$3,582,309	$1,355,618	$0	$1,355,618	$4,234,759	$8,364,602
1-Jul-22	15-Feb-23	$2,223,341	$0	$2,223,341	$3,803,226	$1,579,885	$0	$1,579,885	$5,814,644	$8,531,894
1-Jul-23	15-Feb-24	$2,605,003	$0	$2,605,003	$4,182,532	$1,577,529	$0	$1,577,529	$7,392,173	$8,702,532
1-Jul-24	15-Feb-25	$2,566,279	$0	$2,566,279	$4,268,182	$1,701,903	$0	$1,701,903	$9,094,076	$8,876,582
1-Jul-25	15-Feb-26	$2,958,368	$0	$2,958,368	$4,355,545	$1,397,177	$0	$1,397,177	$10,491,253	$9,054,114
1-Jul-26	15-Feb-27	$3,149,071	$0	$3,149,071	$4,444,655	$1,295,584	$0	$1,295,584	$11,786,837	$9,235,196
1-Jul-27	15-Feb-28	$3,180,788	$0	$3,180,788	$4,535,548	$1,354,759	$0	$1,354,759	$13,141,597	$9,419,900
1-Jul-28	15-Feb-29	$3,209,520	$0	$3,209,520	$4,628,258	$1,418,738	$0	$1,418,738	$14,560,335	$9,608,298
1-Jul-29	15-Feb-30	$3,233,703	$0	$3,233,703	$4,722,822	$1,489,119	$0	$1,489,119	$16,049,454	$9,800,464
1-Jul-30	15-Feb-31	$3,254,808	$0	$3,254,808	$4,819,278	$1,564,470	$0	$1,564,470	$17,613,925	$9,996,473
1-Jul-31	15-Feb-32	$3,272,834	$0	$3,272,834	$4,917,663	$1,644,829	$0	$1,644,829	$19,258,754	$10,196,403
1-Jul-32	15-Feb-33	$3,312,782	$0	$3,312,782	$5,018,016	$1,705,234	$0	$1,705,234	$20,963,987	$10,400,331
1-Jul-33	15-Feb-34	$3,323,621	$0	$3,323,621	$5,120,375	$1,796,754	$0	$1,796,754	$22,760,742	$10,608,337
1-Jul-34	15-Feb-35	$3,356,382	$0	$3,356,382	$5,224,782	$1,868,400	$0	$1,868,400	$24,629,142	$10,820,504
1-Jul-35	15-Feb-36	$3,380,660	$0	$3,380,660	$5,331,277	$1,950,617	$0	$1,950,617	$26,579,759	$11,036,914
1-Jul-36	15-Feb-37	$3,375,579	$0	$3,375,579	$5,439,902	$2,064,323	$0	$2,064,323	$28,644,081	$11,257,653
1-Jul-37	15-Feb-38	$3,417,234	$0	$3,417,234	$5,550,699	$2,133,465	$0	$2,133,465	$30,777,546	$11,482,806
1-Jul-38	15-Feb-39	$4,003,438	$0	$4,003,438	$5,663,712	$1,660,274	$0	$1,660,274	$32,437,820	$11,712,462
1-Jul-39	15-Feb-40	$4,060,129	$0	$4,060,129	$5,778,986	$1,718,857	$0	$1,718,857	$34,156,676	$11,946,711
1-Jul-40	15-Feb-41	$4,155,557	$0	$4,155,557	$5,896,565	$1,741,008	$0	$1,741,008	$35,897,685	$12,185,645
1-Jul-41	15-Feb-42	$4,240,878	$0	$4,240,878	$6,016,495	$1,775,618	$0	$1,775,618	$37,673,302	$12,429,358
1-Jul-42	15-Feb-43	$4,341,093	$0	$4,341,093	$6,138,824	$1,797,732	$0	$1,797,732	$39,471,034	$12,677,945
1-Jul-43	15-Feb-44	$4,430,077	$0	$4,430,077	$6,263,600	$1,833,523	$0	$1,833,523	$41,304,557	$12,931,504
1-Jul-44	15-Feb-45	$4,532,831	$0	$4,532,831	$6,390,871	$1,858,040	$0	$1,858,040	$43,162,597	$13,190,134
1-Jul-45	15-Feb-46	$3,873,230	$0	$3,873,230	$6,520,688	$2,647,458	$0	$2,647,458	$45,810,055	$13,453,937
1-Jul-46	15-Feb-47	$210,025	$0	$210,025	$362,362	$152,337	$0	$152,337	$45,962,392	$13,723,016
1-Jul-47	15-Feb-48	$0	$0	$0	$0	$0	$0	$0	$45,962,392	$13,997,476
1-Jul-48	15-Feb-49	$0	$0	$0	$0	$0	$0	$0	$45,962,392	$14,277,426
1-Jul-49	15-Feb-50	$0	$0	$0	$0	$0	$0	$0	$45,962,392	$14,562,974
1-Jul-50	15-Feb-51	$0	$0	$0	$0	$0	$0	$0	$45,962,392	$14,854,234
Total		$90,330,197	$0	$90,330,197	$136,292,589	$45,962,392	($1)	$45,962,392		

MuniCap, Inc. *16-Oct-17*

[1]See Appendix M.

[2]See Appendix C-6.

[3]Represents the adjusted maximum special taxes pursuant to the *Crescent Special Taxing District Rate and Method of Apportionment.* May be reduced after final bond issue to provide 110% debt service coverage

Appendix D
Downtown Columbia
Howard County, Maryland

SCENARIO D
Includes Phase One Properties Complete or Underway
Excludes 3OA & Area Three Phase One Parking/Includes 3MFB
2% Inflation Factor
Includes Tax Credits
Series 2017 A Bonds Only

Appendix D
Downtown Columbia
Howard County, Maryland

Projected Development

Appendix D
Downtown Columbia
Howard County, Maryland

Appendix D-1.a: Projected Development by Type - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB

	Area[1]					Market Value[2]				Total Market	Year
Property Type	Units	Rooms	GSF Per Unit/Space	Spaces	Gross SF	Per Unit	Per Room	Per GSF	Per Space	Value	Completed
Residential											
Rental:											
MF rental - market rate	362	-	1,124	-	406,965	$241,490	-	$215	-	$87,419,376	2019
MF rental - market rate (TEN.M/m.flats)	437	-	1,156	-	504,978	$248,223	-	$215	-	$108,473,269	2017
MF rental - market rate (The Metropolitan)	380	-	1,172	-	445,235	$251,684	-	$215	-	$95,640,000	2014
MF rental - 80% AMI	10	-	1,124	-	11,242	$155,763	-	$139	-	$1,557,625	2019
MF rental - 30% AMI	10	-	1,124	-	11,242	$131,136		$117	-	$1,311,360	2019
Sub-total residential	1,199				1,379,663					$294,401,630	
Commercial											
Office:											
One Merriweather	-	-	-	-	208,034	-	-	$276	-	$57,469,487	2016
Two Merriweather	-	-	-	-	102,993	-	-	$276	-	$28,451,863	2017
Building 3OA	-	-	-	-	0	-	-	$276	-	$0	-
Building 3OB	-	-	-	-	0	-	-	$276	-	$0	-
Sub-total office					311,027					$85,921,349	
Retail:											
The Metropolitan ground floor	-	-	-	-	15,319	-	-	$317	-	$4,858,900	2014
TEN.M/m.flats ground floor	-	-	-	-	34,377	-	-	$317	-	$10,903,741	2017
One Merriweather ground floor	-	-	-	-	9,749	-	-	$317	-	$3,092,200	2016
Special taxing district retail (remaining area)	-	-	-	-	50,458	-	-	$444	-	$22,391,437	2019
Sub-total retail					109,903					$41,246,278	
Restaurant:											
Full service	-	-	-	-	30,275	-	-	$444	-	$13,434,862	2019
Fast food service	-	-	-	-	20,183	-	-	$444	-	$8,956,575	2019
Sub-total restaurant					50,458					$22,391,437	
Parking:											
Area one parking garage	-	-	350	1,127	394,425	-	-	$56	$19,699	$22,200,800	2017
Area three phase one parking garage	-	-	0	0	0	-	-	$56	$19,699	$0	-
Sub-total parking				1,127	394,425					$22,200,800	
Total (excluding parking SF)	1,199			1,127	1,851,051					$466,161,494	

MuniCap, Inc. *16-Oct-17*

[1]Projected development provided by The Howard Research and Development Corporation.
[2]See Appendix G-1.

Appendix D
Downtown Columbia
Howard County, Maryland

Appendix D-1.b: Projected Development by Building - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB

	Area[1]							Market Value[2]							
	Rental Units			Gross Square Feet			Parking	Per MR	Per Aff. Unit		Per Gross SF		Per	Total Market	Year
Building	MR	Aff.	Total	Per Unit	Retail	Office	Spaces	Unit	80% AMI	30% AMI	Retail	Office	Space	Value	Completed
Phase One Properties Complete/Underway															
The Metropolitan	380	-	380	1,172	15,319	-	-	$251,684	-	-	$317	-	-	$100,498,900	Complete
TEN.M/m.flats	437	-	437	1,156	34,377	-	-	$248,223	-	-	$317	-	-	$119,377,010	09/2017
One Merriweather	-	-	-	-	9,749	208,034	-	-	-	-	$317	$276	-	$60,561,687	Complete
Two Merriweather	-	-	-	-	29,583	102,993	-	-	-	-	$444	$276	-	$41,579,729	11/2017
Area One Parking Garage	-	-	-	-	-	-	1,127	-	-	-	-	-	$19,699	$22,200,800	Complete
Residential: Building 3MFB	362	20	382	1,065	71,333	-	-	$241,490	$155,763	$131,136	$444	-	-	$121,943,368	12/2019
	1,179	20	1,199		160,361	311,027	1,127							$466,161,494	

MuniCap, Inc. *16-Oct-17*

[1]Projected development provided by The Howard Research and Development Corporation.

[2]See Appendix G-1.

Appendix D-2.a: Projected Absorption - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB (Residential) [1]

			Multi-Family Rental							
		Tax	Market Rate		80% AMI		30% AMI		Total Rental[2]	
Year	Assessed	Year	(Units)		(Units)		(Units)		(Units)	
Ending	As Of Date	Beginning	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
31-Dec-16	1-Jan-17	1-Jul-17	0	0	0	0	0	0	0	0
31-Dec-17	1-Jan-18	1-Jul-18	0	0	0	0	0	0	0	0
31-Dec-18	1-Jan-19	1-Jul-19	0	0	0	0	0	0	0	0
31-Dec-19	1-Jan-20	1-Jul-20	362	362	10	10	10	10	382	382
31-Dec-20	1-Jan-21	1-Jul-21	0	362	0	10	0	10	0	382
31-Dec-21	1-Jan-22	1-Jul-22	0	362	0	10	0	10	0	382
31-Dec-22	1-Jan-23	1-Jul-23	0	362	0	10	0	10	0	382
31-Dec-23	1-Jan-24	1-Jul-24	0	362	0	10	0	10	0	382
31-Dec-24	1-Jan-25	1-Jul-25	0	362	0	10	0	10	0	382
31-Dec-25	1-Jan-26	1-Jul-26	0	362	0	10	0	10	0	382
31-Dec-26	1-Jan-27	1-Jul-27	0	362	0	10	0	10	0	382
31-Dec-27	1-Jan-28	1-Jul-28	0	362	0	10	0	10	0	382
31-Dec-28	1-Jan-29	1-Jul-29	0	362	0	10	0	10	0	382
31-Dec-29	1-Jan-30	1-Jul-30	0	362	0	10	0	10	0	382
31-Dec-30	1-Jan-31	1-Jul-31	0	362	0	10	0	10	0	382
31-Dec-31	1-Jan-32	1-Jul-32	0	362	0	10	0	10	0	382
31-Dec-32	1-Jan-33	1-Jul-33	0	362	0	10	0	10	0	382
31-Dec-33	1-Jan-34	1-Jul-34	0	362	0	10	0	10	0	382
31-Dec-34	1-Jan-35	1-Jul-35	0	362	0	10	0	10	0	382
31-Dec-35	1-Jan-36	1-Jul-36	0	362	0	10	0	10	0	382
31-Dec-36	1-Jan-37	1-Jul-37	0	362	0	10	0	10	0	382
31-Dec-37	1-Jan-38	1-Jul-38	0	362	0	10	0	10	0	382
31-Dec-38	1-Jan-39	1-Jul-39	0	362	0	10	0	10	0	382
31-Dec-39	1-Jan-40	1-Jul-40	0	362	0	10	0	10	0	382
31-Dec-40	1-Jan-41	1-Jul-41	0	362	0	10	0	10	0	382
31-Dec-41	1-Jan-42	1-Jul-42	0	362	0	10	0	10	0	382
31-Dec-42	1-Jan-43	1-Jul-43	0	362	0	10	0	10	0	382
31-Dec-43	1-Jan-44	1-Jul-44	0	362	0	10	0	10	0	382
31-Dec-44	1-Jan-45	1-Jul-45	0	362	0	10	0	10	0	382
31-Dec-45	1-Jan-46	1-Jul-46	0	362	0	10	0	10	0	382
31-Dec-46	1-Jan-47	1-Jul-47	0	362	0	10	0	10	0	382
31-Dec-47	1-Jan-48	1-Jul-48	0	362	0	10	0	10	0	382
30-Dec-48	1-Jan-49	1-Jul-49	0	362	0	10	0	10	0	382
30-Dec-49	1-Jan-50	1-Jul-50	0	362	0	10	0	10	0	382
Total			362		10		10		382	

MuniCap, Inc. *16-Oct-17*

[1]Source: The Howard Research and Development Corporation.

[2]TEN.M/m. flats and The Metropolitan development shown on Appendices A-3.b and A-3.c.

Appendix D-2.b: Projected Absorption - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB (Commercial)[1]

					Retail/Restaurant[2]											
		Tax	Office[2]		Retail		Restaurant - Full Service		Restaurant - Fast Food		Sub-Total		Parking			
Year	Assessed	Year	(SF)		(SF)		(SF)		(SF)		(SF)		(Spaces)		(SF)	
Ending	As Of Date	Beginning	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
31-Dec-16	1-Jan-17	1-Jul-17	0	0	0	0	0	0	0	0	0	0	1,127	1,127	394,425	394,425
31-Dec-17	1-Jan-18	1-Jul-18	102,993	102,993	14,792	14,792	8,875	8,875	5,917	5,917	29,583	29,583	0	1,127	0	394,425
31-Dec-18	1-Jan-19	1-Jul-19	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-19	1-Jan-20	1-Jul-20	0	102,993	35,667	50,458	21,400	30,275	14,267	20,183	71,333	100,916	0	1,127	0	394,425
31-Dec-20	1-Jan-21	1-Jul-21	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-21	1-Jan-22	1-Jul-22	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-22	1-Jan-23	1-Jul-23	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-23	1-Jan-24	1-Jul-24	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-24	1-Jan-25	1-Jul-25	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-25	1-Jan-26	1-Jul-26	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-26	1-Jan-27	1-Jul-27	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-27	1-Jan-28	1-Jul-28	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-28	1-Jan-29	1-Jul-29	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-29	1-Jan-30	1-Jul-30	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-30	1-Jan-31	1-Jul-31	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-31	1-Jan-32	1-Jul-32	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-32	1-Jan-33	1-Jul-33	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-33	1-Jan-34	1-Jul-34	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-34	1-Jan-35	1-Jul-35	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-35	1-Jan-36	1-Jul-36	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-36	1-Jan-37	1-Jul-37	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-37	1-Jan-38	1-Jul-38	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-38	1-Jan-39	1-Jul-39	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-39	1-Jan-40	1-Jul-40	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-40	1-Jan-41	1-Jul-41	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-41	1-Jan-42	1-Jul-42	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-42	1-Jan-43	1-Jul-43	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-43	1-Jan-44	1-Jul-44	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-44	1-Jan-45	1-Jul-45	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-45	1-Jan-46	1-Jul-46	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-46	1-Jan-47	1-Jul-47	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
31-Dec-47	1-Jan-48	1-Jul-48	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
30-Dec-48	1-Jan-49	1-Jul-49	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
30-Dec-49	1-Jan-50	1-Jul-50	0	102,993	0	50,458	0	30,275	0	20,183	0	100,916	0	1,127	0	394,425
Total			102,993		50,458		30,275		20,183		100,916		1,127		394,425	

MuniCap, Inc. *16-Oct-17*

[1]Source: The Howard Research and Development Corporation.
[2]One Merriweather development shown on Appendix A-3.e.

Appendix D
Downtown Columbia
Howard County, Maryland

Projected Market Value

Appendix D
Downtown Columbia
Howard County, Maryland

Appendix D-3.a: Total Projected Market Value - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB (Residential)

				Multi-Family Rental							
				Market Rate				80% AMI			
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	0	$246,320	0%	$0	0	$158,878	0%	$0
1-Jan-19	1-Jul-19	15-Feb-20	104%	0	$251,246	0%	$0	0	$162,055	0%	$0
1-Jan-20	1-Jul-20	15-Feb-21	106%	362	$256,271	80%	$74,216,113	10	$165,296	80%	$1,322,372
1-Jan-21	1-Jul-21	15-Feb-22	108%	362	$261,397	87%	$82,008,805	10	$168,602	87%	$1,461,221
1-Jan-22	1-Jul-22	15-Feb-23	110%	362	$266,624	93%	$90,083,518	10	$171,974	93%	$1,605,095
1-Jan-23	1-Jul-23	15-Feb-24	113%	362	$271,957	100%	$98,448,416	10	$175,414	100%	$1,754,139
1-Jan-24	1-Jul-24	15-Feb-25	115%	362	$277,396	100%	$100,417,384	10	$178,922	100%	$1,789,222
1-Jan-25	1-Jul-25	15-Feb-26	117%	362	$282,944	100%	$102,425,732	10	$182,501	100%	$1,825,006
1-Jan-26	1-Jul-26	15-Feb-27	120%	362	$288,603	100%	$104,474,246	10	$186,151	100%	$1,861,506
1-Jan-27	1-Jul-27	15-Feb-28	122%	362	$294,375	100%	$106,563,731	10	$189,874	100%	$1,898,737
1-Jan-28	1-Jul-28	15-Feb-29	124%	362	$300,262	100%	$108,695,006	10	$193,671	100%	$1,936,711
1-Jan-29	1-Jul-29	15-Feb-30	127%	362	$306,268	100%	$110,868,906	10	$197,545	100%	$1,975,445
1-Jan-30	1-Jul-30	15-Feb-31	129%	362	$312,393	100%	$113,086,284	10	$201,495	100%	$2,014,954
1-Jan-31	1-Jul-31	15-Feb-32	132%	362	$318,641	100%	$115,348,010	10	$205,525	100%	$2,055,253
1-Jan-32	1-Jul-32	15-Feb-33	135%	362	$325,014	100%	$117,654,970	10	$209,636	100%	$2,096,359
1-Jan-33	1-Jul-33	15-Feb-34	137%	362	$331,514	100%	$120,008,069	10	$213,829	100%	$2,138,286
1-Jan-34	1-Jul-34	15-Feb-35	140%	362	$338,144	100%	$122,408,231	10	$218,105	100%	$2,181,051
1-Jan-35	1-Jul-35	15-Feb-36	143%	362	$344,907	100%	$124,856,395	10	$222,467	100%	$2,224,672
1-Jan-36	1-Jul-36	15-Feb-37	146%	362	$351,805	100%	$127,353,523	10	$226,917	100%	$2,269,166
1-Jan-37	1-Jul-37	15-Feb-38	149%	362	$358,841	100%	$129,900,594	10	$231,455	100%	$2,314,549
1-Jan-38	1-Jul-38	15-Feb-39	152%	362	$366,018	100%	$132,498,606	10	$236,084	100%	$2,360,840
1-Jan-39	1-Jul-39	15-Feb-40	155%	362	$373,339	100%	$135,148,578	10	$240,806	100%	$2,408,057
1-Jan-40	1-Jul-40	15-Feb-41	158%	362	$380,805	100%	$137,851,549	10	$245,622	100%	$2,456,218
1-Jan-41	1-Jul-41	15-Feb-42	161%	362	$388,421	100%	$140,608,580	10	$250,534	100%	$2,505,343
1-Jan-42	1-Jul-42	15-Feb-43	164%	362	$396,190	100%	$143,420,752	10	$255,545	100%	$2,555,449
1-Jan-43	1-Jul-43	15-Feb-44	167%	362	$404,114	100%	$146,289,167	10	$260,656	100%	$2,606,558
1-Jan-44	1-Jul-44	15-Feb-45	171%	362	$412,196	100%	$149,214,950	10	$265,869	100%	$2,658,690
1-Jan-45	1-Jul-45	15-Feb-46	174%	362	$420,440	100%	$152,199,249	10	$271,186	100%	$2,711,863
1-Jan-46	1-Jul-46	15-Feb-47	178%	362	$428,849	100%	$155,243,234	10	$276,610	100%	$2,766,101
1-Jan-47	1-Jul-47	15-Feb-48	181%	362	$437,426	100%	$158,348,099	10	$282,142	100%	$2,821,423
1-Jan-48	1-Jul-48	15-Feb-49	185%	362	$446,174	100%	$161,515,061	10	$287,785	100%	$2,877,851
1-Jan-49	1-Jul-49	15-Feb-50	188%	362	$455,098	100%	$164,745,362	10	$293,541	100%	$2,935,408
1-Jan-50	1-Jul-50	15-Feb-51	192%	362	$464,200	100%	$168,040,269	10	$299,412	100%	$2,994,116

[1]See Appendix D-2.a.

[2]See Appendix D-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

Appendix D-3.a: Total Projected Market Value - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB (Residential), continued

				Multi-Family Rental				
				30% AMI				Total Projected
Assessed	Tax Year	Bond Year	Inflation		Value Per	Phase-In	Projected	Residential
As Of Date	Beginning	Ending	Factor	Units[1]	Unit[2]	Percent[3]	Market Value	Market Value[4]
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$131,136	0%	$0	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	0	$133,759	0%	$0	$0
1-Jan-19	1-Jul-19	15-Feb-20	104%	0	$136,434	0%	$0	$0
1-Jan-20	1-Jul-20	15-Feb-21	106%	10	$139,163	80%	$1,113,301	$76,651,785
1-Jan-21	1-Jul-21	15-Feb-22	108%	10	$141,946	87%	$1,230,197	$84,700,222
1-Jan-22	1-Jul-22	15-Feb-23	110%	10	$144,785	93%	$1,351,324	$93,039,936
1-Jan-23	1-Jul-23	15-Feb-24	113%	10	$147,680	100%	$1,476,804	$101,679,359
1-Jan-24	1-Jul-24	15-Feb-25	115%	10	$150,634	100%	$1,506,341	$103,712,946
1-Jan-25	1-Jul-25	15-Feb-26	117%	10	$153,647	100%	$1,536,467	$105,787,205
1-Jan-26	1-Jul-26	15-Feb-27	120%	10	$156,720	100%	$1,567,197	$107,902,949
1-Jan-27	1-Jul-27	15-Feb-28	122%	10	$159,854	100%	$1,598,541	$110,061,008
1-Jan-28	1-Jul-28	15-Feb-29	124%	10	$163,051	100%	$1,630,511	$112,262,229
1-Jan-29	1-Jul-29	15-Feb-30	127%	10	$166,312	100%	$1,663,122	$114,507,473
1-Jan-30	1-Jul-30	15-Feb-31	129%	10	$169,638	100%	$1,696,384	$116,797,623
1-Jan-31	1-Jul-31	15-Feb-32	132%	10	$173,031	100%	$1,730,312	$119,133,575
1-Jan-32	1-Jul-32	15-Feb-33	135%	10	$176,492	100%	$1,764,918	$121,516,247
1-Jan-33	1-Jul-33	15-Feb-34	137%	10	$180,022	100%	$1,800,216	$123,946,571
1-Jan-34	1-Jul-34	15-Feb-35	140%	10	$183,622	100%	$1,836,221	$126,425,503
1-Jan-35	1-Jul-35	15-Feb-36	143%	10	$187,295	100%	$1,872,945	$128,954,013
1-Jan-36	1-Jul-36	15-Feb-37	146%	10	$191,040	100%	$1,910,404	$131,533,093
1-Jan-37	1-Jul-37	15-Feb-38	149%	10	$194,861	100%	$1,948,612	$134,163,755
1-Jan-38	1-Jul-38	15-Feb-39	152%	10	$198,758	100%	$1,987,584	$136,847,030
1-Jan-39	1-Jul-39	15-Feb-40	155%	10	$202,734	100%	$2,027,336	$139,583,971
1-Jan-40	1-Jul-40	15-Feb-41	158%	10	$206,788	100%	$2,067,883	$142,375,650
1-Jan-41	1-Jul-41	15-Feb-42	161%	10	$210,924	100%	$2,109,240	$145,223,163
1-Jan-42	1-Jul-42	15-Feb-43	164%	10	$215,143	100%	$2,151,425	$148,127,626
1-Jan-43	1-Jul-43	15-Feb-44	167%	10	$219,445	100%	$2,194,454	$151,090,179
1-Jan-44	1-Jul-44	15-Feb-45	171%	10	$223,834	100%	$2,238,343	$154,111,983
1-Jan-45	1-Jul-45	15-Feb-46	174%	10	$228,311	100%	$2,283,110	$157,194,222
1-Jan-46	1-Jul-46	15-Feb-47	178%	10	$232,877	100%	$2,328,772	$160,338,107
1-Jan-47	1-Jul-47	15-Feb-48	181%	10	$237,535	100%	$2,375,347	$163,544,869
1-Jan-48	1-Jul-48	15-Feb-49	185%	10	$242,285	100%	$2,422,854	$166,815,766
1-Jan-49	1-Jul-49	15-Feb-50	188%	10	$247,131	100%	$2,471,311	$170,152,081
1-Jan-50	1-Jul-50	15-Feb-51	192%	10	$252,074	100%	$2,520,738	$173,555,123

[1]See Appendix D-2.a.

[2]See Appendix D-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

[4]TEN.M/m. flats and The Metropolitan development shown on Appendices A-3.b and A-3.c.

Appendix D-3.b: Total Projected Market Value -Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB (Commercial)

				Office				Retail				Restaurant - Full Service			
Assessed	Tax Year	Bond Year	Inflation	Square	Value Per	Phase-In	Projected	Square	Value Per	Phase-In	Projected	Square	Value Per	Phase-In	Projected
As Of Date	Beginning	Ending	Factor	Feet[1]	SF[2]	Percent[3]	Market Value	Feet[1]	SF[2]	Percent[3]	Market Value	Feet[1]	SF[2]	Percent[3]	Market Value
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$276	0%	$0	0	$444	0%	$0	0	$444	0%	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	102,993	$282	80%	$23,216,720	14,792	$453	80%	$5,356,169	8,875	$453	80%	$3,213,702
1-Jan-19	1-Jul-19	15-Feb-20	104%	102,993	$287	87%	$25,654,476	14,792	$462	87%	$5,918,567	8,875	$462	87%	$3,551,140
1-Jan-20	1-Jul-20	15-Feb-21	106%	102,993	$293	93%	$28,180,455	50,458	$471	84%	$19,938,337	30,275	$471	84%	$11,963,002
1-Jan-21	1-Jul-21	15-Feb-22	108%	102,993	$299	100%	$30,797,211	50,458	$480	91%	$21,952,918	30,275	$480	91%	$13,171,751
1-Jan-22	1-Jul-22	15-Feb-23	110%	102,993	$305	100%	$31,413,156	50,458	$490	95%	$23,556,966	30,275	$490	95%	$14,134,179
1-Jan-23	1-Jul-23	15-Feb-24	113%	102,993	$311	100%	$32,041,419	50,458	$500	100%	$25,216,394	30,275	$500	100%	$15,129,837
1-Jan-24	1-Jul-24	15-Feb-25	115%	102,993	$317	100%	$32,682,247	50,458	$510	100%	$25,720,722	30,275	$510	100%	$15,432,433
1-Jan-25	1-Jul-25	15-Feb-26	117%	102,993	$324	100%	$33,335,892	50,458	$520	100%	$26,235,137	30,275	$520	100%	$15,741,082
1-Jan-26	1-Jul-26	15-Feb-27	120%	102,993	$330	100%	$34,002,610	50,458	$530	100%	$26,759,839	30,275	$530	100%	$16,055,904
1-Jan-27	1-Jul-27	15-Feb-28	122%	102,993	$337	100%	$34,682,662	50,458	$541	100%	$27,295,036	30,275	$541	100%	$16,377,022
1-Jan-28	1-Jul-28	15-Feb-29	124%	102,993	$343	100%	$35,376,315	50,458	$552	100%	$27,840,937	30,275	$552	100%	$16,704,562
1-Jan-29	1-Jul-29	15-Feb-30	127%	102,993	$350	100%	$36,083,842	50,458	$563	100%	$28,397,756	30,275	$563	100%	$17,038,653
1-Jan-30	1-Jul-30	15-Feb-31	129%	102,993	$357	100%	$36,805,518	50,458	$574	100%	$28,965,711	30,275	$574	100%	$17,379,426
1-Jan-31	1-Jul-31	15-Feb-32	132%	102,993	$365	100%	$37,541,629	50,458	$586	100%	$29,545,025	30,275	$586	100%	$17,727,015
1-Jan-32	1-Jul-32	15-Feb-33	135%	102,993	$372	100%	$38,292,461	50,458	$597	100%	$30,135,926	30,275	$597	100%	$18,081,555
1-Jan-33	1-Jul-33	15-Feb-34	137%	102,993	$379	100%	$39,058,311	50,458	$609	100%	$30,738,644	30,275	$609	100%	$18,443,186
1-Jan-34	1-Jul-34	15-Feb-35	140%	102,993	$387	100%	$39,839,477	50,458	$621	100%	$31,353,417	30,275	$621	100%	$18,812,050
1-Jan-35	1-Jul-35	15-Feb-36	143%	102,993	$395	100%	$40,636,266	50,458	$634	100%	$31,980,485	30,275	$634	100%	$19,188,291
1-Jan-36	1-Jul-36	15-Feb-37	146%	102,993	$402	100%	$41,448,992	50,458	$646	100%	$32,620,095	30,275	$646	100%	$19,572,057
1-Jan-37	1-Jul-37	15-Feb-38	149%	102,993	$410	100%	$42,277,971	50,458	$659	100%	$33,272,497	30,275	$659	100%	$19,963,498
1-Jan-38	1-Jul-38	15-Feb-39	152%	102,993	$419	100%	$43,123,531	50,458	$673	100%	$33,937,947	30,275	$673	100%	$20,362,768
1-Jan-39	1-Jul-39	15-Feb-40	155%	102,993	$427	100%	$43,986,001	50,458	$686	100%	$34,616,706	30,275	$686	100%	$20,770,023
1-Jan-40	1-Jul-40	15-Feb-41	158%	102,993	$436	100%	$44,865,722	50,458	$700	100%	$35,309,040	30,275	$700	100%	$21,185,424
1-Jan-41	1-Jul-41	15-Feb-42	161%	102,993	$444	100%	$45,763,036	50,458	$714	100%	$36,015,221	30,275	$714	100%	$21,609,132
1-Jan-42	1-Jul-42	15-Feb-43	164%	102,993	$453	100%	$46,678,297	50,458	$728	100%	$36,735,525	30,275	$728	100%	$22,041,315
1-Jan-43	1-Jul-43	15-Feb-44	167%	102,993	$462	100%	$47,611,863	50,458	$743	100%	$37,470,236	30,275	$743	100%	$22,482,141
1-Jan-44	1-Jul-44	15-Feb-45	171%	102,993	$472	100%	$48,564,100	50,458	$757	100%	$38,219,640	30,275	$757	100%	$22,931,784
1-Jan-45	1-Jul-45	15-Feb-46	174%	102,993	$481	100%	$49,535,382	50,458	$773	100%	$38,984,033	30,275	$773	100%	$23,390,420
1-Jan-46	1-Jul-46	15-Feb-47	178%	102,993	$491	100%	$50,526,089	50,458	$788	100%	$39,763,714	30,275	$788	100%	$23,858,228
1-Jan-47	1-Jul-47	15-Feb-48	181%	102,993	$500	100%	$51,536,611	50,458	$804	100%	$40,558,988	30,275	$804	100%	$24,335,393
1-Jan-48	1-Jul-48	15-Feb-49	185%	102,993	$510	100%	$52,567,343	50,458	$820	100%	$41,370,168	30,275	$820	100%	$24,822,101
1-Jan-49	1-Jul-49	15-Feb-50	188%	102,993	$521	100%	$53,618,690	50,458	$836	100%	$42,197,571	30,275	$836	100%	$25,318,543
1-Jan-50	1-Jul-50	15-Feb-51	192%	102,993	$531	100%	$54,691,064	50,458	$853	100%	$43,041,523	30,275	$853	100%	$25,824,914

[1]See Appendix D-2.b.

[2]See Appendix D-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

Appendix D-3.b: Total Projected Market Value - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB (Commercial), continued

				Restaurant - Fast Food				Parking				
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Square Feet[1]	Value Per SF[2]	Phase-In Percent[3]	Projected Market Value	Spaces[1]	Value Per Space[2]	Phase-In Percent[3]	Projected Market Value	Total Projected Commercial Market Value[4]
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$444	0%	$0	1,127	$18,681	100%	$21,053,533	$21,053,533
1-Jan-18	1-Jul-18	15-Feb-19	102%	5,917	$453	80%	$2,142,468	1,127	$19,699	100%	$22,200,800	$56,129,859
1-Jan-19	1-Jul-19	15-Feb-20	104%	5,917	$462	87%	$2,367,427	1,127	$20,495	100%	$23,097,712	$60,589,322
1-Jan-20	1-Jul-20	15-Feb-21	106%	20,183	$471	84%	$7,975,335	1,127	$20,905	100%	$23,559,667	$91,616,795
1-Jan-21	1-Jul-21	15-Feb-22	108%	20,183	$480	91%	$8,781,167	1,127	$21,323	100%	$24,030,860	$98,733,907
1-Jan-22	1-Jul-22	15-Feb-23	110%	20,183	$490	95%	$9,422,786	1,127	$21,749	100%	$24,511,477	$103,038,564
1-Jan-23	1-Jul-23	15-Feb-24	113%	20,183	$500	100%	$10,086,558	1,127	$22,184	100%	$25,001,707	$107,475,914
1-Jan-24	1-Jul-24	15-Feb-25	115%	20,183	$510	100%	$10,288,289	1,127	$22,628	100%	$25,501,741	$109,625,432
1-Jan-25	1-Jul-25	15-Feb-26	117%	20,183	$520	100%	$10,494,055	1,127	$23,081	100%	$26,011,776	$111,817,941
1-Jan-26	1-Jul-26	15-Feb-27	120%	20,183	$530	100%	$10,703,936	1,127	$23,542	100%	$26,532,011	$114,054,300
1-Jan-27	1-Jul-27	15-Feb-28	122%	20,183	$541	100%	$10,918,014	1,127	$24,013	100%	$27,062,651	$116,335,386
1-Jan-28	1-Jul-28	15-Feb-29	124%	20,183	$552	100%	$11,136,375	1,127	$24,493	100%	$27,603,904	$118,662,093
1-Jan-29	1-Jul-29	15-Feb-30	127%	20,183	$563	100%	$11,359,102	1,127	$24,983	100%	$28,155,982	$121,035,335
1-Jan-30	1-Jul-30	15-Feb-31	129%	20,183	$574	100%	$11,586,284	1,127	$25,483	100%	$28,719,102	$123,456,042
1-Jan-31	1-Jul-31	15-Feb-32	132%	20,183	$586	100%	$11,818,010	1,127	$25,992	100%	$29,293,484	$125,925,163
1-Jan-32	1-Jul-32	15-Feb-33	135%	20,183	$597	100%	$12,054,370	1,127	$26,512	100%	$29,879,354	$128,443,666
1-Jan-33	1-Jul-33	15-Feb-34	137%	20,183	$609	100%	$12,295,458	1,127	$27,043	100%	$30,476,941	$131,012,539
1-Jan-34	1-Jul-34	15-Feb-35	140%	20,183	$621	100%	$12,541,367	1,127	$27,583	100%	$31,086,480	$133,632,790
1-Jan-35	1-Jul-35	15-Feb-36	143%	20,183	$634	100%	$12,792,194	1,127	$28,135	100%	$31,708,209	$136,305,446
1-Jan-36	1-Jul-36	15-Feb-37	146%	20,183	$646	100%	$13,048,038	1,127	$28,698	100%	$32,342,373	$139,031,555
1-Jan-37	1-Jul-37	15-Feb-38	149%	20,183	$659	100%	$13,308,999	1,127	$29,272	100%	$32,989,221	$141,812,186
1-Jan-38	1-Jul-38	15-Feb-39	152%	20,183	$673	100%	$13,575,179	1,127	$29,857	100%	$33,649,005	$144,648,430
1-Jan-39	1-Jul-39	15-Feb-40	155%	20,183	$686	100%	$13,846,682	1,127	$30,454	100%	$34,321,985	$147,541,398
1-Jan-40	1-Jul-40	15-Feb-41	158%	20,183	$700	100%	$14,123,616	1,127	$31,063	100%	$35,008,425	$150,492,226
1-Jan-41	1-Jul-41	15-Feb-42	161%	20,183	$714	100%	$14,406,088	1,127	$31,685	100%	$35,708,594	$153,502,071
1-Jan-42	1-Jul-42	15-Feb-43	164%	20,183	$728	100%	$14,694,210	1,127	$32,318	100%	$36,422,766	$156,572,112
1-Jan-43	1-Jul-43	15-Feb-44	167%	20,183	$743	100%	$14,988,094	1,127	$32,965	100%	$37,151,221	$159,703,555
1-Jan-44	1-Jul-44	15-Feb-45	171%	20,183	$757	100%	$15,287,856	1,127	$33,624	100%	$37,894,245	$162,897,626
1-Jan-45	1-Jul-45	15-Feb-46	174%	20,183	$773	100%	$15,593,613	1,127	$34,296	100%	$38,652,130	$166,155,578
1-Jan-46	1-Jul-46	15-Feb-47	178%	20,183	$788	100%	$15,905,485	1,127	$34,982	100%	$39,425,173	$169,478,690
1-Jan-47	1-Jul-47	15-Feb-48	181%	20,183	$804	100%	$16,223,595	1,127	$35,682	100%	$40,213,676	$172,868,263
1-Jan-48	1-Jul-48	15-Feb-49	185%	20,183	$820	100%	$16,548,067	1,127	$36,396	100%	$41,017,950	$176,325,629
1-Jan-49	1-Jul-49	15-Feb-50	188%	20,183	$836	100%	$16,879,028	1,127	$37,124	100%	$41,838,309	$179,852,141
1-Jan-50	1-Jul-50	15-Feb-51	192%	20,183	$853	100%	$17,216,609	1,127	$37,866	100%	$42,675,075	$183,449,184

[1]See Appendix D-2.b.

[2]See Appendix D-1.a. Values are assumed to increase with inflation factor shown. Value for the parking in the first year based on actual value assessed by Maryland State Department of Assessments.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization. Construction of Area One Parking Garage is complete and assessed values as of 7/1/2017 are reflected.

[4]One Merriweather development shown on Appendix A-3.e.

Appendix D-3.c: Total Projected Market Value - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB (Total)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Projected Assessed Value[1]						Total Projected Assessed Value
			Residential	TEN.M/m.flats	The Metropolitan	Commercial	One Merriweather	Residual Base[2]	
1-Jul-17	15-Feb-18	100%	$0	$2,626,000	$100,299,266	$21,053,533	$54,263,133	$39,676,300	$217,918,232
1-Jul-18	15-Feb-19	102%	$0	$97,411,640	$100,498,900	$56,129,859	$57,841,600	$39,226,907	$351,108,905
1-Jul-19	15-Feb-20	104%	$0	$107,639,862	$102,508,878	$60,589,322	$58,998,432	$39,905,797	$369,642,291
1-Jul-20	15-Feb-21	106%	$76,651,785	$118,238,249	$104,559,056	$91,616,795	$60,561,687	$36,803,702	$488,431,273
1-Jul-21	15-Feb-22	108%	$84,700,222	$129,217,515	$106,650,237	$98,733,907	$61,772,921	$37,107,502	$518,182,303
1-Jul-22	15-Feb-23	110%	$93,039,936	$131,801,865	$108,783,241	$103,038,564	$63,008,379	$37,520,846	$537,192,832
1-Jul-23	15-Feb-24	113%	$101,679,359	$134,437,902	$110,958,906	$107,475,914	$64,268,547	$37,935,882	$556,756,510
1-Jul-24	15-Feb-25	115%	$103,712,946	$137,126,660	$113,178,084	$109,625,432	$65,553,917	$38,694,599	$567,891,640
1-Jul-25	15-Feb-26	117%	$105,787,205	$139,869,193	$115,441,646	$111,817,941	$66,864,996	$39,468,491	$579,249,473
1-Jul-26	15-Feb-27	120%	$107,902,949	$142,666,577	$117,750,479	$114,054,300	$68,202,296	$40,257,861	$590,834,462
1-Jul-27	15-Feb-28	122%	$110,061,008	$145,519,909	$120,105,489	$116,335,386	$69,566,342	$41,063,018	$602,651,151
1-Jul-28	15-Feb-29	124%	$112,262,229	$148,430,307	$122,507,598	$118,662,093	$70,957,668	$41,884,279	$614,704,174
1-Jul-29	15-Feb-30	127%	$114,507,473	$151,398,913	$124,957,750	$121,035,335	$72,376,822	$42,721,964	$626,998,258
1-Jul-30	15-Feb-31	129%	$116,797,623	$154,426,891	$127,456,905	$123,456,042	$73,824,358	$43,576,404	$639,538,223
1-Jul-31	15-Feb-32	132%	$119,133,575	$157,515,429	$130,006,043	$125,925,163	$75,300,845	$44,447,932	$652,328,988
1-Jul-32	15-Feb-33	135%	$121,516,247	$160,665,738	$132,606,164	$128,443,666	$76,806,862	$45,336,890	$665,375,567
1-Jul-33	15-Feb-34	137%	$123,946,571	$163,879,053	$135,258,288	$131,012,539	$78,343,000	$46,243,628	$678,683,079
1-Jul-34	15-Feb-35	140%	$126,425,503	$167,156,634	$137,963,453	$133,632,790	$79,909,860	$47,168,501	$692,256,740
1-Jul-35	15-Feb-36	143%	$128,954,013	$170,499,766	$140,722,722	$136,305,446	$81,508,057	$48,111,871	$706,101,875
1-Jul-36	15-Feb-37	146%	$131,533,093	$173,909,762	$143,537,177	$139,031,555	$83,138,218	$49,074,108	$720,223,913
1-Jul-37	15-Feb-38	149%	$134,163,755	$177,387,957	$146,407,920	$141,812,186	$84,800,982	$50,055,590	$734,628,391
1-Jul-38	15-Feb-39	152%	$136,847,030	$180,935,716	$149,336,079	$144,648,430	$86,497,002	$51,056,702	$749,320,959
1-Jul-39	15-Feb-40	155%	$139,583,971	$184,554,430	$152,322,800	$147,541,398	$88,226,942	$52,077,836	$764,307,378
1-Jul-40	15-Feb-41	158%	$142,375,650	$188,245,519	$155,369,256	$150,492,226	$89,991,481	$53,119,393	$779,593,525
1-Jul-41	15-Feb-42	161%	$145,223,163	$192,010,429	$158,476,641	$153,502,071	$91,791,310	$54,181,781	$795,185,396
1-Jul-42	15-Feb-43	164%	$148,127,626	$195,850,638	$161,646,174	$156,572,112	$93,627,137	$55,265,416	$811,089,104
1-Jul-43	15-Feb-44	167%	$151,090,179	$199,767,651	$164,879,098	$159,703,555	$95,499,679	$56,370,725	$827,310,886
1-Jul-44	15-Feb-45	171%	$154,111,983	$203,763,004	$168,176,680	$162,897,626	$97,409,673	$57,498,139	$843,857,104
1-Jul-45	15-Feb-46	174%	$157,194,222	$207,838,264	$171,540,213	$166,155,578	$99,357,866	$58,648,102	$860,734,246
1-Jul-46	15-Feb-47	178%	$160,338,107	$211,995,029	$174,971,018	$169,478,690	$101,345,024	$59,821,064	$877,948,930
1-Jul-47	15-Feb-48	181%	$163,544,869	$216,234,930	$178,470,438	$172,868,263	$103,371,924	$61,017,485	$895,507,909
1-Jul-48	15-Feb-49	185%	$166,815,766	$220,559,628	$182,039,847	$176,325,629	$105,439,363	$62,237,835	$913,418,067
1-Jul-49	15-Feb-50	188%	$170,152,081	$224,970,821	$185,680,644	$179,852,141	$107,548,150	$63,482,592	$931,686,429
1-Jul-50	15-Feb-51	192%	$173,555,123	$229,470,237	$189,394,257	$183,449,184	$109,699,113	$64,752,243	$950,320,157

[1]See Appendices D-3.a, D-3.b, A-3.b, A-3.c, and A-3.e.

[2]See Appendix J-2. Residual base value represents the value of the crescent tax parcel 1415019921 expected to remain or to be redeveloped. As of January 1, 2017, total value of the crescent tax parcel is $114,992,966, of which $75,316,666 is attributable to development underway or complete. Values shown are assumed to be adjusted for inflation factor shown. Furthermore, the residual base value is adjusted for the replacement of value attributable to new construction.

Appendix D
Downtown Columbia
Howard County, Maryland

Available Tax Increment Revenues &
Projected Debt Service Coverage

Appendix D-4: Projected Real Property Tax Increment Revenues - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB

											Phase One Properties Complete/Underway		
Tax Year Beginning	Bond Year Ending	Inflation Factor	Total Projected Assessed Value[1]	Phase I Base Value[2]	Incremental Property Value	FY 17 Howard County Tax Rate Per $100 A.V	Projected Tax Increment Revenues	Percent Available After Tax Discount[3]	Available Incremental Tax Revenues	Available For Debt Service	Tax Increment Revenues	Tax Credits[4]	Net Tax Increment Revenues Available for Debt Service
1-Jul-17	15-Feb-18	100%	$217,918,232	($9,907,900)	$208,010,332	$1.014	$2,109,225	99.5%	$2,098,679	100%	$2,098,679	($321,584)	$1,777,095
1-Jul-18	15-Feb-19	102%	$351,108,905	($9,907,900)	$341,201,005	$1.014	$3,459,778	99.5%	$3,442,479	100%	$3,442,479	($560,582)	$2,881,898
1-Jul-19	15-Feb-20	104%	$369,642,291	($9,907,900)	$359,734,391	$1.014	$3,647,707	99.5%	$3,629,468	100%	$3,629,468	($517,468)	$3,112,001
1-Jul-20	15-Feb-21	106%	$488,431,273	($9,907,900)	$478,523,373	$1.014	$4,852,227	99.5%	$4,827,966	100%	$4,827,966	($495,515)	$4,332,451
1-Jul-21	15-Feb-22	108%	$518,182,303	($9,907,900)	$508,274,403	$1.014	$5,153,902	99.5%	$5,128,133	100%	$5,128,133	($467,523)	$4,660,610
1-Jul-22	15-Feb-23	110%	$537,192,832	($9,907,900)	$527,284,932	$1.014	$5,346,669	99.5%	$5,319,936	100%	$5,319,936	($490,838)	$4,829,098
1-Jul-23	15-Feb-24	113%	$556,756,510	($9,907,900)	$546,848,610	$1.014	$5,545,045	99.5%	$5,517,320	100%	$5,517,320	($213,656)	$5,303,664
1-Jul-24	15-Feb-25	115%	$567,891,640	($9,907,900)	$557,983,740	$1.014	$5,657,955	99.5%	$5,629,665	100%	$5,629,665	($217,929)	$5,411,736
1-Jul-25	15-Feb-26	117%	$579,249,473	($9,907,900)	$569,341,573	$1.014	$5,773,124	99.5%	$5,744,258	100%	$5,744,258	$0	$5,744,258
1-Jul-26	15-Feb-27	120%	$590,834,462	($9,907,900)	$580,926,562	$1.014	$5,890,595	99.5%	$5,861,142	100%	$5,861,142	$0	$5,861,142
1-Jul-27	15-Feb-28	122%	$602,651,151	($9,907,900)	$592,743,251	$1.014	$6,010,417	99.5%	$5,980,364	100%	$5,980,364	$0	$5,980,364
1-Jul-28	15-Feb-29	124%	$614,704,174	($9,907,900)	$604,796,274	$1.014	$6,132,634	99.5%	$6,101,971	100%	$6,101,971	$0	$6,101,971
1-Jul-29	15-Feb-30	127%	$626,998,258	($9,907,900)	$617,090,358	$1.014	$6,257,296	99.5%	$6,226,010	100%	$6,226,010	$0	$6,226,010
1-Jul-30	15-Feb-31	129%	$639,538,223	($9,907,900)	$629,630,323	$1.014	$6,384,451	99.5%	$6,352,529	100%	$6,352,529	$0	$6,352,529
1-Jul-31	15-Feb-32	132%	$652,328,988	($9,907,900)	$642,421,088	$1.014	$6,514,150	99.5%	$6,481,579	100%	$6,481,579	$0	$6,481,579
1-Jul-32	15-Feb-33	135%	$665,375,567	($9,907,900)	$655,467,667	$1.014	$6,646,442	99.5%	$6,613,210	100%	$6,613,210	$0	$6,613,210
1-Jul-33	15-Feb-34	137%	$678,683,079	($9,907,900)	$668,775,179	$1.014	$6,781,380	99.5%	$6,747,473	100%	$6,747,473	$0	$6,747,473
1-Jul-34	15-Feb-35	140%	$692,256,740	($9,907,900)	$682,348,840	$1.014	$6,919,017	99.5%	$6,884,422	100%	$6,884,422	$0	$6,884,422
1-Jul-35	15-Feb-36	143%	$706,101,875	($9,907,900)	$696,193,975	$1.014	$7,059,407	99.5%	$7,024,110	100%	$7,024,110	$0	$7,024,110
1-Jul-36	15-Feb-37	146%	$720,223,913	($9,907,900)	$710,316,013	$1.014	$7,202,604	99.5%	$7,166,591	100%	$7,166,591	$0	$7,166,591
1-Jul-37	15-Feb-38	149%	$734,628,391	($9,907,900)	$724,720,491	$1.014	$7,348,666	99.5%	$7,311,922	100%	$7,311,922	$0	$7,311,922
1-Jul-38	15-Feb-39	152%	$749,320,959	($9,907,900)	$739,413,059	$1.014	$7,497,648	99.5%	$7,460,160	100%	$7,460,160	$0	$7,460,160
1-Jul-39	15-Feb-40	155%	$764,307,378	($9,907,900)	$754,399,478	$1.014	$7,649,611	99.5%	$7,611,363	100%	$7,611,363	$0	$7,611,363
1-Jul-40	15-Feb-41	158%	$779,593,525	($9,907,900)	$769,685,625	$1.014	$7,804,612	99.5%	$7,765,589	100%	$7,765,589	$0	$7,765,589
1-Jul-41	15-Feb-42	161%	$795,185,396	($9,907,900)	$785,277,496	$1.014	$7,962,714	99.5%	$7,922,900	100%	$7,922,900	$0	$7,922,900
1-Jul-42	15-Feb-43	164%	$811,089,104	($9,907,900)	$801,181,204	$1.014	$8,123,977	99.5%	$8,083,358	100%	$8,083,358	$0	$8,083,358
1-Jul-43	15-Feb-44	167%	$827,310,886	($9,907,900)	$817,402,986	$1.014	$8,288,466	99.5%	$8,247,024	100%	$8,247,024	$0	$8,247,024
1-Jul-44	15-Feb-45	171%	$843,857,104	($9,907,900)	$833,949,204	$1.014	$8,456,245	99.5%	$8,413,964	100%	$8,413,964	$0	$8,413,964
1-Jul-45	15-Feb-46	174%	$860,734,246	($9,907,900)	$850,826,346	$1.014	$8,627,379	99.5%	$8,584,242	100%	$8,584,242	$0	$8,584,242
1-Jul-46	15-Feb-47	178%	$877,948,930	($9,907,900)	$868,041,030	$1.014	$8,801,936	99.5%	$8,757,926	100%	$8,757,926	$0	$8,757,926
1-Jul-47	15-Feb-48	181%	$895,507,909	($9,907,900)	$885,600,009	$1.014	$8,979,984	99.5%	$8,935,084	100%	$8,935,084	$0	$8,935,084
1-Jul-48	15-Feb-49	185%	$913,418,067	($9,907,900)	$903,510,167	$1.014	$9,161,593	99.5%	$9,115,785	100%	$9,115,785	$0	$9,115,785
1-Jul-49	15-Feb-50	188%	$931,686,429	($9,907,900)	$921,778,529	$1.014	$9,346,834	99.5%	$9,300,100	100%	$9,300,100	$0	$9,300,100
1-Jul-50	15-Feb-51	192%	$950,320,157	($9,907,900)	$940,412,257	$1.014	$9,535,780	99.5%	$9,488,101	100%	$9,488,101	$0	$9,488,101
Total							$230,929,473		$229,774,826		$229,774,826	($3,285,095)	$226,489,731

MuniCap, Inc. *16-Oct-17*

[1]See Appendix D-3.c.

[2]See Appendix J-1.

[3]Assumes all tax payers pay 100% of taxes due by end of July, and thus receive a 0.5% discount.

[4]See Appendix K-1.

Appendix D-5: Projected Payment of Debt Service and Debt Service Coverage - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB - Projected Coverage

Tax Year Beginning	Bond Year Ending	Net Annual Debt Service[1] Series 2017 A Bonds	Additional Phase One Bonds	Total Debt Service	Tax Increment Revenues Available For DS **After Tax Credits**[2]	Surplus/ (Deficit)	Backup Special Tax[3]	Net Surplus/ (Deficit)	Cumulative Surplus	Debt Service Coverage Incremental Revenues	Total Revenues (TIF/Special Tax)	
1-Jul-17	15-Feb-18	$0	$0	$0	$1,777,095	$1,777,095	$0	$1,777,095	$1,777,095	NA	NA	
1-Jul-18	15-Feb-19	$0	$0	$0	$2,881,898	$2,881,898	$0	$2,881,898	$4,658,992	NA	NA	
1-Jul-19	15-Feb-20	$2,102,219	$0	$2,102,219	$3,112,001	$1,009,782	$0	$1,009,782	$5,668,774	148%	148%	
1-Jul-20	15-Feb-21	$2,334,055	$0	$2,334,055	$4,332,451	$1,998,396	$0	$1,998,396	$7,667,171	186%	186%	
1-Jul-21	15-Feb-22	$2,226,691	$0	$2,226,691	$4,660,610	$2,433,918	$0	$2,433,918	$10,101,089	209%	209%	
1-Jul-22	15-Feb-23	$2,223,341	$0	$2,223,341	$4,829,098	$2,605,757	$0	$2,605,757	$12,706,845	217%	217%	
1-Jul-23	15-Feb-24	$2,605,003	$0	$2,605,003	$5,303,664	$2,698,660	$0	$2,698,660	$15,405,506	204%	204%	(stabilized FY24)
1-Jul-24	15-Feb-25	$2,566,279	$0	$2,566,279	$5,411,736	$2,845,457	$0	$2,845,457	$18,250,963	211%	211%	
1-Jul-25	15-Feb-26	$2,958,368	$0	$2,958,368	$5,744,258	$2,785,890	$0	$2,785,890	$21,036,853	194%	194%	
1-Jul-26	15-Feb-27	$3,149,071	$0	$3,149,071	$5,861,142	$2,712,071	$0	$2,712,071	$23,748,924	186%	186%	
1-Jul-27	15-Feb-28	$3,180,788	$0	$3,180,788	$5,980,364	$2,799,576	$0	$2,799,576	$26,548,500	188%	188%	
1-Jul-28	15-Feb-29	$3,209,520	$0	$3,209,520	$6,101,971	$2,892,451	$0	$2,892,451	$29,440,951	190%	190%	
1-Jul-29	15-Feb-30	$3,233,703	$0	$3,233,703	$6,226,010	$2,992,307	$0	$2,992,307	$32,433,258	193%	193%	
1-Jul-30	15-Feb-31	$3,254,808	$0	$3,254,808	$6,352,529	$3,097,721	$0	$3,097,721	$35,530,979	195%	195%	
1-Jul-31	15-Feb-32	$3,272,834	$0	$3,272,834	$6,481,579	$3,208,745	$0	$3,208,745	$38,739,724	198%	198%	
1-Jul-32	15-Feb-33	$3,312,782	$0	$3,312,782	$6,613,210	$3,300,428	$0	$3,300,428	$42,040,152	200%	200%	
1-Jul-33	15-Feb-34	$3,323,621	$0	$3,323,621	$6,747,473	$3,423,853	$0	$3,423,853	$45,464,005	203%	203%	
1-Jul-34	15-Feb-35	$3,356,382	$0	$3,356,382	$6,884,422	$3,528,040	$0	$3,528,040	$48,992,045	205%	205%	
1-Jul-35	15-Feb-36	$3,380,660	$0	$3,380,660	$7,024,110	$3,643,450	$0	$3,643,450	$52,635,495	208%	208%	
1-Jul-36	15-Feb-37	$3,375,579	$0	$3,375,579	$7,166,591	$3,791,012	$0	$3,791,012	$56,426,508	212%	212%	
1-Jul-37	15-Feb-38	$3,417,234	$0	$3,417,234	$7,311,922	$3,894,688	$0	$3,894,688	$60,321,196	214%	214%	
1-Jul-38	15-Feb-39	$4,003,438	$0	$4,003,438	$7,460,160	$3,456,722	$0	$3,456,722	$63,777,917	186%	186%	
1-Jul-39	15-Feb-40	$4,060,129	$0	$4,060,129	$7,611,363	$3,551,234	$0	$3,551,234	$67,329,151	187%	187%	
1-Jul-40	15-Feb-41	$4,155,557	$0	$4,155,557	$7,765,589	$3,610,033	$0	$3,610,033	$70,939,184	187%	187%	
1-Jul-41	15-Feb-42	$4,240,878	$0	$4,240,878	$7,922,900	$3,682,022	$0	$3,682,022	$74,621,206	187%	187%	
1-Jul-42	15-Feb-43	$4,341,093	$0	$4,341,093	$8,083,358	$3,742,265	$0	$3,742,265	$78,363,471	186%	186%	
1-Jul-43	15-Feb-44	$4,430,077	$0	$4,430,077	$8,247,024	$3,816,947	$0	$3,816,947	$82,180,418	186%	186%	
1-Jul-44	15-Feb-45	$4,532,831	$0	$4,532,831	$8,413,964	$3,881,132	$0	$3,881,132	$86,061,550	186%	186%	
1-Jul-45	15-Feb-46	$3,873,230	$0	$3,873,230	$8,584,242	$4,711,012	$0	$4,711,012	$90,772,562	222%	222%	
1-Jul-46	15-Feb-47	$210,025	$0	$210,025	$8,757,926	$8,547,901	$0	$8,547,901	$99,320,463	4170%	4170%	
1-Jul-47	15-Feb-48	$0	$0	$0	$8,935,084	$8,935,084	$0	$8,935,084	$108,255,548	NA	NA	
1-Jul-48	15-Feb-49	$0	$0	$0	$9,115,785	$9,115,785	$0	$9,115,785	$117,371,333	NA	NA	
1-Jul-49	15-Feb-50	$0	$0	$0	$9,300,100	$9,300,100	$0	$9,300,100	$126,671,433	NA	NA	
1-Jul-50	15-Feb-51	$0	$0	$0	$9,488,101	$9,488,101	$0	$9,488,101	$136,159,534	NA	NA	
Total		$90,330,197	$0	$90,330,197	$226,489,731	$136,159,534	$0	$136,159,534				

MuniCap, Inc. *16-Oct-17*

[1]See Appendix M.

[2]See Appendix D-4. Represents incremental tax revenues after tax credits. Revenues shown exclude required set asides as shown on Appendix L.

[3]Maximum special taxes equal to 110% of debt service have been levied but would be collected only to the extent that TIF revenues in the then current year are calculated to be insufficient to meet debt service.

Appendix D
Downtown Columbia
Howard County, Maryland

Projected Special Taxes After Set Asides

Appendix D-6: Projection of Available Revenues for Debt Service After Set Asides - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB

Tax Year Beginning	Bond Year Ending	Inflation Factor	Projected Net Incremental Tax Revenues (Appendix D-4)	First Set Aside & Surplus[1] Debt Service Threshold (Appendix L-4)	First Set Aside & Surplus[1] Surplus After First Set Aside	Second Set Aside & Surplus[1] County Threshold (Appendix L-4)	Second Set Aside & Surplus[1] Surplus After Second Set Aside	Allocation of Incremental Taxes: First Available to Debt Service[1]	Allocation of Incremental Taxes: Second Available to Howard County[2]	Allocation of Incremental Taxes: Third Available to Debt Service	Allocation of Incremental Taxes: Total	Projected Increment Available for Special Tax Credit[3]
1-Jul-17	15-Feb-18	100%	$1,777,095	$0	$1,777,095	$1,160,055	$617,040	$0	$1,160,055	$617,040	$1,777,095	$617,040
1-Jul-18	15-Feb-19	102%	$2,881,898	$0	$2,881,898	$2,233,028	$648,870	$0	$2,233,028	$648,870	$2,881,898	$648,870
1-Jul-19	15-Feb-20	104%	$3,112,001	$3,431,576	$0	$1,179,980	$0	$3,112,001	$0	$0	$3,112,001	$3,112,001
1-Jul-20	15-Feb-21	106%	$4,332,451	$3,553,382	$779,069	$2,093,331	$0	$3,553,382	$779,069	$0	$4,332,451	$3,553,382
1-Jul-21	15-Feb-22	108%	$4,660,610	$3,682,068	$978,542	$3,244,670	$0	$3,682,068	$978,542	$0	$4,660,610	$3,682,068
1-Jul-22	15-Feb-23	110%	$4,829,098	$3,761,868	$1,067,230	$3,705,097	$0	$3,761,868	$1,067,230	$0	$4,829,098	$3,761,868
1-Jul-23	15-Feb-24	113%	$5,303,664	$4,143,048	$1,160,616	$3,944,347	$0	$4,143,048	$1,160,616	$0	$5,303,664	$4,143,048
1-Jul-24	15-Feb-25	115%	$5,411,736	$4,247,174	$1,164,562	$4,151,682	$0	$4,247,174	$1,164,562	$0	$5,411,736	$4,247,174
1-Jul-25	15-Feb-26	117%	$5,744,258	$4,574,186	$1,170,072	$4,303,351	$0	$4,574,186	$1,170,072	$0	$5,744,258	$4,574,186
1-Jul-26	15-Feb-27	120%	$5,861,142	$4,685,412	$1,175,730	$4,460,699	$0	$4,685,412	$1,175,730	$0	$5,861,142	$4,685,412
1-Jul-27	15-Feb-28	122%	$5,980,364	$4,799,121	$1,181,243	$4,623,620	$0	$4,799,121	$1,181,243	$0	$5,980,364	$4,799,121
1-Jul-28	15-Feb-29	124%	$6,101,971	$4,914,595	$1,187,376	$4,793,076	$0	$4,914,595	$1,187,376	$0	$6,101,971	$4,914,595
1-Jul-29	15-Feb-30	127%	$6,226,010	$5,033,113	$1,192,897	$4,968,036	$0	$5,033,113	$1,192,897	$0	$6,226,010	$5,033,113
1-Jul-30	15-Feb-31	129%	$6,352,529	$5,153,836	$1,198,693	$5,149,594	$0	$5,153,836	$1,198,693	$0	$6,352,529	$5,153,836
1-Jul-31	15-Feb-32	132%	$6,481,579	$5,276,926	$1,204,653	$5,337,855	$0	$5,276,926	$1,204,653	$0	$6,481,579	$5,276,926
1-Jul-32	15-Feb-33	135%	$6,613,210	$5,402,481	$1,210,729	$5,532,991	$0	$5,402,481	$1,210,729	$0	$6,613,210	$5,402,481
1-Jul-33	15-Feb-34	137%	$6,747,473	$5,530,543	$1,216,930	$5,735,240	$0	$5,530,543	$1,216,930	$0	$6,747,473	$5,530,543
1-Jul-34	15-Feb-35	140%	$6,884,422	$5,662,092	$1,222,330	$5,943,912	$0	$5,662,092	$1,222,330	$0	$6,884,422	$5,662,092
1-Jul-35	15-Feb-36	143%	$7,024,110	$5,793,989	$1,230,121	$6,162,443	$0	$5,793,989	$1,230,121	$0	$7,024,110	$5,793,989
1-Jul-36	15-Feb-37	146%	$7,166,591	$5,931,215	$1,235,376	$6,386,158	$0	$5,931,215	$1,235,376	$0	$7,166,591	$5,931,215
1-Jul-37	15-Feb-38	149%	$7,311,922	$6,069,389	$1,242,533	$6,619,752	$0	$6,069,389	$1,242,533	$0	$7,311,922	$6,069,389
1-Jul-38	15-Feb-39	152%	$7,460,160	$7,210,313	$249,847	$5,861,750	$0	$7,210,313	$249,847	$0	$7,460,160	$7,210,313
1-Jul-39	15-Feb-40	155%	$7,611,363	$7,354,607	$256,756	$6,111,865	$0	$7,354,607	$256,756	$0	$7,611,363	$7,354,607
1-Jul-40	15-Feb-41	158%	$7,765,589	$7,502,771	$262,818	$6,369,942	$0	$7,502,771	$262,818	$0	$7,765,589	$7,502,771
1-Jul-41	15-Feb-42	161%	$7,922,900	$7,652,187	$270,713	$6,638,956	$0	$7,652,187	$270,713	$0	$7,922,900	$7,652,187
1-Jul-42	15-Feb-43	164%	$8,083,358	$7,805,295	$278,063	$6,916,830	$0	$7,805,295	$278,063	$0	$8,083,358	$7,805,295
1-Jul-43	15-Feb-44	167%	$8,247,024	$7,961,295	$285,729	$7,204,740	$0	$7,961,295	$285,729	$0	$8,247,024	$7,961,295
1-Jul-44	15-Feb-45	171%	$8,413,964	$8,120,328	$293,636	$7,502,935	$0	$8,120,328	$293,636	$0	$8,413,964	$8,120,328
1-Jul-45	15-Feb-46	174%	$8,584,242	$6,919,852	$1,664,390	$9,174,358	$0	$6,919,852	$1,664,390	$0	$8,584,242	$6,919,852
1-Jul-46	15-Feb-47	178%	$8,757,926	$362,362	$8,395,564	$16,216,921	$0	$362,362	$8,395,564	$0	$8,757,926	$362,362
1-Jul-47	15-Feb-48	181%	$8,935,084	$0	$8,935,084	$17,078,909	$0	$0	$8,935,084	$0	$8,935,084	$0
1-Jul-48	15-Feb-49	185%	$9,115,785	$0	$9,115,785	$17,593,524	$0	$0	$9,115,785	$0	$9,115,785	$0
1-Jul-49	15-Feb-50	188%	$9,300,100	$0	$9,300,100	$18,123,577	$0	$0	$9,300,100	$0	$9,300,100	$0
1-Jul-50	15-Feb-51	192%	$9,488,101	$0	$9,488,101	$18,669,532	$0	$0	$9,488,101	$0	$9,488,101	$0
Total			$226,489,731	$152,535,024	$74,274,283	$235,192,755	$1,265,910	$152,215,448	$73,008,373	$1,265,910	$226,489,731	$153,481,358

MuniCap, Inc. *16-Oct-17*

[1]Represents baseline revenues available for debt service after reducing for school general obligation debt and tax credits as shown on Appendix L.

[2]Represents the baseline surplus projected to be available to Howard County to pay for capital expenditures. Pursuant to the Indenture, these revenues would be available to pay debt service and not to pay the County if the combination of first available tax increment and special taxes are insufficient to pay debt service and expenses.

[3]Projected increment available for special tax credit is calculated by taking the first available incremental taxes available to debt service and the surplus taxes available to debt service after the set aside to the County.

Appendix D-7: Projected Payment of Debt Service - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB (Revenues Available for the Special Tax Credit)

Revenue Available as Special Tax Credit

Tax Year Beginning	Bond Year Ending	Net Annual Debt Service[1] Series 2017 A Bonds	Additional Phase One Bonds	Total Debt Service	Tax Increment Revenues Available For DS **After Set Asides &Tax Credits**[2]	Surplus/ (Deficit)	Backup Special Tax	Net Surplus/ (Deficit)	Cumulative Surplus	Crescent Special Taxing District Maximum Special Taxes[3]
1-Jul-17	15-Feb-18	$0	$0	$0	$617,040	$617,040	$0	$617,040	$617,040	$7,727,599
1-Jul-18	15-Feb-19	$0	$0	$0	$648,870	$648,870	$0	$648,870	$1,265,910	$7,882,151
1-Jul-19	15-Feb-20	$2,102,219	$0	$2,102,219	$3,112,001	$1,009,782	$0	$1,009,782	$2,275,692	$8,039,794
1-Jul-20	15-Feb-21	$2,334,055	$0	$2,334,055	$3,553,382	$1,219,328	$0	$1,219,328	$3,495,019	$8,200,590
1-Jul-21	15-Feb-22	$2,226,691	$0	$2,226,691	$3,682,068	$1,455,376	$0	$1,455,376	$4,950,395	$8,364,602
1-Jul-22	15-Feb-23	$2,223,341	$0	$2,223,341	$3,761,868	$1,538,527	$0	$1,538,527	$6,488,922	$8,531,894
1-Jul-23	15-Feb-24	$2,605,003	$0	$2,605,003	$4,143,048	$1,538,045	$0	$1,538,045	$8,026,967	$8,702,532
1-Jul-24	15-Feb-25	$2,566,279	$0	$2,566,279	$4,247,174	$1,680,895	$0	$1,680,895	$9,707,862	$8,876,582
1-Jul-25	15-Feb-26	$2,958,368	$0	$2,958,368	$4,574,186	$1,615,818	$0	$1,615,818	$11,323,679	$9,054,114
1-Jul-26	15-Feb-27	$3,149,071	$0	$3,149,071	$4,685,412	$1,536,341	$0	$1,536,341	$12,860,020	$9,235,196
1-Jul-27	15-Feb-28	$3,180,788	$0	$3,180,788	$4,799,121	$1,618,333	$0	$1,618,333	$14,478,353	$9,419,900
1-Jul-28	15-Feb-29	$3,209,520	$0	$3,209,520	$4,914,595	$1,705,075	$0	$1,705,075	$16,183,428	$9,608,298
1-Jul-29	15-Feb-30	$3,233,703	$0	$3,233,703	$5,033,113	$1,799,410	$0	$1,799,410	$17,982,838	$9,800,464
1-Jul-30	15-Feb-31	$3,254,808	$0	$3,254,808	$5,153,836	$1,899,028	$0	$1,899,028	$19,881,866	$9,996,473
1-Jul-31	15-Feb-32	$3,272,834	$0	$3,272,834	$5,276,926	$2,004,092	$0	$2,004,092	$21,885,958	$10,196,403
1-Jul-32	15-Feb-33	$3,312,782	$0	$3,312,782	$5,402,481	$2,089,699	$0	$2,089,699	$23,975,657	$10,400,331
1-Jul-33	15-Feb-34	$3,323,621	$0	$3,323,621	$5,530,543	$2,206,922	$0	$2,206,922	$26,182,579	$10,608,337
1-Jul-34	15-Feb-35	$3,356,382	$0	$3,356,382	$5,662,092	$2,305,710	$0	$2,305,710	$28,488,289	$10,820,504
1-Jul-35	15-Feb-36	$3,380,660	$0	$3,380,660	$5,793,989	$2,413,329	$0	$2,413,329	$30,901,619	$11,036,914
1-Jul-36	15-Feb-37	$3,375,579	$0	$3,375,579	$5,931,215	$2,555,636	$0	$2,555,636	$33,457,255	$11,257,653
1-Jul-37	15-Feb-38	$3,417,234	$0	$3,417,234	$6,069,389	$2,652,155	$0	$2,652,155	$36,109,409	$11,482,806
1-Jul-38	15-Feb-39	$4,003,438	$0	$4,003,438	$7,210,313	$3,206,875	$0	$3,206,875	$39,316,284	$11,712,462
1-Jul-39	15-Feb-40	$4,060,129	$0	$4,060,129	$7,354,607	$3,294,478	$0	$3,294,478	$42,610,762	$11,946,711
1-Jul-40	15-Feb-41	$4,155,557	$0	$4,155,557	$7,502,771	$3,347,214	$0	$3,347,214	$45,957,976	$12,185,645
1-Jul-41	15-Feb-42	$4,240,878	$0	$4,240,878	$7,652,187	$3,411,309	$0	$3,411,309	$49,369,286	$12,429,358
1-Jul-42	15-Feb-43	$4,341,093	$0	$4,341,093	$7,805,295	$3,464,202	$0	$3,464,202	$52,833,488	$12,677,945
1-Jul-43	15-Feb-44	$4,430,077	$0	$4,430,077	$7,961,295	$3,531,218	$0	$3,531,218	$56,364,706	$12,931,504
1-Jul-44	15-Feb-45	$4,532,831	$0	$4,532,831	$8,120,328	$3,587,497	$0	$3,587,497	$59,952,202	$13,190,134
1-Jul-45	15-Feb-46	$3,873,230	$0	$3,873,230	$6,919,852	$3,046,622	$0	$3,046,622	$62,998,824	$13,453,937
1-Jul-46	15-Feb-47	$210,025	$0	$210,025	$362,362	$152,337	$0	$152,337	$63,151,161	$13,723,016
1-Jul-47	15-Feb-48	$0	$0	$0	$0	$0	$0	$0	$63,151,161	$13,997,476
1-Jul-48	15-Feb-49	$0	$0	$0	$0	$0	$0	$0	$63,151,161	$14,277,426
1-Jul-49	15-Feb-50	$0	$0	$0	$0	$0	$0	$0	$63,151,161	$14,562,974
1-Jul-50	15-Feb-51	$0	$0	$0	$0	$0	$0	$0	$63,151,161	$14,854,234
Total		$90,330,197	$0	$90,330,197	$153,481,358	$63,151,161	$0	$63,151,161		

MuniCap, Inc. *16-Oct-17*

[1]See Appendix M.

[2]See Appendix D-6.

[3]Represents the adjusted maximum special taxes pursuant to the *Crescent Special Taxing District Rate and Method of Apportionment.* May be reduced after final bond issue to provide 110% debt service coverage.

Appendix E
Downtown Columbia
Howard County, Maryland

SCENARIO E
Includes Phase One Properties Complete or Underway
Includes 3MFB
2% Inflation Factor
Includes Tax Credits
Series 2017 A Bonds Only

Appendix E
Downtown Columbia
Howard County, Maryland

Projected Development

Appendix E
Downtown Columbia
Howard County, Maryland

Appendix E-1.a: Projected Development by Type - Phase One Properties Complete/Underway Including 3MFB

	Area[1]					Market Value[2]				Total Market	Year
Property Type	Units	Rooms	GSF Per Unit/Space	Spaces	Gross SF	Per Unit	Per Room	Per GSF	Per Space	Value	Completed
Residential											
Rental:											
MF rental - market rate	362	-	1,124	-	406,965	$241,490	-	$215	-	$87,419,376	2019
MF rental - market rate (TEN.M/m.flats)	437	-	1,156	-	504,978	$248,223	-	$215	-	$108,473,269	2017
MF rental - market rate (The Metropolitan)	380	-	1,172	-	445,235	$251,684	-	$215	-	$95,640,000	2014
MF rental - 80% AMI	10	-	1,124	-	11,242	$155,763	-	$139	-	$1,557,625	2019
MF rental - 30% AMI	10	-	1,124	-	11,242	$131,136		$117	-	$1,311,360	2019
Sub-total residential	1,199				1,379,663					$294,401,630	
Commercial											
Office:											
One Merriweather	-	-	-	-	208,034	-	-	$276	-	$57,469,487	2016
Two Merriweather	-	-	-	-	102,993	-	-	$276	-	$28,451,863	2017
Building 3OA	-	-	-	-	325,197	-	-	$276	-	$89,835,818	2019
Building 3OB	-	-	-	-	0	-	-	$276	-	$0	-
Sub-total office					636,224					$175,757,168	
Retail:											
The Metropolitan ground floor	-	-	-	-	15,319	-	-	$317	-	$4,858,900	2014
TEN.M/m.flats ground floor	-	-	-	-	34,377	-	-	$317	-	$10,903,741	2017
One Merriweather ground floor	-	-	-	-	9,749	-	-	$317	-	$3,092,200	2016
Special taxing district retail (remaining area)	-	-	-	-	57,976	-	-	$444	-	$25,727,653	2019
Sub-total retail					117,421					$44,582,494	
Restaurant:											
Full service	-	-	-	-	34,786	-	-	$444	-	$15,436,592	2019
Fast food service	-	-	-	-	23,190	-	-	$444	-	$10,291,061	2019
Sub-total restaurant					57,976					$25,727,653	
Parking:											
Area one parking garage	-	-	350	1,127	394,425	-	-	$56	$19,699	$22,200,800	2017
Area three phase one parking garage	-	-	350	1,341	469,320	-	-	$56	$19,699	$26,416,391	2019
Sub-total parking				2,468	863,745					$48,617,191	
Total (excluding parking SF)	1,199			2,468	2,191,284					$589,086,136	

MuniCap, Inc. *16-Oct-17*

[1]Projected development provided by The Howard Research and Development Corporation.
[2]See Appendix G-1.

Appendix E
Downtown Columbia
Howard County, Maryland

Appendix E-1.b: Projected Development by Building - Phase One Properties Complete/Underway Including 3MFB

	Area[1]							Market Value[2]							
	Rental Units			Gross Square Feet			Parking	Per MR	Per Aff. Unit		Per Gross SF		Per	Total Market	Year
Building	MR	Aff.	Total	Per Unit	Retail	Office	Spaces	Unit	80% AMI	30% AMI	Retail	Office	Space	Value	Completed
Phase One Properties Complete/Underway															
The Metropolitan	380	-	380	1,172	15,319	-	-	$251,684	-	-	$317	-	-	$100,498,900	Complete
TEN.M/m.flats	437	-	437	1,156	34,377	-	-	$248,223	-	-	$317	-	-	$119,377,010	09/2017
One Merriweather	-	-	-	-	9,749	208,034	-	-	-	-	$317	$276	-	$60,561,687	Complete
Two Merriweather	-	-	-	-	29,583	102,993	-	-	-	-	$444	$276	-	$41,579,729	11/2017
Office: Building 3OA	-	-	-	-	15,036	325,197	-	-	-	-	$444	$276	-	$96,508,252	03/2019
Area One Parking Garage	-	-	-	-	-	-	1,127	-	-	-	-	-	$19,699	$22,200,800	Complete
Area Three Phase One Parking Garage	-	-	-	-	-	-	1,341	-	-	-	-	-	$19,699	$26,416,391	03/2019
Residential: Building 3MFB	362	20	382	1,124	71,333	-	-	$241,490	$155,763	$131,136	$444	-	-	$121,943,368	12/2019
	1,179	20	1,199		175,397	636,224	2,468							$589,086,136	

MuniCap, Inc. *16-Oct-17*

[1]Projected development provided by The Howard Research and Development Corporation.

[2]See Appendix G-1.

Appendix E-2.a: Projected Absorption - Phase One Properties Complete/Underway Including 3MFB (Residential) [1]

			Multi-Family Rental							
		Tax	Market Rate		80% AMI		30% AMI		Total Rental[2]	
Year	Assessed	Year	(Units)		(Units)		(Units)		(Units)	
Ending	As Of Date	Beginning	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
31-Dec-16	1-Jan-17	1-Jul-17	0	0	0	0	0	0	0	0
31-Dec-17	1-Jan-18	1-Jul-18	0	0	0	0	0	0	0	0
31-Dec-18	1-Jan-19	1-Jul-19	0	0	0	0	0	0	0	0
31-Dec-19	1-Jan-20	1-Jul-20	362	362	10	10	10	10	382	382
31-Dec-20	1-Jan-21	1-Jul-21	0	362	0	10	0	10	0	382
31-Dec-21	1-Jan-22	1-Jul-22	0	362	0	10	0	10	0	382
31-Dec-22	1-Jan-23	1-Jul-23	0	362	0	10	0	10	0	382
31-Dec-23	1-Jan-24	1-Jul-24	0	362	0	10	0	10	0	382
31-Dec-24	1-Jan-25	1-Jul-25	0	362	0	10	0	10	0	382
31-Dec-25	1-Jan-26	1-Jul-26	0	362	0	10	0	10	0	382
31-Dec-26	1-Jan-27	1-Jul-27	0	362	0	10	0	10	0	382
31-Dec-27	1-Jan-28	1-Jul-28	0	362	0	10	0	10	0	382
31-Dec-28	1-Jan-29	1-Jul-29	0	362	0	10	0	10	0	382
31-Dec-29	1-Jan-30	1-Jul-30	0	362	0	10	0	10	0	382
31-Dec-30	1-Jan-31	1-Jul-31	0	362	0	10	0	10	0	382
31-Dec-31	1-Jan-32	1-Jul-32	0	362	0	10	0	10	0	382
31-Dec-32	1-Jan-33	1-Jul-33	0	362	0	10	0	10	0	382
31-Dec-33	1-Jan-34	1-Jul-34	0	362	0	10	0	10	0	382
31-Dec-34	1-Jan-35	1-Jul-35	0	362	0	10	0	10	0	382
31-Dec-35	1-Jan-36	1-Jul-36	0	362	0	10	0	10	0	382
31-Dec-36	1-Jan-37	1-Jul-37	0	362	0	10	0	10	0	382
31-Dec-37	1-Jan-38	1-Jul-38	0	362	0	10	0	10	0	382
31-Dec-38	1-Jan-39	1-Jul-39	0	362	0	10	0	10	0	382
31-Dec-39	1-Jan-40	1-Jul-40	0	362	0	10	0	10	0	382
31-Dec-40	1-Jan-41	1-Jul-41	0	362	0	10	0	10	0	382
31-Dec-41	1-Jan-42	1-Jul-42	0	362	0	10	0	10	0	382
31-Dec-42	1-Jan-43	1-Jul-43	0	362	0	10	0	10	0	382
31-Dec-43	1-Jan-44	1-Jul-44	0	362	0	10	0	10	0	382
31-Dec-44	1-Jan-45	1-Jul-45	0	362	0	10	0	10	0	382
31-Dec-45	1-Jan-46	1-Jul-46	0	362	0	10	0	10	0	382
31-Dec-46	1-Jan-47	1-Jul-47	0	362	0	10	0	10	0	382
31-Dec-47	1-Jan-48	1-Jul-48	0	362	0	10	0	10	0	382
30-Dec-48	1-Jan-49	1-Jul-49	0	362	0	10	0	10	0	382
30-Dec-49	1-Jan-50	1-Jul-50	0	362	0	10	0	10	0	382
Total			362		10		10		382	

MuniCap, Inc. *16-Oct-17*

[1]Source: The Howard Research and Development Corporation.

[2]TEN.M/m. flats and The Metropolitan development shown on Appendices A-3.b and A-3.c.

Appendix E-2.b: Projected Absorption - Phase One Properties Complete/Underway Including 3MFB (Commercial)[1]

					Retail/Restaurant[2]											
			Office[2]		Retail		Restaurant - Full Service		Restaurant - Fast Food		Sub-Total		Parking			
Year	Assessed	Tax Year	(SF)		(SF)		(SF)		(SF)		(SF)		(Spaces)		(SF)	
Ending	As Of Date	Beginning	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
31-Dec-16	1-Jan-17	1-Jul-17	0	0	0	0	0	0	0	0	0	0	1,127	1,127	394,425	394,425
31-Dec-17	1-Jan-18	1-Jul-18	102,993	102,993	14,792	14,792	8,875	8,875	5,917	5,917	29,583	29,583	0	1,127	0	394,425
31-Dec-18	1-Jan-19	1-Jul-19	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-19	1-Jan-20	1-Jul-20	350,000	452,993	43,185	57,976	25,911	34,786	17,274	23,190	86,369	115,952	1,341	2,468	469,320	863,745
31-Dec-20	1-Jan-21	1-Jul-21	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-21	1-Jan-22	1-Jul-22	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-22	1-Jan-23	1-Jul-23	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-23	1-Jan-24	1-Jul-24	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-24	1-Jan-25	1-Jul-25	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-25	1-Jan-26	1-Jul-26	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-26	1-Jan-27	1-Jul-27	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-27	1-Jan-28	1-Jul-28	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-28	1-Jan-29	1-Jul-29	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-29	1-Jan-30	1-Jul-30	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-30	1-Jan-31	1-Jul-31	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-31	1-Jan-32	1-Jul-32	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-32	1-Jan-33	1-Jul-33	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-33	1-Jan-34	1-Jul-34	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-34	1-Jan-35	1-Jul-35	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-35	1-Jan-36	1-Jul-36	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-36	1-Jan-37	1-Jul-37	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-37	1-Jan-38	1-Jul-38	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-38	1-Jan-39	1-Jul-39	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-39	1-Jan-40	1-Jul-40	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-40	1-Jan-41	1-Jul-41	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-41	1-Jan-42	1-Jul-42	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-42	1-Jan-43	1-Jul-43	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-43	1-Jan-44	1-Jul-44	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-44	1-Jan-45	1-Jul-45	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-45	1-Jan-46	1-Jul-46	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-46	1-Jan-47	1-Jul-47	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
31-Dec-47	1-Jan-48	1-Jul-48	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
30-Dec-48	1-Jan-49	1-Jul-49	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
30-Dec-49	1-Jan-50	1-Jul-50	0	452,993	0	57,976	0	34,786	0	23,190	0	115,952	0	2,468	0	863,745
Total			452,993		57,976		34,786		23,190		115,952		2,468		863,745	

[1]Source: The Howard Research and Development Corporation.
[2]One Merriweather development shown on Appendix A-3.e.

Appendix E
Downtown Columbia
Howard County, Maryland

Projected Market Value

Appendix E-3.a: Total Projected Market Value - Phase One Properties Complete/Underway Including 3MFB (Residential)

				Multi-Family Rental							
				Market Rate				80% AMI			
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	0	$246,320	0%	$0	0	$158,878	0%	$0
1-Jan-19	1-Jul-19	15-Feb-20	104%	0	$251,246	0%	$0	0	$162,055	0%	$0
1-Jan-20	1-Jul-20	15-Feb-21	106%	362	$256,271	80%	$74,216,113	10	$165,296	80%	$1,322,372
1-Jan-21	1-Jul-21	15-Feb-22	108%	362	$261,397	87%	$82,008,805	10	$168,602	87%	$1,461,221
1-Jan-22	1-Jul-22	15-Feb-23	110%	362	$266,624	93%	$90,083,518	10	$171,974	93%	$1,605,095
1-Jan-23	1-Jul-23	15-Feb-24	113%	362	$271,957	100%	$98,448,416	10	$175,414	100%	$1,754,139
1-Jan-24	1-Jul-24	15-Feb-25	115%	362	$277,396	100%	$100,417,384	10	$178,922	100%	$1,789,222
1-Jan-25	1-Jul-25	15-Feb-26	117%	362	$282,944	100%	$102,425,732	10	$182,501	100%	$1,825,006
1-Jan-26	1-Jul-26	15-Feb-27	120%	362	$288,603	100%	$104,474,246	10	$186,151	100%	$1,861,506
1-Jan-27	1-Jul-27	15-Feb-28	122%	362	$294,375	100%	$106,563,731	10	$189,874	100%	$1,898,737
1-Jan-28	1-Jul-28	15-Feb-29	124%	362	$300,262	100%	$108,695,006	10	$193,671	100%	$1,936,711
1-Jan-29	1-Jul-29	15-Feb-30	127%	362	$306,268	100%	$110,868,906	10	$197,545	100%	$1,975,445
1-Jan-30	1-Jul-30	15-Feb-31	129%	362	$312,393	100%	$113,086,284	10	$201,495	100%	$2,014,954
1-Jan-31	1-Jul-31	15-Feb-32	132%	362	$318,641	100%	$115,348,010	10	$205,525	100%	$2,055,253
1-Jan-32	1-Jul-32	15-Feb-33	135%	362	$325,014	100%	$117,654,970	10	$209,636	100%	$2,096,359
1-Jan-33	1-Jul-33	15-Feb-34	137%	362	$331,514	100%	$120,008,069	10	$213,829	100%	$2,138,286
1-Jan-34	1-Jul-34	15-Feb-35	140%	362	$338,144	100%	$122,408,231	10	$218,105	100%	$2,181,051
1-Jan-35	1-Jul-35	15-Feb-36	143%	362	$344,907	100%	$124,856,395	10	$222,467	100%	$2,224,672
1-Jan-36	1-Jul-36	15-Feb-37	146%	362	$351,805	100%	$127,353,523	10	$226,917	100%	$2,269,166
1-Jan-37	1-Jul-37	15-Feb-38	149%	362	$358,841	100%	$129,900,594	10	$231,455	100%	$2,314,549
1-Jan-38	1-Jul-38	15-Feb-39	152%	362	$366,018	100%	$132,498,606	10	$236,084	100%	$2,360,840
1-Jan-39	1-Jul-39	15-Feb-40	155%	362	$373,339	100%	$135,148,578	10	$240,806	100%	$2,408,057
1-Jan-40	1-Jul-40	15-Feb-41	158%	362	$380,805	100%	$137,851,549	10	$245,622	100%	$2,456,218
1-Jan-41	1-Jul-41	15-Feb-42	161%	362	$388,421	100%	$140,608,580	10	$250,534	100%	$2,505,343
1-Jan-42	1-Jul-42	15-Feb-43	164%	362	$396,190	100%	$143,420,752	10	$255,545	100%	$2,555,449
1-Jan-43	1-Jul-43	15-Feb-44	167%	362	$404,114	100%	$146,289,167	10	$260,656	100%	$2,606,558
1-Jan-44	1-Jul-44	15-Feb-45	171%	362	$412,196	100%	$149,214,950	10	$265,869	100%	$2,658,690
1-Jan-45	1-Jul-45	15-Feb-46	174%	362	$420,440	100%	$152,199,249	10	$271,186	100%	$2,711,863
1-Jan-46	1-Jul-46	15-Feb-47	178%	362	$428,849	100%	$155,243,234	10	$276,610	100%	$2,766,101
1-Jan-47	1-Jul-47	15-Feb-48	181%	362	$437,426	100%	$158,348,099	10	$282,142	100%	$2,821,423
1-Jan-48	1-Jul-48	15-Feb-49	185%	362	$446,174	100%	$161,515,061	10	$287,785	100%	$2,877,851
1-Jan-49	1-Jul-49	15-Feb-50	188%	362	$455,098	100%	$164,745,362	10	$293,541	100%	$2,935,408
1-Jan-50	1-Jul-50	15-Feb-51	192%	362	$464,200	100%	$168,040,269	10	$299,412	100%	$2,994,116

[1]See Appendix E-2.a.

[2]See Appendix E-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

Appendix E-3.a: Total Projected Market Value - Phase One Properties Complete/Underway Including 3MFB (Residential), continued

				Multi-Family Rental				
				30% AMI				Total Projected
Assessed	Tax Year	Bond Year	Inflation		Value Per	Phase-In	Projected	Residential
As Of Date	Beginning	Ending	Factor	Units[1]	Unit[2]	Percent[3]	Market Value	Market Value[4]
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$131,136	0%	$0	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	0	$133,759	0%	$0	$0
1-Jan-19	1-Jul-19	15-Feb-20	104%	0	$136,434	0%	$0	$0
1-Jan-20	1-Jul-20	15-Feb-21	106%	10	$139,163	80%	$1,113,301	$76,651,785
1-Jan-21	1-Jul-21	15-Feb-22	108%	10	$141,946	87%	$1,230,197	$84,700,222
1-Jan-22	1-Jul-22	15-Feb-23	110%	10	$144,785	93%	$1,351,324	$93,039,936
1-Jan-23	1-Jul-23	15-Feb-24	113%	10	$147,680	100%	$1,476,804	$101,679,359
1-Jan-24	1-Jul-24	15-Feb-25	115%	10	$150,634	100%	$1,506,341	$103,712,946
1-Jan-25	1-Jul-25	15-Feb-26	117%	10	$153,647	100%	$1,536,467	$105,787,205
1-Jan-26	1-Jul-26	15-Feb-27	120%	10	$156,720	100%	$1,567,197	$107,902,949
1-Jan-27	1-Jul-27	15-Feb-28	122%	10	$159,854	100%	$1,598,541	$110,061,008
1-Jan-28	1-Jul-28	15-Feb-29	124%	10	$163,051	100%	$1,630,511	$112,262,229
1-Jan-29	1-Jul-29	15-Feb-30	127%	10	$166,312	100%	$1,663,122	$114,507,473
1-Jan-30	1-Jul-30	15-Feb-31	129%	10	$169,638	100%	$1,696,384	$116,797,623
1-Jan-31	1-Jul-31	15-Feb-32	132%	10	$173,031	100%	$1,730,312	$119,133,575
1-Jan-32	1-Jul-32	15-Feb-33	135%	10	$176,492	100%	$1,764,918	$121,516,247
1-Jan-33	1-Jul-33	15-Feb-34	137%	10	$180,022	100%	$1,800,216	$123,946,571
1-Jan-34	1-Jul-34	15-Feb-35	140%	10	$183,622	100%	$1,836,221	$126,425,503
1-Jan-35	1-Jul-35	15-Feb-36	143%	10	$187,295	100%	$1,872,945	$128,954,013
1-Jan-36	1-Jul-36	15-Feb-37	146%	10	$191,040	100%	$1,910,404	$131,533,093
1-Jan-37	1-Jul-37	15-Feb-38	149%	10	$194,861	100%	$1,948,612	$134,163,755
1-Jan-38	1-Jul-38	15-Feb-39	152%	10	$198,758	100%	$1,987,584	$136,847,030
1-Jan-39	1-Jul-39	15-Feb-40	155%	10	$202,734	100%	$2,027,336	$139,583,971
1-Jan-40	1-Jul-40	15-Feb-41	158%	10	$206,788	100%	$2,067,883	$142,375,650
1-Jan-41	1-Jul-41	15-Feb-42	161%	10	$210,924	100%	$2,109,240	$145,223,163
1-Jan-42	1-Jul-42	15-Feb-43	164%	10	$215,143	100%	$2,151,425	$148,127,626
1-Jan-43	1-Jul-43	15-Feb-44	167%	10	$219,445	100%	$2,194,454	$151,090,179
1-Jan-44	1-Jul-44	15-Feb-45	171%	10	$223,834	100%	$2,238,343	$154,111,983
1-Jan-45	1-Jul-45	15-Feb-46	174%	10	$228,311	100%	$2,283,110	$157,194,222
1-Jan-46	1-Jul-46	15-Feb-47	178%	10	$232,877	100%	$2,328,772	$160,338,107
1-Jan-47	1-Jul-47	15-Feb-48	181%	10	$237,535	100%	$2,375,347	$163,544,869
1-Jan-48	1-Jul-48	15-Feb-49	185%	10	$242,285	100%	$2,422,854	$166,815,766
1-Jan-49	1-Jul-49	15-Feb-50	188%	10	$247,131	100%	$2,471,311	$170,152,081
1-Jan-50	1-Jul-50	15-Feb-51	192%	10	$252,074	100%	$2,520,738	$173,555,123

[1]See Appendix E-2.a.

[2]See Appendix E-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

[4]TEN.M/m. flats and The Metropolitan development shown on Appendices A-3.b and A-3.c.

Appendix E-3.b: Total Projected Market Value -Phase One Properties Complete/Underway Including 3MFB (Commercial)

				Office				Retail				Restaurant - Full Service			
Assessed	Tax Year	Bond Year	Inflation	Square	Value Per	Phase-In	Projected	Square	Value Per	Phase-In	Projected	Square	Value Per	Phase-In	Projected
As Of Date	Beginning	Ending	Factor	Feet[1]	SF[2]	Percent[3]	Market Value	Feet[1]	SF[2]	Percent[3]	Market Value	Feet[1]	SF[2]	Percent[3]	Market Value
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$276	0%	$0	0	$444	0%	$0	0	$444	0%	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	102,993	$282	80%	$23,216,720	14,792	$453	80%	$5,356,169	8,875	$453	80%	$3,213,702
1-Jan-19	1-Jul-19	15-Feb-20	104%	102,993	$287	87%	$25,654,476	14,792	$462	87%	$5,918,567	8,875	$462	87%	$3,551,140
1-Jan-20	1-Jul-20	15-Feb-21	106%	452,993	$293	83%	$110,265,028	57,976	$471	83%	$22,770,673	34,786	$471	83%	$13,662,404
1-Jan-21	1-Jul-21	15-Feb-22	108%	452,993	$299	90%	$121,500,665	57,976	$480	90%	$25,082,649	34,786	$480	90%	$15,049,589
1-Jan-22	1-Jul-22	15-Feb-23	110%	452,993	$305	95%	$131,047,410	57,976	$490	95%	$26,994,855	34,786	$490	95%	$16,196,913
1-Jan-23	1-Jul-23	15-Feb-24	113%	452,993	$311	100%	$140,927,426	57,976	$500	100%	$28,973,516	34,786	$500	100%	$17,384,110
1-Jan-24	1-Jul-24	15-Feb-25	115%	452,993	$317	100%	$143,745,974	57,976	$510	100%	$29,552,986	34,786	$510	100%	$17,731,792
1-Jan-25	1-Jul-25	15-Feb-26	117%	452,993	$324	100%	$146,620,894	57,976	$520	100%	$30,144,046	34,786	$520	100%	$18,086,428
1-Jan-26	1-Jul-26	15-Feb-27	120%	452,993	$330	100%	$149,553,312	57,976	$530	100%	$30,746,927	34,786	$530	100%	$18,448,156
1-Jan-27	1-Jul-27	15-Feb-28	122%	452,993	$337	100%	$152,544,378	57,976	$541	100%	$31,361,866	34,786	$541	100%	$18,817,119
1-Jan-28	1-Jul-28	15-Feb-29	124%	452,993	$343	100%	$155,595,265	57,976	$552	100%	$31,989,103	34,786	$552	100%	$19,193,462
1-Jan-29	1-Jul-29	15-Feb-30	127%	452,993	$350	100%	$158,707,171	57,976	$563	100%	$32,628,885	34,786	$563	100%	$19,577,331
1-Jan-30	1-Jul-30	15-Feb-31	129%	452,993	$357	100%	$161,881,314	57,976	$574	100%	$33,281,463	34,786	$574	100%	$19,968,878
1-Jan-31	1-Jul-31	15-Feb-32	132%	452,993	$365	100%	$165,118,940	57,976	$586	100%	$33,947,092	34,786	$586	100%	$20,368,255
1-Jan-32	1-Jul-32	15-Feb-33	135%	452,993	$372	100%	$168,421,319	57,976	$597	100%	$34,626,034	34,786	$597	100%	$20,775,620
1-Jan-33	1-Jul-33	15-Feb-34	137%	452,993	$379	100%	$171,789,746	57,976	$609	100%	$35,318,555	34,786	$609	100%	$21,191,133
1-Jan-34	1-Jul-34	15-Feb-35	140%	452,993	$387	100%	$175,225,540	57,976	$621	100%	$36,024,926	34,786	$621	100%	$21,614,955
1-Jan-35	1-Jul-35	15-Feb-36	143%	452,993	$395	100%	$178,730,051	57,976	$634	100%	$36,745,424	34,786	$634	100%	$22,047,254
1-Jan-36	1-Jul-36	15-Feb-37	146%	452,993	$402	100%	$182,304,652	57,976	$646	100%	$37,480,333	34,786	$646	100%	$22,488,200
1-Jan-37	1-Jul-37	15-Feb-38	149%	452,993	$410	100%	$185,950,745	57,976	$659	100%	$38,229,939	34,786	$659	100%	$22,937,964
1-Jan-38	1-Jul-38	15-Feb-39	152%	452,993	$419	100%	$189,669,760	57,976	$673	100%	$38,994,538	34,786	$673	100%	$23,396,723
1-Jan-39	1-Jul-39	15-Feb-40	155%	452,993	$427	100%	$193,463,155	57,976	$686	100%	$39,774,429	34,786	$686	100%	$23,864,657
1-Jan-40	1-Jul-40	15-Feb-41	158%	452,993	$436	100%	$197,332,419	57,976	$700	100%	$40,569,917	34,786	$700	100%	$24,341,950
1-Jan-41	1-Jul-41	15-Feb-42	161%	452,993	$444	100%	$201,279,067	57,976	$714	100%	$41,381,316	34,786	$714	100%	$24,828,789
1-Jan-42	1-Jul-42	15-Feb-43	164%	452,993	$453	100%	$205,304,648	57,976	$728	100%	$42,208,942	34,786	$728	100%	$25,325,365
1-Jan-43	1-Jul-43	15-Feb-44	167%	452,993	$462	100%	$209,410,741	57,976	$743	100%	$43,053,121	34,786	$743	100%	$25,831,873
1-Jan-44	1-Jul-44	15-Feb-45	171%	452,993	$472	100%	$213,598,956	57,976	$757	100%	$43,914,183	34,786	$757	100%	$26,348,510
1-Jan-45	1-Jul-45	15-Feb-46	174%	452,993	$481	100%	$217,870,935	57,976	$773	100%	$44,792,467	34,786	$773	100%	$26,875,480
1-Jan-46	1-Jul-46	15-Feb-47	178%	452,993	$491	100%	$222,228,354	57,976	$788	100%	$45,688,316	34,786	$788	100%	$27,412,990
1-Jan-47	1-Jul-47	15-Feb-48	181%	452,993	$500	100%	$226,672,921	57,976	$804	100%	$46,602,083	34,786	$804	100%	$27,961,250
1-Jan-48	1-Jul-48	15-Feb-49	185%	452,993	$510	100%	$231,206,379	57,976	$820	100%	$47,534,124	34,786	$820	100%	$28,520,475
1-Jan-49	1-Jul-49	15-Feb-50	188%	452,993	$521	100%	$235,830,507	57,976	$836	100%	$48,484,807	34,786	$836	100%	$29,090,884
1-Jan-50	1-Jul-50	15-Feb-51	192%	452,993	$531	100%	$240,547,117	57,976	$853	100%	$49,454,503	34,786	$853	100%	$29,672,702

[1]See Appendix E-2.b.

[2]See Appendix E-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

Appendix E-3.b: Total Projected Market Value - Phase One Properties Complete/Underway Including 3MFB (Commercial), continued

				Restaurant - Fast Food				Parking				
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Square Feet[1]	Value Per SF[2]	Phase-In Percent[3]	Projected Market Value	Spaces[1]	Value Per Space[2]	Phase-In Percent[3]	Projected Market Value	Total Projected Commercial Market Value[4]
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$444	0%	$0	1,127	$18,681	100%	$21,053,533	$21,053,533
1-Jan-18	1-Jul-18	15-Feb-19	102%	5,917	$453	80%	$2,142,468	1,127	$19,699	100%	$22,200,800	$56,129,859
1-Jan-19	1-Jul-19	15-Feb-20	104%	5,917	$462	87%	$2,367,427	1,127	$20,495	100%	$23,097,712	$60,589,322
1-Jan-20	1-Jul-20	15-Feb-21	106%	23,190	$471	83%	$9,108,269	2,468	$20,905	89%	$45,986,295	$201,792,669
1-Jan-21	1-Jul-21	15-Feb-22	108%	23,190	$480	90%	$10,033,060	2,468	$21,323	93%	$48,812,284	$220,478,247
1-Jan-22	1-Jul-22	15-Feb-23	110%	23,190	$490	95%	$10,797,942	2,468	$21,749	96%	$51,732,919	$236,770,039
1-Jan-23	1-Jul-23	15-Feb-24	113%	23,190	$500	100%	$11,589,406	2,468	$22,184	100%	$54,750,854	$253,625,312
1-Jan-24	1-Jul-24	15-Feb-25	115%	23,190	$510	100%	$11,821,195	2,468	$22,628	100%	$55,845,871	$258,697,818
1-Jan-25	1-Jul-25	15-Feb-26	117%	23,190	$520	100%	$12,057,618	2,468	$23,081	100%	$56,962,788	$263,871,774
1-Jan-26	1-Jul-26	15-Feb-27	120%	23,190	$530	100%	$12,298,771	2,468	$23,542	100%	$58,102,044	$269,149,210
1-Jan-27	1-Jul-27	15-Feb-28	122%	23,190	$541	100%	$12,544,746	2,468	$24,013	100%	$59,264,085	$274,532,194
1-Jan-28	1-Jul-28	15-Feb-29	124%	23,190	$552	100%	$12,795,641	2,468	$24,493	100%	$60,449,366	$280,022,838
1-Jan-29	1-Jul-29	15-Feb-30	127%	23,190	$563	100%	$13,051,554	2,468	$24,983	100%	$61,658,354	$285,623,295
1-Jan-30	1-Jul-30	15-Feb-31	129%	23,190	$574	100%	$13,312,585	2,468	$25,483	100%	$62,891,521	$291,335,760
1-Jan-31	1-Jul-31	15-Feb-32	132%	23,190	$586	100%	$13,578,837	2,468	$25,992	100%	$64,149,351	$297,162,476
1-Jan-32	1-Jul-32	15-Feb-33	135%	23,190	$597	100%	$13,850,414	2,468	$26,512	100%	$65,432,338	$303,105,725
1-Jan-33	1-Jul-33	15-Feb-34	137%	23,190	$609	100%	$14,127,422	2,468	$27,043	100%	$66,740,985	$309,167,840
1-Jan-34	1-Jul-34	15-Feb-35	140%	23,190	$621	100%	$14,409,970	2,468	$27,583	100%	$68,075,805	$315,351,196
1-Jan-35	1-Jul-35	15-Feb-36	143%	23,190	$634	100%	$14,698,170	2,468	$28,135	100%	$69,437,321	$321,658,220
1-Jan-36	1-Jul-36	15-Feb-37	146%	23,190	$646	100%	$14,992,133	2,468	$28,698	100%	$70,826,067	$328,091,385
1-Jan-37	1-Jul-37	15-Feb-38	149%	23,190	$659	100%	$15,291,976	2,468	$29,272	100%	$72,242,589	$334,653,212
1-Jan-38	1-Jul-38	15-Feb-39	152%	23,190	$673	100%	$15,597,815	2,468	$29,857	100%	$73,687,440	$341,346,277
1-Jan-39	1-Jul-39	15-Feb-40	155%	23,190	$686	100%	$15,909,772	2,468	$30,454	100%	$75,161,189	$348,173,202
1-Jan-40	1-Jul-40	15-Feb-41	158%	23,190	$700	100%	$16,227,967	2,468	$31,063	100%	$76,664,413	$355,136,666
1-Jan-41	1-Jul-41	15-Feb-42	161%	23,190	$714	100%	$16,552,526	2,468	$31,685	100%	$78,197,701	$362,239,400
1-Jan-42	1-Jul-42	15-Feb-43	164%	23,190	$728	100%	$16,883,577	2,468	$32,318	100%	$79,761,655	$369,484,188
1-Jan-43	1-Jul-43	15-Feb-44	167%	23,190	$743	100%	$17,221,248	2,468	$32,965	100%	$81,356,888	$376,873,871
1-Jan-44	1-Jul-44	15-Feb-45	171%	23,190	$757	100%	$17,565,673	2,468	$33,624	100%	$82,984,026	$384,411,349
1-Jan-45	1-Jul-45	15-Feb-46	174%	23,190	$773	100%	$17,916,987	2,468	$34,296	100%	$84,643,707	$392,099,576
1-Jan-46	1-Jul-46	15-Feb-47	178%	23,190	$788	100%	$18,275,327	2,468	$34,982	100%	$86,336,581	$399,941,567
1-Jan-47	1-Jul-47	15-Feb-48	181%	23,190	$804	100%	$18,640,833	2,468	$35,682	100%	$88,063,312	$407,940,399
1-Jan-48	1-Jul-48	15-Feb-49	185%	23,190	$820	100%	$19,013,650	2,468	$36,396	100%	$89,824,579	$416,099,207
1-Jan-49	1-Jul-49	15-Feb-50	188%	23,190	$836	100%	$19,393,923	2,468	$37,124	100%	$91,621,070	$424,421,191
1-Jan-50	1-Jul-50	15-Feb-51	192%	23,190	$853	100%	$19,781,801	2,468	$37,866	100%	$93,453,492	$432,909,615

[1]See Appendix E-2.b.

[2]See Appendix E-1.a. Values are assumed to increase with inflation factor shown. Value for the parking in the first year based on actual value assessed by Maryland State Department of Assessments.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization. Construction of Area One Parking Garage is complete and assessed values as of 7/1/2017 are reflected.

[4]One Merriweather development shown on Appendix A-3.e.

Appendix E-3.c: Total Projected Market Value - Phase One Properties Complete/Underway Including 3MFB (Total)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Projected Assessed Value[1]						Total Projected Assessed Value
			Residential	TEN.M/m.flats	The Metropolitan	Commercial	One Merriweather	Residual Base[2]	
1-Jul-17	15-Feb-18	100%	$0	$2,626,000	$100,299,266	$21,053,533	$54,263,133	$39,676,300	$217,918,232
1-Jul-18	15-Feb-19	102%	$0	$97,411,640	$100,498,900	$56,129,859	$57,841,600	$39,226,907	$351,108,905
1-Jul-19	15-Feb-20	104%	$0	$107,639,862	$102,508,878	$60,589,322	$58,998,432	$39,905,797	$369,642,291
1-Jul-20	15-Feb-21	106%	$76,651,785	$118,238,249	$104,559,056	$201,792,669	$60,561,687	$32,767,642	$594,571,087
1-Jul-21	15-Feb-22	108%	$84,700,222	$129,217,515	$106,650,237	$220,478,247	$61,772,921	$32,647,655	$635,466,796
1-Jul-22	15-Feb-23	110%	$93,039,936	$131,801,865	$108,783,241	$236,770,039	$63,008,379	$32,621,877	$666,025,337
1-Jul-23	15-Feb-24	113%	$101,679,359	$134,437,902	$110,958,906	$253,625,312	$64,268,547	$32,582,008	$697,552,033
1-Jul-24	15-Feb-25	115%	$103,712,946	$137,126,660	$113,178,084	$258,697,818	$65,553,917	$33,233,648	$711,503,074
1-Jul-25	15-Feb-26	117%	$105,787,205	$139,869,193	$115,441,646	$263,871,774	$66,864,996	$33,898,321	$725,733,135
1-Jul-26	15-Feb-27	120%	$107,902,949	$142,666,577	$117,750,479	$269,149,210	$68,202,296	$34,576,287	$740,247,798
1-Jul-27	15-Feb-28	122%	$110,061,008	$145,519,909	$120,105,489	$274,532,194	$69,566,342	$35,267,813	$755,052,754
1-Jul-28	15-Feb-29	124%	$112,262,229	$148,430,307	$122,507,598	$280,022,838	$70,957,668	$35,973,169	$770,153,809
1-Jul-29	15-Feb-30	127%	$114,507,473	$151,398,913	$124,957,750	$285,623,295	$72,376,822	$36,692,633	$785,556,885
1-Jul-30	15-Feb-31	129%	$116,797,623	$154,426,891	$127,456,905	$291,335,760	$73,824,358	$37,426,485	$801,268,023
1-Jul-31	15-Feb-32	132%	$119,133,575	$157,515,429	$130,006,043	$297,162,476	$75,300,845	$38,175,015	$817,293,384
1-Jul-32	15-Feb-33	135%	$121,516,247	$160,665,738	$132,606,164	$303,105,725	$76,806,862	$38,938,515	$833,639,251
1-Jul-33	15-Feb-34	137%	$123,946,571	$163,879,053	$135,258,288	$309,167,840	$78,343,000	$39,717,286	$850,312,036
1-Jul-34	15-Feb-35	140%	$126,425,503	$167,156,634	$137,963,453	$315,351,196	$79,909,860	$40,511,631	$867,318,277
1-Jul-35	15-Feb-36	143%	$128,954,013	$170,499,766	$140,722,722	$321,658,220	$81,508,057	$41,321,864	$884,664,643
1-Jul-36	15-Feb-37	146%	$131,533,093	$173,909,762	$143,537,177	$328,091,385	$83,138,218	$42,148,301	$902,357,935
1-Jul-37	15-Feb-38	149%	$134,163,755	$177,387,957	$146,407,920	$334,653,212	$84,800,982	$42,991,267	$920,405,094
1-Jul-38	15-Feb-39	152%	$136,847,030	$180,935,716	$149,336,079	$341,346,277	$86,497,002	$43,851,092	$938,813,196
1-Jul-39	15-Feb-40	155%	$139,583,971	$184,554,430	$152,322,800	$348,173,202	$88,226,942	$44,728,114	$957,589,460
1-Jul-40	15-Feb-41	158%	$142,375,650	$188,245,519	$155,369,256	$355,136,666	$89,991,481	$45,622,677	$976,741,249
1-Jul-41	15-Feb-42	161%	$145,223,163	$192,010,429	$158,476,641	$362,239,400	$91,791,310	$46,535,130	$996,276,074
1-Jul-42	15-Feb-43	164%	$148,127,626	$195,850,638	$161,646,174	$369,484,188	$93,627,137	$47,465,833	$1,016,201,596
1-Jul-43	15-Feb-44	167%	$151,090,179	$199,767,651	$164,879,098	$376,873,871	$95,499,679	$48,415,149	$1,036,525,627
1-Jul-44	15-Feb-45	171%	$154,111,983	$203,763,004	$168,176,680	$384,411,349	$97,409,673	$49,383,452	$1,057,256,140
1-Jul-45	15-Feb-46	174%	$157,194,222	$207,838,264	$171,540,213	$392,099,576	$99,357,866	$50,371,121	$1,078,401,263
1-Jul-46	15-Feb-47	178%	$160,338,107	$211,995,029	$174,971,018	$399,941,567	$101,345,024	$51,378,544	$1,099,969,288
1-Jul-47	15-Feb-48	181%	$163,544,869	$216,234,930	$178,470,438	$407,940,399	$103,371,924	$52,406,115	$1,121,968,674
1-Jul-48	15-Feb-49	185%	$166,815,766	$220,559,628	$182,039,847	$416,099,207	$105,439,363	$53,454,237	$1,144,408,047
1-Jul-49	15-Feb-50	188%	$170,152,081	$224,970,821	$185,680,644	$424,421,191	$107,548,150	$54,523,322	$1,167,296,208
1-Jul-50	15-Feb-51	192%	$173,555,123	$229,470,237	$189,394,257	$432,909,615	$109,699,113	$55,613,788	$1,190,642,132

[1]See Appendices E-3.a, E-3.b, A-3.b, A-3.c, and A-3.e.

[2]See Appendix J-2. Residual base value represents the value of the crescent tax parcel 1415019921 expected to remain or to be redeveloped. As of January 1, 2017, total value of the crescent tax parcel is $114,992,966, of which $75,316,666 is attributable to development underway or complete. Values shown are assumed to be adjusted for inflation factor shown. Furthermore, the residual base value is adjusted for the replacement of value attributable to new construction.

Appendix E
Downtown Columbia
Howard County, Maryland

Available Tax Increment Revenues &
Projected Debt Service Coverage

Appendix E-4: Projected Real Property Tax Increment Revenues - Phase One Properties Complete/Underway Including 3MFB

											Phase One Properties Complete/Underway		
Tax Year Beginning	Bond Year Ending	Inflation Factor	Total Projected Assessed Value[1]	Phase I Base Value[2]	Incremental Property Value	FY 17 Howard County Tax Rate Per $100 A.V	Projected Tax Increment Revenues	Percent Available After Tax Discount[3]	Available Incremental Tax Revenues	Available For Debt Service	Tax Increment Revenues	Tax Credits[4]	Net Tax Increment Revenues Available for Debt Service
1-Jul-17	15-Feb-18	100%	$217,918,232	($9,907,900)	$208,010,332	$1.014	$2,109,225	99.5%	$2,098,679	100%	$2,098,679	($321,584)	$1,777,095
1-Jul-18	15-Feb-19	102%	$351,108,905	($9,907,900)	$341,201,005	$1.014	$3,459,778	99.5%	$3,442,479	100%	$3,442,479	($560,582)	$2,881,898
1-Jul-19	15-Feb-20	104%	$369,642,291	($9,907,900)	$359,734,391	$1.014	$3,647,707	99.5%	$3,629,468	100%	$3,629,468	($517,468)	$3,112,001
1-Jul-20	15-Feb-21	106%	$594,571,087	($9,907,900)	$584,663,187	$1.014	$5,928,485	99.5%	$5,898,842	100%	$5,898,842	($1,008,878)	$4,889,964
1-Jul-21	15-Feb-22	108%	$635,466,796	($9,907,900)	$625,558,896	$1.014	$6,343,167	99.5%	$6,311,451	100%	$6,311,451	($999,790)	$5,311,661
1-Jul-22	15-Feb-23	110%	$666,025,337	($9,907,900)	$656,117,437	$1.014	$6,653,031	99.5%	$6,619,766	100%	$6,619,766	($1,042,692)	$5,577,073
1-Jul-23	15-Feb-24	113%	$697,552,033	($9,907,900)	$687,644,133	$1.014	$6,972,712	99.5%	$6,937,848	100%	$6,937,848	($452,468)	$6,485,380
1-Jul-24	15-Feb-25	115%	$711,503,074	($9,907,900)	$701,595,174	$1.014	$7,114,175	99.5%	$7,078,604	100%	$7,078,604	($461,517)	$6,617,087
1-Jul-25	15-Feb-26	117%	$725,733,135	($9,907,900)	$715,825,235	$1.014	$7,258,468	99.5%	$7,222,176	100%	$7,222,176	$0	$7,222,176
1-Jul-26	15-Feb-27	120%	$740,247,798	($9,907,900)	$730,339,898	$1.014	$7,405,647	99.5%	$7,368,618	100%	$7,368,618	$0	$7,368,618
1-Jul-27	15-Feb-28	122%	$755,052,754	($9,907,900)	$745,144,854	$1.014	$7,555,769	99.5%	$7,517,990	100%	$7,517,990	$0	$7,517,990
1-Jul-28	15-Feb-29	124%	$770,153,809	($9,907,900)	$760,245,909	$1.014	$7,708,894	99.5%	$7,670,349	100%	$7,670,349	$0	$7,670,349
1-Jul-29	15-Feb-30	127%	$785,556,885	($9,907,900)	$775,648,985	$1.014	$7,865,081	99.5%	$7,825,755	100%	$7,825,755	$0	$7,825,755
1-Jul-30	15-Feb-31	129%	$801,268,023	($9,907,900)	$791,360,123	$1.014	$8,024,392	99.5%	$7,984,270	100%	$7,984,270	$0	$7,984,270
1-Jul-31	15-Feb-32	132%	$817,293,384	($9,907,900)	$807,385,484	$1.014	$8,186,889	99.5%	$8,145,954	100%	$8,145,954	$0	$8,145,954
1-Jul-32	15-Feb-33	135%	$833,639,251	($9,907,900)	$823,731,351	$1.014	$8,352,636	99.5%	$8,310,873	100%	$8,310,873	$0	$8,310,873
1-Jul-33	15-Feb-34	137%	$850,312,036	($9,907,900)	$840,404,136	$1.014	$8,521,698	99.5%	$8,479,089	100%	$8,479,089	$0	$8,479,089
1-Jul-34	15-Feb-35	140%	$867,318,277	($9,907,900)	$857,410,377	$1.014	$8,694,141	99.5%	$8,650,671	100%	$8,650,671	$0	$8,650,671
1-Jul-35	15-Feb-36	143%	$884,664,643	($9,907,900)	$874,756,743	$1.014	$8,870,033	99.5%	$8,825,683	100%	$8,825,683	$0	$8,825,683
1-Jul-36	15-Feb-37	146%	$902,357,935	($9,907,900)	$892,450,035	$1.014	$9,049,443	99.5%	$9,004,196	100%	$9,004,196	$0	$9,004,196
1-Jul-37	15-Feb-38	149%	$920,405,094	($9,907,900)	$910,497,194	$1.014	$9,232,442	99.5%	$9,186,279	100%	$9,186,279	$0	$9,186,279
1-Jul-38	15-Feb-39	152%	$938,813,196	($9,907,900)	$928,905,296	$1.014	$9,419,100	99.5%	$9,372,004	100%	$9,372,004	$0	$9,372,004
1-Jul-39	15-Feb-40	155%	$957,589,460	($9,907,900)	$947,681,560	$1.014	$9,609,491	99.5%	$9,561,444	100%	$9,561,444	$0	$9,561,444
1-Jul-40	15-Feb-41	158%	$976,741,249	($9,907,900)	$966,833,349	$1.014	$9,803,690	99.5%	$9,754,672	100%	$9,754,672	$0	$9,754,672
1-Jul-41	15-Feb-42	161%	$996,276,074	($9,907,900)	$986,368,174	$1.014	$10,001,773	99.5%	$9,951,764	100%	$9,951,764	$0	$9,951,764
1-Jul-42	15-Feb-43	164%	$1,016,201,596	($9,907,900)	$1,006,293,696	$1.014	$10,203,818	99.5%	$10,152,799	100%	$10,152,799	$0	$10,152,799
1-Jul-43	15-Feb-44	167%	$1,036,525,627	($9,907,900)	$1,026,617,727	$1.014	$10,409,904	99.5%	$10,357,854	100%	$10,357,854	$0	$10,357,854
1-Jul-44	15-Feb-45	171%	$1,057,256,140	($9,907,900)	$1,047,348,240	$1.014	$10,620,111	99.5%	$10,567,011	100%	$10,567,011	$0	$10,567,011
1-Jul-45	15-Feb-46	174%	$1,078,401,263	($9,907,900)	$1,068,493,363	$1.014	$10,834,523	99.5%	$10,780,350	100%	$10,780,350	$0	$10,780,350
1-Jul-46	15-Feb-47	178%	$1,099,969,288	($9,907,900)	$1,090,061,388	$1.014	$11,053,222	99.5%	$10,997,956	100%	$10,997,956	$0	$10,997,956
1-Jul-47	15-Feb-48	181%	$1,121,968,674	($9,907,900)	$1,112,060,774	$1.014	$11,276,296	99.5%	$11,219,915	100%	$11,219,915	$0	$11,219,915
1-Jul-48	15-Feb-49	185%	$1,144,408,047	($9,907,900)	$1,134,500,147	$1.014	$11,503,831	99.5%	$11,446,312	100%	$11,446,312	$0	$11,446,312
1-Jul-49	15-Feb-50	188%	$1,167,296,208	($9,907,900)	$1,157,388,308	$1.014	$11,735,917	99.5%	$11,677,238	100%	$11,677,238	$0	$11,677,238
1-Jul-50	15-Feb-51	192%	$1,190,642,132	($9,907,900)	$1,180,734,232	$1.014	$11,972,645	99.5%	$11,912,782	100%	$11,912,782	$0	$11,912,782
Total							$287,398,133		$285,961,142		$285,961,142	($5,364,979)	$280,596,163

MuniCap, Inc. *16-Oct-17*

[1]See Appendix E-3.c.

[2]See Appendix J-1.

[3]Assumes all tax payers pay 100% of taxes due by end of July, and thus receive a 0.5% discount.

[4]See Appendix K-1.

Appendix E-5: Projected Payment of Debt Service and Debt Service Coverage - Phase One Properties Complete/Underway Including 3MFB - Projected Coverage

Tax Year Beginning	Bond Year Ending	Net Annual Debt Service[1] Series 2017 A Bonds	Additional Phase One Bonds	Total Debt Service	Tax Increment Revenues Available For DS **After Tax Credits**[2]	Surplus/ (Deficit)	Backup Special Tax[3]	Net Surplus/ (Deficit)	Cumulative Surplus	Debt Service Coverage Incremental Revenues	Total Revenues (TIF/Special Tax)	
1-Jul-17	15-Feb-18	$0	$0	$0	$1,777,095	$1,777,095	$0	$1,777,095	$1,777,095	NA	NA	
1-Jul-18	15-Feb-19	$0	$0	$0	$2,881,898	$2,881,898	$0	$2,881,898	$4,658,992	NA	NA	
1-Jul-19	15-Feb-20	$2,102,219	$0	$2,102,219	$3,112,001	$1,009,782	$0	$1,009,782	$5,668,774	148%	148%	
1-Jul-20	15-Feb-21	$2,334,055	$0	$2,334,055	$4,889,964	$2,555,909	$0	$2,555,909	$8,224,683	210%	210%	
1-Jul-21	15-Feb-22	$2,226,691	$0	$2,226,691	$5,311,661	$3,084,970	$0	$3,084,970	$11,309,653	239%	239%	
1-Jul-22	15-Feb-23	$2,223,341	$0	$2,223,341	$5,577,073	$3,353,732	$0	$3,353,732	$14,663,386	251%	251%	
1-Jul-23	15-Feb-24	$2,605,003	$0	$2,605,003	$6,485,380	$3,880,377	$0	$3,880,377	$18,543,762	249%	249%	(stabilized FY24)
1-Jul-24	15-Feb-25	$2,566,279	$0	$2,566,279	$6,617,087	$4,050,808	$0	$4,050,808	$22,594,570	258%	258%	
1-Jul-25	15-Feb-26	$2,958,368	$0	$2,958,368	$7,222,176	$4,263,807	$0	$4,263,807	$26,858,377	244%	244%	
1-Jul-26	15-Feb-27	$3,149,071	$0	$3,149,071	$7,368,618	$4,219,547	$0	$4,219,547	$31,077,924	234%	234%	
1-Jul-27	15-Feb-28	$3,180,788	$0	$3,180,788	$7,517,990	$4,337,202	$0	$4,337,202	$35,415,126	236%	236%	
1-Jul-28	15-Feb-29	$3,209,520	$0	$3,209,520	$7,670,349	$4,460,829	$0	$4,460,829	$39,875,955	239%	239%	
1-Jul-29	15-Feb-30	$3,233,703	$0	$3,233,703	$7,825,755	$4,592,052	$0	$4,592,052	$44,468,007	242%	242%	
1-Jul-30	15-Feb-31	$3,254,808	$0	$3,254,808	$7,984,270	$4,729,462	$0	$4,729,462	$49,197,469	245%	245%	
1-Jul-31	15-Feb-32	$3,272,834	$0	$3,272,834	$8,145,954	$4,873,120	$0	$4,873,120	$54,070,589	249%	249%	
1-Jul-32	15-Feb-33	$3,312,782	$0	$3,312,782	$8,310,873	$4,998,091	$0	$4,998,091	$59,068,680	251%	251%	
1-Jul-33	15-Feb-34	$3,323,621	$0	$3,323,621	$8,479,089	$5,155,469	$0	$5,155,469	$64,224,149	255%	255%	
1-Jul-34	15-Feb-35	$3,356,382	$0	$3,356,382	$8,650,671	$5,294,289	$0	$5,294,289	$69,518,437	258%	258%	
1-Jul-35	15-Feb-36	$3,380,660	$0	$3,380,660	$8,825,683	$5,445,024	$0	$5,445,024	$74,963,461	261%	261%	
1-Jul-36	15-Feb-37	$3,375,579	$0	$3,375,579	$9,004,196	$5,628,617	$0	$5,628,617	$80,592,078	267%	267%	
1-Jul-37	15-Feb-38	$3,417,234	$0	$3,417,234	$9,186,279	$5,769,045	$0	$5,769,045	$86,361,123	269%	269%	
1-Jul-38	15-Feb-39	$4,003,438	$0	$4,003,438	$9,372,004	$5,368,566	$0	$5,368,566	$91,729,689	234%	234%	
1-Jul-39	15-Feb-40	$4,060,129	$0	$4,060,129	$9,561,444	$5,501,315	$0	$5,501,315	$97,231,004	235%	235%	
1-Jul-40	15-Feb-41	$4,155,557	$0	$4,155,557	$9,754,672	$5,599,115	$0	$5,599,115	$102,830,119	235%	235%	
1-Jul-41	15-Feb-42	$4,240,878	$0	$4,240,878	$9,951,764	$5,710,887	$0	$5,710,887	$108,541,005	235%	235%	
1-Jul-42	15-Feb-43	$4,341,093	$0	$4,341,093	$10,152,799	$5,811,706	$0	$5,811,706	$114,352,712	234%	234%	
1-Jul-43	15-Feb-44	$4,430,077	$0	$4,430,077	$10,357,854	$5,927,777	$0	$5,927,777	$120,280,489	234%	234%	
1-Jul-44	15-Feb-45	$4,532,831	$0	$4,532,831	$10,567,011	$6,034,179	$0	$6,034,179	$126,314,668	233%	233%	
1-Jul-45	15-Feb-46	$3,873,230	$0	$3,873,230	$10,780,350	$6,907,120	$0	$6,907,120	$133,221,788	278%	278%	
1-Jul-46	15-Feb-47	$210,025	$0	$210,025	$10,997,956	$10,787,931	$0	$10,787,931	$144,009,719	5237%	5237%	
1-Jul-47	15-Feb-48	$0	$0	$0	$11,219,915	$11,219,915	$0	$11,219,915	$155,229,634	NA	NA	
1-Jul-48	15-Feb-49	$0	$0	$0	$11,446,312	$11,446,312	$0	$11,446,312	$166,675,946	NA	NA	
1-Jul-49	15-Feb-50	$0	$0	$0	$11,677,238	$11,677,238	$0	$11,677,238	$178,353,184	NA	NA	
1-Jul-50	15-Feb-51	$0	$0	$0	$11,912,782	$11,912,782	$0	$11,912,782	$190,265,966	NA	NA	
Total		$90,330,197	$0	$90,330,197	$280,596,163	$190,265,966	$0	$190,265,966				

MuniCap, Inc. *16-Oct-17*

[1]See Appendix M.

[2]See Appendix E-4. Represents incremental tax revenues after tax credits. Revenues shown exclude required set asides as shown on Appendix L.

[3]Maximum special taxes equal to 110% of debt service have been levied but would be collected only to the extent that TIF revenues in the then current year are calculated to be insufficient to meet debt service.

Appendix E
Downtown Columbia
Howard County, Maryland

Projected Special Taxes After Set Asides

Appendix E-6: Projection of Available Revenues for Debt Service After Set Asides - Phase One Properties Complete/Underway Including 3MFB

Tax Year Beginning	Bond Year Ending	Inflation Factor	Projected Net Incremental Tax Revenues (Appendix E-4)	First Set Aside & Surplus[1] Debt Service Threshold (Appendix L-5)	First Set Aside & Surplus[1] Surplus After First Set Aside	Second Set Aside & Surplus[1] County Threshold (Appendix L-5)	Second Set Aside & Surplus[1] Surplus After Second Set Aside	Allocation of Incremental Taxes: First Available to Debt Service[1]	Allocation of Incremental Taxes: Second Available to Howard County[2]	Allocation of Incremental Taxes: Third Available to Debt Service	Allocation of Incremental Taxes: Total	Projected Increment Available for Special Tax Credit[3]
1-Jul-17	15-Feb-18	100%	$1,777,095	$0	$1,777,095	$1,160,055	$617,040	$0	$1,160,055	$617,040	$1,777,095	$617,040
1-Jul-18	15-Feb-19	102%	$2,881,898	$0	$2,881,898	$2,233,028	$648,870	$0	$2,233,028	$648,870	$2,881,898	$648,870
1-Jul-19	15-Feb-20	104%	$3,112,001	$3,431,576	$0	$1,179,980	$0	$3,112,001	$0	$0	$3,112,001	$3,112,001
1-Jul-20	15-Feb-21	106%	$4,889,964	$3,040,019	$1,849,945	$2,093,331	$0	$3,040,019	$1,849,945	$0	$4,889,964	$3,040,019
1-Jul-21	15-Feb-22	108%	$5,311,661	$3,149,801	$2,161,860	$3,244,670	$0	$3,149,801	$2,161,860	$0	$5,311,661	$3,149,801
1-Jul-22	15-Feb-23	110%	$5,577,073	$3,210,014	$2,367,060	$3,705,097	$0	$3,210,014	$2,367,060	$0	$5,577,073	$3,210,014
1-Jul-23	15-Feb-24	113%	$6,485,380	$3,904,236	$2,581,144	$3,944,347	$0	$3,904,236	$2,581,144	$0	$6,485,380	$3,904,236
1-Jul-24	15-Feb-25	115%	$6,617,087	$4,003,586	$2,613,501	$4,151,682	$0	$4,003,586	$2,613,501	$0	$6,617,087	$4,003,586
1-Jul-25	15-Feb-26	117%	$7,222,176	$4,574,186	$2,647,990	$4,303,351	$0	$4,574,186	$2,647,990	$0	$7,222,176	$4,574,186
1-Jul-26	15-Feb-27	120%	$7,368,618	$4,685,412	$2,683,206	$4,460,699	$0	$4,685,412	$2,683,206	$0	$7,368,618	$4,685,412
1-Jul-27	15-Feb-28	122%	$7,517,990	$4,799,121	$2,718,869	$4,623,620	$0	$4,799,121	$2,718,869	$0	$7,517,990	$4,799,121
1-Jul-28	15-Feb-29	124%	$7,670,349	$4,914,595	$2,755,754	$4,793,076	$0	$4,914,595	$2,755,754	$0	$7,670,349	$4,914,595
1-Jul-29	15-Feb-30	127%	$7,825,755	$5,033,113	$2,792,642	$4,968,036	$0	$5,033,113	$2,792,642	$0	$7,825,755	$5,033,113
1-Jul-30	15-Feb-31	129%	$7,984,270	$5,153,836	$2,830,434	$5,149,594	$0	$5,153,836	$2,830,434	$0	$7,984,270	$5,153,836
1-Jul-31	15-Feb-32	132%	$8,145,954	$5,276,926	$2,869,028	$5,337,855	$0	$5,276,926	$2,869,028	$0	$8,145,954	$5,276,926
1-Jul-32	15-Feb-33	135%	$8,310,873	$5,402,481	$2,908,392	$5,532,991	$0	$5,402,481	$2,908,392	$0	$8,310,873	$5,402,481
1-Jul-33	15-Feb-34	137%	$8,479,089	$5,530,543	$2,948,546	$5,735,240	$0	$5,530,543	$2,948,546	$0	$8,479,089	$5,530,543
1-Jul-34	15-Feb-35	140%	$8,650,671	$5,662,092	$2,988,579	$5,943,912	$0	$5,662,092	$2,988,579	$0	$8,650,671	$5,662,092
1-Jul-35	15-Feb-36	143%	$8,825,683	$5,793,989	$3,031,694	$6,162,443	$0	$5,793,989	$3,031,694	$0	$8,825,683	$5,793,989
1-Jul-36	15-Feb-37	146%	$9,004,196	$5,931,215	$3,072,981	$6,386,158	$0	$5,931,215	$3,072,981	$0	$9,004,196	$5,931,215
1-Jul-37	15-Feb-38	149%	$9,186,279	$6,069,389	$3,116,890	$6,619,752	$0	$6,069,389	$3,116,890	$0	$9,186,279	$6,069,389
1-Jul-38	15-Feb-39	152%	$9,372,004	$7,210,313	$2,161,691	$5,861,750	$0	$7,210,313	$2,161,691	$0	$9,372,004	$7,210,313
1-Jul-39	15-Feb-40	155%	$9,561,444	$7,354,607	$2,206,837	$6,111,865	$0	$7,354,607	$2,206,837	$0	$9,561,444	$7,354,607
1-Jul-40	15-Feb-41	158%	$9,754,672	$7,502,771	$2,251,901	$6,369,942	$0	$7,502,771	$2,251,901	$0	$9,754,672	$7,502,771
1-Jul-41	15-Feb-42	161%	$9,951,764	$7,652,187	$2,299,577	$6,638,956	$0	$7,652,187	$2,299,577	$0	$9,951,764	$7,652,187
1-Jul-42	15-Feb-43	164%	$10,152,799	$7,805,295	$2,347,504	$6,916,830	$0	$7,805,295	$2,347,504	$0	$10,152,799	$7,805,295
1-Jul-43	15-Feb-44	167%	$10,357,854	$7,961,295	$2,396,559	$7,204,740	$0	$7,961,295	$2,396,559	$0	$10,357,854	$7,961,295
1-Jul-44	15-Feb-45	171%	$10,567,011	$8,120,328	$2,446,683	$7,502,935	$0	$8,120,328	$2,446,683	$0	$10,567,011	$8,120,328
1-Jul-45	15-Feb-46	174%	$10,780,350	$6,919,852	$3,860,498	$9,174,358	$0	$6,919,852	$3,860,498	$0	$10,780,350	$6,919,852
1-Jul-46	15-Feb-47	178%	$10,997,956	$362,362	$10,635,594	$16,216,921	$0	$362,362	$10,635,594	$0	$10,997,956	$362,362
1-Jul-47	15-Feb-48	181%	$11,219,915	$0	$11,219,915	$17,078,909	$0	$0	$11,219,915	$0	$11,219,915	$0
1-Jul-48	15-Feb-49	185%	$11,446,312	$0	$11,446,312	$17,593,524	$0	$0	$11,446,312	$0	$11,446,312	$0
1-Jul-49	15-Feb-50	188%	$11,677,238	$0	$11,677,238	$18,123,577	$0	$0	$11,677,238	$0	$11,677,238	$0
1-Jul-50	15-Feb-51	192%	$11,912,782	$0	$11,912,782	$18,669,532	$0	$0	$11,912,782	$0	$11,912,782	$0
Total			$280,596,163	$150,455,139	$130,460,599	$235,192,755	$1,265,910	$150,135,564	$129,194,690	$1,265,910	$280,596,163	$151,401,473

MuniCap, Inc. *16-Oct-17*

[1]Represents baseline revenues available for debt service after reducing for school general obligation debt and tax credits as shown on Appendix L.

[2]Represents the baseline surplus projected to be available to Howard County to pay for capital expenditures. Pursuant to the Indenture, these revenues would be available to pay debt service and not to pay the County if the combination of first available tax increment and special taxes are insufficient to pay debt service and expenses.

[3]Projected increment available for special tax credit is calculated by taking the first available incremental taxes available to debt service and the surplus taxes available to debt service after the set aside to the County.

Appendix E-7: Projected Payment of Debt Service - Phase One Properties Complete/Underway Including 3MFB (Revenues Available for the Special Tax Credit)

Revenue Available as Special Tax Credit

Tax Year Beginning	Bond Year Ending	Net Annual Debt Service[1] Series 2017 A Bonds	Additional Phase One Bonds	Total Debt Service	Tax Increment Revenues Available For DS **After Set Asides &Tax Credits**[2]	Surplus/ (Deficit)	Backup Special Tax	Net Surplus/ (Deficit)	Cumulative Surplus	Crescent Special Taxing District Maximum Special Taxes[3]
1-Jul-17	15-Feb-18	$0	$0	$0	$617,040	$617,040	$0	$617,040	$617,040	$7,727,599
1-Jul-18	15-Feb-19	$0	$0	$0	$648,870	$648,870	$0	$648,870	$1,265,910	$7,882,151
1-Jul-19	15-Feb-20	$2,102,219	$0	$2,102,219	$3,112,001	$1,009,782	$0	$1,009,782	$2,275,692	$8,039,794
1-Jul-20	15-Feb-21	$2,334,055	$0	$2,334,055	$3,040,019	$705,964	$0	$705,964	$2,981,656	$8,200,590
1-Jul-21	15-Feb-22	$2,226,691	$0	$2,226,691	$3,149,801	$923,109	$0	$923,109	$3,904,765	$8,364,602
1-Jul-22	15-Feb-23	$2,223,341	$0	$2,223,341	$3,210,014	$986,673	$0	$986,673	$4,891,438	$8,531,894
1-Jul-23	15-Feb-24	$2,605,003	$0	$2,605,003	$3,904,236	$1,299,233	$0	$1,299,233	$6,190,670	$8,702,532
1-Jul-24	15-Feb-25	$2,566,279	$0	$2,566,279	$4,003,586	$1,437,307	$0	$1,437,307	$7,627,977	$8,876,582
1-Jul-25	15-Feb-26	$2,958,368	$0	$2,958,368	$4,574,186	$1,615,818	$0	$1,615,818	$9,243,795	$9,054,114
1-Jul-26	15-Feb-27	$3,149,071	$0	$3,149,071	$4,685,412	$1,536,341	$0	$1,536,341	$10,780,135	$9,235,196
1-Jul-27	15-Feb-28	$3,180,788	$0	$3,180,788	$4,799,121	$1,618,333	$0	$1,618,333	$12,398,468	$9,419,900
1-Jul-28	15-Feb-29	$3,209,520	$0	$3,209,520	$4,914,595	$1,705,075	$0	$1,705,075	$14,103,543	$9,608,298
1-Jul-29	15-Feb-30	$3,233,703	$0	$3,233,703	$5,033,113	$1,799,410	$0	$1,799,410	$15,902,953	$9,800,464
1-Jul-30	15-Feb-31	$3,254,808	$0	$3,254,808	$5,153,836	$1,899,028	$0	$1,899,028	$17,801,981	$9,996,473
1-Jul-31	15-Feb-32	$3,272,834	$0	$3,272,834	$5,276,926	$2,004,092	$0	$2,004,092	$19,806,073	$10,196,403
1-Jul-32	15-Feb-33	$3,312,782	$0	$3,312,782	$5,402,481	$2,089,699	$0	$2,089,699	$21,895,772	$10,400,331
1-Jul-33	15-Feb-34	$3,323,621	$0	$3,323,621	$5,530,543	$2,206,922	$0	$2,206,922	$24,102,695	$10,608,337
1-Jul-34	15-Feb-35	$3,356,382	$0	$3,356,382	$5,662,092	$2,305,710	$0	$2,305,710	$26,408,405	$10,820,504
1-Jul-35	15-Feb-36	$3,380,660	$0	$3,380,660	$5,793,989	$2,413,329	$0	$2,413,329	$28,821,734	$11,036,914
1-Jul-36	15-Feb-37	$3,375,579	$0	$3,375,579	$5,931,215	$2,555,636	$0	$2,555,636	$31,377,370	$11,257,653
1-Jul-37	15-Feb-38	$3,417,234	$0	$3,417,234	$6,069,389	$2,652,155	$0	$2,652,155	$34,029,525	$11,482,806
1-Jul-38	15-Feb-39	$4,003,438	$0	$4,003,438	$7,210,313	$3,206,875	$0	$3,206,875	$37,236,399	$11,712,462
1-Jul-39	15-Feb-40	$4,060,129	$0	$4,060,129	$7,354,607	$3,294,478	$0	$3,294,478	$40,530,877	$11,946,711
1-Jul-40	15-Feb-41	$4,155,557	$0	$4,155,557	$7,502,771	$3,347,214	$0	$3,347,214	$43,878,092	$12,185,645
1-Jul-41	15-Feb-42	$4,240,878	$0	$4,240,878	$7,652,187	$3,411,309	$0	$3,411,309	$47,289,401	$12,429,358
1-Jul-42	15-Feb-43	$4,341,093	$0	$4,341,093	$7,805,295	$3,464,202	$0	$3,464,202	$50,753,603	$12,677,945
1-Jul-43	15-Feb-44	$4,430,077	$0	$4,430,077	$7,961,295	$3,531,218	$0	$3,531,218	$54,284,821	$12,931,504
1-Jul-44	15-Feb-45	$4,532,831	$0	$4,532,831	$8,120,328	$3,587,497	$0	$3,587,497	$57,872,318	$13,190,134
1-Jul-45	15-Feb-46	$3,873,230	$0	$3,873,230	$6,919,852	$3,046,622	$0	$3,046,622	$60,918,939	$13,453,937
1-Jul-46	15-Feb-47	$210,025	$0	$210,025	$362,362	$152,337	$0	$152,337	$61,071,276	$13,723,016
1-Jul-47	15-Feb-48	$0	$0	$0	$0	$0	$0	$0	$61,071,276	$13,997,476
1-Jul-48	15-Feb-49	$0	$0	$0	$0	$0	$0	$0	$61,071,276	$14,277,426
1-Jul-49	15-Feb-50	$0	$0	$0	$0	$0	$0	$0	$61,071,276	$14,562,974
1-Jul-50	15-Feb-51	$0	$0	$0	$0	$0	$0	$0	$61,071,276	$14,854,234
Total		$90,330,197	$0	$90,330,197	$151,401,473	$61,071,276	$0	$61,071,276		

MuniCap, Inc. *16-Oct-17*

[1]See Appendix M.

[2]See Appendix E-6.

[3]Represents the adjusted maximum special taxes pursuant to the *Crescent Special Taxing District Rate and Method of Apportionment.* May be reduced after final bond issue to provide 110% debt service coverage

Appendix F
Downtown Columbia
Howard County, Maryland

SCENARIO F
Includes All Phase One Properties
2% Inflation Factor
Includes Tax Credits
Series 2017 A and Additional Phase One Bonds

Appendix F
Downtown Columbia
Howard County, Maryland

Projected Development

Appendix F
Downtown Columbia
Howard County, Maryland

Appendix F-1.a: Projected Development by Type - Phase One Properties

Property Type	Area[1] Units	Rooms	GSF Per Unit/Space	Spaces	Gross SF	Market Value[2] Per Unit	Per Room	Per GSF	Per Space	Total Market Value	Year Completed
Residential											
Rental:											
MF rental - market rate	759	-	1,124	-	853,278	$241,490	-	$215	-	$183,290,901	2019
MF rental - market rate (The Metropolitan)	380	-	1,172	-	445,235	$251,684	-	$215	-	$95,640,000	2014
MF rental - market rate (TEN.M/m.flats)	437	-	1,156	-	504,978	$248,223	-	$215	-	$108,473,269	2017
MF rental - 80% AMI	23	-	1,124	-	25,857	$155,763	-	$139	-	$3,582,538	2019
MF rental - 30% AMI	23	-	1,124	-	25,857	$131,136		$117	-	$3,016,128	2019
Sub-total residential	1,622				1,855,205					$394,002,836	
Commercial											
Office:											
One Merriweather	-	-	-	-	208,034	-	-	$276	-	$57,469,487	2016
Two Merriweather	-	-	-	-	102,993	-	-	$276	-	$28,451,863	2017
Building 3OA	-	-	-	-	325,197	-	-	$276	-	$89,835,818	2019
Building 3OB	-	-	-	-	374,803	-	-	$276	-	$103,539,498	2020
Sub-total office					1,011,027					$279,296,666	
Retail:											
The Metropolitan ground floor	-	-	-	-	15,319	-	-	$317	-	$4,858,900	2014
TEN.M/m.flats ground floor	-	-	-	-	34,377	-	-	$317	-	$10,903,741	2017
One Merriweather ground floor	-	-	-	-	9,749	-	-	$317	-	$3,092,200	2016
Special taxing district retail (remaining area)	-	-	-	-	109,553	-	-	$444	-	$48,615,662	2020
Sub-total retail					168,998					$67,470,503	
Restaurant:											
Full service	-	-	-	-	65,732	-	-	$444	-	$29,169,397	2020
Fast food service	-	-	-	-	43,821	-	-	$444	-	$19,446,265	2020
Sub-total restaurant					109,553					$48,615,662	
Parking:											
Area one parking garage	-	-	350	1,127	394,425	-	-	$56	$19,699	$22,200,800	2017
Area three phase one parking garage	-	-	350	2,000	700,000	-	-	$56	$19,699	$39,398,048	2019
Sub-total parking				3,127	1,094,425					$61,598,848	
Total (excluding parking SF)	1,622			3,127	3,144,783					$850,984,514	

MuniCap, Inc. *16-Oct-17*

[1]Projected development provided by The Howard Research and Development Corporation.
[2]See Appendix G-1.

Appendix F-1.b: Projected Development by Building - Phase One Properties

	Area[1]							Market Value[2]							
	Rental Units			Gross Square Feet			Parking	Per MR	Per Aff. Unit		Per Gross SF		Per	Total Market	Year
Building	MR	Aff.	Total	Per Unit	Retail	Office	Spaces	Unit	80% AMI	30% AMI	Retail	Office	Space	Value	Completed
Phase One Properties Complete/Underway															
The Metropolitan	380	-	380	1,172	15,319	-	-	$251,684	-	-	$317	-	-	$100,498,900	Complete
TEN.M/m.flats	437	-	437	1,156	34,377	-	-	$248,223	-	-	$317	-	-	$119,377,010	09/2017
One Merriweather	-	-	-	-	9,749	208,034	-	-	-	-	$317	$276	-	$60,561,687	Complete
Two Merriweather	-	-	-	-	29,583	102,993	-	-	-	-	$444	$276	-	$41,579,729	11/2017
Office: Building 3OA	-	-	-	-	15,036	325,197	-	-	-	-	$444	$276	-	$96,508,252	03/2019
Area One Parking Garage	-	-	-	-	-	-	1,127	-	-	-	-	-	$19,699	$22,200,800	Complete
Area Three Phase One Parking Garage	-	-	-	-	-	-	1,341	-	-	-	-	-	$19,699	$26,416,391	03/2019
Future Phase One Properties															
Residential: Building 3MFB	362	20	382	1,124	71,333	-	-	$241,490	$155,763	$131,136	$444	-	-	$121,943,368	12/2019
Residential: Building 3MFC	397	26	423	1,124	38,195	-	-	$241,490	$155,763	$131,136	$444	-	-	$116,550,767	12/2019
Retail: 3RE	-	-	-	-	45,389	-	-	-	-	-	$444	-	-	$20,141,998	03/2019
Office: Building 3OB	-	-	-	-	19,570	374,803	-	-	-	-	$444	$276	-	$112,223,957	07/2020
Area Three Phase Two Parking Garage	-	-	-	-	-	-	659	-	-	-	-	-	$19,699	$12,981,657	07/2020
	1,576	46	1,622		278,551	1,011,027	3,127							$850,984,514	

MuniCap, Inc. *16-Oct-17*

[1]Projected development provided by The Howard Research and Development Corporation.
[2]See Appendix G-1.

Appendix F-2.a: Projected Absorption - Phase One Properties (Residential)[1]

			Multi-Family Rental							
		Tax	Market Rate		80% AMI		30% AMI		Total Rental[2]	
Year	Assessed	Year	(Units)		(Units)		(Units)		(Units)	
Ending	As Of Date	Beginning	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
31-Dec-16	1-Jan-17	1-Jul-17	0	0	0	0	0	0	0	0
31-Dec-17	1-Jan-18	1-Jul-18	0	0	0	0	0	0	0	0
31-Dec-18	1-Jan-19	1-Jul-19	0	0	0	0	0	0	0	0
31-Dec-19	1-Jan-20	1-Jul-20	759	759	23	23	23	23	805	805
31-Dec-20	1-Jan-21	1-Jul-21	0	759	0	23	0	23	0	805
31-Dec-21	1-Jan-22	1-Jul-22	0	759	0	23	0	23	0	805
31-Dec-22	1-Jan-23	1-Jul-23	0	759	0	23	0	23	0	805
31-Dec-23	1-Jan-24	1-Jul-24	0	759	0	23	0	23	0	805
31-Dec-24	1-Jan-25	1-Jul-25	0	759	0	23	0	23	0	805
31-Dec-25	1-Jan-26	1-Jul-26	0	759	0	23	0	23	0	805
31-Dec-26	1-Jan-27	1-Jul-27	0	759	0	23	0	23	0	805
31-Dec-27	1-Jan-28	1-Jul-28	0	759	0	23	0	23	0	805
31-Dec-28	1-Jan-29	1-Jul-29	0	759	0	23	0	23	0	805
31-Dec-29	1-Jan-30	1-Jul-30	0	759	0	23	0	23	0	805
31-Dec-30	1-Jan-31	1-Jul-31	0	759	0	23	0	23	0	805
31-Dec-31	1-Jan-32	1-Jul-32	0	759	0	23	0	23	0	805
31-Dec-32	1-Jan-33	1-Jul-33	0	759	0	23	0	23	0	805
31-Dec-33	1-Jan-34	1-Jul-34	0	759	0	23	0	23	0	805
31-Dec-34	1-Jan-35	1-Jul-35	0	759	0	23	0	23	0	805
31-Dec-35	1-Jan-36	1-Jul-36	0	759	0	23	0	23	0	805
31-Dec-36	1-Jan-37	1-Jul-37	0	759	0	23	0	23	0	805
31-Dec-37	1-Jan-38	1-Jul-38	0	759	0	23	0	23	0	805
31-Dec-38	1-Jan-39	1-Jul-39	0	759	0	23	0	23	0	805
31-Dec-39	1-Jan-40	1-Jul-40	0	759	0	23	0	23	0	805
31-Dec-40	1-Jan-41	1-Jul-41	0	759	0	23	0	23	0	805
31-Dec-41	1-Jan-42	1-Jul-42	0	759	0	23	0	23	0	805
31-Dec-42	1-Jan-43	1-Jul-43	0	759	0	23	0	23	0	805
31-Dec-43	1-Jan-44	1-Jul-44	0	759	0	23	0	23	0	805
31-Dec-44	1-Jan-45	1-Jul-45	0	759	0	23	0	23	0	805
31-Dec-45	1-Jan-46	1-Jul-46	0	759	0	23	0	23	0	805
31-Dec-46	1-Jan-47	1-Jul-47	0	759	0	23	0	23	0	805
31-Dec-47	1-Jan-48	1-Jul-48	0	759	0	23	0	23	0	805
30-Dec-48	1-Jan-49	1-Jul-49	0	759	0	23	0	23	0	805
30-Dec-49	1-Jan-50	1-Jul-50	0	759	0	23	0	23	0	805
Total			759		23		23		805	

MuniCap, Inc. *16-Oct-17*

[1]Source: The Howard Research and Development Corporation.
[2]TEN.M/m. flats and The Metropolitan development shown on Appendices A-3.b and A-3.c.

Appendix F-2.b: Projected Absorption - Phase One Properties (Commercial)[1]

					Retail/Restaurant[2]											
		Tax	Office[2]		Retail		Restaurant - Full Service		Restaurant - Fast Food		Sub-Total		Parking			
Year	Assessed	Year	(SF)		(SF)		(SF)		(SF)		(SF)		(Spaces)		(SF)	
Ending	As Of Date	Beginning	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
31-Dec-16	1-Jan-17	1-Jul-17	0	0	0	0	0	0	0	0	0	0	1,127	1,127	394,425	394,425
31-Dec-17	1-Jan-18	1-Jul-18	102,993	102,993	14,792	14,792	8,875	8,875	5,917	5,917	29,583	29,583	0	1,127	0	394,425
31-Dec-18	1-Jan-19	1-Jul-19	0	102,993	0	14,792	0	8,875	0	5,917	0	29,583	0	1,127	0	394,425
31-Dec-19	1-Jan-20	1-Jul-20	325,197	428,190	84,977	99,768	50,986	59,861	33,991	39,907	169,953	199,536	1,341	2,468	469,350	863,775
31-Dec-20	1-Jan-21	1-Jul-21	374,803	802,993	9,785	109,553	5,871	65,732	3,914	43,821	19,570	219,106	659	3,127	230,650	1,094,425
31-Dec-21	1-Jan-22	1-Jul-22	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-22	1-Jan-23	1-Jul-23	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-23	1-Jan-24	1-Jul-24	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-24	1-Jan-25	1-Jul-25	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-25	1-Jan-26	1-Jul-26	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-26	1-Jan-27	1-Jul-27	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-27	1-Jan-28	1-Jul-28	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-28	1-Jan-29	1-Jul-29	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-29	1-Jan-30	1-Jul-30	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-30	1-Jan-31	1-Jul-31	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-31	1-Jan-32	1-Jul-32	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-32	1-Jan-33	1-Jul-33	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-33	1-Jan-34	1-Jul-34	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-34	1-Jan-35	1-Jul-35	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-35	1-Jan-36	1-Jul-36	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-36	1-Jan-37	1-Jul-37	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-37	1-Jan-38	1-Jul-38	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-38	1-Jan-39	1-Jul-39	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-39	1-Jan-40	1-Jul-40	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-40	1-Jan-41	1-Jul-41	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-41	1-Jan-42	1-Jul-42	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-42	1-Jan-43	1-Jul-43	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-43	1-Jan-44	1-Jul-44	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-44	1-Jan-45	1-Jul-45	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-45	1-Jan-46	1-Jul-46	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-46	1-Jan-47	1-Jul-47	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
31-Dec-47	1-Jan-48	1-Jul-48	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
30-Dec-48	1-Jan-49	1-Jul-49	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
30-Dec-49	1-Jan-50	1-Jul-50	0	802,993	0	109,553	0	65,732	0	43,821	0	219,106	0	3,127	0	1,094,425
Total			802,993		109,553		65,732		43,821		219,106		3,127		1,094,425	

MuniCap, Inc. *16-Oct-17*

[1]Source: The Howard Research and Development Corporation.
[2]One Merriweather development shown on Appendix A-3.e.

Appendix F
Downtown Columbia
Howard County, Maryland

Projected Market Value

Appendix F-3.a: Total Projected Market Value - Phase One Properties (Residential)

				Multi-Family Rental							
				Market Rate				80% AMI			
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value	Units[1]	Value Per Unit[2]	Phase-In Percent[3]	Projected Market Value
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$241,490	0%	$0	0	$155,763	0%	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	0	$246,320	0%	$0	0	$158,878	0%	$0
1-Jan-19	1-Jul-19	15-Feb-20	104%	0	$251,246	0%	$0	0	$162,055	0%	$0
1-Jan-20	1-Jul-20	15-Feb-21	106%	759	$256,271	80%	$155,607,816	23	$165,296	80%	$3,041,455
1-Jan-21	1-Jul-21	15-Feb-22	108%	759	$261,397	87%	$171,946,637	23	$168,602	87%	$3,360,807
1-Jan-22	1-Jul-22	15-Feb-23	110%	759	$266,624	93%	$188,876,768	23	$171,974	93%	$3,691,718
1-Jan-23	1-Jul-23	15-Feb-24	113%	759	$271,957	100%	$206,415,325	23	$175,414	100%	$4,034,520
1-Jan-24	1-Jul-24	15-Feb-25	115%	759	$277,396	100%	$210,543,631	23	$178,922	100%	$4,115,210
1-Jan-25	1-Jul-25	15-Feb-26	117%	759	$282,944	100%	$214,754,504	23	$182,501	100%	$4,197,514
1-Jan-26	1-Jul-26	15-Feb-27	120%	759	$288,603	100%	$219,049,594	23	$186,151	100%	$4,281,465
1-Jan-27	1-Jul-27	15-Feb-28	122%	759	$294,375	100%	$223,430,586	23	$189,874	100%	$4,367,094
1-Jan-28	1-Jul-28	15-Feb-29	124%	759	$300,262	100%	$227,899,197	23	$193,671	100%	$4,454,436
1-Jan-29	1-Jul-29	15-Feb-30	127%	759	$306,268	100%	$232,457,181	23	$197,545	100%	$4,543,525
1-Jan-30	1-Jul-30	15-Feb-31	129%	759	$312,393	100%	$237,106,325	23	$201,495	100%	$4,634,395
1-Jan-31	1-Jul-31	15-Feb-32	132%	759	$318,641	100%	$241,848,451	23	$205,525	100%	$4,727,083
1-Jan-32	1-Jul-32	15-Feb-33	135%	759	$325,014	100%	$246,685,420	23	$209,636	100%	$4,821,625
1-Jan-33	1-Jul-33	15-Feb-34	137%	759	$331,514	100%	$251,619,129	23	$213,829	100%	$4,918,057
1-Jan-34	1-Jul-34	15-Feb-35	140%	759	$338,144	100%	$256,651,511	23	$218,105	100%	$5,016,418
1-Jan-35	1-Jul-35	15-Feb-36	143%	759	$344,907	100%	$261,784,542	23	$222,467	100%	$5,116,747
1-Jan-36	1-Jul-36	15-Feb-37	146%	759	$351,805	100%	$267,020,232	23	$226,917	100%	$5,219,082
1-Jan-37	1-Jul-37	15-Feb-38	149%	759	$358,841	100%	$272,360,637	23	$231,455	100%	$5,323,463
1-Jan-38	1-Jul-38	15-Feb-39	152%	759	$366,018	100%	$277,807,850	23	$236,084	100%	$5,429,933
1-Jan-39	1-Jul-39	15-Feb-40	155%	759	$373,339	100%	$283,364,007	23	$240,806	100%	$5,538,531
1-Jan-40	1-Jul-40	15-Feb-41	158%	759	$380,805	100%	$289,031,287	23	$245,622	100%	$5,649,302
1-Jan-41	1-Jul-41	15-Feb-42	161%	759	$388,421	100%	$294,811,913	23	$250,534	100%	$5,762,288
1-Jan-42	1-Jul-42	15-Feb-43	164%	759	$396,190	100%	$300,708,151	23	$255,545	100%	$5,877,534
1-Jan-43	1-Jul-43	15-Feb-44	167%	759	$404,114	100%	$306,722,314	23	$260,656	100%	$5,995,084
1-Jan-44	1-Jul-44	15-Feb-45	171%	759	$412,196	100%	$312,856,760	23	$265,869	100%	$6,114,986
1-Jan-45	1-Jul-45	15-Feb-46	174%	759	$420,440	100%	$319,113,895	23	$271,186	100%	$6,237,286
1-Jan-46	1-Jul-46	15-Feb-47	178%	759	$428,849	100%	$325,496,173	23	$276,610	100%	$6,362,031
1-Jan-47	1-Jul-47	15-Feb-48	181%	759	$437,426	100%	$332,006,097	23	$282,142	100%	$6,489,272
1-Jan-48	1-Jul-48	15-Feb-49	185%	759	$446,174	100%	$338,646,219	23	$287,785	100%	$6,619,057
1-Jan-49	1-Jul-49	15-Feb-50	188%	759	$455,098	100%	$345,419,143	23	$293,541	100%	$6,751,439
1-Jan-50	1-Jul-50	15-Feb-51	192%	759	$464,200	100%	$352,327,526	23	$299,412	100%	$6,886,467

[1]See Appendix F-2.a.

[2]See Appendix F-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

Appendix F-3.a: Total Projected Market Value - Phase One Properties (Residential), continued

				Multi-Family Rental				
				30% AMI				Total Projected
Assessed	Tax Year	Bond Year	Inflation		Value Per	Phase-In	Projected	Residential
As Of Date	Beginning	Ending	Factor	Units[1]	Unit[2]	Percent[3]	Market Value	Market Value[4]
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$131,136	0%	$0	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	0	$133,759	0%	$0	$0
1-Jan-19	1-Jul-19	15-Feb-20	104%	0	$136,434	0%	$0	$0
1-Jan-20	1-Jul-20	15-Feb-21	106%	23	$139,163	80%	$2,560,591	$161,209,862
1-Jan-21	1-Jul-21	15-Feb-22	108%	23	$141,946	87%	$2,829,454	$178,136,898
1-Jan-22	1-Jul-22	15-Feb-23	110%	23	$144,785	93%	$3,108,046	$195,676,531
1-Jan-23	1-Jul-23	15-Feb-24	113%	23	$147,680	100%	$3,396,650	$213,846,495
1-Jan-24	1-Jul-24	15-Feb-25	115%	23	$150,634	100%	$3,464,583	$218,123,424
1-Jan-25	1-Jul-25	15-Feb-26	117%	23	$153,647	100%	$3,533,875	$222,485,893
1-Jan-26	1-Jul-26	15-Feb-27	120%	23	$156,720	100%	$3,604,552	$226,935,611
1-Jan-27	1-Jul-27	15-Feb-28	122%	23	$159,854	100%	$3,676,643	$231,474,323
1-Jan-28	1-Jul-28	15-Feb-29	124%	23	$163,051	100%	$3,750,176	$236,103,810
1-Jan-29	1-Jul-29	15-Feb-30	127%	23	$166,312	100%	$3,825,180	$240,825,886
1-Jan-30	1-Jul-30	15-Feb-31	129%	23	$169,638	100%	$3,901,683	$245,642,403
1-Jan-31	1-Jul-31	15-Feb-32	132%	23	$173,031	100%	$3,979,717	$250,555,251
1-Jan-32	1-Jul-32	15-Feb-33	135%	23	$176,492	100%	$4,059,311	$255,566,357
1-Jan-33	1-Jul-33	15-Feb-34	137%	23	$180,022	100%	$4,140,498	$260,677,684
1-Jan-34	1-Jul-34	15-Feb-35	140%	23	$183,622	100%	$4,223,308	$265,891,237
1-Jan-35	1-Jul-35	15-Feb-36	143%	23	$187,295	100%	$4,307,774	$271,209,062
1-Jan-36	1-Jul-36	15-Feb-37	146%	23	$191,040	100%	$4,393,929	$276,633,243
1-Jan-37	1-Jul-37	15-Feb-38	149%	23	$194,861	100%	$4,481,808	$282,165,908
1-Jan-38	1-Jul-38	15-Feb-39	152%	23	$198,758	100%	$4,571,444	$287,809,226
1-Jan-39	1-Jul-39	15-Feb-40	155%	23	$202,734	100%	$4,662,873	$293,565,411
1-Jan-40	1-Jul-40	15-Feb-41	158%	23	$206,788	100%	$4,756,130	$299,436,719
1-Jan-41	1-Jul-41	15-Feb-42	161%	23	$210,924	100%	$4,851,253	$305,425,453
1-Jan-42	1-Jul-42	15-Feb-43	164%	23	$215,143	100%	$4,948,278	$311,533,963
1-Jan-43	1-Jul-43	15-Feb-44	167%	23	$219,445	100%	$5,047,244	$317,764,642
1-Jan-44	1-Jul-44	15-Feb-45	171%	23	$223,834	100%	$5,148,188	$324,119,935
1-Jan-45	1-Jul-45	15-Feb-46	174%	23	$228,311	100%	$5,251,152	$330,602,333
1-Jan-46	1-Jul-46	15-Feb-47	178%	23	$232,877	100%	$5,356,175	$337,214,380
1-Jan-47	1-Jul-47	15-Feb-48	181%	23	$237,535	100%	$5,463,299	$343,958,668
1-Jan-48	1-Jul-48	15-Feb-49	185%	23	$242,285	100%	$5,572,565	$350,837,841
1-Jan-49	1-Jul-49	15-Feb-50	188%	23	$247,131	100%	$5,684,016	$357,854,598
1-Jan-50	1-Jul-50	15-Feb-51	192%	23	$252,074	100%	$5,797,696	$365,011,690

[1]See Appendix F-2.a.

[2]See Appendix F-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

[4]TEN.M/m. flats and The Metropolitan development shown on Appendices A-3.b and A-3.c.

Appendix F-3.b: Total Projected Market Value - Phase One Properties (Commercial)

				Office				Retail				Restaurant - Full Service			
Assessed As Of Date	Tax Year Beginning	Bond Year Ending	Inflation Factor	Square Feet[1]	Value Per SF[2]	Phase-In Percent[3]	Projected Market Value	Square Feet[1]	Value Per SF[2]	Phase-In Percent[3]	Projected Market Value	Square Feet[1]	Value Per SF[2]	Phase-In Percent[3]	Projected Market Value
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$276	0%	$0	0	$444	0%	$0	0	$444	0%	$0
1-Jan-18	1-Jul-18	15-Feb-19	102%	102,993	$282	80%	$23,216,720	14,792	$453	80%	$5,356,169	8,875	$453	80%	$3,213,702
1-Jan-19	1-Jul-19	15-Feb-20	104%	102,993	$287	87%	$25,654,476	14,792	$462	87%	$5,918,567	8,875	$462	87%	$3,551,140
1-Jan-20	1-Jul-20	15-Feb-21	106%	428,190	$293	83%	$104,448,046	99,768	$471	82%	$38,515,416	59,861	$471	82%	$23,109,250
1-Jan-21	1-Jul-21	15-Feb-22	108%	802,993	$299	85%	$204,732,486	109,553	$480	88%	$46,240,725	65,732	$480	88%	$27,744,435
1-Jan-22	1-Jul-22	15-Feb-23	110%	802,993	$305	91%	$223,060,600	109,553	$490	94%	$50,260,773	65,732	$490	94%	$30,156,464
1-Jan-23	1-Jul-23	15-Feb-24	113%	802,993	$311	97%	$242,039,947	109,553	$500	99%	$54,423,127	65,732	$500	99%	$32,653,876
1-Jan-24	1-Jul-24	15-Feb-25	115%	802,993	$317	100%	$254,809,701	109,553	$510	100%	$55,844,114	65,732	$510	100%	$33,506,468
1-Jan-25	1-Jul-25	15-Feb-26	117%	802,993	$324	100%	$259,905,895	109,553	$520	100%	$56,960,996	65,732	$520	100%	$34,176,598
1-Jan-26	1-Jul-26	15-Feb-27	120%	802,993	$330	100%	$265,104,013	109,553	$530	100%	$58,100,216	65,732	$530	100%	$34,860,129
1-Jan-27	1-Jul-27	15-Feb-28	122%	802,993	$337	100%	$270,406,094	109,553	$541	100%	$59,262,220	65,732	$541	100%	$35,557,332
1-Jan-28	1-Jul-28	15-Feb-29	124%	802,993	$343	100%	$275,814,215	109,553	$552	100%	$60,447,465	65,732	$552	100%	$36,268,479
1-Jan-29	1-Jul-29	15-Feb-30	127%	802,993	$350	100%	$281,330,500	109,553	$563	100%	$61,656,414	65,732	$563	100%	$36,993,848
1-Jan-30	1-Jul-30	15-Feb-31	129%	802,993	$357	100%	$286,957,110	109,553	$574	100%	$62,889,542	65,732	$574	100%	$37,733,725
1-Jan-31	1-Jul-31	15-Feb-32	132%	802,993	$365	100%	$292,696,252	109,553	$586	100%	$64,147,333	65,732	$586	100%	$38,488,400
1-Jan-32	1-Jul-32	15-Feb-33	135%	802,993	$372	100%	$298,550,177	109,553	$597	100%	$65,430,280	65,732	$597	100%	$39,258,168
1-Jan-33	1-Jul-33	15-Feb-34	137%	802,993	$379	100%	$304,521,181	109,553	$609	100%	$66,738,885	65,732	$609	100%	$40,043,331
1-Jan-34	1-Jul-34	15-Feb-35	140%	802,993	$387	100%	$310,611,604	109,553	$621	100%	$68,073,663	65,732	$621	100%	$40,844,198
1-Jan-35	1-Jul-35	15-Feb-36	143%	802,993	$395	100%	$316,823,836	109,553	$634	100%	$69,435,136	65,732	$634	100%	$41,661,082
1-Jan-36	1-Jul-36	15-Feb-37	146%	802,993	$402	100%	$323,160,313	109,553	$646	100%	$70,823,839	65,732	$646	100%	$42,494,303
1-Jan-37	1-Jul-37	15-Feb-38	149%	802,993	$410	100%	$329,623,519	109,553	$659	100%	$72,240,316	65,732	$659	100%	$43,344,189
1-Jan-38	1-Jul-38	15-Feb-39	152%	802,993	$419	100%	$336,215,990	109,553	$673	100%	$73,685,122	65,732	$673	100%	$44,211,073
1-Jan-39	1-Jul-39	15-Feb-40	155%	802,993	$427	100%	$342,940,309	109,553	$686	100%	$75,158,824	65,732	$686	100%	$45,095,295
1-Jan-40	1-Jul-40	15-Feb-41	158%	802,993	$436	100%	$349,799,116	109,553	$700	100%	$76,662,001	65,732	$700	100%	$45,997,201
1-Jan-41	1-Jul-41	15-Feb-42	161%	802,993	$444	100%	$356,795,098	109,553	$714	100%	$78,195,241	65,732	$714	100%	$46,917,145
1-Jan-42	1-Jul-42	15-Feb-43	164%	802,993	$453	100%	$363,931,000	109,553	$728	100%	$79,759,146	65,732	$728	100%	$47,855,487
1-Jan-43	1-Jul-43	15-Feb-44	167%	802,993	$462	100%	$371,209,620	109,553	$743	100%	$81,354,329	65,732	$743	100%	$48,812,597
1-Jan-44	1-Jul-44	15-Feb-45	171%	802,993	$472	100%	$378,633,812	109,553	$757	100%	$82,981,415	65,732	$757	100%	$49,788,849
1-Jan-45	1-Jul-45	15-Feb-46	174%	802,993	$481	100%	$386,206,488	109,553	$773	100%	$84,641,043	65,732	$773	100%	$50,784,626
1-Jan-46	1-Jul-46	15-Feb-47	178%	802,993	$491	100%	$393,930,618	109,553	$788	100%	$86,333,864	65,732	$788	100%	$51,800,319
1-Jan-47	1-Jul-47	15-Feb-48	181%	802,993	$500	100%	$401,809,231	109,553	$804	100%	$88,060,542	65,732	$804	100%	$52,836,325
1-Jan-48	1-Jul-48	15-Feb-49	185%	802,993	$510	100%	$409,845,415	109,553	$820	100%	$89,821,752	65,732	$820	100%	$53,893,051
1-Jan-49	1-Jul-49	15-Feb-50	188%	802,993	$521	100%	$418,042,324	109,553	$836	100%	$91,618,188	65,732	$836	100%	$54,970,913
1-Jan-50	1-Jul-50	15-Feb-51	192%	802,993	$531	100%	$426,403,170	109,553	$853	100%	$93,450,551	65,732	$853	100%	$56,070,331

[1]See Appendix F-2.b.

[2]See Appendix F-1.a. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

Appendix F-3.b: Total Projected Market Value - Phase One Properties (Commercial), continued

				Restaurant - Fast Food				Parking				Total Projected
Assessed	Tax Year	Bond Year	Inflation	Square	Value Per	Phase-In	Projected		Value Per	Phase-In	Projected	Commercial
As Of Date	Beginning	Ending	Factor	Feet[1]	SF[2]	Percent[3]	Market Value	Spaces[1]	Space[2]	Percent[3]	Market Value	Market Value[4]
1-Jan-17	1-Jul-17	15-Feb-18	100%	0	$444	0%	$0	1,127	$18,681	100%	$21,053,533	$21,053,533
1-Jan-18	1-Jul-18	15-Feb-19	102%	5,917	$453	80%	$2,142,468	1,127	$19,699	100%	$22,200,800	$56,129,859
1-Jan-19	1-Jul-19	15-Feb-20	104%	5,917	$462	87%	$2,367,427	1,127	$20,495	100%	$23,097,712	$60,589,322
1-Jan-20	1-Jul-20	15-Feb-21	106%	39,907	$471	82%	$15,406,166	2,468	$20,905	89%	$45,986,295	$227,465,173
1-Jan-21	1-Jul-21	15-Feb-22	108%	43,821	$480	88%	$18,496,290	3,127	$21,323	90%	$60,053,695	$357,267,631
1-Jan-22	1-Jul-22	15-Feb-23	110%	43,821	$490	94%	$20,104,309	3,127	$21,749	94%	$64,154,677	$387,736,824
1-Jan-23	1-Jul-23	15-Feb-24	113%	43,821	$500	99%	$21,769,251	3,127	$22,184	99%	$68,395,677	$419,281,878
1-Jan-24	1-Jul-24	15-Feb-25	115%	43,821	$510	100%	$22,337,645	3,127	$22,628	100%	$70,757,714	$437,255,642
1-Jan-25	1-Jul-25	15-Feb-26	117%	43,821	$520	100%	$22,784,398	3,127	$23,081	100%	$72,172,868	$446,000,755
1-Jan-26	1-Jul-26	15-Feb-27	120%	43,821	$530	100%	$23,240,086	3,127	$23,542	100%	$73,616,325	$454,920,770
1-Jan-27	1-Jul-27	15-Feb-28	122%	43,821	$541	100%	$23,704,888	3,127	$24,013	100%	$75,088,652	$464,019,186
1-Jan-28	1-Jul-28	15-Feb-29	124%	43,821	$552	100%	$24,178,986	3,127	$24,493	100%	$76,590,425	$473,299,569
1-Jan-29	1-Jul-29	15-Feb-30	127%	43,821	$563	100%	$24,662,566	3,127	$24,983	100%	$78,122,233	$482,765,561
1-Jan-30	1-Jul-30	15-Feb-31	129%	43,821	$574	100%	$25,155,817	3,127	$25,483	100%	$79,684,678	$492,420,872
1-Jan-31	1-Jul-31	15-Feb-32	132%	43,821	$586	100%	$25,658,933	3,127	$25,992	100%	$81,278,372	$502,269,289
1-Jan-32	1-Jul-32	15-Feb-33	135%	43,821	$597	100%	$26,172,112	3,127	$26,512	100%	$82,903,939	$512,314,675
1-Jan-33	1-Jul-33	15-Feb-34	137%	43,821	$609	100%	$26,695,554	3,127	$27,043	100%	$84,562,018	$522,560,969
1-Jan-34	1-Jul-34	15-Feb-35	140%	43,821	$621	100%	$27,229,465	3,127	$27,583	100%	$86,253,258	$533,012,188
1-Jan-35	1-Jul-35	15-Feb-36	143%	43,821	$634	100%	$27,774,054	3,127	$28,135	100%	$87,978,323	$543,672,432
1-Jan-36	1-Jul-36	15-Feb-37	146%	43,821	$646	100%	$28,329,536	3,127	$28,698	100%	$89,737,890	$554,545,880
1-Jan-37	1-Jul-37	15-Feb-38	149%	43,821	$659	100%	$28,896,126	3,127	$29,272	100%	$91,532,648	$565,636,798
1-Jan-38	1-Jul-38	15-Feb-39	152%	43,821	$673	100%	$29,474,049	3,127	$29,857	100%	$93,363,301	$576,949,534
1-Jan-39	1-Jul-39	15-Feb-40	155%	43,821	$686	100%	$30,063,530	3,127	$30,454	100%	$95,230,567	$588,488,525
1-Jan-40	1-Jul-40	15-Feb-41	158%	43,821	$700	100%	$30,664,800	3,127	$31,063	100%	$97,135,178	$600,258,295
1-Jan-41	1-Jul-41	15-Feb-42	161%	43,821	$714	100%	$31,278,096	3,127	$31,685	100%	$99,077,882	$612,263,461
1-Jan-42	1-Jul-42	15-Feb-43	164%	43,821	$728	100%	$31,903,658	3,127	$32,318	100%	$101,059,439	$624,508,730
1-Jan-43	1-Jul-43	15-Feb-44	167%	43,821	$743	100%	$32,541,731	3,127	$32,965	100%	$103,080,628	$636,998,905
1-Jan-44	1-Jul-44	15-Feb-45	171%	43,821	$757	100%	$33,192,566	3,127	$33,624	100%	$105,142,240	$649,738,883
1-Jan-45	1-Jul-45	15-Feb-46	174%	43,821	$773	100%	$33,856,417	3,127	$34,296	100%	$107,245,085	$662,733,661
1-Jan-46	1-Jul-46	15-Feb-47	178%	43,821	$788	100%	$34,533,546	3,127	$34,982	100%	$109,389,987	$675,988,334
1-Jan-47	1-Jul-47	15-Feb-48	181%	43,821	$804	100%	$35,224,217	3,127	$35,682	100%	$111,577,787	$689,508,101
1-Jan-48	1-Jul-48	15-Feb-49	185%	43,821	$820	100%	$35,928,701	3,127	$36,396	100%	$113,809,342	$703,298,263
1-Jan-49	1-Jul-49	15-Feb-50	188%	43,821	$836	100%	$36,647,275	3,127	$37,124	100%	$116,085,529	$717,364,228
1-Jan-50	1-Jul-50	15-Feb-51	192%	43,821	$853	100%	$37,380,221	3,127	$37,866	100%	$118,407,240	$731,711,512

[1]See Appendix F-2.b.

[2]See Appendix F-1.a. Values are assumed to increase with inflation factor shown. Value for the parking in the first year based on actual value assessed by Maryland State Department of Assessments.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization. Construction of Area One Parking Garage is complete and assessed values as of 7/1/2017 are reflected.

[4]One Merriweather development shown on Appendix A-3.e.

Appendix F-3.c: Total Projected Market Value - Phase One Properties (Total)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Projected Assessed Value[1]						Total Projected Assessed Value
			Residential	TEN.M/m.flats	The Metropolitan	Commercial	One Merriweather	Residual Base[2]	
1-Jul-17	15-Feb-18	100%	$0	$2,626,000	$100,299,266	$21,053,533	$54,263,133	$39,676,300	$217,918,232
1-Jul-18	15-Feb-19	102%	$0	$97,411,640	$100,498,900	$56,129,859	$57,841,600	$39,226,907	$351,108,905
1-Jul-19	15-Feb-20	104%	$0	$107,639,862	$102,508,878	$60,589,322	$58,998,432	$39,905,797	$369,642,291
1-Jul-20	15-Feb-21	106%	$161,209,862	$118,238,249	$104,559,056	$227,465,173	$60,561,687	$28,729,578	$700,763,604
1-Jul-21	15-Feb-22	108%	$178,136,898	$129,217,515	$106,650,237	$357,267,631	$61,772,921	$24,213,811	$857,259,011
1-Jul-22	15-Feb-23	110%	$195,676,531	$131,801,865	$108,783,241	$387,736,824	$63,008,379	$23,331,653	$910,338,494
1-Jul-23	15-Feb-24	113%	$213,846,495	$134,437,902	$110,958,906	$419,281,878	$64,268,547	$22,404,524	$965,198,252
1-Jul-24	15-Feb-25	115%	$218,123,424	$137,126,660	$113,178,084	$437,255,642	$65,553,917	$22,501,374	$993,739,103
1-Jul-25	15-Feb-26	117%	$222,485,893	$139,869,193	$115,441,646	$446,000,755	$66,864,996	$22,951,401	$1,013,613,885
1-Jul-26	15-Feb-27	120%	$226,935,611	$142,666,577	$117,750,479	$454,920,770	$68,202,296	$23,410,429	$1,033,886,162
1-Jul-27	15-Feb-28	122%	$231,474,323	$145,519,909	$120,105,489	$464,019,186	$69,566,342	$23,878,638	$1,054,563,886
1-Jul-28	15-Feb-29	124%	$236,103,810	$148,430,307	$122,507,598	$473,299,569	$70,957,668	$24,356,211	$1,075,655,163
1-Jul-29	15-Feb-30	127%	$240,825,886	$151,398,913	$124,957,750	$482,765,561	$72,376,822	$24,843,335	$1,097,168,267
1-Jul-30	15-Feb-31	129%	$245,642,403	$154,426,891	$127,456,905	$492,420,872	$73,824,358	$25,340,202	$1,119,111,632
1-Jul-31	15-Feb-32	132%	$250,555,251	$157,515,429	$130,006,043	$502,269,289	$75,300,845	$25,847,006	$1,141,493,865
1-Jul-32	15-Feb-33	135%	$255,566,357	$160,665,738	$132,606,164	$512,314,675	$76,806,862	$26,363,946	$1,164,323,742
1-Jul-33	15-Feb-34	137%	$260,677,684	$163,879,053	$135,258,288	$522,560,969	$78,343,000	$26,891,225	$1,187,610,217
1-Jul-34	15-Feb-35	140%	$265,891,237	$167,156,634	$137,963,453	$533,012,188	$79,909,860	$27,429,049	$1,211,362,421
1-Jul-35	15-Feb-36	143%	$271,209,062	$170,499,766	$140,722,722	$543,672,432	$81,508,057	$27,977,630	$1,235,589,669
1-Jul-36	15-Feb-37	146%	$276,633,243	$173,909,762	$143,537,177	$554,545,880	$83,138,218	$28,537,183	$1,260,301,463
1-Jul-37	15-Feb-38	149%	$282,165,908	$177,387,957	$146,407,920	$565,636,798	$84,800,982	$29,107,926	$1,285,507,492
1-Jul-38	15-Feb-39	152%	$287,809,226	$180,935,716	$149,336,079	$576,949,534	$86,497,002	$29,690,085	$1,311,217,642
1-Jul-39	15-Feb-40	155%	$293,565,411	$184,554,430	$152,322,800	$588,488,525	$88,226,942	$30,283,887	$1,337,441,995
1-Jul-40	15-Feb-41	158%	$299,436,719	$188,245,519	$155,369,256	$600,258,295	$89,991,481	$30,889,564	$1,364,190,835
1-Jul-41	15-Feb-42	161%	$305,425,453	$192,010,429	$158,476,641	$612,263,461	$91,791,310	$31,507,356	$1,391,474,651
1-Jul-42	15-Feb-43	164%	$311,533,963	$195,850,638	$161,646,174	$624,508,730	$93,627,137	$32,137,503	$1,419,304,144
1-Jul-43	15-Feb-44	167%	$317,764,642	$199,767,651	$164,879,098	$636,998,905	$95,499,679	$32,780,253	$1,447,690,227
1-Jul-44	15-Feb-45	171%	$324,119,935	$203,763,004	$168,176,680	$649,738,883	$97,409,673	$33,435,858	$1,476,644,032
1-Jul-45	15-Feb-46	174%	$330,602,333	$207,838,264	$171,540,213	$662,733,661	$99,357,866	$34,104,575	$1,506,176,912
1-Jul-46	15-Feb-47	178%	$337,214,380	$211,995,029	$174,971,018	$675,988,334	$101,345,024	$34,786,666	$1,536,300,451
1-Jul-47	15-Feb-48	181%	$343,958,668	$216,234,930	$178,470,438	$689,508,101	$103,371,924	$35,482,400	$1,567,026,460
1-Jul-48	15-Feb-49	185%	$350,837,841	$220,559,628	$182,039,847	$703,298,263	$105,439,363	$36,192,048	$1,598,366,989
1-Jul-49	15-Feb-50	188%	$357,854,598	$224,970,821	$185,680,644	$717,364,228	$107,548,150	$36,915,889	$1,630,334,329
1-Jul-50	15-Feb-51	192%	$365,011,690	$229,470,237	$189,394,257	$731,711,512	$109,699,113	$37,654,207	$1,662,941,015
Total									

MuniCap, Inc. *16-Oct-17*

[1]See Appendices F-3.a, F-3.b, A-3.b, A-3.c, and A-3.e.

[2]See Appendix J-2. Residual base value represents the value of the crescent tax parcel 1415019921 expected to remain or to be redeveloped. As of January 1, 2017, total value of the crescent tax parcel is $114,992,966, of which $75,316,666 is attributable to development underway or complete. Values shown are assumed to be adjusted for inflation factor shown. Furthermore, the residual base value is adjusted for the replacement of value attributable to new construction.

Appendix F
Downtown Columbia
Howard County, Maryland

Available Tax Increment Revenues &
Projected Debt Service Coverage

Appendix F-4: Projected Real Property Tax Increment Revenues - Phase One Properties

Tax Year Beginning	Bond Year Ending	Inflation Factor	Total Projected Assessed Value[1]	Phase I Base Value[2]	Incremental Property Value	FY 17 Howard County Tax Rate Per $100 A.V	Projected Tax Increment Revenues	Percent Available After Tax Discount[3]	Available Incremental Tax Revenues	Available For Debt Service	Phase One Properties: Tax Increment Revenues	Phase One Properties: Tax Credits[4]	Net Tax Increment Revenues Available for Debt Service
1-Jul-17	15-Feb-18	100%	$217,918,232	($9,907,900)	$208,010,332	$1.014	$2,109,225	99.5%	$2,098,679	100%	$2,098,679	($454,972)	$1,643,707
1-Jul-18	15-Feb-19	102%	$351,108,905	($9,907,900)	$341,201,005	$1.014	$3,459,778	99.5%	$3,442,479	100%	$3,442,479	($696,637)	$2,745,842
1-Jul-19	15-Feb-20	104%	$369,642,291	($9,907,900)	$359,734,391	$1.014	$3,647,707	99.5%	$3,629,468	100%	$3,629,468	($656,244)	$2,973,224
1-Jul-20	15-Feb-21	106%	$700,763,604	($9,907,900)	$690,855,704	$1.014	$7,005,277	99.5%	$6,970,250	100%	$6,970,250	($1,303,123)	$5,667,128
1-Jul-21	15-Feb-22	108%	$857,259,011	($9,907,900)	$847,351,111	$1.014	$8,592,140	99.5%	$8,549,180	100%	$8,549,180	($1,525,950)	$7,023,229
1-Jul-22	15-Feb-23	110%	$910,338,494	($9,907,900)	$900,430,594	$1.014	$9,130,366	99.5%	$9,084,714	100%	$9,084,714	($1,463,453)	$7,621,262
1-Jul-23	15-Feb-24	113%	$965,198,252	($9,907,900)	$955,290,352	$1.014	$9,686,644	99.5%	$9,638,211	100%	$9,638,211	($913,618)	$8,724,593
1-Jul-24	15-Feb-25	115%	$993,739,103	($9,907,900)	$983,831,203	$1.014	$9,976,048	99.5%	$9,926,168	100%	$9,926,168	($950,732)	$8,975,437
1-Jul-25	15-Feb-26	117%	$1,013,613,885	($9,907,900)	$1,003,705,985	$1.014	$10,177,579	99.5%	$10,126,691	100%	$10,126,691	($288,268)	$9,838,422
1-Jul-26	15-Feb-27	120%	$1,033,886,162	($9,907,900)	$1,023,978,262	$1.014	$10,383,140	99.5%	$10,331,224	100%	$10,331,224	$0	$10,331,224
1-Jul-27	15-Feb-28	122%	$1,054,563,886	($9,907,900)	$1,044,655,986	$1.014	$10,592,812	99.5%	$10,539,848	100%	$10,539,848	$0	$10,539,848
1-Jul-28	15-Feb-29	124%	$1,075,655,163	($9,907,900)	$1,065,747,263	$1.014	$10,806,677	99.5%	$10,752,644	100%	$10,752,644	$0	$10,752,644
1-Jul-29	15-Feb-30	127%	$1,097,168,267	($9,907,900)	$1,087,260,367	$1.014	$11,024,820	99.5%	$10,969,696	100%	$10,969,696	$0	$10,969,696
1-Jul-30	15-Feb-31	129%	$1,119,111,632	($9,907,900)	$1,109,203,732	$1.014	$11,247,326	99.5%	$11,191,089	100%	$11,191,089	$0	$11,191,089
1-Jul-31	15-Feb-32	132%	$1,141,493,865	($9,907,900)	$1,131,585,965	$1.014	$11,474,282	99.5%	$11,416,910	100%	$11,416,910	$0	$11,416,910
1-Jul-32	15-Feb-33	135%	$1,164,323,742	($9,907,900)	$1,154,415,842	$1.014	$11,705,777	99.5%	$11,647,248	100%	$11,647,248	$0	$11,647,248
1-Jul-33	15-Feb-34	137%	$1,187,610,217	($9,907,900)	$1,177,702,317	$1.014	$11,941,901	99.5%	$11,882,192	100%	$11,882,192	$0	$11,882,192
1-Jul-34	15-Feb-35	140%	$1,211,362,421	($9,907,900)	$1,201,454,521	$1.014	$12,182,749	99.5%	$12,121,835	100%	$12,121,835	$0	$12,121,835
1-Jul-35	15-Feb-36	143%	$1,235,589,669	($9,907,900)	$1,225,681,769	$1.014	$12,428,413	99.5%	$12,366,271	100%	$12,366,271	$0	$12,366,271
1-Jul-36	15-Feb-37	146%	$1,260,301,463	($9,907,900)	$1,250,393,563	$1.014	$12,678,991	99.5%	$12,615,596	100%	$12,615,596	$0	$12,615,596
1-Jul-37	15-Feb-38	149%	$1,285,507,492	($9,907,900)	$1,275,599,592	$1.014	$12,934,580	99.5%	$12,869,907	100%	$12,869,907	$0	$12,869,907
1-Jul-38	15-Feb-39	152%	$1,311,217,642	($9,907,900)	$1,301,309,742	$1.014	$13,195,281	99.5%	$13,129,304	100%	$13,129,304	$0	$13,129,304
1-Jul-39	15-Feb-40	155%	$1,337,441,995	($9,907,900)	$1,327,534,095	$1.014	$13,461,196	99.5%	$13,393,890	100%	$13,393,890	$0	$13,393,890
1-Jul-40	15-Feb-41	158%	$1,364,190,835	($9,907,900)	$1,354,282,935	$1.014	$13,732,429	99.5%	$13,663,767	100%	$13,663,767	$0	$13,663,767
1-Jul-41	15-Feb-42	161%	$1,391,474,651	($9,907,900)	$1,381,566,751	$1.014	$14,009,087	99.5%	$13,939,041	100%	$13,939,041	$0	$13,939,041
1-Jul-42	15-Feb-43	164%	$1,419,304,144	($9,907,900)	$1,409,396,244	$1.014	$14,291,278	99.5%	$14,219,822	100%	$14,219,822	$0	$14,219,822
1-Jul-43	15-Feb-44	167%	$1,447,690,227	($9,907,900)	$1,437,782,327	$1.014	$14,579,113	99.5%	$14,506,217	100%	$14,506,217	$0	$14,506,217
1-Jul-44	15-Feb-45	171%	$1,476,644,032	($9,907,900)	$1,466,736,132	$1.014	$14,872,704	99.5%	$14,798,341	100%	$14,798,341	$0	$14,798,341
1-Jul-45	15-Feb-46	174%	$1,506,176,912	($9,907,900)	$1,496,269,012	$1.014	$15,172,168	99.5%	$15,096,307	100%	$15,096,307	$0	$15,096,307
1-Jul-46	15-Feb-47	178%	$1,536,300,451	($9,907,900)	$1,526,392,551	$1.014	$15,477,620	99.5%	$15,400,232	100%	$15,400,232	$0	$15,400,232
1-Jul-47	15-Feb-48	181%	$1,567,026,460	($9,907,900)	$1,557,118,560	$1.014	$15,789,182	99.5%	$15,710,236	100%	$15,710,236	$0	$15,710,236
1-Jul-48	15-Feb-49	185%	$1,598,366,989	($9,907,900)	$1,588,459,089	$1.014	$16,106,975	99.5%	$16,026,440	100%	$16,026,440	$0	$16,026,440
1-Jul-49	15-Feb-50	188%	$1,630,334,329	($9,907,900)	$1,620,426,429	$1.014	$16,431,124	99.5%	$16,348,968	100%	$16,348,968	$0	$16,348,968
1-Jul-50	15-Feb-51	192%	$1,662,941,015	($9,907,900)	$1,653,033,115	$1.014	$16,761,756	99.5%	$16,677,947	100%	$16,677,947	$0	$16,677,947
Total							$397,066,144		$395,080,813		$395,080,813	($8,252,997)	$386,827,816

MuniCap, Inc. *16-Oct-17*

[1]See Appendix F-3.c.

[2]See Appendix J. Residual base value represents the value of the crescent tax parcel 1415019921. Values shown are assumed to be adjusted for inflation factor shown. Furthermore, the residual base value is adjusted for the replacement of value attributable to new construction. As the crescent parcel is subdivided and redeveloped, the residual base value will decrease and land values will be picked up with new residential and commercial projected assessed values.

[3]Assumes all tax payers pay 100% of taxes due by end of July, and thus receive a 0.5% discount.

[4]See Appendix K-1.

Appendix F-5: Projected Payment of Debt Service and Debt Service Coverage - Phase One Properties - Projected Coverage

Tax Year Beginning	Bond Year Ending	Net Annual Debt Service[1]			Tax Increment Revenues Available For DS **After Tax Credits**[2]	Surplus/ (Deficit)	Backup Special Tax[3]	Net Surplus/ (Deficit)	Cumulative Surplus	Debt Service Coverage		
		Series 2017 A Bonds	Additional Phase One Bonds	Total Debt Service						Incremental Revenues	Total Revenues (TIF/Special Tax)	
1-Jul-17	15-Feb-18	$0	$0	$0	$1,643,707	$1,643,707	$0	$1,643,707	$1,643,707	NA	NA	
1-Jul-18	15-Feb-19	$0	$0	$0	$2,745,842	$2,745,842	$0	$2,745,842	$4,389,549	NA	NA	
1-Jul-19	15-Feb-20	$2,102,219	$0	$2,102,219	$2,973,224	$871,005	$0	$871,005	$5,260,554	141%	141%	
1-Jul-20	15-Feb-21	$2,334,055	$200,000	$2,534,055	$5,667,128	$3,133,073	$0	$3,133,073	$8,393,627	224%	224%	
1-Jul-21	15-Feb-22	$2,226,691	$840,549	$3,067,241	$7,023,229	$3,955,989	$0	$3,955,989	$12,349,615	229%	229%	
1-Jul-22	15-Feb-23	$2,223,341	$1,555,799	$3,779,140	$7,621,262	$3,842,122	$0	$3,842,122	$16,191,738	202%	202%	
1-Jul-23	15-Feb-24	$2,605,003	$1,621,732	$4,226,735	$8,724,593	$4,497,858	$0	$4,497,858	$20,689,595	206%	206%	
1-Jul-24	15-Feb-25	$2,566,279	$1,789,523	$4,355,802	$8,975,437	$4,619,634	$0	$4,619,634	$25,309,230	206%	206%	(stabilized FY25)
1-Jul-25	15-Feb-26	$2,958,368	$2,024,449	$4,982,817	$9,838,422	$4,855,606	$0	$4,855,606	$30,164,835	197%	197%	
1-Jul-26	15-Feb-27	$3,149,071	$2,043,133	$5,192,204	$10,331,224	$5,139,019	$0	$5,139,019	$35,303,855	199%	199%	
1-Jul-27	15-Feb-28	$3,180,788	$2,054,802	$5,235,590	$10,539,848	$5,304,257	$0	$5,304,257	$40,608,112	201%	201%	
1-Jul-28	15-Feb-29	$3,209,520	$2,074,680	$5,284,200	$10,752,644	$5,468,444	$0	$5,468,444	$46,076,556	203%	203%	
1-Jul-29	15-Feb-30	$3,233,703	$2,079,580	$5,313,283	$10,969,696	$5,656,413	$0	$5,656,413	$51,732,969	206%	206%	
1-Jul-30	15-Feb-31	$3,254,808	$2,092,540	$5,347,348	$11,191,089	$5,843,741	$0	$5,843,741	$57,576,711	209%	209%	
1-Jul-31	15-Feb-32	$3,272,834	$2,103,072	$5,375,906	$11,416,910	$6,041,004	$0	$6,041,004	$63,617,715	212%	212%	
1-Jul-32	15-Feb-33	$3,312,782	$2,111,177	$5,423,959	$11,647,248	$6,223,289	$0	$6,223,289	$69,841,003	215%	215%	
1-Jul-33	15-Feb-34	$3,323,621	$2,116,855	$5,440,476	$11,882,192	$6,441,716	$0	$6,441,716	$76,282,720	218%	218%	
1-Jul-34	15-Feb-35	$3,356,382	$2,125,106	$5,481,488	$12,121,835	$6,640,347	$0	$6,640,347	$82,923,067	221%	221%	
1-Jul-35	15-Feb-36	$3,380,660	$2,133,124	$5,513,783	$12,366,271	$6,852,488	$0	$6,852,488	$89,775,555	224%	224%	
1-Jul-36	15-Feb-37	$3,375,579	$2,138,077	$5,513,656	$12,615,596	$7,101,939	$0	$7,101,939	$96,877,495	229%	229%	
1-Jul-37	15-Feb-38	$3,417,234	$2,139,967	$5,557,202	$12,869,907	$7,312,705	$0	$7,312,705	$104,190,200	232%	232%	
1-Jul-38	15-Feb-39	$4,003,438	$2,443,794	$6,447,232	$13,129,304	$6,682,072	$0	$6,682,072	$110,872,272	204%	204%	
1-Jul-39	15-Feb-40	$4,060,129	$2,493,926	$6,554,055	$13,393,890	$6,839,835	$0	$6,839,835	$117,712,107	204%	204%	
1-Jul-40	15-Feb-41	$4,155,557	$2,530,282	$6,685,839	$13,663,767	$6,977,928	$0	$6,977,928	$124,690,035	204%	204%	
1-Jul-41	15-Feb-42	$4,240,878	$2,575,088	$6,815,966	$13,939,041	$7,123,076	$0	$7,123,076	$131,813,110	205%	205%	
1-Jul-42	15-Feb-43	$4,341,093	$2,622,556	$6,963,649	$14,219,822	$7,256,172	$0	$7,256,172	$139,069,283	204%	204%	
1-Jul-43	15-Feb-44	$4,430,077	$2,667,162	$7,097,239	$14,506,217	$7,408,978	$0	$7,408,978	$146,478,261	204%	204%	
1-Jul-44	15-Feb-45	$4,532,831	$2,708,643	$7,241,475	$14,798,341	$7,556,866	$0	$7,556,866	$154,035,127	204%	204%	
1-Jul-45	15-Feb-46	$3,873,230	$2,306,738	$6,179,968	$15,096,307	$8,916,339	$0	$8,916,339	$162,951,466	244%	244%	
1-Jul-46	15-Feb-47	$210,025	$124,283	$334,308	$15,400,232	$15,065,924	$0	$15,065,924	$178,017,390	4607%	4607%	
1-Jul-47	15-Feb-48	$0	$0	$0	$15,710,236	$15,710,236	$0	$15,710,236	$193,727,627	NA	NA	
1-Jul-48	15-Feb-49	$0	$0	$0	$16,026,440	$16,026,440	$0	$16,026,440	$209,754,067	NA	NA	
1-Jul-49	15-Feb-50	$0	$0	$0	$16,348,968	$16,348,968	$0	$16,348,968	$226,103,035	NA	NA	
1-Jul-50	15-Feb-51	$0	$0	$0	$16,677,947	$16,677,947	$0	$16,677,947	$242,780,982	NA	NA	
Total		$90,330,197	$53,716,637	$144,046,834	$386,827,816	$242,780,982	$0	$242,780,982				

MuniCap, Inc. *16-Oct-17*

[1] See Appendix M.

[2] See Appendix F-4. Represents incremental tax revenues after tax credits. Revenues shown exclude required set asides shown on Appendix L.

[3] Maximum special taxes equal to 110% of debt service have been levied but would be collected only to the extent that TIF revenues in the then current year are calculated to be insufficient to meet debt service.

Appendix F
Downtown Columbia
Howard County, Maryland

Projected Special Taxes After Set Asides

Appendix F-6: Projection of Available Revenues for Debt Service After Set Asides - Phase One Properties

Tax Year Beginning	Bond Year Ending	Inflation Factor	Projected Net Incremental Tax Revenues (Appendix F-4)	First Set Aside & Surplus[1] Debt Service Threshold (Appendix L-6)	First Set Aside & Surplus[1] Surplus After First Set Aside	Second Set Aside & Surplus[1] County Threshold (Appendix L-6)	Second Set Aside & Surplus[1] Surplus After Second Set Aside	Allocation of Incremental Taxes: First Available to Debt Service[1]	Allocation of Incremental Taxes: Second Available to Howard County[2]	Allocation of Incremental Taxes: Third Available to Debt Service	Allocation of Incremental Taxes: Total	Projected Increment Available for Special Tax Credit[3]
1-Jul-17	15-Feb-18	100%	$1,643,707	$0	$1,643,707	$1,160,055	$483,652	$0	$1,160,055	$483,652	$1,643,707	$483,652
1-Jul-18	15-Feb-19	102%	$2,745,842	$0	$2,745,842	$2,233,028	$512,814	$0	$2,233,028	$512,814	$2,745,842	$512,814
1-Jul-19	15-Feb-20	104%	$2,973,224	$3,292,800	$0	$1,179,980	$0	$2,973,224	$0	$0	$2,973,224	$2,973,224
1-Jul-20	15-Feb-21	106%	$5,667,128	$2,745,774	$2,921,353	$2,093,331	$828,023	$2,745,774	$2,093,331	$828,023	$5,667,128	$3,573,797
1-Jul-21	15-Feb-22	108%	$7,023,229	$2,623,641	$4,399,589	$3,244,670	$1,154,919	$2,623,641	$3,244,670	$1,154,919	$7,023,229	$3,778,560
1-Jul-22	15-Feb-23	110%	$7,621,262	$2,789,253	$4,832,008	$3,705,097	$1,126,911	$2,789,253	$3,705,097	$1,126,911	$7,621,262	$3,916,165
1-Jul-23	15-Feb-24	113%	$8,724,593	$3,443,086	$5,281,507	$3,944,347	$1,337,159	$3,443,086	$3,944,347	$1,337,159	$8,724,593	$4,780,245
1-Jul-24	15-Feb-25	115%	$8,975,437	$3,514,371	$5,461,065	$4,151,682	$1,309,383	$3,514,371	$4,151,682	$1,309,383	$8,975,437	$4,823,754
1-Jul-25	15-Feb-26	117%	$9,838,422	$4,285,918	$5,552,505	$4,303,351	$1,249,154	$4,285,918	$4,303,351	$1,249,154	$9,838,422	$5,535,072
1-Jul-26	15-Feb-27	120%	$10,331,224	$4,685,412	$5,645,812	$4,460,699	$1,185,113	$4,685,412	$4,460,699	$1,185,113	$10,331,224	$5,870,525
1-Jul-27	15-Feb-28	122%	$10,539,848	$4,799,121	$5,740,727	$4,623,620	$1,117,107	$4,799,121	$4,623,620	$1,117,107	$10,539,848	$5,916,228
1-Jul-28	15-Feb-29	124%	$10,752,644	$4,914,595	$5,838,049	$4,793,076	$1,044,973	$4,914,595	$4,793,076	$1,044,973	$10,752,644	$5,959,568
1-Jul-29	15-Feb-30	127%	$10,969,696	$5,033,113	$5,936,583	$4,968,036	$968,548	$5,033,113	$4,968,036	$968,548	$10,969,696	$6,001,661
1-Jul-30	15-Feb-31	129%	$11,191,089	$5,153,836	$6,037,253	$5,149,594	$887,659	$5,153,836	$5,149,594	$887,659	$11,191,089	$6,041,495
1-Jul-31	15-Feb-32	132%	$11,416,910	$5,276,926	$6,139,984	$5,337,855	$802,129	$5,276,926	$5,337,855	$802,129	$11,416,910	$6,079,055
1-Jul-32	15-Feb-33	135%	$11,647,248	$5,402,481	$6,244,767	$5,532,991	$711,776	$5,402,481	$5,532,991	$711,776	$11,647,248	$6,114,257
1-Jul-33	15-Feb-34	137%	$11,882,192	$5,530,543	$6,351,649	$5,735,240	$616,409	$5,530,543	$5,735,240	$616,409	$11,882,192	$6,146,952
1-Jul-34	15-Feb-35	140%	$12,121,835	$5,662,092	$6,459,743	$5,943,912	$515,831	$5,662,092	$5,943,912	$515,831	$12,121,835	$6,177,923
1-Jul-35	15-Feb-36	143%	$12,366,271	$5,793,989	$6,572,282	$6,162,443	$409,839	$5,793,989	$6,162,443	$409,839	$12,366,271	$6,203,828
1-Jul-36	15-Feb-37	146%	$12,615,596	$5,931,215	$6,684,381	$6,386,158	$298,223	$5,931,215	$6,386,158	$298,223	$12,615,596	$6,229,438
1-Jul-37	15-Feb-38	149%	$12,869,907	$6,069,389	$6,800,518	$6,619,752	$180,766	$6,069,389	$6,619,752	$180,766	$12,869,907	$6,250,155
1-Jul-38	15-Feb-39	152%	$13,129,304	$7,210,313	$5,918,991	$5,861,750	$57,241	$7,210,313	$5,861,750	$57,241	$13,129,304	$7,267,554
1-Jul-39	15-Feb-40	155%	$13,393,890	$7,354,607	$6,039,283	$6,111,865	$0	$7,354,607	$6,039,283	$0	$13,393,890	$7,354,607
1-Jul-40	15-Feb-41	158%	$13,663,767	$7,502,771	$6,160,996	$6,369,942	$0	$7,502,771	$6,160,996	$0	$13,663,767	$7,502,771
1-Jul-41	15-Feb-42	161%	$13,939,041	$7,652,187	$6,286,854	$6,638,956	$0	$7,652,187	$6,286,854	$0	$13,939,041	$7,652,187
1-Jul-42	15-Feb-43	164%	$14,219,822	$7,805,295	$6,414,527	$6,916,830	$0	$7,805,295	$6,414,527	$0	$14,219,822	$7,805,295
1-Jul-43	15-Feb-44	167%	$14,506,217	$7,961,295	$6,544,922	$7,204,740	$0	$7,961,295	$6,544,922	$0	$14,506,217	$7,961,295
1-Jul-44	15-Feb-45	171%	$14,798,341	$8,120,328	$6,678,013	$7,502,935	$0	$8,120,328	$6,678,013	$0	$14,798,341	$8,120,328
1-Jul-45	15-Feb-46	174%	$15,096,307	$6,919,852	$8,176,455	$9,174,358	$0	$6,919,852	$8,176,455	$0	$15,096,307	$6,919,852
1-Jul-46	15-Feb-47	178%	$15,400,232	$362,362	$15,037,870	$16,216,921	$0	$362,362	$15,037,870	$0	$15,400,232	$362,362
1-Jul-47	15-Feb-48	181%	$15,710,236	$0	$15,710,236	$17,078,909	$0	$0	$15,710,236	$0	$15,710,236	$0
1-Jul-48	15-Feb-49	185%	$16,026,440	$0	$16,026,440	$17,593,524	$0	$0	$16,026,440	$0	$16,026,440	$0
1-Jul-49	15-Feb-50	188%	$16,348,968	$0	$16,348,968	$18,123,577	$0	$0	$16,348,968	$0	$16,348,968	$0
1-Jul-50	15-Feb-51	192%	$16,677,947	$0	$16,677,947	$18,669,532	$0	$0	$16,677,947	$0	$16,677,947	$0
Total			$386,827,816	$147,836,565	$239,310,827	$235,192,755	$16,797,629	$147,516,989	$222,513,198	$16,797,629	$386,827,816	$164,314,618

MuniCap, Inc. *16-Oct-17*

[1]Represents baseline revenues available for debt service after reducing for school general obligation debt and tax credits as shown on Appendix L.

[2]Represents the baseline surplus projected to be available to Howard County to pay for capital expenditures. Pursuant to the Indenture, these revenues would be available to pay debt service and not to pay the County if the combination of first available tax increment and special taxes are insufficient to pay debt service and expenses.

[3]Projected increment available for special tax credit is calculated by taking the first available incremental taxes available to debt service and the surplus taxes available to debt service after the set aside to the County.

Appendix F-7: Projected Payment of Debt Service - Phase One Properties (Revenues Available for the Special Tax Credit)

Revenue Available as Special Tax Credit

Tax Year Beginning	Bond Year Ending	Net Annual Debt Service[1] Series 2017 A Bonds	Additional Phase One Bonds	Total Debt Service	Tax Increment Revenues Available For DS **After Set Asides & Tax Credits**[2]	Surplus/ (Deficit)	Backup Special Tax	Net Surplus/ (Deficit)	Cumulative Surplus	Crescent Special Taxing District Maximum Special Taxes[3]
1-Jul-17	15-Feb-18	$0	$0	$0	$483,652	$483,652	$0	$483,652	$483,652	$7,727,599
1-Jul-18	15-Feb-19	$0	$0	$0	$512,814	$512,814	$0	$512,814	$996,466	$7,882,151
1-Jul-19	15-Feb-20	$2,102,219	$0	$2,102,219	$2,973,224	$871,005	$0	$871,005	$1,867,471	$8,039,794
1-Jul-20	15-Feb-21	$2,334,055	$200,000	$2,534,055	$3,573,797	$1,039,742	$0	$1,039,742	$2,907,213	$8,200,590
1-Jul-21	15-Feb-22	$2,226,691	$840,549	$3,067,241	$3,778,560	$711,319	$0	$711,319	$3,618,532	$8,364,602
1-Jul-22	15-Feb-23	$2,223,341	$1,555,799	$3,779,140	$3,916,165	$137,025	$0	$137,025	$3,755,558	$8,531,894
1-Jul-23	15-Feb-24	$2,605,003	$1,621,732	$4,226,735	$4,780,245	$553,510	$0	$553,510	$4,309,068	$8,702,532
1-Jul-24	15-Feb-25	$2,566,279	$1,789,523	$4,355,802	$4,823,754	$467,952	$0	$467,952	$4,777,020	$8,876,582
1-Jul-25	15-Feb-26	$2,958,368	$2,024,449	$4,982,817	$5,535,072	$552,255	$0	$552,255	$5,329,274	$9,054,114
1-Jul-26	15-Feb-27	$3,149,071	$2,043,133	$5,192,204	$5,870,525	$678,321	$0	$678,321	$6,007,595	$9,235,196
1-Jul-27	15-Feb-28	$3,180,788	$2,054,802	$5,235,590	$5,916,228	$680,637	$0	$680,637	$6,688,232	$9,419,900
1-Jul-28	15-Feb-29	$3,209,520	$2,074,680	$5,284,200	$5,959,568	$675,368	$0	$675,368	$7,363,601	$9,608,298
1-Jul-29	15-Feb-30	$3,233,703	$2,079,580	$5,313,283	$6,001,661	$688,377	$0	$688,377	$8,051,978	$9,800,464
1-Jul-30	15-Feb-31	$3,254,808	$2,092,540	$5,347,348	$6,041,495	$694,148	$0	$694,148	$8,746,125	$9,996,473
1-Jul-31	15-Feb-32	$3,272,834	$2,103,072	$5,375,906	$6,079,055	$703,149	$0	$703,149	$9,449,274	$10,196,403
1-Jul-32	15-Feb-33	$3,312,782	$2,111,177	$5,423,959	$6,114,257	$690,298	$0	$690,298	$10,139,572	$10,400,331
1-Jul-33	15-Feb-34	$3,323,621	$2,116,855	$5,440,476	$6,146,952	$706,476	$0	$706,476	$10,846,048	$10,608,337
1-Jul-34	15-Feb-35	$3,356,382	$2,125,106	$5,481,488	$6,177,923	$696,435	$0	$696,435	$11,542,484	$10,820,504
1-Jul-35	15-Feb-36	$3,380,660	$2,133,124	$5,513,783	$6,203,828	$690,045	$0	$690,045	$12,232,529	$11,036,914
1-Jul-36	15-Feb-37	$3,375,579	$2,138,077	$5,513,656	$6,229,438	$715,782	$0	$715,782	$12,948,310	$11,257,653
1-Jul-37	15-Feb-38	$3,417,234	$2,139,967	$5,557,202	$6,250,155	$692,953	$0	$692,953	$13,641,264	$11,482,806
1-Jul-38	15-Feb-39	$4,003,438	$2,443,794	$6,447,232	$7,267,554	$820,322	$0	$820,322	$14,461,586	$11,712,462
1-Jul-39	15-Feb-40	$4,060,129	$2,493,926	$6,554,055	$7,354,607	$800,552	$0	$800,552	$15,262,138	$11,946,711
1-Jul-40	15-Feb-41	$4,155,557	$2,530,282	$6,685,839	$7,502,771	$816,932	$0	$816,932	$16,079,070	$12,185,645
1-Jul-41	15-Feb-42	$4,240,878	$2,575,088	$6,815,966	$7,652,187	$836,221	$0	$836,221	$16,915,291	$12,429,358
1-Jul-42	15-Feb-43	$4,341,093	$2,622,556	$6,963,649	$7,805,295	$841,646	$0	$841,646	$17,756,937	$12,677,945
1-Jul-43	15-Feb-44	$4,430,077	$2,667,162	$7,097,239	$7,961,295	$864,056	$0	$864,056	$18,620,993	$12,931,504
1-Jul-44	15-Feb-45	$4,532,831	$2,708,643	$7,241,475	$8,120,328	$878,853	$0	$878,853	$19,499,847	$13,190,134
1-Jul-45	15-Feb-46	$3,873,230	$2,306,738	$6,179,968	$6,919,852	$739,884	$0	$739,884	$20,239,730	$13,453,937
1-Jul-46	15-Feb-47	$210,025	$124,283	$334,308	$362,362	$28,054	$0	$28,054	$20,267,785	$13,723,016
1-Jul-47	15-Feb-48	$0	$0	$0	$0	$0	$0	$0	$20,267,785	$13,997,476
1-Jul-48	15-Feb-49	$0	$0	$0	$0	$0	$0	$0	$20,267,785	$14,277,426
1-Jul-49	15-Feb-50	$0	$0	$0	$0	$0	$0	$0	$20,267,785	$14,562,974
1-Jul-50	15-Feb-51	$0	$0	$0	$0	$0	$0	$0	$20,267,785	$14,854,234
Total		$90,330,197	$53,716,637	$144,046,834	$164,314,618	$20,267,785	$0	$20,267,785		

MuniCap, Inc. *16-Oct-17*

[1]See Appendix M.

[2]See Appendix F-6.

[3]Represents the adjusted maximum special taxes pursuant to the *Crescent Special Taxing District Rate and Method of Apportionment.* May be reduced after final bond issue to provide 110% debt service coverage

Appendix G
Downtown Columbia
Howard County, Maryland

COMPARISON OF VALUATION METHODS

Appendix G
Downtown Columbia
Howard County, Maryland

Appendix G-1.a: Projected Market Value (Comparison of Valuation Methods) - Residential[1]

Property Type	Market Comparables[2]	Income Capitalization[3]	Cost Approach[4]	Existing Comparable Values[5]
Residential				
MF Rental - Market Rate				
Per Unit	$225,328	$245,041	$268,060	$251,684
Per SF	$211.28	$217.86	$230.37	***$214.81***
MF Rental - 80% AMI[6]				
Per Unit	$138,889	$151,039	$268,060	$155,134
Per SF	$136.28	$140.52	$230.37	***$138.55***
MF Rental - 30% AMI[6]				
Per Unit	$113,975	$123,946	$268,060	$127,306
Per SF	$114.73	$118.30	$230.37	***$116.65***

MuniCap, Inc. *16-Oct-17*

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

[2]See Appendix H.

[3]See Appendix I.

[4]Represents the average cost per gross square foot and unit for The Metropolitan and TEN.M/m.flats for the residential multi-family units as provided by The Howard Research and Development Corporation.

[5]Represents the actual assessed value as estimated by the Maryland State Department of Assessments and Taxation. 80% and 30% AMI units are not actuals but are based on actual market rate unit value. See footnote 6.

[6]Estimated comparable values for affordable units assumes same allocation of existing comparable values as estimated by the Maryland State Department of Assessments and Taxation compared to market value as estimated using the income capitalization approach.

Appendix G
Downtown Columbia
Howard County, Maryland

Appendix G-1.b: Projected Market Value (Comparison of Valuation Methods) - Commercial[1]

Property Type	Market Comparables[2]	Income Capitalization[3]	Cost Approach[4]	Existing Comparable Values[5]
Commercial				
Office				
Per SF	***$276.25***	$259.76	$258.96	$249.16
Retail				
Per SF	***$443.76***	$533.24	$301.20	-
The Metropolitan and TEN.M/m.flats retail				
Per SF	-	-	$230.37	***$317.18***
Restaurant				
Per SF	***$443.76***	$533.24	$301.20	-
Parking Garage				
Per Space	-	-	$12,344.83	***$19,699.02***
Per SF	-	-	$35.27	$56.29

[1]Valuation approach chosen for each type of development is underlined and shown in bold and italics.
[2]See Appendix H.
[3]See Appendix I.
[4]Represents the average cost per gross square foot for The Metropolitan and TEN.M/m.flats as provided by The Howard Research and Development Corporation.
[5]Represents the actual assessed value as estimated by the Maryland State Department of Assessments and Taxation.

Appendix H
Downtown Columbia
Howard County, Maryland

COMPARABLE PROPERTIES APPROACH

Appendix H
Downtown Columbia
Howard County, Maryland

Appendix H-1.a: Projected Market Value (Residential Comparables)

Development Type	Address	City	Year Built	Parcel Number	Assessed Value[1]			Area				Assessed Value Per SF/Unit		
					Land	Building	Total	Gross SF	Acreage	Units	SF/Unit	Total AV Per SF	Improved AV Per SF	Per Unit
Apartments														
Residences at Arundel Preserves	Milestone Parkway	Hanover	2011	04 000 90231749	$12,100,000	$39,109,400	$51,209,400	233,546	9.52	242	965	$219	$167	$211,609
Flats 170	8305 Telegraph Road	Odenton	2013	04 000 90062382	$18,450,000	$63,279,500	$81,729,500	385,578	15.16	369	1,045	$212	$164	$221,489
Haven at Odenton Gateway	615 Carlton Otto Lane	Odenton	2012	04 520 90233379	$12,600,000	$47,625,800	$60,225,800	311,870	10.04	252	1,238	$193	$153	$238,991
Crosswinds at Annapolis Town Centre	1903 Towne Centre Boulevard	Annapolis	2013	02 010 90235153	$10,750,000	$38,533,100	$49,283,100	223,239	1.82	215	1,038	$221	$173	$229,224
Sub-total apartments					$53,900,000	$188,547,800	$242,447,800	1,154,233	36.53	1,078	1,071	$211	$164	$225,328
The Metropolitan	10000 Town Center Boulevard	Columbia	2014	Various	$38,028,000	$57,612,000	$95,640,000	445,235	-	380	1,172	***$215***	***$129***	$251,684

MuniCap, Inc. *16-Oct-17*

[1]Assessed values based on information provided by Maryland State Department of Assessments and Taxation. Values used on Appendix G-1.a are shown in bold, italics, and underlined.

Appendix H-1.b: Projected Market Value (Commercial Comparables)

Development Type	Address	City	Year Built	Parcel Number	Assessed Value[1] Land	Building	Total	Area SF	Acreage	Spaces	Assessed Value Total AV per SF	Improved AV/SF	Per Space
Office													
Johns Hopkins APL - South Campus	11101 Johns Hopkins Road	Laurel	2012	05 371767	$6,713,500	$43,953,000	$50,666,500	211,144	35.10	-	$240	$208	-
Columbia Gateway Office	7001 Columbia Gateway Drive	Columbia	2008	06 563074	$3,675,100	$32,236,300	$35,911,400	119,912	7.67	-	$299	$269	-
Maple Lawn Office	8160 Maple Lawn Boulevard	Fulton	2012	05 443016	$1,221,500	$23,908,000	$25,129,500	104,796	3.49	-	$240	$228	-
National Business Park	322 Sentinel Way	Annapolis Jct	2009	04 499 90220569	$7,247,800	$33,780,600	$41,028,400	135,000	11.69	-	$304	$250	-
National Business Park	318 Sentinel Way	Annapolis Jct	2007	04 499 90218043	$4,371,000	$34,441,700	$38,812,700	130,200	7.05	-	$298	$265	-
Sub-total					$23,228,900	$168,319,600	$191,548,500	701,052	65.00		***$276***	***$244***	
One Merriweather	10980 Grantchester Way	Columbia	2017	15 598795	$4,164,600	$50,098,533	$54,263,133	217,783	1.33	-	***$249***	***$230***	
Retail/Restaurant													
Crown Retail	303 Copley Place	Gaithersburg	2013	09 03702341	$1,074,700	$3,323,800	$4,398,500	7,967	0.57	-	$552	$417	-
Crown Retail	323 Copley Place	Gaithersburg	2013	09 03702352	$8,224,100	$13,436,700	$21,660,800	55,818	4.66	-	$388	$241	-
Annapolis Town Center - ground floor retail	1905 Towne Centre Boulevard	Annapolis	2008	02 010 90228913	$4,728,000	$18,013,400	$22,741,400	53,037	3.94	-	$429	$340	-
Annapolis Town Center - ground floor retail	1915 Towne Centre Boulevard	Annapolis	2008	02 010 90227609	$1,200,000	$19,725,900	$20,925,900	48,803	0.99	-	$429	$404	-
Annapolis Town Center - ground floor retail	1910 Towne Centre Boulevard	Annapolis	2009	02 010 90228914	$7,283,000	$19,546,200	$26,829,200	84,175	6.53	-	$319	$232	-
Bertucci's	9081 Snowden River Parkway	Columbia	1993	06 539297	$2,432,400	$1,037,400	$3,469,800	7,597	2.23	-	$457	$137	-
Red Lobster	9011 Snowden Square Drive	Columbia	1995	06 539343	$2,236,000	$2,589,200	$4,825,200	8,670	2.05	-	$557	$299	-
Stanford Grill	8900 Stanford Boulevard	Columbia	1996	16 191167	$1,555,000	$1,153,600	$2,708,600	6,830	2.38	-	$397	$169	-
Cheesecake Factory, Unos, Champs, PF Chang[2]	Mall at Columbia	Columbia	2001	-	-	-	-	32,753	-	-	$468	$342	-
Sub-total					$19,434,400	$62,065,700	$81,500,100	241,865	23.37		***$444***	***$287***	
The Metropolitan ground floor retail	10000 Town Center Boulevard	Columbia	2014	15 597756	$1,932,000	$2,926,900	$4,858,900	15,319	4.50	-	***$317***	***$191***	
Parking Garage													
Area one parking garage	10970 Grantchester Way	Columbia	2017	15 598797	$4,992,000	$17,208,800	$22,200,800	394,425	1.59	1,127	$56	$44	***$19,699***

MuniCap, Inc. *16-Oct-17*

[1]Assessed values based on information provided by Maryland State Department of Assessments and Taxation. Values used on Appendix G-1.b are shown in bold, italics, and underlined.

[2]Represents the approximate assessed value of four restaurants as provided by Howard County Office of the Maryland State Department of Assessments and Taxation. Restaurants are part of larger mall parcel and values need to be extracted from overall value.

Appendix I
Downtown Columbia
Howard County, Maryland

INCOME CAPITALIZATION APPROACH

Appendix I
Downtown Columbia
Howard County, Maryland

Appendix I-1: Projected Market Value - (Income Capitalization - Apartments, Office, Restaurant, & Retail)[1]

	Rental				
	Market Rate	80% AMI[4]	30% AMI[4]	Office	Retail/Restaurant
Monthly rent per square foot	$2.30	$2.19	$1.93		
Annual rent per square foot[1]	$27.57	$26.30	$23.17	$34.00	$55.00
Net square feet per unit	877	838	817		
Monthly rent per unit[1]	$2,015	$1,837	$1,577		
Annual rent per unit	$24,175	$22,040	$18,929		
Occupancy[1]	90%	90%	90%	95%	95%
Effective rent per square foot	$24.81	$23.67	$20.85	$32.30	$52.25
Effective rent per unit	$21,758	$19,836	$17,036		
Expense ratio[1]	23.6%	24.8%	28.1%	28.7%	8.0%
Expenses	($5,139.22)	($4,910.68)	($4,787.62)	($9.28)	($11.50)
Net operating income per square foot	$18.95	$17.81	$14.99	$23.02	$40.75
Net operating income per unit	$16,619	$14,926	$12,248		
Capitalization rate[2]	5.400%	8.500%	8.500%	7.480%	6.260%
Tax rate[3]	1.382%	1.382%	1.382%	1.382%	1.382%
Fully loaded capitalization rate	6.782%	9.882%	9.882%	8.862%	7.642%
Value per net square foot	$279.41	$180.24	$151.71	$259.76	$533.24
Value per unit	$245,041	$151,039	$123,946		
Value per gross square foot	$217.86	$140.52	$118.30		

MuniCap, Inc. *16-Oct-17*

[1]NOI assumptions based on information provided by The Howard Research and Development Corporation and reviewed with Maryland State Department of Assessments and Taxation.

[2]Represents the average overall capitalization rate for the national apartment market, retail strip shopping center market, and suburban Maryland office market, as provided in the *PwC Real Estate Investor Survey for Second Quarter 2017*. Capitalization rates reviewed with Maryland State Department of Assessments and Taxation.

[3]Includes the fiscal year 2016 Howard County ($1.014), Maryland State ($0.112), fire tax ($0.176) and ad valorem ($0.08) tax rate.

[4] Subsidized unit rents are based on maximum rents as provided by the Howard County Housing Commission. Rent from 30% AMI units are anticipated to be further subsidized with vouchers. Actual rent after vouchers is anticipated to be lower than 80% AMI rents. Assessor will take into account gross rent before vouchers. 80% AMI rents shown represent Howard County AMI. Rents for 30% AMI levels are based on Baltimore MSA.

Appendix J
Downtown Columbia
Howard County, Maryland

BASE VALUE

Appendix J
Downtown Columbia
Howard County, Maryland

Appendix J-1: Base Value Allocation - ST District #1/Phase I

Map Number	ACCTID	OWNER	ACRES	2015 Assessable Base[1]	Phase One Property Parcels (ST District/The Metropolitan/TEN.M/m.flats)
1	1415019891	TOWN CENTER E PARKING LOT	3.93	$0	$0
2	1415019549	HRD HOLDINGS CORPORATION	2.29	$0	$0
3	1415001739	COLUMBIA MALL BUSINESS TRUST	1.21	$2,617,100	$0
4	1415009039	TOWN CENTER E PARKING LOT	1.68	$0	$0
5	1415009047	INTERSTATE COLUMBIA LLC	6.20	$18,505,200	$0
6	1415132353	TOWN CENTER EAST PARKING	0.23	$800	$0
7	1415053860	HRD PARKING DECK BUSINESS TRUST	1.13	$0	$0
8	1415120002	WINCOPIN RESTAURANT BUSINESS TRUST	0.32	$1,407,000	$0
9	1415119993	HRD PARKING DECK BUSINESS TRUST	0.46	$0	$0
10	1415041471	COLUMBIA MALL BUSINESS TRUST	1.58	$1,918,900	$0
11	1415019379	COLUMBIA MALL BUSINESS TRUST	0.26	$108,400	$0
12	1415041498	COLUMBIA MALL BUSINESS TRUST	1.82	$5,016,900	$0
13	1415013745	WINCOPIN ASSOCIATES LLC	0.63	$8,717,700	$0
14	1415019352	ACB PARKING BUSINESS TRUST	2.22	$839,300	$0
15	1415031425	CLOVER ACQUISITIONS LLC	7.29	$20,076,600	$0
16	1415019964	HOWARD RESEARCH AND DEVELOPMENT	9.19	$0	$0
17	1415019581	COLUMBIA ASSOCIATION INC	0.52	$0	$0
17	1415010975	COLUMBIA ASSOCIATION INC	0.27	$0	$0
17	1415010967	COLUMBIA ASSOCIATION INC	0.96	$0	$0
17	1415010959	COLUMBIA ASSOCIATION INC	1.13	$0	$0
18	1415057009	10 CCC LLC	2.40	$8,900,000	$0
19	1415042397	10/20/30 CCC PARKING DECK LLC	2.01	$0	$0
20	1415057440	20 CCC LLC	1.41	$8,870,400	$0
21	1415057459	30 CCC LLC	2.43	$10,864,200	$0
22	1415077964	40 CCC PARKING DECK LLC	1.84	$0	$0
23	1415077972	40 CCC LLC	2.18	$13,732,000	$0
24	**1415019921**	**HOWARD RESEARCH AND DEVELOPMENT**	**65.28**	**$7,281,900**	**$7,281,900**
25	1415126205	50/60/70 CCC PARKING DECK LLC	6.18	$0	$0
26	**1415595518**	**PARCEL C BUSINESS TRUST**	**0.22**	**$0**	**$0**
27	**1415595516**	**PARCEL C BUSINESS TRUST**	**0.06**	**$0**	**$0**
28	**1415130164**	**PARCEL D PROPERTY LLC**	**4.50**	**$0**	**$0**
29	**1415126264**	**MALL ENTRANCES BUSINESS TRUST**	**0.85**	**$351,700**	**$351,700**
30	**1415595159**	**PARCEL C PROPERTY LLC**	**2.61**	**$1,188,900**	**$1,188,900**
31	**1415595515**	**PARCEL C PROPERTY LLC**	**0.47**	**$0**	**$0**
32	**1415130156**	**PARCEL C PROPERTY LLC**	**2.36**	**$1,085,400**	**$1,085,400**
ROW	NA	HOWARD COUNTY MARYLAND	7.80	$0	$0
			145.91	**$111,482,400**	**$9,907,900**

MuniCap, Inc. *16-Oct-17*

[1]Represents the value of the development district as of 1/1/2015. Base value certified as of 4/13/2017.

Appendix J-2: Crescent Parcel Base Value - ST District #1/Phase I

Table 1: Crescent Parcel Value as of Base Value Certification[1]

Account Number	Assessed Value
15 019921	$7,281,900

Table 2: Crescent Parcel Value after Subdivision[2]

Account Number	Assessed Value	Parcel Description
15 598795	$54,263,133	One Merriweather
15 598796	$3,683,200	Two Merriweather
15 598797	$21,053,533	Area One Parking Garage
15 599570	$7,900	Open Space Lot 1
15 599571	$14,200	Open Space Lot 2
15 599572	$21,700	Open Space Lot 3
15 599573	$13,000	Open Space Lot 4
15 599574	$6,700	Open Space Lot 5
15 045884	$0	Partial Open Space Lot 7
15 599577	$6,230,800	Parcel B
15 599578	$6,783,200	Parcel C
15 599579	$16,404,300	Parcel D (Area Three)
15 599580	$6,480,800	Parcel E
15 599584	$4,600	Non Buildable Parcel J
15 599585	$2,000	Non Buildable Parcel K
15 599586	$500	Non Buildable Parcel L
15 599587	$2,200	Non Buildable Parcel M
15 599588	$14,900	Non Buildable Parcel N
15 599590	$0	Non Buildable Parcel P
15 599589	$6,300	Non Buildable Parcel O
Sub-total assessed value	$114,992,966	
Less: developed One Merriweather office/garage	($75,316,666)	
FY 17 Phase I residual assessed value	$39,676,300	

MuniCap, Inc. *16-Oct-17*

[1]Represents the base value of the crescent base parcel as of the date of certification of the base value. Base value certified as of 4/13/2017.

[2]Represents the base value of the crescent base parcel after subdivisions and revaluation by the Maryland State Department of Assessments and Taxation.

Appendix K
Downtown Columbia
Howard County, Maryland

TAX CREDITS

Appendix K
Downtown Columbia
Howard County, Maryland

Appendix K-1: Summary of ST District #1/Phase 1 Tax Credits [1]

													Total Tax Credits by Scenario					
			EDA Credits		**Leed Credits**											Phase One Properties		
Tax	Bond													No Inflation	Phase One Properties	Complete/Underway	Phase One Properties	Total
Year	Year	Inflation	MEDSTAR	Crescent	Building 1	Building 2	Building 3	Building 4	Building 5	Building 6	Building 7	Building 8	Phase One Properties	Phase One Properties	Complete/Underway	Excluding 3OA and	Complete/Underway	Phase One Properties
Beginning	Ending	Factor	Credit	3OA Credit	The Metropolitan	TEN.M/m.flats	One Merriweather	Two Merriweather	3OA	3OB	3MFB	3MFC	Complete/Underway[2]	Complete/Underway[2]	Excluding 3OA[3]	Including 3MFB[4]	Including 3MFB[5]	Development[6]
1-Jul-17	15-Feb-18	100%	$168,118	$0	$153,466	$0	$133,388	$0	$0	$0	$0	$0	$454,972	$448,584	$454,972	$321,584	$321,584	$454,972
1-Jul-18	15-Feb-19	102%	$185,770	$0	$156,535	$148,752	$136,056	$69,524	$0	$0	$0	$0	$696,637	$682,978	$696,637	$560,582	$560,582	$696,637
1-Jul-19	15-Feb-20	104%	$116,607	$0	$159,666	$164,371	$138,777	$76,824	$0	$0	$0	$0	$656,244	$630,762	$656,244	$517,468	$517,468	$656,244
1-Jul-20	15-Feb-21	106%	$69,505	$333,333	$0	$180,555	$141,552	$84,388	$180,030	$0	$161,066	$152,692	$989,364	$963,706	$476,001	$495,515	$1,008,878	$1,303,123
1-Jul-21	15-Feb-22	108%	$0	$333,333	$0	$197,321	$144,383	$92,225	$198,933	$213,052	$177,978	$168,725	$966,195	$918,000	$433,929	$467,523	$999,790	$1,525,950
1-Jul-22	15-Feb-23	110%	$0	$333,333	$0	$201,267	$0	$94,069	$218,521	$235,423	$195,502	$185,337	$847,190	$798,749	$295,336	$490,838	$1,042,692	$1,463,453
1-Jul-23	15-Feb-24	113%	$0	$0	$0	$0	$0	$0	$238,812	$258,603	$213,656	$202,547	$238,812	$212,058	$0	$213,656	$452,468	$913,618
1-Jul-24	15-Feb-25	115%	$0	$0	$0	$0	$0	$0	$243,588	$282,616	$217,929	$206,598	$243,588	$212,058	$0	$217,929	$461,517	$950,732
1-Jul-25	15-Feb-26	117%	$0	$0	$0	$0	$0	$0	$0	$288,268	$0	$0	$0	$0	$0	$0	$0	$288,268
1-Jul-26	15-Feb-27	120%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-27	15-Feb-28	122%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-28	15-Feb-29	124%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-29	15-Feb-30	127%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-30	15-Feb-31	129%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-31	15-Feb-32	132%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-32	15-Feb-33	135%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-33	15-Feb-34	137%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-34	15-Feb-35	140%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-35	15-Feb-36	143%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-36	15-Feb-37	146%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-37	15-Feb-38	149%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-38	15-Feb-39	152%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-39	15-Feb-40	155%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-40	15-Feb-41	158%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-41	15-Feb-42	161%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-42	15-Feb-43	164%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-43	15-Feb-44	167%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-44	15-Feb-45	171%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-45	15-Feb-46	174%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-46	15-Feb-47	178%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-47	15-Feb-48	181%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-48	15-Feb-49	185%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-49	15-Feb-50	188%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1-Jul-50	15-Feb-51	192%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total			$540,000	$1,000,000	$469,668	$892,265	$694,156	$417,030	$1,079,885	$1,277,962	$966,132	$915,899	$5,093,004	$4,866,894	$3,013,119	$3,285,095	$5,364,979	$8,252,997

MuniCap, Inc. *16-Oct-17*

[1]See following appendices K-2 through K-11.

[2]Includes Medstar EDA, Building 3OA EDA, The Metropolitan, TEN.M/m.flats, One Merriweather, Two Merriweather, and Building 3OA.

[3]Includes Medstar EDA, The Metropolitan, TEN.M/m.flats, One Merriweather, and Two Merriweather.

[4]Includes Medstar EDA, The Metropolitan, TEN.M/m.flats, One Merriweather, Two Merriweather, and Building 3MFB.

[4]Includes Medstar EDA, Building 3OA EDA, The Metropolitan, TEN.M/m.flats, One Merriweather, Two Merriweather, Building 3OA and Building 3MFB.

[6]Includes all EDA and Leed Credits, including inflation factor shown.

Appendix K-2: MEDSTAR Tax Incentive

			One Merriweather - MEDSTAR						
Tax Year Beginning	Bond Year Ending	Inflation Factor	Office Square Feet[1]	MEDSTAR Leased Area[1]	Improvement Value Per SF[2]	Phase-In Percent[3]	Tax Credit Percent[4]	Assessed Value Credit	Total Tax Credit[4]
1-Jul-17	15-Feb-18	100%	208,034	121,349	$244	80%	70%	$16,579,677	$168,118
1-Jul-18	15-Feb-19	102%	208,034	121,349	$249	87%	70%	$18,320,543	$185,770
1-Jul-19	15-Feb-20	104%	208,034	121,349	$254	93%	40%	$11,499,664	$116,607
1-Jul-20	15-Feb-21	106%	208,034	121,349	$259	100%	40%	$12,567,490	$69,505
1-Jul-21	15-Feb-22	108%	208,034	121,349	$264	100%	20%	$6,409,420	$0
1-Jul-22	15-Feb-23	110%	208,034	121,349	$269	100%	20%	$6,537,608	$0
1-Jul-23	15-Feb-24	113%	208,034	121,349	$275	100%	0%	$0	$0
1-Jul-24	15-Feb-25	115%	208,034	121,349	$280	100%	0%	$0	$0
1-Jul-25	15-Feb-26	117%	208,034	121,349	$286	100%	0%	$0	$0
1-Jul-26	15-Feb-27	120%	208,034	121,349	$292	100%	0%	$0	$0
1-Jul-27	15-Feb-28	122%	208,034	121,349	$297	100%	0%	$0	$0
1-Jul-28	15-Feb-29	124%	208,034	121,349	$303	100%	0%	$0	$0
1-Jul-29	15-Feb-30	127%	208,034	121,349	$309	100%	0%	$0	$0
1-Jul-30	15-Feb-31	129%	208,034	121,349	$316	100%	0%	$0	$0
1-Jul-31	15-Feb-32	132%	208,034	121,349	$322	100%	0%	$0	$0
1-Jul-32	15-Feb-33	135%	208,034	121,349	$328	100%	0%	$0	$0
1-Jul-33	15-Feb-34	137%	208,034	121,349	$335	100%	0%	$0	$0
1-Jul-34	15-Feb-35	140%	208,034	121,349	$342	100%	0%	$0	$0
1-Jul-35	15-Feb-36	143%	208,034	121,349	$348	100%	0%	$0	$0
1-Jul-36	15-Feb-37	146%	208,034	121,349	$355	100%	0%	$0	$0
1-Jul-37	15-Feb-38	149%	208,034	121,349	$363	100%	0%	$0	$0
1-Jul-38	15-Feb-39	152%	208,034	121,349	$370	100%	0%	$0	$0
1-Jul-39	15-Feb-40	155%	208,034	121,349	$377	100%	0%	$0	$0
1-Jul-40	15-Feb-41	158%	208,034	121,349	$385	100%	0%	$0	$0
1-Jul-41	15-Feb-42	161%	208,034	121,349	$392	100%	0%	$0	$0
1-Jul-42	15-Feb-43	164%	208,034	121,349	$400	100%	0%	$0	$0
1-Jul-43	15-Feb-44	167%	208,034	121,349	$408	100%	0%	$0	$0
1-Jul-44	15-Feb-45	171%	208,034	121,349	$416	100%	0%	$0	$0
1-Jul-45	15-Feb-46	174%	208,034	121,349	$425	100%	0%	$0	$0
1-Jul-46	15-Feb-47	178%	208,034	121,349	$433	100%	0%	$0	$0
1-Jul-47	15-Feb-48	181%	208,034	121,349	$442	100%	0%	$0	$0
1-Jul-48	15-Feb-49	185%	208,034	121,349	$451	100%	0%	$0	$0
1-Jul-49	15-Feb-50	188%	208,034	121,349	$460	100%	0%	$0	$0
1-Jul-50	15-Feb-51	192%	208,034	121,349	$469	100%	0%	$0	$0
Total									$540,000

MuniCap, Inc. *16-Oct-17*

[1]Represents the overall gross square footage of the One Merriweather office building. MEDSTAR leased area represents the gross area as provided by The Howard Research and Development Corporation.

[2]See Appendix H-1.b. Values are anticipated increase with the inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

[4]Based on discussions with Howard County, the office tax credit is anticipated to be 70% in years 1 and 2, 40% in years 3 and 4, and 20% in years 5 and 6. The maximum tax credit in total cannot exceed $540,000. To the extent the maximum credit is reached in earlier years, the percent credit in later years will be reduced.

Appendix K-3: Area III Office EDA Tax Credit

			Office 3OA - Area III	
Tax Year Beginning	Bond Year Ending	Inflation Factor	Office Square Feet	Assumed Total Tax Credit[1]
1-Jul-17	15-Feb-18	100%	0	$0
1-Jul-18	15-Feb-19	102%	0	$0
1-Jul-19	15-Feb-20	104%	0	$0
1-Jul-20	15-Feb-21	106%	325,197	$333,333
1-Jul-21	15-Feb-22	108%	325,197	$333,333
1-Jul-22	15-Feb-23	110%	325,197	$333,333
1-Jul-23	15-Feb-24	113%	325,197	$0
1-Jul-24	15-Feb-25	115%	325,197	$0
1-Jul-25	15-Feb-26	117%	325,197	$0
1-Jul-26	15-Feb-27	120%	325,197	$0
1-Jul-27	15-Feb-28	122%	325,197	$0
1-Jul-28	15-Feb-29	124%	325,197	$0
1-Jul-29	15-Feb-30	127%	325,197	$0
1-Jul-30	15-Feb-31	129%	325,197	$0
1-Jul-31	15-Feb-32	132%	325,197	$0
1-Jul-32	15-Feb-33	135%	325,197	$0
1-Jul-33	15-Feb-34	137%	325,197	$0
1-Jul-34	15-Feb-35	140%	325,197	$0
1-Jul-35	15-Feb-36	143%	325,197	$0
1-Jul-36	15-Feb-37	146%	325,197	$0
1-Jul-37	15-Feb-38	149%	325,197	$0
1-Jul-38	15-Feb-39	152%	325,197	$0
1-Jul-39	15-Feb-40	155%	325,197	$0
1-Jul-40	15-Feb-41	158%	325,197	$0
1-Jul-41	15-Feb-42	161%	325,197	$0
1-Jul-42	15-Feb-43	164%	325,197	$0
1-Jul-43	15-Feb-44	167%	325,197	$0
1-Jul-44	15-Feb-45	171%	325,197	$0
1-Jul-45	15-Feb-46	174%	325,197	$0
1-Jul-46	15-Feb-47	178%	325,197	$0
1-Jul-47	15-Feb-48	181%	325,197	$0
1-Jul-48	15-Feb-49	185%	325,197	$0
1-Jul-49	15-Feb-50	188%	325,197	$0
1-Jul-50	15-Feb-51	192%	325,197	$0
Total				$1,000,000

MuniCap, Inc. *16-Oct-17*

[1]Assumes office building 3OA of area III of the Crescent receives a tax credit equal to $1,000,000 . Will be confirmed upon execution of a final lease. According to Howard County, the EDA typically front loads their credits. As such, the anticipated credit is shown over three years from the time the improvements are recorded in the land records.

Appendix K-4: Silver Leed Credit (Building 1: The Metropolitan)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Apartments				Retail				Total AV Reduction	Total Estimated Tax Credit[4]
			Units[1]	Improvement Value Per Unit[2]	Tax Credit Percent[3]	Projected AV Credit	SF[1]	Improvement Value Per SF[2]	Tax Credit Percent[3]	Projected AV Credit		
1-Jul-17	15-Feb-18	100%	380	$151,611	25%	$14,403,000	15,319	$191	25%	$731,725	$15,134,725	$153,466
1-Jul-18	15-Feb-19	102%	380	$154,643	25%	$14,691,060	15,319	$195	25%	$746,360	$15,437,420	$156,535
1-Jul-19	15-Feb-20	104%	380	$157,736	25%	$14,984,881	15,319	$199	25%	$761,287	$15,746,168	$159,666
1-Jul-20	15-Feb-21	106%	380	$160,890	0%	$0	15,319	$203	0%	$0	$0	$0
1-Jul-21	15-Feb-22	108%	380	$164,108	0%	$0	15,319	$207	0%	$0	$0	$0
1-Jul-22	15-Feb-23	110%	380	$167,390	0%	$0	15,319	$211	0%	$0	$0	$0
1-Jul-23	15-Feb-24	113%	380	$170,738	0%	$0	15,319	$215	0%	$0	$0	$0
1-Jul-24	15-Feb-25	115%	380	$174,153	0%	$0	15,319	$219	0%	$0	$0	$0
1-Jul-25	15-Feb-26	117%	380	$177,636	0%	$0	15,319	$224	0%	$0	$0	$0
1-Jul-26	15-Feb-27	120%	380	$181,189	0%	$0	15,319	$228	0%	$0	$0	$0
1-Jul-27	15-Feb-28	122%	380	$184,812	0%	$0	15,319	$233	0%	$0	$0	$0
1-Jul-28	15-Feb-29	124%	380	$188,509	0%	$0	15,319	$238	0%	$0	$0	$0
1-Jul-29	15-Feb-30	127%	380	$192,279	0%	$0	15,319	$242	0%	$0	$0	$0
1-Jul-30	15-Feb-31	129%	380	$196,124	0%	$0	15,319	$247	0%	$0	$0	$0
1-Jul-31	15-Feb-32	132%	380	$200,047	0%	$0	15,319	$252	0%	$0	$0	$0
1-Jul-32	15-Feb-33	135%	380	$204,048	0%	$0	15,319	$257	0%	$0	$0	$0
1-Jul-33	15-Feb-34	137%	380	$208,129	0%	$0	15,319	$262	0%	$0	$0	$0
1-Jul-34	15-Feb-35	140%	380	$212,291	0%	$0	15,319	$268	0%	$0	$0	$0
1-Jul-35	15-Feb-36	143%	380	$216,537	0%	$0	15,319	$273	0%	$0	$0	$0
1-Jul-36	15-Feb-37	146%	380	$220,868	0%	$0	15,319	$278	0%	$0	$0	$0
1-Jul-37	15-Feb-38	149%	380	$225,285	0%	$0	15,319	$284	0%	$0	$0	$0
1-Jul-38	15-Feb-39	152%	380	$229,791	0%	$0	15,319	$290	0%	$0	$0	$0
1-Jul-39	15-Feb-40	155%	380	$234,387	0%	$0	15,319	$295	0%	$0	$0	$0
1-Jul-40	15-Feb-41	158%	380	$239,075	0%	$0	15,319	$301	0%	$0	$0	$0
1-Jul-41	15-Feb-42	161%	380	$243,856	0%	$0	15,319	$307	0%	$0	$0	$0
1-Jul-42	15-Feb-43	164%	380	$248,733	0%	$0	15,319	$313	0%	$0	$0	$0
1-Jul-43	15-Feb-44	167%	380	$253,708	0%	$0	15,319	$320	0%	$0	$0	$0
1-Jul-44	15-Feb-45	171%	380	$258,782	0%	$0	15,319	$326	0%	$0	$0	$0
1-Jul-45	15-Feb-46	174%	380	$263,958	0%	$0	15,319	$333	0%	$0	$0	$0
1-Jul-46	15-Feb-47	178%	380	$269,237	0%	$0	15,319	$339	0%	$0	$0	$0
1-Jul-47	15-Feb-48	181%	380	$274,621	0%	$0	15,319	$346	0%	$0	$0	$0
1-Jul-48	15-Feb-49	185%	380	$280,114	0%	$0	15,319	$353	0%	$0	$0	$0
1-Jul-49	15-Feb-50	188%	380	$285,716	0%	$0	15,319	$360	0%	$0	$0	$0
1-Jul-50	15-Feb-51	192%	380	$291,431	0%	$0	15,319	$367	0%	$0	$0	$0
Total												$469,668

MuniCap, Inc. *16-Oct-17*

[1]See Appendix A-3.c.

[2]See Appendices H-1.a and H-1.b. Represents the improved assessed values as estimated by Maryland State Department of Assessments and Taxation. Values are assumed to increase with inflation factor shown.

[3]For high performance buildings applying for an receiving a LEED silver credit, properties receive a 25% tax credit over five years. Assumes the tax credit for The Metropolitan was collected in FY16. As a result, tax credit is only shown applied for the following three years.

[4]Represents a 25% tax credit equal to the County's applicable taxes. Tax credit shown is based on the FY 16 County tax rate ($1.014 per $100 of AV).

Appendix K-5: Silver Leed Credit (Building 2: TEN.M/m.flats)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Apartments					Retail					Total AV Reduction	Total Estimated Tax Credit[5]
			Units[1]	Improved Value Per Unit[2]	Phase-In Percent[3]	Tax Credit Percent[4]	Projected AV Credit	SF[1]	Improved Value Per SF[2]	Phase-In Percent[3]	Tax Credit Percent[4]	Projected AV Credit		
1-Jul-17	15-Feb-18	100%	0	$149,525	0%	0%	$0	0	$191	0%	0%	$0	$0	$0
1-Jul-18	15-Feb-19	102%	437	$152,516	80%	25%	$13,329,881	34,377	$195	80%	25%	$1,339,910	$14,669,791	$148,752
1-Jul-19	15-Feb-20	104%	437	$155,566	87%	25%	$14,729,519	34,377	$199	87%	25%	$1,480,600	$16,210,119	$164,371
1-Jul-20	15-Feb-21	106%	437	$158,677	93%	25%	$16,179,810	34,377	$203	93%	25%	$1,626,383	$17,806,193	$180,555
1-Jul-21	15-Feb-22	108%	437	$161,851	100%	25%	$17,682,221	34,377	$207	100%	25%	$1,777,404	$19,459,625	$197,321
1-Jul-22	15-Feb-23	110%	437	$165,088	100%	25%	$18,035,865	34,377	$211	100%	25%	$1,812,952	$19,848,817	$201,267
1-Jul-23	15-Feb-24	113%	437	$168,390	100%	0%	$0	34,377	$215	100%	0%	$0	$0	$0
1-Jul-24	15-Feb-25	115%	437	$171,758	100%	0%	$0	34,377	$219	100%	0%	$0	$0	$0
1-Jul-25	15-Feb-26	117%	437	$175,193	100%	0%	$0	34,377	$224	100%	0%	$0	$0	$0
1-Jul-26	15-Feb-27	120%	437	$178,697	100%	0%	$0	34,377	$228	100%	0%	$0	$0	$0
1-Jul-27	15-Feb-28	122%	437	$182,271	100%	0%	$0	34,377	$233	100%	0%	$0	$0	$0
1-Jul-28	15-Feb-29	124%	437	$185,916	100%	0%	$0	34,377	$238	100%	0%	$0	$0	$0
1-Jul-29	15-Feb-30	127%	437	$189,634	100%	0%	$0	34,377	$242	100%	0%	$0	$0	$0
1-Jul-30	15-Feb-31	129%	437	$193,427	100%	0%	$0	34,377	$247	100%	0%	$0	$0	$0
1-Jul-31	15-Feb-32	132%	437	$197,295	100%	0%	$0	34,377	$252	100%	0%	$0	$0	$0
1-Jul-32	15-Feb-33	135%	437	$201,241	100%	0%	$0	34,377	$257	100%	0%	$0	$0	$0
1-Jul-33	15-Feb-34	137%	437	$205,266	100%	0%	$0	34,377	$262	100%	0%	$0	$0	$0
1-Jul-34	15-Feb-35	140%	437	$209,372	100%	0%	$0	34,377	$268	100%	0%	$0	$0	$0
1-Jul-35	15-Feb-36	143%	437	$213,559	100%	0%	$0	34,377	$273	100%	0%	$0	$0	$0
1-Jul-36	15-Feb-37	146%	437	$217,830	100%	0%	$0	34,377	$278	100%	0%	$0	$0	$0
1-Jul-37	15-Feb-38	149%	437	$222,187	100%	0%	$0	34,377	$284	100%	0%	$0	$0	$0
1-Jul-38	15-Feb-39	152%	437	$226,630	100%	0%	$0	34,377	$290	100%	0%	$0	$0	$0
1-Jul-39	15-Feb-40	155%	437	$231,163	100%	0%	$0	34,377	$295	100%	0%	$0	$0	$0
1-Jul-40	15-Feb-41	158%	437	$235,786	100%	0%	$0	34,377	$301	100%	0%	$0	$0	$0
1-Jul-41	15-Feb-42	161%	437	$240,502	100%	0%	$0	34,377	$307	100%	0%	$0	$0	$0
1-Jul-42	15-Feb-43	164%	437	$245,312	100%	0%	$0	34,377	$313	100%	0%	$0	$0	$0
1-Jul-43	15-Feb-44	167%	437	$250,218	100%	0%	$0	34,377	$320	100%	0%	$0	$0	$0
1-Jul-44	15-Feb-45	171%	437	$255,223	100%	0%	$0	34,377	$326	100%	0%	$0	$0	$0
1-Jul-45	15-Feb-46	174%	437	$260,327	100%	0%	$0	34,377	$333	100%	0%	$0	$0	$0
1-Jul-46	15-Feb-47	178%	437	$265,534	100%	0%	$0	34,377	$339	100%	0%	$0	$0	$0
1-Jul-47	15-Feb-48	181%	437	$270,844	100%	0%	$0	34,377	$346	100%	0%	$0	$0	$0
1-Jul-48	15-Feb-49	185%	437	$276,261	100%	0%	$0	34,377	$353	100%	0%	$0	$0	$0
1-Jul-49	15-Feb-50	188%	437	$281,786	100%	0%	$0	34,377	$360	100%	0%	$0	$0	$0
1-Jul-50	15-Feb-51	192%	437	$287,422	100%	0%	$0	34,377	$367	100%	0%	$0	$0	$0
Total														$892,265

MuniCap, Inc. *16-Oct-17*

[1]See Appendix A-3.b.

[2]See Appendices H-1.a and H-1.b. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

[4]For high performance buildings applying for an receiving a LEED silver credit, properties receive a 25% tax credit over five years.

[5]Represents a 25% tax credit equal to the County's applicable taxes. Tax credit shown is based on the FY 16 County tax rate ($1.014 per $100 of AV).

Appendix K-6: Silver Leed Credit (One Merriweather)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Office SF[1]	Office Improved Value Per SF[2]	Office Phase-In Percent[3]	Office Tax Credit Percent[4]	Office Projected AV Credit	Mixed Retail SF[1]	Mixed Retail Improved Value Per SF[2]	Mixed Retail Phase-In Percent[3]	Mixed Retail Tax Credit Percent[4]	Mixed Retail Projected AV Credit	Total AV Reduction	Total Estimated Tax Credit[5]
1-Jul-17	15-Feb-18	100%	208,034	$244	100%	25%	$12,688,964	9,749	$191	100%	25%	$465,669	$13,154,633	$133,388
1-Jul-18	15-Feb-19	102%	208,034	$249	100%	25%	$12,942,743	9,749	$195	100%	25%	$474,983	$13,417,726	$136,056
1-Jul-19	15-Feb-20	104%	208,034	$254	100%	25%	$13,201,598	9,749	$199	100%	25%	$484,482	$13,686,081	$138,777
1-Jul-20	15-Feb-21	106%	208,034	$259	100%	25%	$13,465,630	9,749	$203	100%	25%	$494,172	$13,959,802	$141,552
1-Jul-21	15-Feb-22	108%	208,034	$264	100%	25%	$13,734,943	9,749	$207	100%	25%	$504,055	$14,238,998	$144,383
1-Jul-22	15-Feb-23	110%	208,034	$269	100%	0%	$0	9,749	$211	100%	0%	$0	$0	$0
1-Jul-23	15-Feb-24	113%	208,034	$275	100%	0%	$0	9,749	$215	100%	0%	$0	$0	$0
1-Jul-24	15-Feb-25	115%	208,034	$280	100%	0%	$0	9,749	$219	100%	0%	$0	$0	$0
1-Jul-25	15-Feb-26	117%	208,034	$286	100%	0%	$0	9,749	$224	100%	0%	$0	$0	$0
1-Jul-26	15-Feb-27	120%	208,034	$292	100%	0%	$0	9,749	$228	100%	0%	$0	$0	$0
1-Jul-27	15-Feb-28	122%	208,034	$297	100%	0%	$0	9,749	$233	100%	0%	$0	$0	$0
1-Jul-28	15-Feb-29	124%	208,034	$303	100%	0%	$0	9,749	$238	100%	0%	$0	$0	$0
1-Jul-29	15-Feb-30	127%	208,034	$309	100%	0%	$0	9,749	$242	100%	0%	$0	$0	$0
1-Jul-30	15-Feb-31	129%	208,034	$316	100%	0%	$0	9,749	$247	100%	0%	$0	$0	$0
1-Jul-31	15-Feb-32	132%	208,034	$322	100%	0%	$0	9,749	$252	100%	0%	$0	$0	$0
1-Jul-32	15-Feb-33	135%	208,034	$328	100%	0%	$0	9,749	$257	100%	0%	$0	$0	$0
1-Jul-33	15-Feb-34	137%	208,034	$335	100%	0%	$0	9,749	$262	100%	0%	$0	$0	$0
1-Jul-34	15-Feb-35	140%	208,034	$342	100%	0%	$0	9,749	$268	100%	0%	$0	$0	$0
1-Jul-35	15-Feb-36	143%	208,034	$348	100%	0%	$0	9,749	$273	100%	0%	$0	$0	$0
1-Jul-36	15-Feb-37	146%	208,034	$355	100%	0%	$0	9,749	$278	100%	0%	$0	$0	$0
1-Jul-37	15-Feb-38	149%	208,034	$363	100%	0%	$0	9,749	$284	100%	0%	$0	$0	$0
1-Jul-38	15-Feb-39	152%	208,034	$370	100%	0%	$0	9,749	$290	100%	0%	$0	$0	$0
1-Jul-39	15-Feb-40	155%	208,034	$377	100%	0%	$0	9,749	$295	100%	0%	$0	$0	$0
1-Jul-40	15-Feb-41	158%	208,034	$385	100%	0%	$0	9,749	$301	100%	0%	$0	$0	$0
1-Jul-41	15-Feb-42	161%	208,034	$392	100%	0%	$0	9,749	$307	100%	0%	$0	$0	$0
1-Jul-42	15-Feb-43	164%	208,034	$400	100%	0%	$0	9,749	$313	100%	0%	$0	$0	$0
1-Jul-43	15-Feb-44	167%	208,034	$408	100%	0%	$0	9,749	$320	100%	0%	$0	$0	$0
1-Jul-44	15-Feb-45	171%	208,034	$416	100%	0%	$0	9,749	$326	100%	0%	$0	$0	$0
1-Jul-45	15-Feb-46	174%	208,034	$425	100%	0%	$0	9,749	$333	100%	0%	$0	$0	$0
1-Jul-46	15-Feb-47	178%	208,034	$433	100%	0%	$0	9,749	$339	100%	0%	$0	$0	$0
1-Jul-47	15-Feb-48	181%	208,034	$442	100%	0%	$0	9,749	$346	100%	0%	$0	$0	$0
1-Jul-48	15-Feb-49	185%	208,034	$451	100%	0%	$0	9,749	$353	100%	0%	$0	$0	$0
1-Jul-49	15-Feb-50	188%	208,034	$460	100%	0%	$0	9,749	$360	100%	0%	$0	$0	$0
1-Jul-50	15-Feb-51	192%	208,034	$469	100%	0%	$0	9,749	$367	100%	0%	$0	$0	$0
Total														$694,156

MuniCap, Inc. *16-Oct-17*

[1]See Appendix A-3.e.

[2]See Appendices H-1.a and H-1.b. Values are assumed to increase with inflation factor shown.

[3]Assumes property is valued at actual value through next triennial reassessment period at which point values are adjusted to reflect stabilized values.

[4]For high performance buildings applying for an receiving a LEED silver credit, properties receive a 25% tax credit over five years.

[5]Represents a 25% tax credit equal to the County's applicable taxes. Tax credit shown is based on the FY 16 County tax rate ($1.014 per $100 of AV).

Appendix K-7: Silver Leed Credit (Two Merriweather)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Office					Mixed Retail					Total AV Reduction	Total Estimated Tax Credit[5]
			SF[1]	Improved Value Per SF[2]	Phase-In Percent[3]	Tax Credit Percent[4]	Projected AV Credit	SF[1]	Improved Value Per SF[2]	Phase-In Percent[3]	Tax Credit Percent[4]	Projected AV Credit		
1-Jul-17	15-Feb-18	100%	0	$244	0%	0%	$0	0	$287	0%	0%	$0	$0	$0
1-Jul-18	15-Feb-19	102%	102,993	$249	80%	25%	$5,126,131	29,583	$292	80%	25%	$1,730,297	$6,856,428	$69,524
1-Jul-19	15-Feb-20	104%	102,993	$254	87%	25%	$5,664,375	29,583	$298	87%	25%	$1,911,978	$7,576,353	$76,824
1-Jul-20	15-Feb-21	106%	102,993	$259	93%	25%	$6,222,098	29,583	$304	93%	25%	$2,100,235	$8,322,333	$84,388
1-Jul-21	15-Feb-22	108%	102,993	$264	100%	25%	$6,799,864	29,583	$310	100%	25%	$2,295,256	$9,095,121	$92,225
1-Jul-22	15-Feb-23	110%	102,993	$269	100%	25%	$6,935,862	29,583	$317	100%	25%	$2,341,161	$9,277,023	$94,069
1-Jul-23	15-Feb-24	113%	102,993	$275	100%	0%	$0	29,583	$323	100%	0%	$0	$0	$0
1-Jul-24	15-Feb-25	115%	102,993	$280	100%	0%	$0	29,583	$329	100%	0%	$0	$0	$0
1-Jul-25	15-Feb-26	117%	102,993	$286	100%	0%	$0	29,583	$336	100%	0%	$0	$0	$0
1-Jul-26	15-Feb-27	120%	102,993	$292	100%	0%	$0	29,583	$343	100%	0%	$0	$0	$0
1-Jul-27	15-Feb-28	122%	102,993	$297	100%	0%	$0	29,583	$350	100%	0%	$0	$0	$0
1-Jul-28	15-Feb-29	124%	102,993	$303	100%	0%	$0	29,583	$356	100%	0%	$0	$0	$0
1-Jul-29	15-Feb-30	127%	102,993	$309	100%	0%	$0	29,583	$364	100%	0%	$0	$0	$0
1-Jul-30	15-Feb-31	129%	102,993	$316	100%	0%	$0	29,583	$371	100%	0%	$0	$0	$0
1-Jul-31	15-Feb-32	132%	102,993	$322	100%	0%	$0	29,583	$378	100%	0%	$0	$0	$0
1-Jul-32	15-Feb-33	135%	102,993	$328	100%	0%	$0	29,583	$386	100%	0%	$0	$0	$0
1-Jul-33	15-Feb-34	137%	102,993	$335	100%	0%	$0	29,583	$394	100%	0%	$0	$0	$0
1-Jul-34	15-Feb-35	140%	102,993	$342	100%	0%	$0	29,583	$401	100%	0%	$0	$0	$0
1-Jul-35	15-Feb-36	143%	102,993	$348	100%	0%	$0	29,583	$409	100%	0%	$0	$0	$0
1-Jul-36	15-Feb-37	146%	102,993	$355	100%	0%	$0	29,583	$418	100%	0%	$0	$0	$0
1-Jul-37	15-Feb-38	149%	102,993	$363	100%	0%	$0	29,583	$426	100%	0%	$0	$0	$0
1-Jul-38	15-Feb-39	152%	102,993	$370	100%	0%	$0	29,583	$435	100%	0%	$0	$0	$0
1-Jul-39	15-Feb-40	155%	102,993	$377	100%	0%	$0	29,583	$443	100%	0%	$0	$0	$0
1-Jul-40	15-Feb-41	158%	102,993	$385	100%	0%	$0	29,583	$452	100%	0%	$0	$0	$0
1-Jul-41	15-Feb-42	161%	102,993	$392	100%	0%	$0	29,583	$461	100%	0%	$0	$0	$0
1-Jul-42	15-Feb-43	164%	102,993	$400	100%	0%	$0	29,583	$470	100%	0%	$0	$0	$0
1-Jul-43	15-Feb-44	167%	102,993	$408	100%	0%	$0	29,583	$480	100%	0%	$0	$0	$0
1-Jul-44	15-Feb-45	171%	102,993	$416	100%	0%	$0	29,583	$489	100%	0%	$0	$0	$0
1-Jul-45	15-Feb-46	174%	102,993	$425	100%	0%	$0	29,583	$499	100%	0%	$0	$0	$0
1-Jul-46	15-Feb-47	178%	102,993	$433	100%	0%	$0	29,583	$509	100%	0%	$0	$0	$0
1-Jul-47	15-Feb-48	181%	102,993	$442	100%	0%	$0	29,583	$519	100%	0%	$0	$0	$0
1-Jul-48	15-Feb-49	185%	102,993	$451	100%	0%	$0	29,583	$530	100%	0%	$0	$0	$0
1-Jul-49	15-Feb-50	188%	102,993	$460	100%	0%	$0	29,583	$540	100%	0%	$0	$0	$0
1-Jul-50	15-Feb-51	192%	102,993	$469	100%	0%	$0	29,583	$551	100%	0%	$0	$0	$0
Total														$417,030

MuniCap, Inc. *16-Oct-17*

[1]See Appendix A-2.b.

[2]See Appendices H-1.a and H-1.b. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

[4]For high performance buildings applying for an receiving a LEED silver credit, properties receive a 25% tax credit over five years.

[5]Represents a 25% tax credit equal to the County's applicable taxes. Tax credit shown is based on the FY 16 County tax rate ($1.014 per $100 of AV).

Appendix K-8: Silver Leed Credit (Building 3OA)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Office SF[1]	Office Improved Value Per SF[2]	Office Phase-In Percent[3]	Office Tax Credit Percent[4]	Office Projected AV Credit	Retail SF[1]	Retail Improved Value Per SF[2]	Retail Phase-In Percent[3]	Retail Tax Credit Percent[4]	Retail Projected AV Credit	Total AV Reduction	Total Estimated Tax Credit[5]
1-Jul-17	15-Feb-18	100%	0	$244	0%	0%	$0	0	$287	0%	0%	$0	$0	$0
1-Jul-18	15-Feb-19	102%	0	$249	0%	0%	$0	0	$292	0%	0%	$0	$0	$0
1-Jul-19	15-Feb-20	104%	0	$254	0%	0%	$0	0	$298	0%	0%	$0	$0	$0
1-Jul-20	15-Feb-21	106%	325,197	$259	80%	25%	$16,839,488	15,036	$304	80%	25%	$914,979	$17,754,467	$180,030
1-Jul-21	15-Feb-22	108%	325,197	$264	87%	25%	$18,607,634	15,036	$310	87%	25%	$1,011,052	$19,618,686	$198,933
1-Jul-22	15-Feb-23	110%	325,197	$269	93%	25%	$20,439,771	15,036	$317	93%	25%	$1,110,601	$21,550,372	$218,521
1-Jul-23	15-Feb-24	113%	325,197	$275	100%	25%	$22,337,749	15,036	$323	100%	25%	$1,213,729	$23,551,478	$238,812
1-Jul-24	15-Feb-25	115%	325,197	$280	100%	25%	$22,784,504	15,036	$329	100%	25%	$1,238,003	$24,022,508	$243,588
1-Jul-25	15-Feb-26	117%	325,197	$286	100%	0%	$0	15,036	$336	100%	0%	$0	$0	$0
1-Jul-26	15-Feb-27	120%	325,197	$292	100%	0%	$0	15,036	$343	100%	0%	$0	$0	$0
1-Jul-27	15-Feb-28	122%	325,197	$297	100%	0%	$0	15,036	$350	100%	0%	$0	$0	$0
1-Jul-28	15-Feb-29	124%	325,197	$303	100%	0%	$0	15,036	$356	100%	0%	$0	$0	$0
1-Jul-29	15-Feb-30	127%	325,197	$309	100%	0%	$0	15,036	$364	100%	0%	$0	$0	$0
1-Jul-30	15-Feb-31	129%	325,197	$316	100%	0%	$0	15,036	$371	100%	0%	$0	$0	$0
1-Jul-31	15-Feb-32	132%	325,197	$322	100%	0%	$0	15,036	$378	100%	0%	$0	$0	$0
1-Jul-32	15-Feb-33	135%	325,197	$328	100%	0%	$0	15,036	$386	100%	0%	$0	$0	$0
1-Jul-33	15-Feb-34	137%	325,197	$335	100%	0%	$0	15,036	$394	100%	0%	$0	$0	$0
1-Jul-34	15-Feb-35	140%	325,197	$342	100%	0%	$0	15,036	$401	100%	0%	$0	$0	$0
1-Jul-35	15-Feb-36	143%	325,197	$348	100%	0%	$0	15,036	$409	100%	0%	$0	$0	$0
1-Jul-36	15-Feb-37	146%	325,197	$355	100%	0%	$0	15,036	$418	100%	0%	$0	$0	$0
1-Jul-37	15-Feb-38	149%	325,197	$363	100%	0%	$0	15,036	$426	100%	0%	$0	$0	$0
1-Jul-38	15-Feb-39	152%	325,197	$370	100%	0%	$0	15,036	$435	100%	0%	$0	$0	$0
1-Jul-39	15-Feb-40	155%	325,197	$377	100%	0%	$0	15,036	$443	100%	0%	$0	$0	$0
1-Jul-40	15-Feb-41	158%	325,197	$385	100%	0%	$0	15,036	$452	100%	0%	$0	$0	$0
1-Jul-41	15-Feb-42	161%	325,197	$392	100%	0%	$0	15,036	$461	100%	0%	$0	$0	$0
1-Jul-42	15-Feb-43	164%	325,197	$400	100%	0%	$0	15,036	$470	100%	0%	$0	$0	$0
1-Jul-43	15-Feb-44	167%	325,197	$408	100%	0%	$0	15,036	$480	100%	0%	$0	$0	$0
1-Jul-44	15-Feb-45	171%	325,197	$416	100%	0%	$0	15,036	$489	100%	0%	$0	$0	$0
1-Jul-45	15-Feb-46	174%	325,197	$425	100%	0%	$0	15,036	$499	100%	0%	$0	$0	$0
1-Jul-46	15-Feb-47	178%	325,197	$433	100%	0%	$0	15,036	$509	100%	0%	$0	$0	$0
1-Jul-47	15-Feb-48	181%	325,197	$442	100%	0%	$0	15,036	$519	100%	0%	$0	$0	$0
1-Jul-48	15-Feb-49	185%	325,197	$451	100%	0%	$0	15,036	$530	100%	0%	$0	$0	$0
1-Jul-49	15-Feb-50	188%	325,197	$460	100%	0%	$0	15,036	$540	100%	0%	$0	$0	$0
1-Jul-50	15-Feb-51	192%	325,197	$469	100%	0%	$0	15,036	$551	100%	0%	$0	$0	$0
Total														$1,079,885

MuniCap, Inc. *16-Oct-17*

[1]See Appendix F-2.b.

[2]See Appendices H-1.a and H-1.b. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

[4]For high performance buildings applying for an receiving a LEED silver credit, properties receive a 25% tax credit over five years.

[5]Represents a 25% tax credit equal to the County's applicable taxes. Tax credit shown is based on the FY 16 County tax rate ($1.014 per $100 of AV).

Appendix K-9: Silver Leed Credit (Building 3OB)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Office					Retail					Total AV Reduction	Total Estimated Tax Credit[5]
			SF[1]	Improved Value Per SF[2]	Phase-In Percent[3]	Tax Credit Percent[4]	Projected AV Credit	SF[1]	Improved Value Per SF[2]	Phase-In Percent[3]	Tax Credit Percent[4]	Projected AV Credit		
1-Jul-17	15-Feb-18	100%	0	$244	0%	0%	$0	0	$287	0%	0%	$0	$0	$0
1-Jul-18	15-Feb-19	102%	0	$249	0%	0%	$0	0	$292	0%	0%	$0	$0	$0
1-Jul-19	15-Feb-20	104%	0	$254	0%	0%	$0	0	$298	0%	0%	$0	$0	$0
1-Jul-20	15-Feb-21	106%	0	$259	0%	0%	$0	0	$304	0%	0%	$0	$0	$0
1-Jul-21	15-Feb-22	108%	374,803	$264	80%	25%	$19,796,371	19,570	$310	80%	25%	$1,214,702	$21,011,073	$213,052
1-Jul-22	15-Feb-23	110%	374,803	$269	87%	25%	$21,874,990	19,570	$317	87%	25%	$1,342,246	$23,217,236	$235,423
1-Jul-23	15-Feb-24	113%	374,803	$275	93%	25%	$24,028,835	19,570	$323	93%	25%	$1,474,405	$25,503,240	$258,603
1-Jul-24	15-Feb-25	115%	374,803	$280	100%	25%	$26,260,084	19,570	$329	100%	25%	$1,611,314	$27,871,398	$282,616
1-Jul-25	15-Feb-26	117%	374,803	$286	100%	25%	$26,785,286	19,570	$336	100%	25%	$1,643,541	$28,428,826	$288,268
1-Jul-26	15-Feb-27	120%	374,803	$292	100%	0%	$0	19,570	$343	100%	0%	$0	$0	$0
1-Jul-27	15-Feb-28	122%	374,803	$297	100%	0%	$0	19,570	$350	100%	0%	$0	$0	$0
1-Jul-28	15-Feb-29	124%	374,803	$303	100%	0%	$0	19,570	$356	100%	0%	$0	$0	$0
1-Jul-29	15-Feb-30	127%	374,803	$309	100%	0%	$0	19,570	$364	100%	0%	$0	$0	$0
1-Jul-30	15-Feb-31	129%	374,803	$316	100%	0%	$0	19,570	$371	100%	0%	$0	$0	$0
1-Jul-31	15-Feb-32	132%	374,803	$322	100%	0%	$0	19,570	$378	100%	0%	$0	$0	$0
1-Jul-32	15-Feb-33	135%	374,803	$328	100%	0%	$0	19,570	$386	100%	0%	$0	$0	$0
1-Jul-33	15-Feb-34	137%	374,803	$335	100%	0%	$0	19,570	$394	100%	0%	$0	$0	$0
1-Jul-34	15-Feb-35	140%	374,803	$342	100%	0%	$0	19,570	$401	100%	0%	$0	$0	$0
1-Jul-35	15-Feb-36	143%	374,803	$348	100%	0%	$0	19,570	$409	100%	0%	$0	$0	$0
1-Jul-36	15-Feb-37	146%	374,803	$355	100%	0%	$0	19,570	$418	100%	0%	$0	$0	$0
1-Jul-37	15-Feb-38	149%	374,803	$363	100%	0%	$0	19,570	$426	100%	0%	$0	$0	$0
1-Jul-38	15-Feb-39	152%	374,803	$370	100%	0%	$0	19,570	$435	100%	0%	$0	$0	$0
1-Jul-39	15-Feb-40	155%	374,803	$377	100%	0%	$0	19,570	$443	100%	0%	$0	$0	$0
1-Jul-40	15-Feb-41	158%	374,803	$385	100%	0%	$0	19,570	$452	100%	0%	$0	$0	$0
1-Jul-41	15-Feb-42	161%	374,803	$392	100%	0%	$0	19,570	$461	100%	0%	$0	$0	$0
1-Jul-42	15-Feb-43	164%	374,803	$400	100%	0%	$0	19,570	$470	100%	0%	$0	$0	$0
1-Jul-43	15-Feb-44	167%	374,803	$408	100%	0%	$0	19,570	$480	100%	0%	$0	$0	$0
1-Jul-44	15-Feb-45	171%	374,803	$416	100%	0%	$0	19,570	$489	100%	0%	$0	$0	$0
1-Jul-45	15-Feb-46	174%	374,803	$425	100%	0%	$0	19,570	$499	100%	0%	$0	$0	$0
1-Jul-46	15-Feb-47	178%	374,803	$433	100%	0%	$0	19,570	$509	100%	0%	$0	$0	$0
1-Jul-47	15-Feb-48	181%	374,803	$442	100%	0%	$0	19,570	$519	100%	0%	$0	$0	$0
1-Jul-48	15-Feb-49	185%	374,803	$451	100%	0%	$0	19,570	$530	100%	0%	$0	$0	$0
1-Jul-49	15-Feb-50	188%	374,803	$460	100%	0%	$0	19,570	$540	100%	0%	$0	$0	$0
1-Jul-50	15-Feb-51	192%	374,803	$469	100%	0%	$0	19,570	$551	100%	0%	$0	$0	$0
Total														$1,277,962

MuniCap, Inc. *16-Oct-17*

[1]See Appendix F-2.b.

[2]See Appendices H-1.a and H-1.b. Values are assumed to increase with inflation factor shown.

[3]Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization.

[4]For high performance buildings applying for an receiving a LEED silver credit, properties receive a 25% tax credit over five years.

[5]Represents a 25% tax credit equal to the County's applicable taxes. Tax credit shown is based on the FY 16 County tax rate ($1.014 per $100 of AV).

Appendix K-10: Silver Leed Credit (Building 3MFB)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Multi-Family (Market/Affordable) Total Units	Total Phased In Improved AV[1]	Tax Credit Percent[2]	Projected AV Credit	Retail SF[1]	Improved Value Per SF[3]	Phase-In Percent[1]	Tax Credit Percent[2]	Projected AV Credit	Total AV Reduction	Total Estimated Tax Credit[4]
1-Jul-17	15-Feb-18	100%	0	$0	0%	$0	0	$287	0%	0%	$0	$0	$0
1-Jul-18	15-Feb-19	102%	0	$0	0%	$0	0	$292	0%	0%	$0	$0	$0
1-Jul-19	15-Feb-20	104%	0	$0	0%	$0	0	$298	0%	0%	$0	$0	$0
1-Jul-20	15-Feb-21	106%	382	$46,173,804	25%	$11,543,451	71,333	$304	80%	25%	$4,340,795	$15,884,246	$161,066
1-Jul-21	15-Feb-22	108%	382	$51,022,054	25%	$12,755,513	71,333	$310	87%	25%	$4,796,578	$17,552,092	$177,978
1-Jul-22	15-Feb-23	110%	382	$56,045,763	25%	$14,011,441	71,333	$317	93%	25%	$5,268,857	$19,280,298	$195,502
1-Jul-23	15-Feb-24	113%	382	$61,250,013	25%	$15,312,503	71,333	$323	100%	25%	$5,758,108	$21,070,611	$213,656
1-Jul-24	15-Feb-25	115%	382	$62,475,013	25%	$15,618,753	71,333	$329	100%	25%	$5,873,270	$21,492,023	$217,929
1-Jul-25	15-Feb-26	117%	382	$63,724,513	0%	$0	71,333	$336	100%	0%	$0	$0	$0
1-Jul-26	15-Feb-27	120%	382	$64,999,004	0%	$0	71,333	$343	100%	0%	$0	$0	$0
1-Jul-27	15-Feb-28	122%	382	$66,298,984	0%	$0	71,333	$350	100%	0%	$0	$0	$0
1-Jul-28	15-Feb-29	124%	382	$67,624,964	0%	$0	71,333	$356	100%	0%	$0	$0	$0
1-Jul-29	15-Feb-30	127%	382	$68,977,463	0%	$0	71,333	$364	100%	0%	$0	$0	$0
1-Jul-30	15-Feb-31	129%	382	$70,357,012	0%	$0	71,333	$371	100%	0%	$0	$0	$0
1-Jul-31	15-Feb-32	132%	382	$71,764,152	0%	$0	71,333	$378	100%	0%	$0	$0	$0
1-Jul-32	15-Feb-33	135%	382	$73,199,435	0%	$0	71,333	$386	100%	0%	$0	$0	$0
1-Jul-33	15-Feb-34	137%	382	$74,663,424	0%	$0	71,333	$394	100%	0%	$0	$0	$0
1-Jul-34	15-Feb-35	140%	382	$76,156,693	0%	$0	71,333	$401	100%	0%	$0	$0	$0
1-Jul-35	15-Feb-36	143%	382	$77,679,826	0%	$0	71,333	$409	100%	0%	$0	$0	$0
1-Jul-36	15-Feb-37	146%	382	$79,233,423	0%	$0	71,333	$418	100%	0%	$0	$0	$0
1-Jul-37	15-Feb-38	149%	382	$80,818,091	0%	$0	71,333	$426	100%	0%	$0	$0	$0
1-Jul-38	15-Feb-39	152%	382	$82,434,453	0%	$0	71,333	$435	100%	0%	$0	$0	$0
1-Jul-39	15-Feb-40	155%	382	$84,083,142	0%	$0	71,333	$443	100%	0%	$0	$0	$0
1-Jul-40	15-Feb-41	158%	382	$85,764,805	0%	$0	71,333	$452	100%	0%	$0	$0	$0
1-Jul-41	15-Feb-42	161%	382	$87,480,101	0%	$0	71,333	$461	100%	0%	$0	$0	$0
1-Jul-42	15-Feb-43	164%	382	$89,229,703	0%	$0	71,333	$470	100%	0%	$0	$0	$0
1-Jul-43	15-Feb-44	167%	382	$91,014,297	0%	$0	71,333	$480	100%	0%	$0	$0	$0
1-Jul-44	15-Feb-45	171%	382	$92,834,583	0%	$0	71,333	$489	100%	0%	$0	$0	$0
1-Jul-45	15-Feb-46	174%	382	$94,691,275	0%	$0	71,333	$499	100%	0%	$0	$0	$0
1-Jul-46	15-Feb-47	178%	382	$96,585,100	0%	$0	71,333	$509	100%	0%	$0	$0	$0
1-Jul-47	15-Feb-48	181%	382	$98,516,802	0%	$0	71,333	$519	100%	0%	$0	$0	$0
1-Jul-48	15-Feb-49	185%	382	$100,487,138	0%	$0	71,333	$530	100%	0%	$0	$0	$0
1-Jul-49	15-Feb-50	188%	382	$102,496,881	0%	$0	71,333	$540	100%	0%	$0	$0	$0
1-Jul-50	15-Feb-51	192%	382	$104,546,819	0%	$0	71,333	$551	100%	0%	$0	$0	$0
Total													$966,132

MuniCap, Inc. *16-Oct-17*

[1]Represents the total market rate, 80% AMI, and 30% AMI assessed values as phased-in. Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization. See Appendix F-2 for absorption pace.

[2]For high performance buildings applying for an receiving a LEED silver credit, properties receive a 25% tax credit over five years.

[3]See Appendices H-1.a and H-1.b. Values are assumed to increase with inflation factor shown.

[4]Represents a 25% tax credit equal to the County's applicable taxes. Tax credit shown is based on the FY 16 County tax rate ($1.014 per $100 of AV).

Appendix K-11: Silver Leed Credit (Building 3MFC)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Apartments (MR/Affordable) Total Units	Total Phased In Improved AV[1]	Tax Credit Percent[2]	Projected AV Credit	Retail SF[1]	Improved Value Per SF[3]	Phase-In Percent[1]	Tax Credit Percent[2]	Projected AV Credit	Total AV Reduction	Total Estimated Tax Credit[4]
1-Jul-17	15-Feb-18	100%	0	$0	0%	$0	0	$287	0%	0%	$0	$0	$0
1-Jul-18	15-Feb-19	102%	0	$0	0%	$0	0	$292	0%	0%	$0	$0	$0
1-Jul-19	15-Feb-20	104%	0	$0	0%	$0	0	$298	0%	0%	$0	$0	$0
1-Jul-20	15-Feb-21	106%	423	$50,936,428	25%	$12,734,107	38,195	$304	80%	25%	$2,324,263	$15,058,370	$152,692
1-Jul-21	15-Feb-22	108%	423	$56,284,753	25%	$14,071,188	38,195	$310	87%	25%	$2,568,311	$16,639,499	$168,725
1-Jul-22	15-Feb-23	110%	423	$61,826,636	25%	$15,456,659	38,195	$317	93%	25%	$2,821,191	$18,277,850	$185,337
1-Jul-23	15-Feb-24	113%	423	$67,567,681	25%	$16,891,920	38,195	$323	100%	25%	$3,083,158	$19,975,079	$202,547
1-Jul-24	15-Feb-25	115%	423	$68,919,035	25%	$17,229,759	38,195	$329	100%	25%	$3,144,821	$20,374,580	$206,598
1-Jul-25	15-Feb-26	117%	423	$70,297,415	0%	$0	38,195	$336	100%	0%	$0	$0	$0
1-Jul-26	15-Feb-27	120%	423	$71,703,364	0%	$0	38,195	$343	100%	0%	$0	$0	$0
1-Jul-27	15-Feb-28	122%	423	$73,137,431	0%	$0	38,195	$350	100%	0%	$0	$0	$0
1-Jul-28	15-Feb-29	124%	423	$74,600,179	0%	$0	38,195	$356	100%	0%	$0	$0	$0
1-Jul-29	15-Feb-30	127%	423	$76,092,183	0%	$0	38,195	$364	100%	0%	$0	$0	$0
1-Jul-30	15-Feb-31	129%	423	$77,614,027	0%	$0	38,195	$371	100%	0%	$0	$0	$0
1-Jul-31	15-Feb-32	132%	423	$79,166,307	0%	$0	38,195	$378	100%	0%	$0	$0	$0
1-Jul-32	15-Feb-33	135%	423	$80,749,633	0%	$0	38,195	$386	100%	0%	$0	$0	$0
1-Jul-33	15-Feb-34	137%	423	$82,364,626	0%	$0	38,195	$394	100%	0%	$0	$0	$0
1-Jul-34	15-Feb-35	140%	423	$84,011,919	0%	$0	38,195	$401	100%	0%	$0	$0	$0
1-Jul-35	15-Feb-36	143%	423	$85,692,157	0%	$0	38,195	$409	100%	0%	$0	$0	$0
1-Jul-36	15-Feb-37	146%	423	$87,406,000	0%	$0	38,195	$418	100%	0%	$0	$0	$0
1-Jul-37	15-Feb-38	149%	423	$89,154,120	0%	$0	38,195	$426	100%	0%	$0	$0	$0
1-Jul-38	15-Feb-39	152%	423	$90,937,202	0%	$0	38,195	$435	100%	0%	$0	$0	$0
1-Jul-39	15-Feb-40	155%	423	$92,755,947	0%	$0	38,195	$443	100%	0%	$0	$0	$0
1-Jul-40	15-Feb-41	158%	423	$94,611,065	0%	$0	38,195	$452	100%	0%	$0	$0	$0
1-Jul-41	15-Feb-42	161%	423	$96,503,287	0%	$0	38,195	$461	100%	0%	$0	$0	$0
1-Jul-42	15-Feb-43	164%	423	$98,433,353	0%	$0	38,195	$470	100%	0%	$0	$0	$0
1-Jul-43	15-Feb-44	167%	423	$100,402,020	0%	$0	38,195	$480	100%	0%	$0	$0	$0
1-Jul-44	15-Feb-45	171%	423	$102,410,060	0%	$0	38,195	$489	100%	0%	$0	$0	$0
1-Jul-45	15-Feb-46	174%	423	$104,458,261	0%	$0	38,195	$499	100%	0%	$0	$0	$0
1-Jul-46	15-Feb-47	178%	423	$106,547,426	0%	$0	38,195	$509	100%	0%	$0	$0	$0
1-Jul-47	15-Feb-48	181%	423	$108,678,375	0%	$0	38,195	$519	100%	0%	$0	$0	$0
1-Jul-48	15-Feb-49	185%	423	$110,851,942	0%	$0	38,195	$530	100%	0%	$0	$0	$0
1-Jul-49	15-Feb-50	188%	423	$113,068,981	0%	$0	38,195	$540	100%	0%	$0	$0	$0
1-Jul-50	15-Feb-51	192%	423	$115,330,361	0%	$0	38,195	$551	100%	0%	$0	$0	$0
Total													$915,899

MuniCap, Inc. *16-Oct-17*

[1]Represents the total market rate, 80% AMI, and 30% AMI assessed values as phased-in. Assumes property is initially assessed at 80% of its full market value with the remaining property value phased-in over a three year period. Represents the phase-in of property value beginning with construction build-out through property stabilization. See Appendix F-2 for absorption pace.

[2]For high performance buildings applying for an receiving a LEED silver credit, properties receive a 25% tax credit over five years.

[3]See Appendices H-1.a and H-1.b. Values are assumed to increase with inflation factor shown.

[4]Represents a 25% tax credit equal to the County's applicable taxes. Tax credit shown is based on the FY 16 County tax rate ($1.014 per $100 of AV).

Appendix L
Downtown Columbia
Howard County, Maryland

SET ASIDES

Appendix L
Downtown Columbia
Howard County, Maryland

Appendix L-1: Incremental Revenue Set Asides (Adjusted for Tax Credits) - Phase One Properties Complete/Underway

Tax Year Beginning	Bond Year Ending	Inflation Factor	MOU Threshold Set Asides: First Available to Debt Service[1]	MOU Threshold Set Asides: Second Available to Howard County[1]	Tax Credit Adjustment (Development Underway)[2]: Estimated Phase I Tax Credits (Appendix K-1)	Tax Credit Adjustment (Development Underway)[2]: First Set Aside After Phase I Tax Credits	Minimum Available Revenues: First Available to Debt Service[3]	Minimum Available Revenues: Second Available to Howard County[3]
1-Jul-17	15-Feb-18	100%	$0	$1,160,055	($454,972)	$0	$0	$1,160,055
1-Jul-18	15-Feb-19	102%	$0	$2,233,028	($696,637)	$0	$0	$2,233,028
1-Jul-19	15-Feb-20	104%	$3,949,044	$1,179,980	($656,244)	$3,292,800	$3,292,800	$1,179,980
1-Jul-20	15-Feb-21	106%	$4,048,897	$2,093,331	($989,364)	$3,059,533	$3,059,533	$2,093,331
1-Jul-21	15-Feb-22	108%	$4,149,591	$3,244,670	($966,195)	$3,183,396	$3,183,396	$3,244,670
1-Jul-22	15-Feb-23	110%	$4,252,706	$3,705,097	($847,190)	$3,405,516	$3,405,516	$3,705,097
1-Jul-23	15-Feb-24	113%	$4,356,704	$3,944,347	($238,812)	$4,117,892	$4,117,892	$3,944,347
1-Jul-24	15-Feb-25	115%	$4,465,103	$4,151,682	($243,588)	$4,221,515	$4,221,515	$4,151,682
1-Jul-25	15-Feb-26	117%	$4,574,186	$4,303,351	$0	$4,574,186	$4,574,186	$4,303,351
1-Jul-26	15-Feb-27	120%	$4,685,412	$4,460,699	$0	$4,685,412	$4,685,412	$4,460,699
1-Jul-27	15-Feb-28	122%	$4,799,121	$4,623,620	$0	$4,799,121	$4,799,121	$4,623,620
1-Jul-28	15-Feb-29	124%	$4,914,595	$4,793,076	$0	$4,914,595	$4,914,595	$4,793,076
1-Jul-29	15-Feb-30	127%	$5,033,113	$4,968,036	$0	$5,033,113	$5,033,113	$4,968,036
1-Jul-30	15-Feb-31	129%	$5,153,836	$5,149,594	$0	$5,153,836	$5,153,836	$5,149,594
1-Jul-31	15-Feb-32	132%	$5,276,926	$5,337,855	$0	$5,276,926	$5,276,926	$5,337,855
1-Jul-32	15-Feb-33	135%	$5,402,481	$5,532,991	$0	$5,402,481	$5,402,481	$5,532,991
1-Jul-33	15-Feb-34	137%	$5,530,543	$5,735,240	$0	$5,530,543	$5,530,543	$5,735,240
1-Jul-34	15-Feb-35	140%	$5,662,092	$5,943,912	$0	$5,662,092	$5,662,092	$5,943,912
1-Jul-35	15-Feb-36	143%	$5,793,989	$6,162,443	$0	$5,793,989	$5,793,989	$6,162,443
1-Jul-36	15-Feb-37	146%	$5,931,215	$6,386,158	$0	$5,931,215	$5,931,215	$6,386,158
1-Jul-37	15-Feb-38	149%	$6,069,389	$6,619,752	$0	$6,069,389	$6,069,389	$6,619,752
1-Jul-38	15-Feb-39	152%	$7,210,313	$5,861,750	$0	$7,210,313	$7,210,313	$5,861,750
1-Jul-39	15-Feb-40	155%	$7,354,607	$6,111,865	$0	$7,354,607	$7,354,607	$6,111,865
1-Jul-40	15-Feb-41	158%	$7,502,771	$6,369,942	$0	$7,502,771	$7,502,771	$6,369,942
1-Jul-41	15-Feb-42	161%	$7,652,187	$6,638,956	$0	$7,652,187	$7,652,187	$6,638,956
1-Jul-42	15-Feb-43	164%	$7,805,295	$6,916,830	$0	$7,805,295	$7,805,295	$6,916,830
1-Jul-43	15-Feb-44	167%	$7,961,295	$7,204,740	$0	$7,961,295	$7,961,295	$7,204,740
1-Jul-44	15-Feb-45	171%	$8,120,328	$7,502,935	$0	$8,120,328	$8,120,328	$7,502,935
1-Jul-45	15-Feb-46	174%	$6,919,852	$9,174,358	$0	$6,919,852	$6,919,852	$9,174,358
1-Jul-46	15-Feb-47	178%	$362,362	$16,216,921	$0	$362,362	$362,362	$16,216,921
1-Jul-47	15-Feb-48	181%	$0	$17,078,909	$0	$0	$0	$17,078,909
1-Jul-48	15-Feb-49	185%	$0	$17,593,524	$0	$0	$0	$17,593,524
1-Jul-49	15-Feb-50	188%	$0	$18,123,577	$0	$0	$0	$18,123,577
1-Jul-50	15-Feb-51	192%	$0	$18,669,532	$0	$0	$0	$18,669,532
Total			$154,937,953	$235,192,755	($5,093,004)	$150,996,558	$150,996,558	$235,192,755

MuniCap, Inc. *16-Oct-17*

[1]Represents baseline set asides as authorized in the Memorandum of Understanding between Howard County and HRD.

[2]Pursuant to Section X.B of the MOU, the special tax requirement will take into account any tax credits applied for and received by property owners and lessees which reduce the availability of tax increment revenues.

[3]Represents the adjusted set asides after taking into account eligible tax credits.

Appendix L-2: Incremental Revenue Set Asides (Adjusted for Tax Credits) - No Inflation Phase One Properties Complete/Underway

Tax Year Beginning	Bond Year Ending	Inflation Factor	MOU Threshold Set Asides		Tax Credit Adjustment (Development Underway)[2]		Minimum Available Revenues	
			First Available to Debt Service[1]	Second Available to Howard County[1]	Estimated Phase I Tax Credits (Appendix K-1)	First Set Aside After Phase I Tax Credits	First Available to Debt Service[3]	Second Available to Howard County[3]
1-Jul-17	15-Feb-18	100%	$0	$1,160,055	($448,584)	$0	$0	$1,160,055
1-Jul-18	15-Feb-19	100%	$0	$2,233,028	($682,978)	$0	$0	$2,233,028
1-Jul-19	15-Feb-20	100%	$3,949,044	$1,179,980	($630,762)	$3,318,282	$3,318,282	$1,179,980
1-Jul-20	15-Feb-21	100%	$4,048,897	$2,093,331	($963,706)	$3,085,191	$3,085,191	$2,093,331
1-Jul-21	15-Feb-22	100%	$4,149,591	$3,244,670	($918,000)	$3,231,591	$3,231,591	$3,244,670
1-Jul-22	15-Feb-23	100%	$4,252,706	$3,705,097	($798,749)	$3,453,957	$3,453,957	$3,705,097
1-Jul-23	15-Feb-24	100%	$4,356,704	$3,944,347	($212,058)	$4,144,646	$4,144,646	$3,944,347
1-Jul-24	15-Feb-25	100%	$4,465,103	$4,151,682	($212,058)	$4,253,045	$4,253,045	$4,151,682
1-Jul-25	15-Feb-26	100%	$4,574,186	$4,303,351	$0	$4,574,186	$4,574,186	$4,303,351
1-Jul-26	15-Feb-27	100%	$4,685,412	$4,460,699	$0	$4,685,412	$4,685,412	$4,460,699
1-Jul-27	15-Feb-28	100%	$4,799,121	$4,623,620	$0	$4,799,121	$4,799,121	$4,623,620
1-Jul-28	15-Feb-29	100%	$4,914,595	$4,793,076	$0	$4,914,595	$4,914,595	$4,793,076
1-Jul-29	15-Feb-30	100%	$5,033,113	$4,968,036	$0	$5,033,113	$5,033,113	$4,968,036
1-Jul-30	15-Feb-31	100%	$5,153,836	$5,149,594	$0	$5,153,836	$5,153,836	$5,149,594
1-Jul-31	15-Feb-32	100%	$5,276,926	$5,337,855	$0	$5,276,926	$5,276,926	$5,337,855
1-Jul-32	15-Feb-33	100%	$5,402,481	$5,532,991	$0	$5,402,481	$5,402,481	$5,532,991
1-Jul-33	15-Feb-34	100%	$5,530,543	$5,735,240	$0	$5,530,543	$5,530,543	$5,735,240
1-Jul-34	15-Feb-35	100%	$5,662,092	$5,943,912	$0	$5,662,092	$5,662,092	$5,943,912
1-Jul-35	15-Feb-36	100%	$5,793,989	$6,162,443	$0	$5,793,989	$5,793,989	$6,162,443
1-Jul-36	15-Feb-37	100%	$5,931,215	$6,386,158	$0	$5,931,215	$5,931,215	$6,386,158
1-Jul-37	15-Feb-38	100%	$6,069,389	$6,619,752	$0	$6,069,389	$6,069,389	$6,619,752
1-Jul-38	15-Feb-39	100%	$7,210,313	$5,861,750	$0	$7,210,313	$7,210,313	$5,861,750
1-Jul-39	15-Feb-40	100%	$7,354,607	$6,111,865	$0	$7,354,607	$7,354,607	$6,111,865
1-Jul-40	15-Feb-41	100%	$7,502,771	$6,369,942	$0	$7,502,771	$7,502,771	$6,369,942
1-Jul-41	15-Feb-42	100%	$7,652,187	$6,638,956	$0	$7,652,187	$7,652,187	$6,638,956
1-Jul-42	15-Feb-43	100%	$7,805,295	$6,916,830	$0	$7,805,295	$7,805,295	$6,916,830
1-Jul-43	15-Feb-44	100%	$7,961,295	$7,204,740	$0	$7,961,295	$7,961,295	$7,204,740
1-Jul-44	15-Feb-45	100%	$8,120,328	$7,502,935	$0	$8,120,328	$8,120,328	$7,502,935
1-Jul-45	15-Feb-46	100%	$6,919,852	$9,174,358	$0	$6,919,852	$6,919,852	$9,174,358
1-Jul-46	15-Feb-47	100%	$362,362	$16,216,921	$0	$362,362	$362,362	$16,216,921
1-Jul-47	15-Feb-48	100%	$0	$17,078,909	$0	$0	$0	$17,078,909
1-Jul-48	15-Feb-49	100%	$0	$17,593,524	$0	$0	$0	$17,593,524
1-Jul-49	15-Feb-50	100%	$0	$18,123,577	$0	$0	$0	$18,123,577
1-Jul-50	15-Feb-51	100%	$0	$18,669,532	$0	$0	$0	$18,669,532
Total			$154,937,953	$235,192,755	($4,866,894)	$151,202,620	$151,202,620	$235,192,755

MuniCap, Inc. *16-Oct-17*

[1]Represents baseline set asides as authorized in the Memorandum of Understanding between Howard County and HRD.

[2]Pursuant to Section X.B of the MOU, the special tax requirement will take into account any tax credits applied for and received by property owners and lessees which reduce the availability of tax increment revenues.

[3]Represents the adjusted set asides after taking into account eligible tax credits.

Appendix L-3: Incremental Revenue Set Asides (Adjusted for Tax Credits) - Phase One Properties Complete/Underway Excluding 3OA/Area Three Phase One Parking

Tax Year Beginning	Bond Year Ending	Inflation Factor	MOU Threshold Set Asides: First Available to Debt Service[1]	MOU Threshold Set Asides: Second Available to Howard County[1]	Tax Credit Adjustment (Development Underway)[2]: Estimated Phase I Tax Credits (Appendix K-1)	Tax Credit Adjustment (Development Underway)[2]: First Set Aside After Phase I Tax Credits	Minimum Available Revenues: First Available to Debt Service[3]	Minimum Available Revenues: Second Available to Howard County[3]
1-Jul-17	15-Feb-18	100%	$0	$1,160,055	($454,972)	$0	$0	$1,160,055
1-Jul-18	15-Feb-19	102%	$0	$2,233,028	($696,637)	$0	$0	$2,233,028
1-Jul-19	15-Feb-20	104%	$3,949,044	$1,179,980	($656,244)	$3,292,800	$3,292,800	$1,179,980
1-Jul-20	15-Feb-21	106%	$4,048,897	$2,093,331	($476,001)	$3,572,896	$3,572,896	$2,093,331
1-Jul-21	15-Feb-22	108%	$4,149,591	$3,244,670	($433,929)	$3,715,662	$3,715,662	$3,244,670
1-Jul-22	15-Feb-23	110%	$4,252,706	$3,705,097	($295,336)	$3,957,370	$3,957,370	$3,705,097
1-Jul-23	15-Feb-24	113%	$4,356,704	$3,944,347	$0	$4,356,704	$4,356,704	$3,944,347
1-Jul-24	15-Feb-25	115%	$4,465,103	$4,151,682	$0	$4,465,103	$4,465,103	$4,151,682
1-Jul-25	15-Feb-26	117%	$4,574,186	$4,303,351	$0	$4,574,186	$4,574,186	$4,303,351
1-Jul-26	15-Feb-27	120%	$4,685,412	$4,460,699	$0	$4,685,412	$4,685,412	$4,460,699
1-Jul-27	15-Feb-28	122%	$4,799,121	$4,623,620	$0	$4,799,121	$4,799,121	$4,623,620
1-Jul-28	15-Feb-29	124%	$4,914,595	$4,793,076	$0	$4,914,595	$4,914,595	$4,793,076
1-Jul-29	15-Feb-30	127%	$5,033,113	$4,968,036	$0	$5,033,113	$5,033,113	$4,968,036
1-Jul-30	15-Feb-31	129%	$5,153,836	$5,149,594	$0	$5,153,836	$5,153,836	$5,149,594
1-Jul-31	15-Feb-32	132%	$5,276,926	$5,337,855	$0	$5,276,926	$5,276,926	$5,337,855
1-Jul-32	15-Feb-33	135%	$5,402,481	$5,532,991	$0	$5,402,481	$5,402,481	$5,532,991
1-Jul-33	15-Feb-34	137%	$5,530,543	$5,735,240	$0	$5,530,543	$5,530,543	$5,735,240
1-Jul-34	15-Feb-35	140%	$5,662,092	$5,943,912	$0	$5,662,092	$5,662,092	$5,943,912
1-Jul-35	15-Feb-36	143%	$5,793,989	$6,162,443	$0	$5,793,989	$5,793,989	$6,162,443
1-Jul-36	15-Feb-37	146%	$5,931,215	$6,386,158	$0	$5,931,215	$5,931,215	$6,386,158
1-Jul-37	15-Feb-38	149%	$6,069,389	$6,619,752	$0	$6,069,389	$6,069,389	$6,619,752
1-Jul-38	15-Feb-39	152%	$7,210,313	$5,861,750	$0	$7,210,313	$7,210,313	$5,861,750
1-Jul-39	15-Feb-40	155%	$7,354,607	$6,111,865	$0	$7,354,607	$7,354,607	$6,111,865
1-Jul-40	15-Feb-41	158%	$7,502,771	$6,369,942	$0	$7,502,771	$7,502,771	$6,369,942
1-Jul-41	15-Feb-42	161%	$7,652,187	$6,638,956	$0	$7,652,187	$7,652,187	$6,638,956
1-Jul-42	15-Feb-43	164%	$7,805,295	$6,916,830	$0	$7,805,295	$7,805,295	$6,916,830
1-Jul-43	15-Feb-44	167%	$7,961,295	$7,204,740	$0	$7,961,295	$7,961,295	$7,204,740
1-Jul-44	15-Feb-45	171%	$8,120,328	$7,502,935	$0	$8,120,328	$8,120,328	$7,502,935
1-Jul-45	15-Feb-46	174%	$6,919,852	$9,174,358	$0	$6,919,852	$6,919,852	$9,174,358
1-Jul-46	15-Feb-47	178%	$362,362	$16,216,921	$0	$362,362	$362,362	$16,216,921
1-Jul-47	15-Feb-48	181%	$0	$17,078,909	$0	$0	$0	$17,078,909
1-Jul-48	15-Feb-49	185%	$0	$17,593,524	$0	$0	$0	$17,593,524
1-Jul-49	15-Feb-50	188%	$0	$18,123,577	$0	$0	$0	$18,123,577
1-Jul-50	15-Feb-51	192%	$0	$18,669,532	$0	$0	$0	$18,669,532
Total			$154,937,953	$235,192,755	($3,013,119)	$153,076,443	$153,076,443	$235,192,755

MuniCap, Inc. *16-Oct-17*

[1]Represents baseline set asides as authorized in the Memorandum of Understanding between Howard County and HRD.

[2]Pursuant to Section X.B of the MOU, the special tax requirement will take into account any tax credits applied for and received by property owners and lessees which reduce the availability of tax increment revenues.

[3]Represents the adjusted set asides after taking into account eligible tax credits.

Appendix L-4: Incremental Revenue Set Asides (Adjusted for Tax Credits) - Phase One Properties Complete/Underway Excluding 3OA & Area Three Phase One Parking/Including 3MFB

Tax Year Beginning	Bond Year Ending	Inflation Factor	MOU Threshold Set Asides		Tax Credit Adjustment (Development Underway)[2]		Minimum Available Revenues	
			First Available to Debt Service[1]	Second Available to Howard County[1]	Estimated Phase I Tax Credits (Appendix K-1)	First Set Aside After Phase I Tax Credits	First Available to Debt Service[3]	Second Available to Howard County[3]
1-Jul-17	15-Feb-18	100%	$0	$1,160,055	($321,584)	$0	$0	$1,160,055
1-Jul-18	15-Feb-19	102%	$0	$2,233,028	($560,582)	$0	$0	$2,233,028
1-Jul-19	15-Feb-20	104%	$3,949,044	$1,179,980	($517,468)	$3,431,576	$3,431,576	$1,179,980
1-Jul-20	15-Feb-21	106%	$4,048,897	$2,093,331	($495,515)	$3,553,382	$3,553,382	$2,093,331
1-Jul-21	15-Feb-22	108%	$4,149,591	$3,244,670	($467,523)	$3,682,068	$3,682,068	$3,244,670
1-Jul-22	15-Feb-23	110%	$4,252,706	$3,705,097	($490,838)	$3,761,868	$3,761,868	$3,705,097
1-Jul-23	15-Feb-24	113%	$4,356,704	$3,944,347	($213,656)	$4,143,048	$4,143,048	$3,944,347
1-Jul-24	15-Feb-25	115%	$4,465,103	$4,151,682	($217,929)	$4,247,174	$4,247,174	$4,151,682
1-Jul-25	15-Feb-26	117%	$4,574,186	$4,303,351	$0	$4,574,186	$4,574,186	$4,303,351
1-Jul-26	15-Feb-27	120%	$4,685,412	$4,460,699	$0	$4,685,412	$4,685,412	$4,460,699
1-Jul-27	15-Feb-28	122%	$4,799,121	$4,623,620	$0	$4,799,121	$4,799,121	$4,623,620
1-Jul-28	15-Feb-29	124%	$4,914,595	$4,793,076	$0	$4,914,595	$4,914,595	$4,793,076
1-Jul-29	15-Feb-30	127%	$5,033,113	$4,968,036	$0	$5,033,113	$5,033,113	$4,968,036
1-Jul-30	15-Feb-31	129%	$5,153,836	$5,149,594	$0	$5,153,836	$5,153,836	$5,149,594
1-Jul-31	15-Feb-32	132%	$5,276,926	$5,337,855	$0	$5,276,926	$5,276,926	$5,337,855
1-Jul-32	15-Feb-33	135%	$5,402,481	$5,532,991	$0	$5,402,481	$5,402,481	$5,532,991
1-Jul-33	15-Feb-34	137%	$5,530,543	$5,735,240	$0	$5,530,543	$5,530,543	$5,735,240
1-Jul-34	15-Feb-35	140%	$5,662,092	$5,943,912	$0	$5,662,092	$5,662,092	$5,943,912
1-Jul-35	15-Feb-36	143%	$5,793,989	$6,162,443	$0	$5,793,989	$5,793,989	$6,162,443
1-Jul-36	15-Feb-37	146%	$5,931,215	$6,386,158	$0	$5,931,215	$5,931,215	$6,386,158
1-Jul-37	15-Feb-38	149%	$6,069,389	$6,619,752	$0	$6,069,389	$6,069,389	$6,619,752
1-Jul-38	15-Feb-39	152%	$7,210,313	$5,861,750	$0	$7,210,313	$7,210,313	$5,861,750
1-Jul-39	15-Feb-40	155%	$7,354,607	$6,111,865	$0	$7,354,607	$7,354,607	$6,111,865
1-Jul-40	15-Feb-41	158%	$7,502,771	$6,369,942	$0	$7,502,771	$7,502,771	$6,369,942
1-Jul-41	15-Feb-42	161%	$7,652,187	$6,638,956	$0	$7,652,187	$7,652,187	$6,638,956
1-Jul-42	15-Feb-43	164%	$7,805,295	$6,916,830	$0	$7,805,295	$7,805,295	$6,916,830
1-Jul-43	15-Feb-44	167%	$7,961,295	$7,204,740	$0	$7,961,295	$7,961,295	$7,204,740
1-Jul-44	15-Feb-45	171%	$8,120,328	$7,502,935	$0	$8,120,328	$8,120,328	$7,502,935
1-Jul-45	15-Feb-46	174%	$6,919,852	$9,174,358	$0	$6,919,852	$6,919,852	$9,174,358
1-Jul-46	15-Feb-47	178%	$362,362	$16,216,921	$0	$362,362	$362,362	$16,216,921
1-Jul-47	15-Feb-48	181%	$0	$17,078,909	$0	$0	$0	$17,078,909
1-Jul-48	15-Feb-49	185%	$0	$17,593,524	$0	$0	$0	$17,593,524
1-Jul-49	15-Feb-50	188%	$0	$18,123,577	$0	$0	$0	$18,123,577
1-Jul-50	15-Feb-51	192%	$0	$18,669,532	$0	$0	$0	$18,669,532
Total			$154,937,953	$235,192,755	($3,285,095)	$152,535,024	$152,535,024	$235,192,755

MuniCap, Inc. *16-Oct-17*

[1]Represents baseline set asides as authorized in the Memorandum of Understanding between Howard County and HRD.

[2]Pursuant to Section X.B of the MOU, the special tax requirement will take into account any tax credits applied for and received by property owners and lessees which reduce the availability of tax increment revenues.

[3]Represents the adjusted set asides after taking into account eligible tax credits.

Appendix L-5: Incremental Revenue Set Asides (Adjusted for Tax Credits) - Phase One Properties Complete/Underway Including 3MFB

Tax Year Beginning	Bond Year Ending	Inflation Factor	MOU Threshold Set Asides: First Available to Debt Service[1]	MOU Threshold Set Asides: Second Available to Howard County[1]	Tax Credit Adjustment (Development Underway)[2]: Estimated Phase I Tax Credits (Appendix K-1)	Tax Credit Adjustment (Development Underway)[2]: First Set Aside After Phase I Tax Credits	Minimum Available Revenues: First Available to Debt Service[3]	Minimum Available Revenues: Second Available to Howard County[3]
1-Jul-17	15-Feb-18	100%	$0	$1,160,055	($321,584)	$0	$0	$1,160,055
1-Jul-18	15-Feb-19	102%	$0	$2,233,028	($560,582)	$0	$0	$2,233,028
1-Jul-19	15-Feb-20	104%	$3,949,044	$1,179,980	($517,468)	$3,431,576	$3,431,576	$1,179,980
1-Jul-20	15-Feb-21	106%	$4,048,897	$2,093,331	($1,008,878)	$3,040,019	$3,040,019	$2,093,331
1-Jul-21	15-Feb-22	108%	$4,149,591	$3,244,670	($999,790)	$3,149,801	$3,149,801	$3,244,670
1-Jul-22	15-Feb-23	110%	$4,252,706	$3,705,097	($1,042,692)	$3,210,014	$3,210,014	$3,705,097
1-Jul-23	15-Feb-24	113%	$4,356,704	$3,944,347	($452,468)	$3,904,236	$3,904,236	$3,944,347
1-Jul-24	15-Feb-25	115%	$4,465,103	$4,151,682	($461,517)	$4,003,586	$4,003,586	$4,151,682
1-Jul-25	15-Feb-26	117%	$4,574,186	$4,303,351	$0	$4,574,186	$4,574,186	$4,303,351
1-Jul-26	15-Feb-27	120%	$4,685,412	$4,460,699	$0	$4,685,412	$4,685,412	$4,460,699
1-Jul-27	15-Feb-28	122%	$4,799,121	$4,623,620	$0	$4,799,121	$4,799,121	$4,623,620
1-Jul-28	15-Feb-29	124%	$4,914,595	$4,793,076	$0	$4,914,595	$4,914,595	$4,793,076
1-Jul-29	15-Feb-30	127%	$5,033,113	$4,968,036	$0	$5,033,113	$5,033,113	$4,968,036
1-Jul-30	15-Feb-31	129%	$5,153,836	$5,149,594	$0	$5,153,836	$5,153,836	$5,149,594
1-Jul-31	15-Feb-32	132%	$5,276,926	$5,337,855	$0	$5,276,926	$5,276,926	$5,337,855
1-Jul-32	15-Feb-33	135%	$5,402,481	$5,532,991	$0	$5,402,481	$5,402,481	$5,532,991
1-Jul-33	15-Feb-34	137%	$5,530,543	$5,735,240	$0	$5,530,543	$5,530,543	$5,735,240
1-Jul-34	15-Feb-35	140%	$5,662,092	$5,943,912	$0	$5,662,092	$5,662,092	$5,943,912
1-Jul-35	15-Feb-36	143%	$5,793,989	$6,162,443	$0	$5,793,989	$5,793,989	$6,162,443
1-Jul-36	15-Feb-37	146%	$5,931,215	$6,386,158	$0	$5,931,215	$5,931,215	$6,386,158
1-Jul-37	15-Feb-38	149%	$6,069,389	$6,619,752	$0	$6,069,389	$6,069,389	$6,619,752
1-Jul-38	15-Feb-39	152%	$7,210,313	$5,861,750	$0	$7,210,313	$7,210,313	$5,861,750
1-Jul-39	15-Feb-40	155%	$7,354,607	$6,111,865	$0	$7,354,607	$7,354,607	$6,111,865
1-Jul-40	15-Feb-41	158%	$7,502,771	$6,369,942	$0	$7,502,771	$7,502,771	$6,369,942
1-Jul-41	15-Feb-42	161%	$7,652,187	$6,638,956	$0	$7,652,187	$7,652,187	$6,638,956
1-Jul-42	15-Feb-43	164%	$7,805,295	$6,916,830	$0	$7,805,295	$7,805,295	$6,916,830
1-Jul-43	15-Feb-44	167%	$7,961,295	$7,204,740	$0	$7,961,295	$7,961,295	$7,204,740
1-Jul-44	15-Feb-45	171%	$8,120,328	$7,502,935	$0	$8,120,328	$8,120,328	$7,502,935
1-Jul-45	15-Feb-46	174%	$6,919,852	$9,174,358	$0	$6,919,852	$6,919,852	$9,174,358
1-Jul-46	15-Feb-47	178%	$362,362	$16,216,921	$0	$362,362	$362,362	$16,216,921
1-Jul-47	15-Feb-48	181%	$0	$17,078,909	$0	$0	$0	$17,078,909
1-Jul-48	15-Feb-49	185%	$0	$17,593,524	$0	$0	$0	$17,593,524
1-Jul-49	15-Feb-50	188%	$0	$18,123,577	$0	$0	$0	$18,123,577
1-Jul-50	15-Feb-51	192%	$0	$18,669,532	$0	$0	$0	$18,669,532
Total			$154,937,953	$235,192,755	($5,364,979)	$150,455,139	$150,455,139	$235,192,755

MuniCap, Inc. *16-Oct-17*

[1]Represents baseline set asides as authorized in the Memorandum of Understanding between Howard County and HRD.

[2]Pursuant to Section X.B of the MOU, the special tax requirement will take into account any tax credits applied for and received by property owners and lessees which reduce the availability of tax increment revenues.

[3]Represents the adjusted set asides after taking into account eligible tax credits.

Appendix L-6: Incremental Revenue Set Asides (Adjusted for Tax Credits) - Phase One Properties

Tax Year Beginning	Bond Year Ending	Inflation Factor	MOU Threshold Set Asides		Tax Credit Adjustment (Total Development)[2]		Minimum Available Revenues	
			First Available to Debt Service[1]	Second Available to Howard County[1]	Estimated Phase I Tax Credits (Appendix K-1)	First Set Aside After Phase I Tax Credits	First Available to Debt Service[3]	Second Available to Howard County[3]
1-Jul-17	15-Feb-18	100%	$0	$1,160,055	($454,972)	$0	$0	$1,160,055
1-Jul-18	15-Feb-19	102%	$0	$2,233,028	($696,637)	$0	$0	$2,233,028
1-Jul-19	15-Feb-20	104%	$3,949,044	$1,179,980	($656,244)	$3,292,800	$3,292,800	$1,179,980
1-Jul-20	15-Feb-21	106%	$4,048,897	$2,093,331	($1,303,123)	$2,745,774	$2,745,774	$2,093,331
1-Jul-21	15-Feb-22	108%	$4,149,591	$3,244,670	($1,525,950)	$2,623,641	$2,623,641	$3,244,670
1-Jul-22	15-Feb-23	110%	$4,252,706	$3,705,097	($1,463,453)	$2,789,253	$2,789,253	$3,705,097
1-Jul-23	15-Feb-24	113%	$4,356,704	$3,944,347	($913,618)	$3,443,086	$3,443,086	$3,944,347
1-Jul-24	15-Feb-25	115%	$4,465,103	$4,151,682	($950,732)	$3,514,371	$3,514,371	$4,151,682
1-Jul-25	15-Feb-26	117%	$4,574,186	$4,303,351	($288,268)	$4,285,918	$4,285,918	$4,303,351
1-Jul-26	15-Feb-27	120%	$4,685,412	$4,460,699	$0	$4,685,412	$4,685,412	$4,460,699
1-Jul-27	15-Feb-28	122%	$4,799,121	$4,623,620	$0	$4,799,121	$4,799,121	$4,623,620
1-Jul-28	15-Feb-29	124%	$4,914,595	$4,793,076	$0	$4,914,595	$4,914,595	$4,793,076
1-Jul-29	15-Feb-30	127%	$5,033,113	$4,968,036	$0	$5,033,113	$5,033,113	$4,968,036
1-Jul-30	15-Feb-31	129%	$5,153,836	$5,149,594	$0	$5,153,836	$5,153,836	$5,149,594
1-Jul-31	15-Feb-32	132%	$5,276,926	$5,337,855	$0	$5,276,926	$5,276,926	$5,337,855
1-Jul-32	15-Feb-33	135%	$5,402,481	$5,532,991	$0	$5,402,481	$5,402,481	$5,532,991
1-Jul-33	15-Feb-34	137%	$5,530,543	$5,735,240	$0	$5,530,543	$5,530,543	$5,735,240
1-Jul-34	15-Feb-35	140%	$5,662,092	$5,943,912	$0	$5,662,092	$5,662,092	$5,943,912
1-Jul-35	15-Feb-36	143%	$5,793,989	$6,162,443	$0	$5,793,989	$5,793,989	$6,162,443
1-Jul-36	15-Feb-37	146%	$5,931,215	$6,386,158	$0	$5,931,215	$5,931,215	$6,386,158
1-Jul-37	15-Feb-38	149%	$6,069,389	$6,619,752	$0	$6,069,389	$6,069,389	$6,619,752
1-Jul-38	15-Feb-39	152%	$7,210,313	$5,861,750	$0	$7,210,313	$7,210,313	$5,861,750
1-Jul-39	15-Feb-40	155%	$7,354,607	$6,111,865	$0	$7,354,607	$7,354,607	$6,111,865
1-Jul-40	15-Feb-41	158%	$7,502,771	$6,369,942	$0	$7,502,771	$7,502,771	$6,369,942
1-Jul-41	15-Feb-42	161%	$7,652,187	$6,638,956	$0	$7,652,187	$7,652,187	$6,638,956
1-Jul-42	15-Feb-43	164%	$7,805,295	$6,916,830	$0	$7,805,295	$7,805,295	$6,916,830
1-Jul-43	15-Feb-44	167%	$7,961,295	$7,204,740	$0	$7,961,295	$7,961,295	$7,204,740
1-Jul-44	15-Feb-45	171%	$8,120,328	$7,502,935	$0	$8,120,328	$8,120,328	$7,502,935
1-Jul-45	15-Feb-46	174%	$6,919,852	$9,174,358	$0	$6,919,852	$6,919,852	$9,174,358
1-Jul-46	15-Feb-47	178%	$362,362	$16,216,921	$0	$362,362	$362,362	$16,216,921
1-Jul-47	15-Feb-48	181%	$0	$17,078,909	$0	$0	$0	$17,078,909
1-Jul-48	15-Feb-49	185%	$0	$17,593,524	$0	$0	$0	$17,593,524
1-Jul-49	15-Feb-50	188%	$0	$18,123,577	$0	$0	$0	$18,123,577
1-Jul-50	15-Feb-51	192%	$0	$18,669,532	$0	$0	$0	$18,669,532
Total			$154,937,953	$235,192,755	($8,252,997)	$147,836,565	$147,836,565	$235,192,755

MuniCap, Inc. *16-Oct-17*

[1]Represents baseline set asides as authorized in the Memorandum of Understanding between Howard County and HRD.

[2]Pursuant to Section X.B of the MOU, the special tax requirement will take into account any tax credits applied for and received by property owners and lessees which reduce the availability of tax increment revenues.

[3]Represents the adjusted set asides after taking into account eligible tax credits.

Appendix M
Downtown Columbia
Howard County, Maryland

BOND ASSUMPTIONS

Appendix M
Downtown Columbia
Howard County, Maryland

Appendix M-1.a: Sources and Uses of Funds - Bond Issuance Assumptions[1]

	Series 2017 A Proceeds	Percent	Additional Phase One Bonds Proceeds	Percent	Total Bond Proceeds	Percent
Sources of funds:						
Bond proceeds	$48,225,000	99.6%	$28,485,000	99.5%	$76,710,000	99.6%
Premium/discount	$177,653	0.4%	$146,490	0.5%	$324,143	0.4%
Interest earned in the improvement fund	$0	0.0%	$0	0.0%	$0	0.0%
Total sources of funds	$48,402,653	100.0%	$28,631,490	100.0%	$77,034,143	100.0%
Uses of funds:						
Public improvements financed (see Appendix M-1.b)	$38,500,000	79.5%	$22,500,000	78.6%	$61,000,000	79.2%
Issuance costs	$2,374,000	4.9%	$350,000	1.2%	$2,724,000	3.5%
Underwriter's discount	$723,375	1.5%	$284,850	1.0%	$1,008,225	1.3%
Capitalized interest	$2,779,600	5.7%	$2,911,608	10.2%	$5,691,208	7.4%
Deposit to Downtown Columbia Administrative Expense Fund	$100,000	0.2%	$40,400	0.1%	$140,400	0.2%
Reserve fund	$3,921,283	8.1%	$2,540,582	8.9%	$6,461,864	8.4%
Rounding	$4,395	0.0%	$4,050	0.0%	$8,445	0.0%
Total uses of funds	$48,402,653	100.0%	$28,631,490	100.0%	$77,034,143	100.0%
Assumptions:						
Maturity		29.32 years		27.45 years		
Interest only		2.32 years		1.00 years		
Amortization		27.00 years		26.45 years		
Average life		*21.25*		*19.16*		
Bond coupon rate (average coupon rate)		4.25%		4.96%		
Reinvestment rates:						
Reserve fund		0.00%		0.00%		
Improvement fund		0.00%		0.00%		
Capitalized interest account		0.00%		0.00%		
Date bonds issued		19-Oct-17		15-Aug-19		
Dates payments due:						
Interest		Feb. 15 and Aug. 15		Feb. 15 and Aug. 15		
Principal		February 15		February 15		
Capitalized interest:						
Interest funded through		15-Feb-19		15-Aug-21		
Months interest funded		16		24		

MuniCap, Inc. *16-Oct-17*

[illegible] to change.

Appendix M-1.b: Sources and Uses of Funds - Public Improvement Budget

	Public Improvement Budget - Crescent Special Taxing District Phase I					
	Series 2017A		Additional Phase One Bonds		TOTAL	
Item	Total[1]	Qualified[2]	Total[1]	Qualified[2]	Total[1]	Qualified[2]
Roads Segment 1A:						
Merriweather Drive, Divided Sky Lane	$2,998,677	$2,998,677	$0	$0	$2,998,677	$2,998,677
Road segment 1A SW piping, treatment & storage	$641,180	$641,180	$0	$0	$641,180	$641,180
Road segment 1A water & sewer	$537,414	$537,414	$0	$0	$537,414	$537,414
Dry utilities	$821,607	$0	$0	$0	$821,607	$0
Sub-total segment 1A	$4,998,878	$4,177,271	$0	$0	$4,998,878	$4,177,271
Developer's fee (5% of H&S costs)	$249,944	$208,864	$0	$0	$249,944	$208,864
Total	$5,248,822	$4,386,135	$0	$0	$5,248,822	$4,386,135
Roads Segment 1B:						
Merriweather Drive, Hickory Ridge Road	$6,098,243	$6,098,243	$0	$0	$6,098,243	$6,098,243
Road segment 1B SW piping, treatment & storage	$2,341,851	$2,341,851	$0	$0	$2,341,851	$2,341,851
Road segment 1B water & sewer	$842,144	$842,144	$0	$0	$842,144	$842,144
Dry utilities	$1,724,023	$0	$0	$0	$1,724,023	$0
Sub-total segment 1B	$11,006,261	$9,282,238	$0	$0	$11,006,261	$9,282,238
Developer's fee (5% of H&S costs)	$550,313	$464,112	$0	$0	$550,313	$464,112
Total	$11,556,574	$9,746,350	$0	$0	$11,556,574	$9,746,350
At-grade intersection improvements (multiple intersections):						
Little Patuxent Parkway/Merriweather Drive	$339,348	$339,348	$0	$0	$339,348	$339,348
Developer's fee (5% of H&S costs)	$16,967	$16,967	$0	$0	$16,967	$16,967
Total	$356,315	$356,315	$0	$0	$356,315	$356,315
Governor Warfield Parkway/Twin Rivers Road	$108,894	$108,894	$0	$0	$108,894	$108,894
Developer's fee (5% of H&S costs)	$5,445	$5,445	$0	$0	$5,445	$5,445
Total	$114,339	$114,339	$0	$0	$114,339	$114,339
Little Patuxant Parkway/Swift Stream	$51,615	$51,615	$0	$0	$51,615	$51,615
Developer's fee (5% of H&S costs)	$2,581	$2,581	$0	$0	$2,581	$2,581
Total	$54,196	$54,196	$0	$0	$54,196	$54,196
Broken Land Parkway/Twin Rivers Road	$67,162	$67,162	$0	$0	$67,162	$67,162
Developer's fee (5% of H&S costs)	$3,358	$3,358	$0	$0	$3,358	$3,358
Total	$70,520	$70,520	$0	$0	$70,520	$70,520
Broken Land Parkway/Hickory Ridge	$773,703	$773,703	$0	$0	$773,703	$773,703
Developer's fee (5% of H&S costs)	$38,685	$38,685	$0	$0	$38,685	$38,685
Total	$812,388	$812,388	$0	$0	$812,388	$812,388
Road segment 1 wetland mitigation and restoration	$0	$0	$0	$0	$0	$0
Developer's fee (5% of H&S costs)	$0	$0	$0	$0	$0	$0
Total	$0	$0	$0	$0	$0	$0
Roads Segment 2A:						
Completion of Merriweather Drive, South section of North-South Connector	$4,208,440	$4,208,440	$0	$0	$4,208,440	$4,208,440
Road segment 2A SW piping, treatment & storage	$863,285	$863,285	$0	$0	$863,285	$863,285
Road segment 2A water & sewer	$240,631	$240,631	$0	$0	$240,631	$240,631
Dry utilities	$428,073	$0	$0	$0	$428,073	$0
Sub-total segment 2A	$5,740,429	$5,312,356	$0	$0	$5,740,429	$5,312,356
Developer's fee (5% of H&S costs)	$287,021	$265,618	$0	$0	$287,021	$265,618
Total	$6,027,450	$5,577,974	$0	$0	$6,027,450	$5,577,974
Roads Segment 2B:						
North section of North-South Connector (Symphony Woods Rd.)	$6,263,125	$6,263,125	$0	$0	$6,263,125	$6,263,125
Road segment 2B SW piping, treatment & storage	$1,416,981	$1,416,981	$0	$0	$1,416,981	$1,416,981
Road segment 2B water & sewer	$252,575	$252,575	$0	$0	$252,575	$252,575
Dry utilities	$430,283	$0	$0	$0	$430,283	$0
Sub-total segment 2B	$8,362,964	$7,932,681	$0	$0	$8,362,964	$7,932,681
Developer's fee (5% of H&S costs)	$418,148	$396,634	$0	$0	$418,148	$396,634
Total	$8,781,112	$8,329,315	$0	$0	$8,781,112	$8,329,315
Road segment 3 (Area 3 internal roads) - public roads only						
Road segment 3 road costs	$1,393,803	$1,393,803	$2,300,263	$2,300,263	$3,694,066	$3,694,066
Road segment 3 SW piping, treatment and storage	$0	$0	$738,413	$738,413	$738,413	$738,413
Road segment 3 water and sewer	$0	$0	$810,019	$810,019	$810,019	$810,019
Dry utilities	$0	$0	$0	$0	$0	$0
Sub-total road segment 3 - public	$1,393,803	$1,393,803	$3,848,695	$3,848,695	$5,242,498	$5,242,498
Developer's fee (5% of H&S costs)	$69,690	$69,690	$192,435	$192,435	$262,125	$262,125
Total	$1,463,493	$1,463,493	$4,041,130	$4,041,130	$5,504,623	$5,504,623
Roads segment 3 (Area 3 internal roads) - private	$3,712,927	$0	$0	$0	$3,712,927	$0
Developer's fee (5% of H&S costs)	$185,646	$0	$0	$0	$185,646	$0
Total	$3,898,573	$0	$0	$0	$3,898,573	$0
Area 3 park	$0	$0	$3,889,514	$3,889,514	$3,889,514	$3,889,514
Developer's fee (5% of H&S costs)	$0	$0	$194,476	$194,476	$194,476	$194,476
Total	$0	$0	$4,083,990	$4,083,990	$4,083,990	$4,083,990
Multi-use pathway: segment 1	$0	$0	$622,619	$622,619	$622,619	$622,619
Developer's fee (5% of H&S costs)	$0	$0	$31,131	$31,131	$31,131	$31,131
Total	$0	$0	$653,750	$653,750	$653,750	$653,750
Multi-use pathway: segment 2	$0	$0	$439,762	$439,762	$439,762	$439,762
Developer's fee (5% of H&S costs)	$0	$0	$21,988	$21,988	$21,988	$21,988
Total	$0	$0	$461,750	$461,750	$461,750	$461,750
Road segment 4 (Jug Handle and N-S Connector)						
Design	$1,971,715	$1,971,715	$0	$0	$1,971,715	$1,971,715
Construction	$0	$0	$15,344,302	$15,344,302	$15,344,302	$15,344,302
Sub-total road segment 4	$1,971,715	$1,971,715	$15,344,302	$15,344,302	$17,316,017	$17,316,017
Developer's fee (5% of H&S costs)	$98,586	$98,586	$767,215	$767,215	$865,801	$865,801
Total	$2,070,301	$2,070,301	$16,111,517	$16,111,517	$18,181,818	$18,181,818
Area 2 roads	$0	$0	$4,329,004	$4,329,004	$4,329,004	$4,329,004
Developer's fee (5% of H&S costs)	$0	$0	$216,450	$216,450	$216,450	$216,450
Total	$0	$0	$4,545,454	$4,545,454	$4,545,454	$4,545,454
Area 4 roads	$0	$0	$2,164,502	$2,164,502	$2,164,502	$2,164,502
Developer's fee (5% of H&S costs)	$0	$0	$108,225	$108,225	$108,225	$108,225
Total	$0	$0	$2,272,727	$2,272,727	$2,272,727	$2,272,727
EMT Rapid Fire Station	$4,329,004	$4,329,004	$0	$0	$4,329,004	$4,329,004
Developer's fee (5% of H&S costs)	$216,450	$216,450	$0	$0	$216,450	$216,450
Total	$4,545,454	$4,545,454	$0	$0	$4,545,454	$4,545,454
Total Budget						
Sub-total hard and soft costs	$42,856,703	$35,739,790	$30,638,398	$30,638,398	$73,495,101	$66,378,188
Sub-total contingency (5% of H&S costs)	$2,142,835	$1,786,990	$1,531,920	$1,531,920	$3,674,755	$3,318,909
Sub-total developer's fee (5% of H&S costs)	$2,142,834	$973,221	$1,531,920	$1,531,920	$3,674,754	$3,318,910
Total improvements	**$47,142,373**	**$38,500,000**	**$33,702,238**	**$33,702,238**	**$80,844,610**	**$73,016,007**
Less: other sources of funds		**$0**		**($11,202,237)**		**($11,202,237)**
Qualified improvements financed by bonds		**$38,500,000**		**$22,500,000**		**$61,000,000**

MuniCap, Inc. *16-Oct-17*

[1]Source: The Howard Research and Development Corporation (HRD).

[2]Represents costs assumed to be eligible to be financed by the bonds.

Appendix M-2.a: Debt Service Projections - Series 2017 A Bonds[1]

Date	Principal	Interest Rate	Interest	Gross Debt Service Payments	Gross Annual Debt Service Payments	Capitalized Interest Fund	Downtown Columbia Administrative Expense Fund	Net Annual Debt Service
19-Oct-17								
15-Feb-18	$0		$677,382	$677,382	$677,382	($677,382)		$0
15-Aug-18			$1,051,109	$1,051,109		($1,051,109)		
15-Feb-19	$0		$1,051,109	$1,051,109	$2,102,219	($1,051,109)		$0
15-Aug-19			$1,051,109	$1,051,109				
15-Feb-20	$0		$1,051,109	$1,051,109	$2,102,219			$2,102,219
15-Aug-20			$1,051,109	$1,051,109				
15-Feb-21	$200,000	4.00%	$1,051,109	$1,251,109	$2,302,219		$31,836	$2,334,055
15-Aug-21			$1,047,109	$1,047,109				
15-Feb-22	$100,000	4.00%	$1,047,109	$1,147,109	$2,194,219		$32,473	$2,226,691
15-Aug-22			$1,045,109	$1,045,109				
15-Feb-23	$100,000	4.00%	$1,045,109	$1,145,109	$2,190,219		$33,122	$2,223,341
15-Aug-23			$1,043,109	$1,043,109				
15-Feb-24	$485,000	4.00%	$1,043,109	$1,528,109	$2,571,219		$33,785	$2,605,003
15-Aug-24			$1,033,409	$1,033,409				
15-Feb-25	$465,000	4.00%	$1,033,409	$1,498,409	$2,531,819		$34,460	$2,566,279
15-Aug-25			$1,024,109	$1,024,109				
15-Feb-26	$875,000	4.00%	$1,024,109	$1,899,109	$2,923,219		$35,150	$2,958,368
15-Aug-26			$1,006,609	$1,006,609				
15-Feb-27	$1,100,000	4.00%	$1,006,609	$2,106,609	$3,113,219		$35,853	$3,149,071
15-Aug-27			$984,609	$984,609				
15-Feb-28	$1,175,000	4.00%	$984,609	$2,159,609	$3,144,219		$36,570	$3,180,788
15-Aug-28			$961,109	$961,109				
15-Feb-29	$1,250,000	4.13%	$961,109	$2,211,109	$3,172,219		$37,301	$3,209,520
15-Aug-29			$935,328	$935,328				
15-Feb-30	$1,325,000	4.13%	$935,328	$2,260,328	$3,195,656		$38,047	$3,233,703
15-Aug-30			$908,000	$908,000				
15-Feb-31	$1,400,000	4.13%	$908,000	$2,308,000	$3,216,000		$38,808	$3,254,808
15-Aug-31			$879,125	$879,125				
15-Feb-32	$1,475,000	4.13%	$879,125	$2,354,125	$3,233,250		$39,584	$3,272,834
15-Aug-32			$848,703	$848,703				
15-Feb-33	$1,575,000	4.13%	$848,703	$2,423,703	$3,272,406		$40,376	$3,312,782
15-Aug-33			$816,219	$816,219				
15-Feb-34	$1,650,000	4.13%	$816,219	$2,466,219	$3,282,438		$41,183	$3,323,621
15-Aug-34			$782,188	$782,188				
15-Feb-35	$1,750,000	4.38%	$782,188	$2,532,188	$3,314,375		$42,007	$3,356,382
15-Aug-35			$743,906	$743,906				
15-Feb-36	$1,850,000	4.38%	$743,906	$2,593,906	$3,337,813		$42,847	$3,380,660
15-Aug-36			$703,438	$703,438				
15-Feb-37	$1,925,000	4.38%	$703,438	$2,628,438	$3,331,875		$43,704	$3,375,579
15-Aug-37			$661,328	$661,328				
15-Feb-38	$2,050,000	4.38%	$661,328	$2,711,328	$3,372,656		$44,578	$3,417,234
15-Aug-38			$616,484	$616,484				
15-Feb-39	$2,725,000	4.38%	$616,484	$3,341,484	$3,957,969		$45,470	$4,003,438
15-Aug-39			$556,875	$556,875				
15-Feb-40	$2,900,000	4.50%	$556,875	$3,456,875	$4,013,750		$46,379	$4,060,129
15-Aug-40			$491,625	$491,625				
15-Feb-41	$3,125,000	4.50%	$491,625	$3,616,625	$4,108,250		$47,307	$4,155,557
15-Aug-41			$421,313	$421,313				
15-Feb-42	$3,350,000	4.50%	$421,313	$3,771,313	$4,192,625		$48,253	$4,240,878
15-Aug-42			$345,938	$345,938				
15-Feb-43	$3,600,000	4.50%	$345,938	$3,945,938	$4,291,875		$49,218	$4,341,093
15-Aug-43			$264,938	$264,938				
15-Feb-44	$3,850,000	4.50%	$264,938	$4,114,938	$4,379,875		$50,202	$4,430,077
15-Aug-44			$178,313	$178,313				
15-Feb-45	$4,125,000	4.50%	$178,313	$4,303,313	$4,481,625		$51,206	$4,532,831
15-Aug-45			$85,500	$85,500				
15-Feb-46	$3,650,000	4.50%	$85,500	$3,735,500	$3,821,000		$52,230	$3,873,230
15-Aug-46			$3,375	$3,375				
15-Feb-47	$150,000	4.50%	$3,375	$153,375	$156,750		$53,275	$210,025
Total	$48,225,000		$43,759,575	$91,984,575	$91,984,575	($2,779,600)	$1,125,222	$90,330,197

MuniCap, Inc. *16-Oct-17*

[1]Annual debt service shown is as provided for in the Limited Offering Memorandum.

Appendix M-2.b: Debt Service Projections - Additional Phase One Bonds[1]

Date	Principal	Interest Rate	Interest	Gross Debt Service Payments	Gross Annual Debt Service Payments	Capitalized Interest Fund	Downtown Columbia Administrative Expense Fund	Net Annual Debt Service
15-Aug-19								
15-Feb-20	$0		$723,825	$723,825	$723,825	($723,825)		$0
15-Aug-20			$723,825	$723,825		($723,825)		
15-Feb-21	$200,000	4.50%	$723,825	$923,825	$1,647,650	($744,633)	$20,808	$200,000
15-Aug-21			$719,325	$719,325		($719,325)		
15-Feb-22	$100,000	4.50%	$719,325	$819,325	$1,538,650		$21,224	$840,549
15-Aug-22			$717,075	$717,075				
15-Feb-23	$100,000	4.50%	$717,075	$817,075	$1,534,150		$21,649	$1,555,799
15-Aug-23			$714,825	$714,825				
15-Feb-24	$170,000	4.50%	$714,825	$884,825	$1,599,650		$22,082	$1,621,732
15-Aug-24			$711,000	$711,000				
15-Feb-25	$345,000	4.50%	$711,000	$1,056,000	$1,767,000		$22,523	$1,789,523
15-Aug-25			$703,238	$703,238				
15-Feb-26	$595,000	4.50%	$703,238	$1,298,238	$2,001,475		$22,974	$2,024,449
15-Aug-26			$689,850	$689,850				
15-Feb-27	$640,000	4.50%	$689,850	$1,329,850	$2,019,700		$23,433	$2,043,133
15-Aug-27			$675,450	$675,450				
15-Feb-28	$680,000	4.50%	$675,450	$1,355,450	$2,030,900		$23,902	$2,054,802
15-Aug-28			$660,150	$660,150				
15-Feb-29	$730,000	4.88%	$660,150	$1,390,150	$2,050,300		$24,380	$2,074,680
15-Aug-29			$642,356	$642,356				
15-Feb-30	$770,000	4.88%	$642,356	$1,412,356	$2,054,713		$24,867	$2,079,580
15-Aug-30			$623,588	$623,588				
15-Feb-31	$820,000	4.88%	$623,588	$1,443,588	$2,067,175		$25,365	$2,092,540
15-Aug-31			$603,600	$603,600				
15-Feb-32	$870,000	4.88%	$603,600	$1,473,600	$2,077,200		$25,872	$2,103,072
15-Aug-32			$582,394	$582,394				
15-Feb-33	$920,000	4.88%	$582,394	$1,502,394	$2,084,788		$26,390	$2,111,177
15-Aug-33			$559,969	$559,969				
15-Feb-34	$970,000	4.88%	$559,969	$1,529,969	$2,089,938		$26,917	$2,116,855
15-Aug-34			$536,325	$536,325				
15-Feb-35	$1,025,000	5.13%	$536,325	$1,561,325	$2,097,650		$27,456	$2,125,106
15-Aug-35			$510,059	$510,059				
15-Feb-36	$1,085,000	5.13%	$510,059	$1,595,059	$2,105,119		$28,005	$2,133,124
15-Aug-36			$482,256	$482,256				
15-Feb-37	$1,145,000	5.13%	$482,256	$1,627,256	$2,109,513		$28,565	$2,138,077
15-Aug-37			$452,916	$452,916				
15-Feb-38	$1,205,000	5.13%	$452,916	$1,657,916	$2,110,831		$29,136	$2,139,967
15-Aug-38			$422,038	$422,038				
15-Feb-39	$1,570,000	5.13%	$422,038	$1,992,038	$2,414,075		$29,719	$2,443,794
15-Aug-39			$381,806	$381,806				
15-Feb-40	$1,700,000	5.25%	$381,806	$2,081,806	$2,463,613		$30,313	$2,493,926
15-Aug-40			$337,181	$337,181				
15-Feb-41	$1,825,000	5.25%	$337,181	$2,162,181	$2,499,363		$30,920	$2,530,282
15-Aug-41			$289,275	$289,275				
15-Feb-42	$1,965,000	5.25%	$289,275	$2,254,275	$2,543,550		$31,538	$2,575,088
15-Aug-42			$237,694	$237,694				
15-Feb-43	$2,115,000	5.25%	$237,694	$2,352,694	$2,590,388		$32,169	$2,622,556
15-Aug-43			$182,175	$182,175				
15-Feb-44	$2,270,000	5.25%	$182,175	$2,452,175	$2,634,350		$32,812	$2,667,162
15-Aug-44			$122,588	$122,588				
15-Feb-45	$2,430,000	5.25%	$122,588	$2,552,588	$2,675,175		$33,468	$2,708,643
15-Aug-45			$58,800	$58,800				
15-Feb-46	$2,155,000	5.25%	$58,800	$2,213,800	$2,272,600		$34,138	$2,306,738
15-Aug-46			$2,231	$2,231				
15-Feb-47	$85,000	5.25%	$2,231	$87,231	$89,463		$34,820	$124,283
Total	$28,485,000		$27,407,800	$55,892,800	$55,892,800	($2,911,608)	$735,445	$53,716,637

MuniCap, Inc. *16-Oct-17*

[1]Annual debt service shown is based on debt service projections prepared by Stifel Nicolaus & Company, dated September 6, 2017. Preliminary, subject to change.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

Engineer's Report

[THIS PAGE INTENTIONALLY LEFT BLANK]

SUPPLEMENT
dated October 13, 2017

to

Engineer's Report
Downtown Columbia Development District
& Crescent Special Taxing District
dated September 8, 2017

prepared by
Gutschick, Little & Weber, P.A.

This Supplement amends and supplements certain information in the above-referenced Engineer's Report (the "Engineer's Report") concerning the list of public improvements to be financed with the proceeds of the Bonds. Capitalized terms not defined in this Supplement shall have the meaning given to these terms in the Engineer's Report.

The description of the public infrastructure improvements for Phase I-A and Phase I-B that may be financed with the proceeds of the Bonds is amended as follows:

1. The costs of the wetlands mitigation will not be financed with proceeds of the Bonds.

2. The costs of the construction of the Road Segment Four and the costs of the Area Three Park will not be financed with proceeds of the Bonds. The costs of the design of the Road Segment Four, which is estimated to be approximately $2,070,301, remains on the list of public improvements that may be financed with the proceeds of the Bonds.

The map in Exhibit D to the Engineer's Report depicting the development areas and road segments in the Special Taxing District, and the list of public improvements that may be financed with the proceeds of the Bonds and the budget estimates of such improvements shown in the Engineer's Report, are amended to reflect the changes described herein.

This Supplement should be read in conjunction with the information set forth in the Engineer's Report.

[THIS PAGE INTENTIONALLY LEFT BLANK]

ENGINEER'S REPORT

DOWNTOWN COLUMBIA DEVELOPMENT DISTRICT & CRESCENT SPECIAL TAXING DISTRICT

Prepared for:

Stifel Nicolaus & Company, Incorporated
18 West Street
Annapolis, MD 21401

Prepared By:
Gutschick, Little & Weber, P.A.
3909 National Drive - Suite 250
Burtonsville, Maryland 20866

September 8, 2017

I. INTRODUCTION

A. Purpose and Scope of Report

Gutschick, Little & Weber, P.A., ("GLW") has been engaged by Stifel Nicolaus & Company, Incorporated to provide information about the property known as the Downtown Columbia Development District ("Development District") and the Crescent Special Taxing District ("Special Taxing District"), each designated by Resolution No. 105-2016 adopted by the County Council at Howard County, Maryland on November 9, 2016 and approved by the County Executive on November 14, 2016. The development entity will be The Howard Research And Development Corporation ("Developer"). This report will be made part of the Preliminary Limited Offering Memorandum and Limited Offering Memorandum (collectively, the "Offering Document") to be used in conjunction with the sale of bonds to be issued by Howard County, Maryland to finance certain public infrastructure improvements for the Development District and the Special Taxing District (the "Bonds"). The Offering Document will be provided to potential purchasers of the Bonds. This report focuses on the improvements in, or benefitting the Special Taxing District and the related portion of the Development District. It includes the following information:

- Property description including the terrain and physical characteristics
- Development under current zoning
- Proposed development program
- Description of governmental review and approval process
- Current status of review process
- Description of public infrastructure improvements, including those funded by the bond proceeds
- Public infrastructure improvement construction cost estimates
- Public infrastructure improvement construction schedule

B. Sources of Information

Where possible, this report provides first-hand knowledge of Gutschick, Little & Weber, PA as a provider of civil engineering services. Where another entity's information is presented, that entity is referenced and the information has either been verified or we have reason to believe it is true and accurate.

C. General Location of Development District and Special Taxing District

The Development District is approximately 146 acres, and is located in central Howard County, Maryland, within the unincorporated city of Columbia. It is part of the approximately 391-acre area designated by Howard County legislation in 2010 as Downtown Columbia. (See Exhibit "A" – List of Tax Parcels in Development District and Exhibit "B" – Map of Development District)

The Special Taxing District is approximately 65 acres in size within the boundaries of the Development District, and lies within the Crescent Neighborhood. The Crescent Neighborhood is one of six neighborhoods in Downtown Columbia, and encompasses approximately 75 acres. The overall Crescent Neighborhood will be comprised of road rights of way, open space parcels, and several development areas, referred to as Area One, Area Two, Area Three and Area Four. The neighborhood is generally bounded by Broken Land Parkway to the south and west, Little Patuxent Parkway to the northwest, Merriweather Symphony Woods and the Merriweather Post Pavilion property to the east and north, and U.S. Route 29 to the east. The property uses surrounding the Crescent Neighborhood are varied, including multifamily residential, office, parkland, and entertainment. The limits of the Special Taxing District are shown on Exhibit "C" – Map of Special Taxing District Property. Exhibit "D" shows the development areas, projected vertical development, road segments, intersection improvements, park and public amenities, and structured parking within the Special Taxing District.

D. Current Special Taxing District Land Uses

Portions of the Special Taxing District and related infrastructure are either constructed (as in the cases of Area One, Parcels A-1 & A-3), or are currently under construction as discussed below. The remaining areas of the Special Taxing District property are a combination of woods, floodplain and open-field parking for the Merriweather Post Pavilion.

II. THE SPECIAL TAXING DISTRICT PROPERTY

A. Terrain and Physical Characteristics

The site is roughly crescent shaped, with gently rolling topography. The property generally drains to the stream that enters the site from under Broken Land Parkway, which then flows between Area One and Area Two and then along the

common boundary of the Special Taxing District property and the Merriweather Post Pavilion/Merriweather Symphony Woods properties. Parts of the Special Taxing District property are wooded, but most of the land is currently being used as open-field parking for the Merriweather Post Pavilion.

B. Regulated Wetlands and Water Bodies

According to Daft, McCune & Walker, Inc., a Baltimore area firm providing environmental services, and the findings of both the Maryland Department of the Environment (MDE) and the Corps of Engineers (COE), there are floodplains, wetlands and regulated streams within the Special Taxing District property. Other than several road and utility crossings of these regulated areas, the environmentally sensitive areas have all been protected within the development's open space parcels. The development areas do not contain any environmentally protected features that will restrict development of those areas. Permits have been granted by the Corps of Engineers and the Maryland Department of the Environment for the road crossings, and the utility construction in regulated areas. Howard County's approval of the environmental impacts, which are administrative in nature, are accomplished with each plan approval.

C. Geotechnical Assessment

The geotechnical investigations by the Robert B. Balter Company, a Baltimore area geotechnical engineering company, found conditions typical of the Howard County area. They concluded in a report dated March 19, 2008 that, with appropriate attention being given to specific situations as encountered, within the context of the type of construction contemplated for that location, the on-site soils were suitable for roadway, utility and building construction

D. Environmental Phase 1 Studies

Phase 1 Environmental Site Assessments have been performed for all four of the building areas in the Special Taxing District:

- Area One (One Merriweather) - Robert B. Balter Company, dated July 23, 2015
- Area One (Two Merriweather) – Robert B. Balter Company, dated September 2, 2016
- Area Two – ECS Mid-Atlantic, LLC, dated March 16, 2017
- Area Three - ECS Mid-Atlantic, LLC, dated May 20, 2015
- Area Four - ECS Mid-Atlantic, LLC, dated March 16, 2017

In addition, a Phase 1 Environmental Site Assessment, dated September 10, 2013, was conducted by Environmental Consultants and Contractors, Inc. for the portion of the Warfield Neighborhood on which the TEN.M and m.flats were to be constructed.

In all the studies, no evidence was revealed of any recognized environmental conditions in connection with the properties.

III. PROPOSED DEVELOPMENT PROGRAM

The following ultimate development program for the Special Taxing District is based on a combination of current projects under construction, and the best available information for the remaining construction.

Area One

- 621,026 sf Office
- 52,133 sf Restaurant/Retail
- 1,127 Parking Spaces for One Merriweather & Two Merriweather
- Additional Parking Spaces to be provided as required with the Site Development Plan for Project 1OC

Area Two

- 848,699 sf Office
- 30,000 sf Restaurant/Retail
- 375 Residential Units
- Parking Spaces as required with each Site Development Plan

Area Three

- 1,075,000 sf Office
- 224,403 sf Restaurant/Retail
- 95,000 sf Civic/Recreation
- 922 Residential Units
- 250 key Hotel
- Parking Spaces as required with each Site Development Plan

Area Four

- 175,000 sf Office
- 90 Residential Units
- Parking Spaces as required with each Site Development Plan

(See Exhibit "E" - Development Density for additional information, including the breakdown between Phase I-A, Phase I-B, and the Future Phase development. See footnote at the bottom of the Exhibit "E" charts, explaining the nature of these square footage values)

IV. DEVELOPMENT PROCESS, APPROVALS & PERMITS

(Overview in sub-sections A through D by: Todd Brown, Esq. SHULMAN, ROGERS, GANDAL, PORDY & ECKER, P.A.)

A. Development Allowed per Zoning Requirements and Regulations

The Special Taxing District property is located within the limits of the *Downtown Columbia Plan*, initially approved in 2010 by Howard County as an amendment to the Howard County General Plan. The *Downtown Columbia Plan* recommends development of Downtown Columbia, which includes the Special Taxing District property, with up to 1,250,000 square feet of additional retail space; 4,300,000 square feet of additional commercial office space; 640 new hotel rooms and 6,244 new residential units (See Sub-section D below for additional information). In 2013, Howard County approved a new General Plan entitled *Plan Howard 2030. Plan Howard 2030* confirms Downtown Columbia as a major growth and revitalization area and as Howard County's evolving urban center.

The *Downtown Columbia Plan* identifies six neighborhoods for redevelopment: The Lakefront/Lakefront Core, The Mall, Warfield, Symphony Overlook, Merriweather-Symphony Woods, and The Crescent. The *Downtown Columbia Plan* includes recommendations for the intended character of each neighborhood, including recommendations for residential development; commercial development; affordable housing; environmental sustainability; vehicular, pedestrian and bicycle transportation systems; and civic and cultural facilities. The proposed improvements to be constructed with the initial proceeds of the Bonds are located in the Crescent Neighborhood.

The *Downtown Columbia Plan* includes a Downtown Revitalization Phasing Progression (the "Downtown Revitalization Progression") that identifies four development phases or "Steps" for Downtown Revitalization. The Downtown Revitalization Progression identifies both minimum and maximum levels of development for retail, office, hotel and residential uses for each of the four Steps of the Downtown Revitalization Progression. Development cannot proceed to the next Step of the Downtown Revitalization Progression until building permits have been approved for at least the minimum level of development for each land use category in the prior Step.

As currently approved in Final Development Plan FDP-DC-Crescent-1A, all non-residential development, including 250 hotel rooms, proposed in the Special Taxing District can occur within Step I of the Downtown Revitalization Progression. The minimum level of residential development required in Step I of the Downtown Revitalization Progression has been satisfied by the issuance of building permits for Parcels C & D in the Warfield Neighborhood. Although a portion of the 2,300 total dwelling units approved in FDP-DC-Crescent-1A will occur in Step II of the Downtown Revitalization Progression, subject to building permit issuance for the minimum levels of development as noted above, the initial proposed development of 770 residential units in Area Three of the Special Taxing District may be developed during Step I of the Downtown Revitalization Progression. In this regard, the 770 initial dwelling units proposed in Area Three of the Special Taxing District, when combined with the 817 dwelling units for which building permits have already been issued (i.e., for Parcels C & D in the Warfield Neighborhood), are within the maximum 2,296 dwelling units permitted under Step I of the Downtown Revitalization Progression. (*See* Sub-section D for additional information)

Currently, the development of the properties comprising the Development District is within Step I of the Downtown Revitalization Progression. Step I of the Downtown Revitalization Progression permits development of a maximum 676,446 square feet of retail, 1,531,991 square feet of office, 640 hotel rooms and 2,296 dwelling units. Before a permit for land disturbance activity to exceed any one of these maximum levels of development can be issued, building permits must be approved for the minimum level of development established by the *Downtown Columbia Plan* for each land use category. For Step I of the Downtown Revitalization Progression, the minimum levels of development are 300,000 square feet of retail, 1,000,000 square feet of office, 100 hotel rooms and 656 dwelling units.

Step II of the Downtown Revitalization Progression permits a cumulative maximum of 1,100,000 square feet of retail, 2,756,375 square feet of office, 540 hotel rooms and 4,700 dwelling units. Steps III and IV permit additional incremental development of each land use up to the maximum development levels permitted by the *Downtown Columbia Plan* and the Zoning Regulations.

The *Downtown Columbia Plan* also identifies certain Community Enhancements, Programs and Public Amenities (CEPPAs) that are required in connection with Downtown Revitalization as development proceeds. The CEPPAs are to be provided by the designated Community Developer, currently HRD, but could also be provided by the developer(s) of individual parcels in Downtown Columbia or a cooperative of such developers. The CEPPAs must be provided in accordance with the benchmarks

established by the *Downtown Columbia Plan*, or the Howard County Planning Board must approve some alternative means of compliance.

At this time, and with one exception, Developer anticipates satisfying each CEPPA applicable to development in the Special Taxing District in accordance with the schedule in the Downtown Columbia Plan. The exception is CEPPA 19 which requires construction of the Lakefront Terrace (located outside the Special Taxing District) prior to issuance of a building permit for the 2,600,000th square foot of development. To better accommodate development and infrastructure staging, Developer anticipates requesting alternative CEPPA timing that would reverse the sequence for completing CEPPA 19 and CEPPA 22. CEPPA 22 requires Developer to complete and deed to the County a community gathering space containing 25,000 square feet prior to issuance of a building permit for the 3,900,000th square foot of development. Although not anticipated, Developer may request alternative CEPPA compliance at any time.

The Special Taxing District property and the remainder of the Development District are classified in the New Town Zoning District and are subject to the applicable provisions for Downtown Revitalization as established by the Howard County Zoning Regulations. Downtown Revitalization is a form of development required in Downtown Columbia since the *Downtown Columbia Plan* was adopted. Among other elements, Downtown Revitalization requires new development to conform to the recommendations of the *Downtown Columbia Plan*.

Pursuant to the Howard County Zoning Regulations, Downtown Revitalization permits development of the Special Taxing District property and Parcels C & D in the Warfield Neighborhood with a mix of uses, including residential, office, hotel, retail, restaurant, entertainment and cultural uses. The existing and proposed uses and development of the Special Taxing District property and Parcels C & D are permitted subject to, among other requirements, obtaining requisite governmental approvals and permits, complying with all conditions imposed on such approvals and permits, entering into developer's agreement(s) with the County, and posting adequate surety with the County to guarantee the installations of all required improvements.

B. Howard County Land Use Review and Approval Process

Under the Downtown Revitalization development approval process identified above, development of the Special Taxing District property typically requires approval by the Howard County Planning Board of a Final Development Plan and Site Development Plan(s) for the proposed development. Development may also require approval of a plan of subdivision and final plat(s).

Initial approval of a Final Development Plan also requires approval of neighborhood documents comprised of a Neighborhood Concept Plan, Neighborhood Specific Design Guidelines and a Neighborhood Implementation Plan. The Neighborhood Documents can cover one or more development parcels, but are binding only on the property that is subject to the particular land use application. The Neighborhood Documents are intended to provide a context for the evaluation of an initial Final Development Plan and guidance for future Final Development Plans.

Each Final Development Plan and each of the Neighborhood Documents must conform to the *Downtown Columbia Plan* and meet the standards specified in the Zoning Regulations for its approval. Upon approval, the Final Development Plan and each of the Neighborhood Documents are recorded among the Land Records of the County.

Once the Planning Board approves a Final Development Plan, a property owner may petition the Howard County Planning Board for approval of a Site Development Plan for a project. A Site Development Plan may include one or more parcels and multiple buildings. Similar to the Final Development Plan approval process, the Zoning Regulations establish standards for approval of a Site Development Plan, and the Planning Board must find that each Site Development Plan meets the established standards.

Prior to filing a petition for Final Development Plan or Site Development Plan approval, the petitioner is required to provide notice and hold a pre-submission meeting open to the public, in accordance with County procedures. The purpose of the pre-submission meeting is to provide the community with information about the development proposal and to allow community residents to ask questions and make comments about the proposal before it is filed with the County.

Prior to filing a petition for Final Development Plan approval or Site Development Plan approval, the proposed development may also be reviewed by the Howard County Design Advisory Panel. The Design Advisory Panel's role is to evaluate the proposal for its conformance with previously approved design guidelines. The Design Advisory Panel may then make recommendations to the Howard County Planning Board for its consideration.

Please see the *Downtown Columbia Plan*, Plan Howard 2030, the Howard County Zoning Regulations, and the current Neighborhood Documents and approvals for additional information and detail.

C. Nature of Approvals

Planning Board approval of a Final Development Plan and Site Development Plan is based upon a finding that the plan satisfies applicable criteria in the Zoning Regulations, including conformance with the *Downtown Columbia Plan*. For any vertical construction not yet shown on an approved Site Development Plan, additional Site Development Plan(s) will have to be filed as part of the routine development process. Each of those future Site Development Plan(s) will require the approval of the Planning Board, using the standard set forth in the first sentence of this Section IV.C. Approval of a final plat and permits is more administrative in nature.

D. Current Status of Land Use Approvals in the Special Taxing District Phase I-A and Parcels C & D in the Warfield Neighborhood in the Development District (see footnote at the bottom of the Exhibit "E" charts, explaining the nature of the square footage values used below)

All discretionary approvals have been obtained for Parcels C and D within the Warfield Neighborhood and for Parcels A-1, A-2 and A-3 within Area One of the Crescent Neighborhood. Depending on specific tenancies, future modifications to existing discretionary approval(s) could be required. All such development is within Step 1 of the Downtown Revitalization Progression identified in the *Downtown Columbia Plan.*

For Parcels C & D within the Warfield Neighborhood, the Howard County Planning Board approved Final Development Plan FDP-DC-Warfield-1 on May 24, 2012, and an amendment to FDP-DC-Warfield-1, designated FDP-DC-Warfield-1A, on November 14, 2014. The Planning Board approved Site Development Plan SDP-13-007 for Parcel D on December 13, 2012 and Site Development Plan SDP-14-024 for Parcel C on November 20, 2014.

Building permits and occupancy certificates have been obtained for Parcel D, which is built and occupied as *The Metropolitan Downtown Columbia* apartments (the "Metropolitan"). The *Metropolitan* contains 380 apartment units and approximately 15,319 square feet of retail/restaurant uses. Building permits have been obtained for Parcel C for development of two apartment buildings containing 437 total residential units and approximately 34,377 total square feet of retail/restaurant uses. Parcel C is under construction.

For Parcels A-1, A-2 and A-3 within Area One of the Crescent Neighborhood, the Planning Board approved Final Development Plan FDP-DC-Crescent-1 on April 16, 2015, and an amendment to FDP-DC-Crescent-1, designated FDP-DC-Crescent-1A, on

October 14, 2016. FDP-DC-Crescent-1A covers the entirety of the Special Taxing District property. FDP-DC-Crescent-1A authorizes initial development of up to 4,877,500 sf of uses, including up to 313,500 sf of retail/restaurant use, 1,475,000 sf of office use, 225,000 sf of cultural/community use, 250 hotel rooms, and 2,300 residential units.

The Planning Board approved Site Development Plan SDP-15-068 for Parcel A within Area One of the Crescent Neighborhood on October 15, 2015. The Planning Board approved an amendment to SDP-15-068 for Parcels A-1, A-2 and A-3 on August 18, 2016.

Building permits have been obtained for Area One as follows: (i) an office building on Parcel A-1 containing approximately 208,034 square feet of office and approximately 9,749 square feet of retail/restaurant uses; (ii) an office building on Parcel A-2 containing approximately 102,993 square feet of office and approximately 29,583 square feet of retail/restaurant uses; and (iii) a 1,127-space parking garage on Parcel A-3. Construction on Parcels A-1 and A-3 was substantially completed in December 2016. Parcel A-2 is currently under construction.

The Site Development Plan for Project 3 Office A and for Phase 1-B (which includes Project 3 Multifamily B) vertical construction has been submitted to the Howard County Department of Planning & Zoning for review, as part of the routine development process. After staff review, the Site Development Plan will require the approval of the Howard County Planning Board, as set forth in the first sentence of Section IV.C. (See Exhibit "F" – Schedule of Vertical Construction for Phases I-A and I-B in the Special Taxing District, and Parcels C and D in the Warfield Neighborhood in the Development District, for additional information regarding the timing of various projects)

E. Howard County Grading Permit Process

Grading Permits are reviewed and approved administratively, based on approved plans, and the submission of an application and appropriate surety. Grading Permits are not subject to any public process or hearing. Grading Permits are typically issued within two weeks of submission to the Department of Inspections, Licenses & Permits.

F. Howard County Building Permit Process

Building permits for the construction and occupancy of the proposed buildings are an administrative process in Howard County, following the approval of the project's Public Road Construction Plans, Public Water & Sewer Plans, the Site Development Plan, and the recordation of the Resubdivision Plat (collectively the "Land Use Plans").

The issuance of building permits for the approved uses is "by right", subject to the approval of the building plans by the County and conformance to the Site Development Plan. Building Permits are not subject to any public process or hearing. Building permits are typically issued within two to six months of the submission to the Department of Inspections, Licenses & Permits, depending on the complexity of the structure under review.

G. State of Maryland Permit Process

Other than the already issued wetland/stream/floodplain permit, there is a state permit for the National Pollutant Discharge Elimination System ("NPDES"), issued by MDE. This permit is obtained by filing a Notice of Intent application, once the final construction plans are approved for the various sections of the project. This process is administrative, typically taking four to six weeks. The purpose of the NPDES process is to control all discharges of pollutants from point sources into the waterways of the United States. Point sources of pollution include industries, municipal wastewater treatment plans, sanitary landfills, agricultural lots and return irrigation flows. In the case of the Crescent construction, the permit will be issued based on acceptable measures for the control of construction site runoff and post-construction runoff. The permits for Parcels C & D in the Warfield Neighborhood, and the initial construction in Area One of the Crescent Neighborhood, including the related infrastructure, have already been issued. The remaining permits are expected to be issued as construction plans are signed, without causing any delay in the construction schedules.

H. Affordable Housing Requirements

As companion to the legislation creating the Development District and the Special Taxing District, the Moderate Income Housing Unit ("MIHU") requirements for Downtown Columbia were recently changed from the fee-in-lieu system originally set up as part of the Downtown Columbia CEPPAs. In accordance with Bill numbers 52-2016, 53-2016 and 54-2016, passed by the Howard County Council on November 9, 2016 and approved by the County Executive on November 14, 2016, and the Development Rights and Responsibilities Agreement, executed by the County and the Developer on February 3, 2017, the County eliminated the CEPPA-required fee-in-lieu payments for residential construction. Instead, residential construction in the Special Taxing District is anticipated to provide a minimum of 6% affordable units and comply with the requirements established by the Development Rights and Responsibilities Agreement. An annual CEPPA payment for commercial development is also required to provide additional affordable housing assistance.

I. Parking Requirements

Parking requirements are established in the Final Development Plan, Site Development Plan, and the Downtown Columbia Guidelines, as the same may be modified pursuant to authority granted to the County's Department of Planning and Zoning. Each project will have access to parking facilities containing a sufficient number of parking spaces per the Downtown Revitalization Shared Parking methodology as approved with each applicable SDP. The approved development on Parcels C & D in the Warfield Neighborhood, the two office buildings in Area One, and the development in Area Three will have access to required parking in accordance with the applicable Site Development Plans.

V. PROJECT INFRASTRUCTURE

A. General Infrastructure Requirements

The improvements required for the Special Taxing District are typical of those for a commercial development in Howard County. The Developer must provide all the infrastructure, including sediment controls, clearing, grading, storm water management, drainage, potable water, sewage, gas, electric, phone, roadways, parking, sidewalks, landscaping, amenities, lighting, and signage. All of the public infrastructure improvements financed with the proceeds of the Bonds are to be built as part of the Phase I-A and Phase I-B construction.

There are no public improvements, associated with approvals for Parcels C & D in the Warfield Neighborhood, being financed with proceeds from the Bonds.

B. Public Infrastructure to be Built by Developer, Financed with Bond Proceeds

Certain public improvements for the Special Taxing District are to be financed by the proceeds from the Bonds. These items include:

- Certain new public roads serving the Special Taxing District (Merriweather Drive, Divided Sky Lane, Hickory Ridge Road extension, Symphony Woods Road from Merriweather Drive to Little Patuxent Parkway, the N/S Connector, the Jug Handle, Area Two roads, Area Four roads, and public roads within Area Three). Refer to Exhibit "D" for road segment locations. Construction Plans for Road Segments One A, One B and Two A have been approved. Plans for Road Segment Two B and Area Three have been submitted to Howard County for review and will be approved through an

entirely administrative process. Plans for other road segments will be processed as required by the construction phasing, also through an entirely administrative process.

- The approval of the Area Three Road plans will be subject to an administrative Design Manual waiver process. We have been advised by the Department of Public Works that the waivers are likely to be granted in the ordinary course of reviewing the road construction plans.
- Public water & sewer extensions for these road segments. Plans for these items are on a parallel track with the road plan approval process. Costs for these items are listed below separately.
- Storm water management and storm drain conveyance systems for these road segments. Plans for this work are included in the road plans, but the cost is listed below separately.
- Multi-Use Pathway – Plans to be designed along with each road segment
- Area Three Park – Plans to be designed as part of Area Three improvements
- Wetland Mitigation and Restoration – excludes portion of work required by CEPPAs
- EMT Rapid Response Station – incremental cost of constructing within a parking structure
- Certain offsite intersection improvements required for approval of the road plans within the Special Taxing District:
    - Governor Warfield Parkway/Twin Rivers Rd – Extend northbound left turn storage lane for GWP to 280 feet, and southbound left turn storage lane for GWP to 190 feet.
    - Little Patuxent Parkway between Swift Stream and Moore Road – Modify median to provide 170 feet of left turn storage to Moore Road
    - Broken Land Parkway/Twin Rivers Rd. – Extend northbound left turn storage lane for BLP to 190 feet.
    - Little Patuxent Parkway/Merriweather Drive – Construct westbound left turn lane on LPP. Stripe road as required.
    - Broken Land Parkway/Hickory Ridge Rd. – Signalization modification, construct new left turn storage lane for southbound BLP, and intersection modification to align with lane configuration of westbound Hickory Ridge Road.

C. Other Infrastructure within Special Taxing District to be Built By Developer With Private Funds

- Dry Utilities – Plans to be designed with each road segment
- Area Three private roads

D. Conclusion

For Road Segments One A and One B, all the Howard County approvals, which are conditions precedent to the posting of bonds and the issuance of permits for the construction of the public infrastructure improvements shown thereon, have been obtained. Plans for Road Segment Two A are approved. Plans for Road Segment Two B and the Area Three public roads are under administrative review, including the Design Manual Waivers explained above. Road Segments Two A, Two B, and the Area Three public roads will go through the bonding and permit stages as part of the routine progression of those segments. Plans for other road segments will be processed as required by the construction phasing.

VI. PUBLIC INFRASTRUCTURE CONSTRUCTION COSTS

We reviewed the budget estimates listed below for the public infrastructure and related documentation provided by the Developer, and the related plans prepared by GLW. The estimates include pricing from various contractors, vendors and suppliers, as well as preliminary engineering estimates for plans in the design and approval process. These estimates include construction costs, contingency, design costs, review fees, permit fees, surety fees, contractor and specialty trade work, survey layout, as-built surveys, testing/inspection costs, contractor's general conditions, overhead and fee. The estimates do not include financing costs and legal fees.

TIF Qualified Costs

• Road Segment One A	
o Road Costs	$2,998,677
o Storm Water Piping, Treatment & Storage	$641,180
o Water & Sewer	$537,414
• Road Segment One B	
o Road Costs	$6,098,243
o Storm Water Piping, Treatment & Storage	$2,341,851
o Water & Sewer	$842,144
• Road Segment Two A	
o Road Costs	$4,208,440
o Storm Water Piping, Treatment & Storage	$863,285
o Water & Sewer	$240,631
• Road Segment Two B	
o Road Costs	$6,263,125

o Storm Water Piping, Treatment & Storage	$1,416,981
o Water & Sewer	$252,575
• Road Segment Three (Area Three Public Roads)	
o Road Costs	$2,300,263
o Storm Water Piping, Treatment & Storage	$738,413
o Water & Sewer	$810,019
• Road Segment Four	$17,316,017
• Area Two Roads	$4,329,004
• Area Four Roads	$2,164,502
• Offsite Intersection Improvements	
o Little Patuxent Parkway at Merriweather Drive	$339,348
o Governor Warfield at Twin Rivers Road	$108,894
o Little Patuxent Parkway at Swift Stream	$51,615
o Broken Land Parkway at Twin Rivers Road	$67,162
o Broken Land Parkway at Hickory Ridge Road	$773,703
• Wetland/Stream Mitigation for Road Segment 1	$1,393,803
• Wetland/Stream Mitigation for Road Segment 2	-
• Multi-Use Pathway Segment I	$622,619
• Multi-Use Pathway Segment II	$439,762
• EMT Rapid Response Station	$4,329,004
• Area Three Park	$3,889,514
• Contingency	$2,505,140
• Developer's Fee (5% of hard & soft costs)	$3,318,909
Total for TIF Qualified Public Improvements	$72,202,237

Non-TIF Qualified Costs

• Road Segment Three (Area Three Private Roads)	$3,712,927
• Dry Utilities	$3,403,986
• Contingency	$1,169,615
• Developer's Fee (5% of hard & soft costs)	$355,846
• Area 3 Parking Structure	$48,000,000
Total for Non-TIF Qualified Improvements	$56,642,374
Total for all Improvements	$128,844,611

In our opinion, these cost estimates are sufficient and reasonable for development activity of this size and nature.

VII. PUBLIC INFRASTRUCTURE CONSTRUCTION SCHEDULE

Road Segment One A

Currently base-paved and open to traffic.
Remaining construction is prior to dedication to the county

Road Segment One B

Currently under construction.
Estimated completion Nov. 2017

Road Segment Two A

Estimated construction start September 2017
Estimated completion March 2018

Road Segment Two B

Estimated construction start November 2017
Estimated completion November 2018

Road Segment Three Public Roads

Estimated construction start November 2017
Estimated completion August 2018

Dry Utilities - To be constructed along with each road segment

Multi-Use Pathway - To be constructed along with each road segment

Area Three Park – Estimated construction start September 2018
Estimated completion March 2019

VIII. UTILITY AVAILABILITY

The Special Taxing District and Parcels C & D of the Warfield Neighborhood lie within the existing service areas for the utilities necessary for the project. In particular:

- Sewer – modelling of the existing and proposed collector sewer system was found to be acceptable by the County as part of the preliminary approvals of the Crescent Neighborhood. There are no additional relief or collector/interceptor sewer improvements. All sewer lines will be gravity flow; therefore no pump stations will required.

- Potable Water - modelling of the existing and proposed water system was found to be acceptable by the County as part of the preliminary approvals of the Crescent Neighborhood. Aside from the existing 16" water main being relocated to be within the public road beds as part of the Segment One A and Segment One B road construction, there are no additional large diameter water system improvements. Individual buildings may require internal pumps for the domestic and fire flows, depending on the height of the building. This is common for multistory buildings in the county.
- Storm Drainage – all storm drainage will be built with the associated road construction plans or site development plans. Flows from each storm drain outfall are managed, and then directed towards one of the streams within the Special Taxing District. There are no floodways or large storm drain transmission conduits to construct.
- Electric, Gas, Telephone, Cable & Communication Facilities – The Special Taxing District is within the service areas of these utilities. The utilities are being planned by each utility company, in conjunction with B & R Construction Services, a firm on the development team which specializes in designing and coordinating these utility services.

We are confident that all utilities will be made available as necessary to adequately serve all the development contemplated within the Special Taxing District.

Exhibit A

Tax Parcel Identification Numbers
For the Development District Properties

Map Number	Tax Account Number
1	15-019891
2	15-019549
3	15-001739
4	15-009039
5	15-009047
6	15-132353
7	15-053860
8	15-120002
9	15-119993
10	15-041471
11	15-019379
12	15-041498
13	15-013745
14	15-019352
15	15-031425
16	15-019964
17-1	15-019581
17-2	15-010975
17-3	15-010967
17-4	15-010959
18	15-057009
19	15-042397
20	15-057440
21	15-057459
22	15-077964
23	15-077972
24-1	15-598795
24-2	15-599570
24-3	15-599586
24-4	15-599580
24-5	15-598797
24-6	15-598796
24-7	15-599577
24-8	15-599571
24-9	15-599585
24-10	15-599578
24-11	15-599572
24-12	15-599574
24-13	15-599587
24-14	15-599584
24-15	15-599579
24-16	15-599573
24-17	15-599588
24-18	15-045884
24-19	15-599590
24-20	15-599589
25	15-126205
26	15-595518
27	15-595516
28	15-130164
29	15-126264
30	15-595159
31	15-595515
32	15-130156

Exhibit B

(Map of Development District Properties shown on following page)

Parcel Map and District Boundary

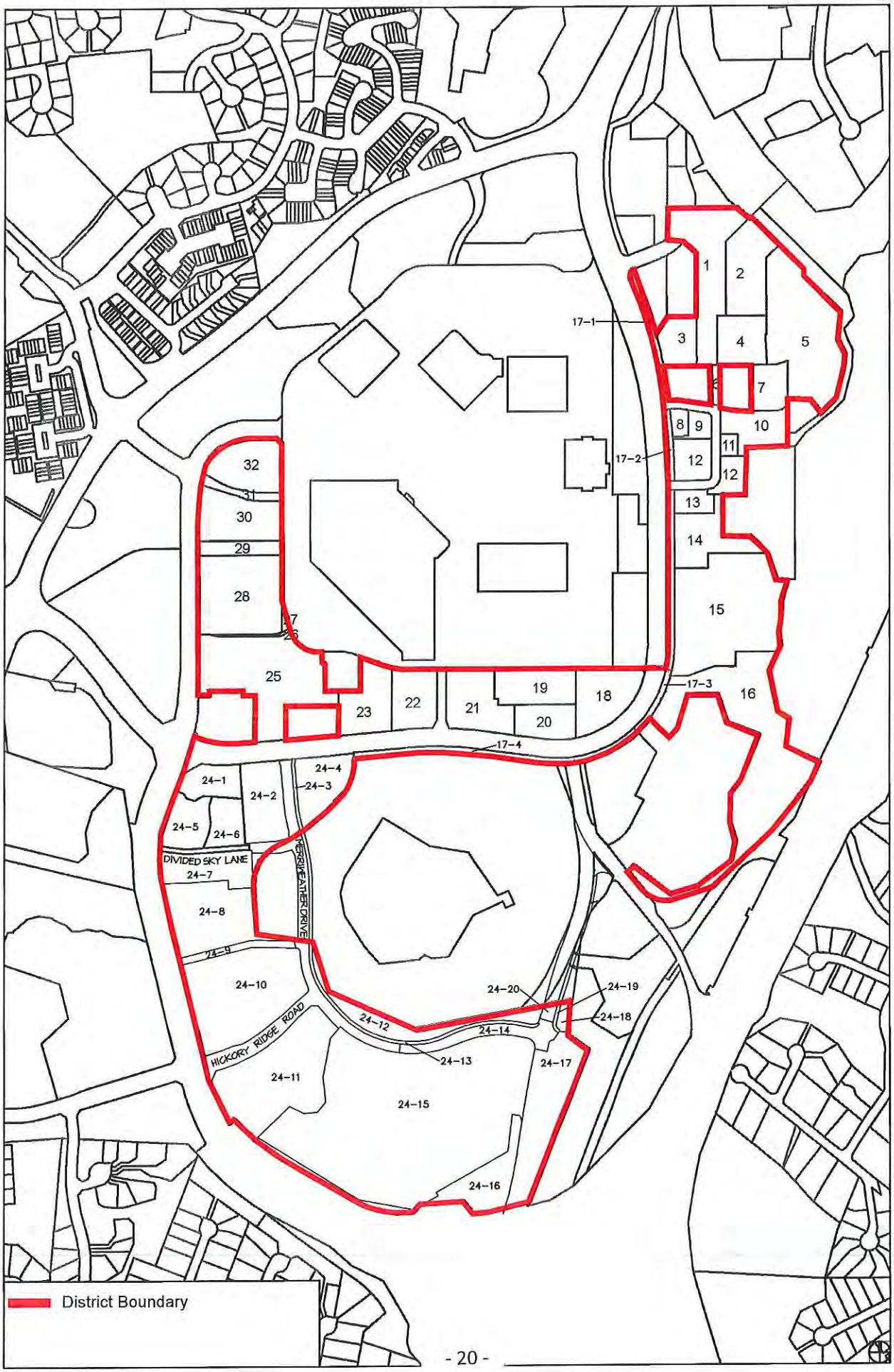


Exhibit C

(Map of Special Taxing District Property shown on following page)

Crescent Special Taxing District
Parcel Map and District Boundary

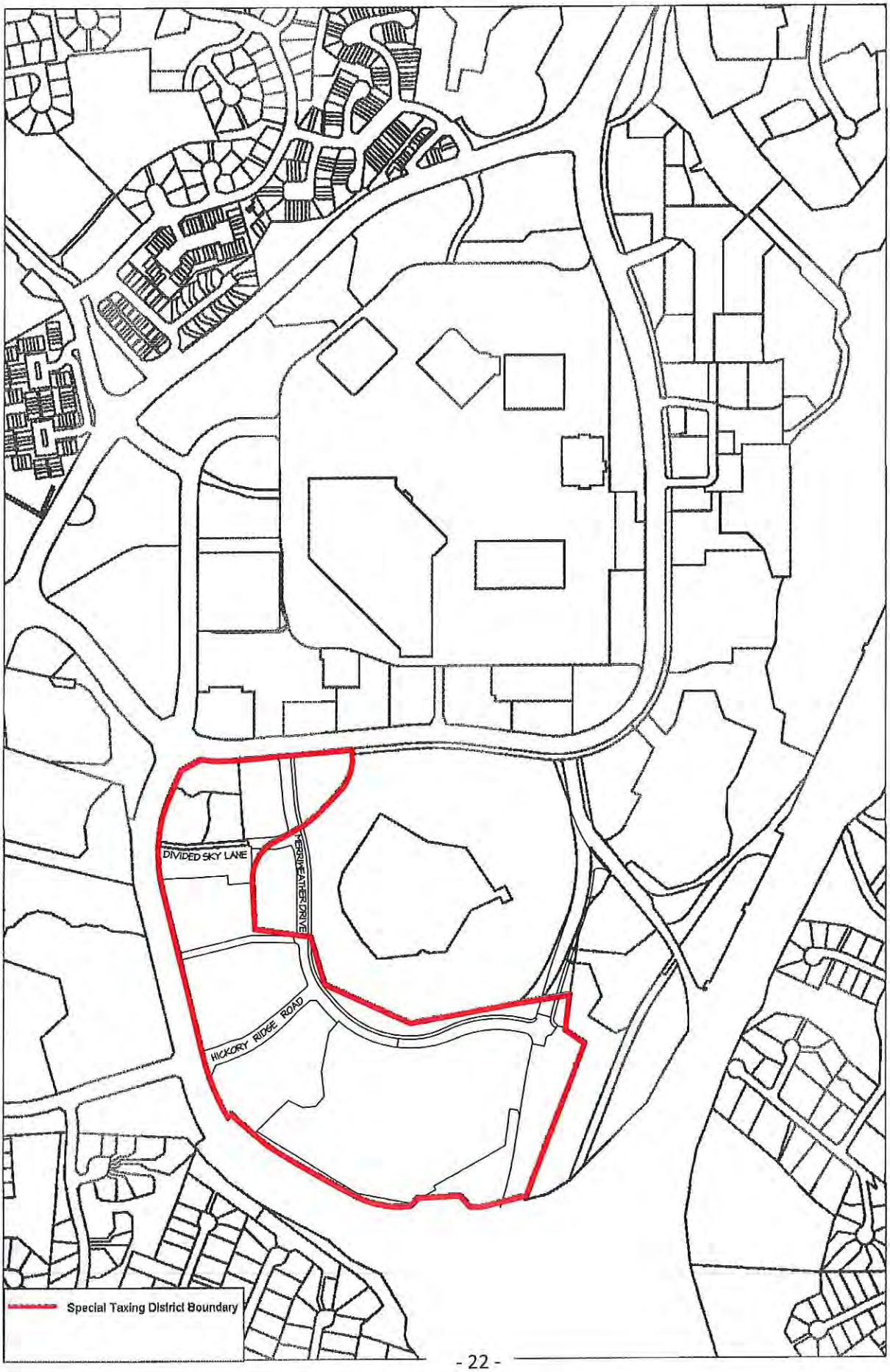


Exhibit D

Development Areas and Road Segments in Special Taxing District

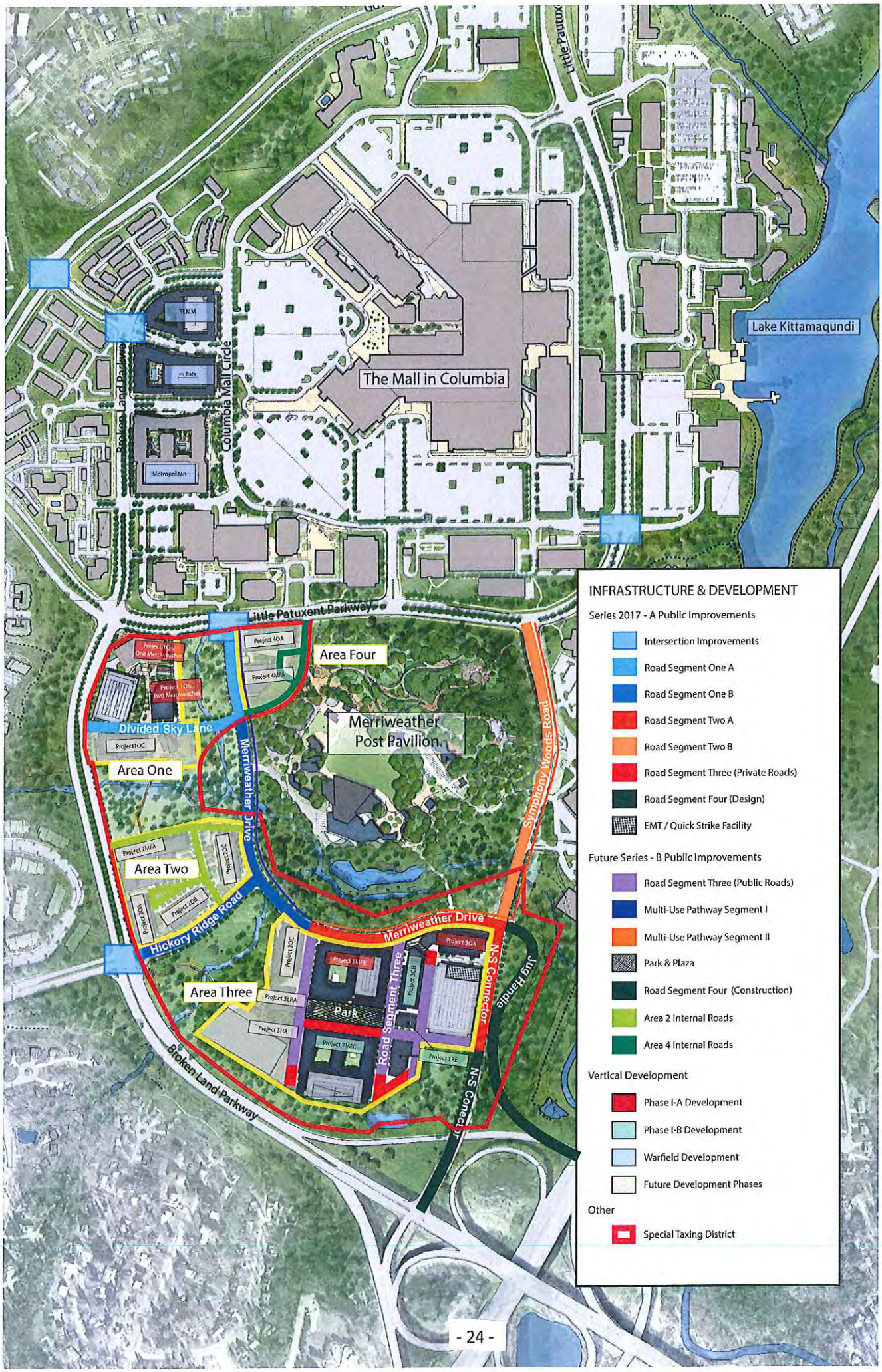

Little Patuxent
Lake Kittamaqundi
The Mall in Columbia
Broken Land Parkway
Columbia Mall Circle
Metropolitan
Little Patuxent Parkway
Area Four
Merriweather Post Pavilion
Divided Sky Lane
Area One
Merriweather Drive
Symphony Woods Road
Area Two
Hickory Ridge Road
Merriweather Drive
Area Three
Park
Road Segment Three
N-S Connector
Jug Handle
Broken Land Parkway
N-S Connector
INFRASTRUCTURE & DEVELOPMENT
Series 2017 - A Public Improvements
Intersection Improvements
Road Segment One A
Road Segment One B
Road Segment Two A
Road Segment Two B
Road Segment Three (Private Roads)
Road Segment Four (Design)
EMT / Quick Strike Facility
Future Series - B Public Improvements
Road Segment Three (Public Roads)
Multi-Use Pathway Segment I
Multi-Use Pathway Segment II
Park & Plaza
Road Segment Four (Construction)
Area 2 Internal Roads
Area 4 Internal Roads
Vertical Development
Phase I-A Development
Phase I-B Development
Warfield Development
Future Development Phases
Other
Special Taxing District

Exhibit E

Development Density
(Including Warfield Neighborhood Parcels C & D)

Overall Special Taxing District
Special Taxing District Phase I-A and Phase I-B
Special Taxing District Future Phase

THE HOWARD HUGHES CORPORATION
CONFIDENTIAL AND SUBJECT TO CHANGE

DEVELOPMENT DENSITY
September 8, 2017

Specia Taxing District Density

	Development Phase	Gross Square Footage						Units / Rooms		
Project		Office	Retail	Residential	Hotel	Civic	Total	MF	Hotel	Total
Area One										
Project 1OA: One Merriweather	Phase I-A	208,034	9,749	-	-	-	217,783	-	-	-
Project 1OB: Two Merriweather	Phase I-A	102,993	29,583	-	-	-	132,576	-	-	-
Project 1OC	Phase II	310,000	12,800	-	-	-	322,800	-	-	-
Total Area One		621,026	52,133	-	-	-	673,159	-	-	-
Area Two										
Project 2MFA	Phase II	-	-	456,987	-	-	456,987	375	-	375
Project 2OA	Phase II	284,000	5,000	-	-	-	289,000	-	-	-
Project 2OB	Phase II	279,000	10,000	-	-	-	289,000	-	-	-
Project 2OC	Phase II	285,699	15,000	-	-	-	300,699	-	-	-
Total Area Two		848,699	30,000	456,987	-	-	1,335,686		375 -	375
Area Three										
Project 3MFB	Phase I-A	-	71,333	452,095	-	-	523,428	382	-	382
Project 3MFC	Phase I-B	-	38,195	452,897	-	-	491,092	423	-	423
Project 3OA	Phase I-A	325,197	15,036	-	-	-	340,233	-	-	-
Project 3OB	Phase I-B	374,803	19,570	-	-	-	394,373	-	-	-
Project 3RE	Phase I-B	-	45,389	-	-	-	45,389	-	-	-
Project 3OC	Phase II	375,000	14,680	-	-	-	389,680	-	-	-
Project 3LRA	Phase II	-	20,000	138,060	-	95,000	253,060	117	-	117
Project 3HA	Phase II	-	-	-	150,000	-	150,000	-	250	250
Total Area Three		1,075,000	224,403	1,043,052	150,000	95,000	2,587,455	922	250	1,172
Area Four										
Project 4OA	Phase II	175,000	-	-	-	-	175,000	-	-	-
Project 4MFA	Phase II	-	-	106,200	-	-	106,200	90	-	90
Total Area Four		175,000	-	106,200	-	-	281,200	90	-	90
TOTAL STD		2,719,726	306,536	1,606,239	150,000	95,000	4,877,500	1,387	250	1,637

Additional Density (outside of Special Taxing District)

	Development Phase	Gross Square Footage						Units / Rooms		
Project		Office	Retail	Residential	Hotel	Civic	Total	MF	Hotel	Total
Metropolitan	Warfield	-	15,319	445,235	-	-	460,554	380	-	380
TEN.M / m.flats	Warfield	-	34,377	504,978	-	-	539,355	437	-	437
Total Density		-	49,696	950,213	-	-	999,909	817	-	817

The square footage of buildings in Phase I-A and the Warfield already built or under construction represent the developer's best estimates of the gross building area square footages, consistent with the methodology used for tax assessments. County approval documents identify gross leasable areas for retail and office space, which may reflect a slighly smaller area than gross building area due to exclusion of non-leasable areas for those uses.

THE HOWARD HUGHES CORPORATION
CONFIDENTIAL AND SUBJECT TO CHANGE

DEVELOPMENT DENSITY
September 7, 2017

Special Taxing District Phase I

	Development Phase	Square Footage						Units / Rooms		
Project		Office	Retail	Residential	Hotel	Civic	Total	MF	Hotel	Total
Area One										
Project 1OA: One Merriweather	Phase I-A	208,034	9,749	-	-	-	217,783	-	-	-
Project 1OB: Two Merriweather	Phase I-A	102,993	29,583	-	-	-	132,576	-	-	-
Project 1OC	Phase II	-	-	-	-	-	-	-	-	-
Total Area One		311,026	39,333	-	-	-	350,359	-	-	-
Area Two										
Project 2MFA	Phase II	-	-	-	-	-	-	-	-	-
Project 2OA	Phase II	-	-	-	-	-	-	-	-	-
Project 2OB	Phase II	-	-	-	-	-	-	-	-	-
Project 2OC	Phase II	-	-	-	-	-	-	-	-	-
Total Area Two		-	-	-	-	-	-	-	-	-
Area Three										
Project 3MFB	Phase I-A	-	71,333	452,095	-	-	523,428	382	-	382
Project 3MFC	Phase I-B	-	38,195	452,897	-	-	491,092	423	-	423
Project 3OA	Phase I-A	325,197	15,036	-	-	-	340,233	-	-	-
Project 3OB	Phase I-B	374,803	19,570	-	-	-	394,373	-	-	-
Project 3RE	Phase I-B	-	45,389	-	-	-	45,389	-	-	-
Project 3OC	Phase II	-	-	-	-	-	-	-	-	-
Project 3LRA	Phase II	-	-	-	-	-	-	-	-	-
Project 3HA	Phase II	-	-	-	-	-	-	-	-	-
Total Area Three		700,000	189,523	904,992	-	-	1,794,515	805	-	805
Area Four										
Project 4OA	Phase II	-	-	-	-	-	-	-	-	-
Project 4MFA	Phase II	-	-	-	-	-	-	-	-	-
Total Area Four		-	-	-	-	-	-	-	-	-
TOTAL STD		1,011,026	228,856	904,992	-	-	2,144,874	805	-	805

The square footage of buildings in Phase I-A and the Warfield already built or under construction represent the developer's best estimates of the gross building area square footages, consistent with the methodology used for tax assessments. County approval documents identify gross leasable areas for retail and office space, which may reflect a slightly smaller area than gross building area due to exclusion of non-leasable areas for those uses.

THE HOWARD HUGHES CORPORATION
CONFIDENTIAL AND SUBJECT TO CHANGE

DEVELOPMENT DENSITY
September 7, 2017

Special Taxing District Future Phases

	Development Phase	Square Footage						Units / Rooms		
Project		Office	Retail	Residential	Hotel	Civic	Total	MF	Hotel	Total
Area One										
Project 1OA: One Merriweather	Phase I-A	-	-	-	-	-	-	-	-	-
Project 1OB: Two Merriweather	Phase I-A	-	-	-	-	-	-	-	-	-
Project 1OC	Phase II	310,000	12,800	-	-	-	322,800	-	-	-
Total Area One		310,000	12,800	-	-	-	322,800	-	-	-
Area Two										
Project 2MFA	Phase II	-	-	456,987	-	-	456,987	375	-	375
Project 2OA	Phase II	284,000	5,000	-	-	-	289,000	-	-	-
Project 2OB	Phase II	279,000	10,000	-	-	-	289,000	-	-	-
Project 2OC	Phase II	285,699	15,000	-	-	-	300,699	-	-	-
Total Area Two		848,699	30,000	456,987	-	-	1,335,686	375	-	375
Area Three										
Project 3MFB	Phase I-A	-	-	-	-	-	-	-	-	-
Project 3MFC	Phase I-B	-	-	-	-	-	-	-	-	-
Project 3OA	Phase I-A	-	-	-	-	-	-	-	-	-
Project 3OB	Phase I-B	-	-	-	-	-	-	-	-	-
Project 3RE	Phase I-B	-	-	-	-	-	-	-	-	-
Project 3OC	Phase II	375,000	14,880	-	-	-	389,880	-	-	-
Project 3LRA	Phase II	-	20,000	138,060	-	95,000	253,060	117	-	117
Project 3HA	Phase II	-	-	-	150,000	-	150,000	-	250	250
Total Area Three		375,000	34,880	138,060	150,000	95,000	792,940	117	250	367
Area Four										
Project 4OA	Phase II	175,000	-	-	-	-	175,000	-	-	-
Project 4MFA	Phase II	-	-	106,200	-	-	106,200	90	-	90
Total Area Four		175,000	-	106,200	-	-	281,200	90	-	90
TOTAL STD		1,708,699	77,680	701,247	150,000	95,000	2,732,626	582	250	832

Exhibit F

Schedule of Vertical Construction for Phases I-A and I-B in the Special Taxing District, and Parcels C and D in the Warfield Neighborhood in the Development District

Merriweather District - Vertical Development
Total Forecast
By Project

9/13/2017

Project	GSF	Units	Design		Permit		Construction	
			Begin Concept	*Complete CD's*	*Submission*	*Approval*	*Start*	*Completion / First Occupancy*
Metropolitan	460,554	380	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE
TEN.M / m.flats	539,355	437	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	09/2017
Project 1OA: One Merriweather	217,783	-	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE
Project 1OB: Two Merriweather	132,576	-	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	11/2017
Project 3MFB	523,428	382	COMPLETE	10/2017	08/2017	10/2017	10/2017	12/2018
Project 3MFC	491,092	423	COMPLETE	05/2018	04/2018	09/2018	09/2018	12/2019
Project 3RE	45,389	-	COMPLETE	12/2017	11/2017	03/2018	03/2018	03/2019
Project 3OA	340,233	-	COMPLETE	10/2017	08/2017	10/2017	11/2017	03/2019
Project 3OB	394,373	-	09/2017	10/2018	08/2018	12/2018	12/2018	06/2020
Total	**3,144,783**	**1,622**						

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

Rate and Method of Apportionment of Special Taxes

[THIS PAGE INTENTIONALLY LEFT BLANK]

May 26, 2016

HOWARD COUNTY, MARYLAND
CRESCENT SPECIAL TAXING DISTRICT

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

A Special Tax is hereby levied and shall be collected in the Crescent Special Taxing District (the "District") each Fiscal Year, beginning with the Commencement Date and continuing until the Termination Date, in an amount determined through the application of 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 Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended from time to time.

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

"Administrative Expenses" means any or all of the following costs and expenses of the County incurred in connection with the discharge of its duties in connection with the administration of the District or the Bonds, including without limitation: the costs and expenses of the County 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 County 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 County staff directly related to the administration of the District and a proportionate amount of County general administration overhead related thereto, and the out-of-pocket costs and expenses of the County for any professionals retained by the County to provide services for such 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, including, without limitation, fees and expenses of legal counsel and any professionals retained by the County, for which the County is entitled to indemnification pursuant to a development agreement or other agreements relating to the District incurred in connection with the defense by the County or the bringing by the County of any claim, demand, suit or cause of action relating to the issuance of any Bonds, the establishment of the District, the levy or collection of Special Tax or any other matters related thereto; any fees, expenses or costs included in the definition of Administrative Expenses set forth in the Indenture of Trust and not specifically included herein; and all other costs and expenses of the County, the Trustee, and the Administrator incurred in

connection with the discharge of their respective duties, including legal fees and expenses associated with such duties.

"Administrator" means the designee of the County 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 or 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 by the County pursuant to the Act.

"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 in which Special Taxes are levied and may be collected, which shall be the first Fiscal Year after the issuance of the Bonds.

"Completion of Construction" means the later of (i) completion of all of the Public Improvements as evidenced by a certificate of completion (as provided for in the Indenture of Trust) and (ii) the end of the capitalized interest period on the Bonds.

"County" means Howard County, Maryland.

"Date of Classification" means the date each year determined by the County 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.

"Development District" means the Downtown Columbia Development District created pursuant to a resolution enacted by the County.

"Director of Finance" means the official of the County who is the director of finance or other comparable officer of the County or designee thereof.

"District Maximum Special Tax" means $7,727,599 for the 2016-2017 Fiscal Year. On each July 1, commencing July 1, 2017, 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 (i) any prepayments of Special Taxes pursuant to Sections J, K, or L occurring prior to such date and (ii) a reduction in Maximum Special Tax pursuant to Section H.

"Equivalent Units" means:

Residential Rental A Property	1.00	Per Unit
Residential Rental B Property	0.64	Per Unit
Residential Rental C Property	0.15	Per Unit
Residential Rental D Property	0.52	Per Unit
Residential For Sale A Property	1.74	Per Unit
Residential For Sale B Property	1.52	Per Unit
Office Property	1.05	Per 1,000 BSF
Retail Property	1.75	Per 1,000 BSF
Hotel Property	0.49	Per Room

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

"Hotel Property" means property used or intended for use as hotel facilities, including any ancillary space thereto.

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

"Mandatory Prepayment of the Special Tax" means the required partial prepayment of the Special Tax pursuant to Section L.

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

"Maximum Special Tax Rates" means the Special Tax determined in accordance with Section B, as reduced pursuant to Section H.

"Net Land Area" means the estimated area of Taxable Property of a Parcel on which buildings 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 property used or intended for use primarily as office facilities, including any ancillary space thereto.

"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 property owners.

"Parcel" means a lot or parcel of real property within the District with a parcel number assigned by the tax collector or a separate legal parcel identified by the County for purposes of collecting Special Taxes.

"Proportionately" means that the ratio of the actual Special Tax to be collected as a percent of the Adjusted Maximum Special Tax is equal for each Parcel (excluding those Parcels for which the Adjusted Maximum Special Tax is zero).

"Public Improvements" means those public improvements the County has authorized to be constructed for the benefit of the District and funded by the Bonds.

"Public Property" means property within the boundaries of the District owned by, or irrevocably offered for dedication (in a plat map approved by the County or otherwise) to, the federal government, State of Maryland, the County, other entities exempt from taxation for public purposes, or other public agency or instrumentality, 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 or portions of 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, if any, as provided for in the Indenture of Trust.

"Residential For Sale A Property" means stacked flats, more specifically Residential Property not classified as Residential Rental Property or Residential For Sale B Property that generally consists of units either above or below other units for sale to the general public, including any ancillary uses thereof.

"Residential For Sale B Property" means townhomes, more specifically Parcels of Residential Property not classified as Residential Rental Property that is a detached building containing three or more attached dwelling units that are generally attached residential dwelling units located side by side (but not stacked), including any ancillary uses thereof.

"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 Rental Property" means Residential Property consisting of 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 thereof.

"Residential Rental A Property" means Residential Rental Property consisting of 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, excluding Residential Rental Property B, Residential Rental Property C, and Residential Rental Property D, including any ancillary uses thereof.

"Residential Rental B 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, available for occupancy by a household with income of not more than 80% of the Howard County median income, including any ancillary uses thereof.

"Residential Rental C Property" means Residential Property consisting of 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, available for occupancy by a household with an income of not more than 60% of the Howard County median income, and eligible for low income housing tax credits, including any ancillary uses thereof.

"Residential Rental D Property" means Residential Property consisting of 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, available for occupancy by a household with an income of not more than 60% of the Howard County median income, including any ancillary uses thereof.

"Retail Property" means property used or intended for use primarily as retail, including restaurants, selling goods or services to the general public, including any ancillary uses thereof.

"Special Tax" means the special tax that has been levied and that may be collected each year by the County on Taxable Property to fund the Special Tax Requirement.

"Special Tax Credit" means, for any Fiscal Year, Tax Increment Revenues related to the Parcel available to apply as a Special Tax Credit pursuant to the Indenture of Trust and included in the Special Tax Requirement for that Fiscal Year. (The Special Tax Credit shall not include Tax Increment Revenues set aside for the County pursuant to the Indenture of Trust.) 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 the land of each Parcel.

"Special Tax Requirement" has the meaning given to it in Section D.1.

"Tax Increment Fund" means the account of such name established for the Development District pursuant to a resolution enacted by the County.

"Tax Increment Revenues" means the amounts paid or to be paid into the Tax Increment Fund each year by the County that are available to be applied to reduce the Special Tax Requirement pursuant to the Indenture of Trust.

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

"Termination Date" means the last Fiscal Year in which Special Taxes have been levied and may be collected as provided for in Section G.

"Trustee" means the trustee appointed by the County for the District to carry out the duties of the trustee specified in the Indenture of Trust.

"Undeveloped Property" means Parcels of Taxable Property not classified as Developed Property.

B. MAXIMUM SPECIAL TAX

1. Developed Property

The Maximum Special Tax for the 2016-2017 Fiscal Year for each Parcel of Developed Property shall be equal to the product of the number of residential dwelling units, Building Square Footage, and Hotel Property guest rooms that may be built on such Parcel and the Maximum Special Tax Rate for each class of property shown in Table A below.

TABLE A
Developed Property
Maximum Special Tax Rates
2016-2017 Fiscal Year

Property Class	*Maximum Special Tax Rates per Unit/1,000 BSF/Room*	
Residential Rental A Property	$1,634	Per Unit
Residential Rental B Property	$1,046	Per Unit
Residential Rental C Property	$245	Per Unit
Residential Rental D Property	$850	Per Unit
Residential For Sale A Property	$2,843	Per Unit
Residential For Sale B Property	$2,484	Per Unit
Office Property	$1,716	Per 1,000 BSF
Retail Property	$2,859	Per 1,000 BSF
Hotel Property	$801	Per Room

On each July 1, commencing July 1, 2017, 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 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 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 Tax 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 Maximum Special Tax for a Parcel
B	=	The Maximum Special Tax for a Parcel calculated as set forth above
C	=	The Special Tax Credit for the Parcel

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

4. Personal Property

The Special Tax Rate on personal property shall be zero.

C. 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 Property, Office Property, Retail Property, or Hotel Property. Each Parcel of Residential Property shall be classified as Residential For Sale A Property, Residential For Sale B Property, Residential Rental A Property, Residential Rental B Property, Residential Rental C Property, or Residential Rental D 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.

D. LEVY AND COLLECTION OF SPECIAL TAXES

Special Taxes are levied each Fiscal Year, beginning with the 2016-2017 Fiscal Year and continuing until the year provided for in Section G hereof, at the Maximum Special Tax. 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 determined by the Director of Finance 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) to be paid from the Special Tax 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 Taxes, and (5) the costs of remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of cash) less (B) (1) Tax Increment Revenues available to apply to the Special Tax Requirement for that Fiscal Year, (2) any credits available pursuant to the Indenture of Trust, such as capitalized interest, reserves, and investment earnings on any account balances, and (3) any other revenues available to apply to the Special Tax Requirement.

2. Collection of the Special Tax

Commencing with Fiscal Year 2016-2017 and for each following Fiscal Year, the Special Tax shall be collected as provided below.

First: Special Taxes 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, Special Taxes 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 County prior to each Fiscal Year of the amount of Special Taxes to be collected from each Parcel in conformance with the provisions of this section.

3. Circumstances Under Which Special Taxes May Be Increased as a Result of a Default

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

E. EXEMPTIONS

The Special Tax is not levied on and shall not be collected from Public Property or Owner Association Property.

F. 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 County, 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.

G. TERMINATION OF SPECIAL TAXES

Except for any delinquent Special Taxes 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 and (ii) such time provided for by the Indenture of Trust.

H. REDUCTION IN THE MAXIMUM SPECIAL TAXES

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

I. SPECIAL TAX APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct and requesting a refund may file a written notice of appeal and refund to that effect with the Director of Finance not later than one calendar year after the due date (i.e., July 1) for the Special Tax that is disputed. Such appeal may not affect the due date of the payment of the Special Tax. The Director of Finance, or the designee of the Director of Finance, shall promptly review all information supplied by the appellant in support of the appeal and, if necessary, meet with the property owner, and decide the appeal. If the decision of the Director of Finance requires the Special Tax to be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy or unless sufficient funds will otherwise be available to meet the Special Tax Requirement), but an adjustment shall be made to the next Special Tax levy on that Parcel. The decision of the Director of Finance may be appealed to the County's chief administrative officer, who shall hold a hearing on the appeal and consider any written or oral evidence presented by appellant. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

J. PREPAYMENT OF SPECIAL TAXES

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 to be prepaid for Parcels of Undeveloped Property shall be calculated as if the Parcels were Developed Property.

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, if any, plus any delinquent Special Tax 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 Maximum Special Tax for all Taxable Property in the District upon full development of the District using the Maximum Special Tax 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 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 earliest call date for the Bonds to be redeemed, less (a) the amount that is projected to be received by the Trustee from the reinvestment of the Special Tax prepayment until such 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 (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 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 for such Parcel shall be deemed to be permanently satisfied, and the Special Tax shall not be collected thereafter from such Parcel.

K. PARTIAL PREPAYMENT OF SPECIAL TAXES

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 J; 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 J
C = the percent by which the Special Tax is to be partially prepaid

With respect to any Parcel for which the Special Tax 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 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

L. MANDATORY PREPAYMENT OF SPECIAL TAXES

A Mandatory Prepayment of the 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 J; 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 Maximum Special Tax for all Taxable Property in the District upon full development of the District
E = the total principal amount of Bonds outstanding.

The amounts calculated in the preceding formula 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 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 J.

M. AMENDMENTS

This Rate and Method of Apportionment of Special Taxes may be amended by the County and, to the maximum extent permitted by the Act, such amendments may be made without further notice under the Act and without notice to owners of Taxable Property within the District in order to (i) clarify or correct minor inconsistencies in the matters set forth herein, (ii) provide for lawful procedures for the collection and enforcement of the Special Tax so as to assure the efficient collection of the Special Tax for the benefit of the owners of the Bonds, and (iii) otherwise improve the ability of the County to fulfill its obligations to levy and collect the Special Tax to make it available for the payment of the Bonds and Administrative Expenses. Any such amendment may not increase the Maximum Special Tax.

N. INTERPRETATION OF PROVISIONS

The Director of Finance 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. All terms and provisions herein shall be liberally construed to effectuate the purposes set forth herein.

O. SEVERABILITY

If any section or part of a section of this Rate and Method of Apportionment of Special Taxes is declared invalid or unenforceable, the validity, force, and effect of any other section or part of a section herein shall not thereby be affected or impaired unless such other section or part of a section herein is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unenforceable.

APPENDIX F

Proposed Form of Indenture

[THIS PAGE INTENTIONALLY LEFT BLANK]

INDENTURE OF TRUST

by and between

HOWARD COUNTY, MARYLAND

and

MANUFACTURERS AND TRADERS TRUST COMPANY

as Trustee

Dated as of October 1, 2017

$48,225,000
Howard County, Maryland
Special Obligation Bonds
(Downtown Columbia Project)
Series 2017 A

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION 3

Section 1.01 **Definitions** 3

Section 1.02 **Rules of Construction.** 14

ARTICLE II AUTHORIZATION AND DETAILS OF THE BONDS; ADDITIONAL BONDS 15

Section 2.01 **Series 2017 A Bonds Authorized.** 15

Section 2.02 **Details of Bonds; Form of Bonds.** 15

Section 2.03 **Conditions Precedent to Delivery of Series 2017 A Bonds.** 17

Section 2.04 **Authorization of Additional Bonds; Conditions Precedent to Delivery of Additional Bonds.** 17

Section 2.05 **Execution and Authentication.** 21

Section 2.06 **Registration and Exchange of Bonds.** 21

Section 2.07 **Bonds Mutilated, Destroyed, Lost or Stolen.** 22

Section 2.08 **Cancellation and Disposition of Bonds.** 23

Section 2.09 **Book Entry of Bonds.** 23

Section 2.10 **No Acceleration.** 24

ARTICLE III REDEMPTION OF BONDS 25

Section 3.01 **Series 2017 A Bonds Subject to Redemption.** 25

Section 3.02 **Selection of Bonds to Be Redeemed.** 27

Section 3.03 **Notice of Redemption or Purchase.** 28

Section 3.04 **Redemption or Purchase of Portion of Bond.** 29

Section 3.05 **Redemption or Purchase of Additional Bonds.** 29

ARTICLE IV FUNDS AND ACCOUNTS 29

Section 4.01 **Creation of Funds and Accounts.** 29

Section 4.02 **Deposit of Bond Proceeds.** 30

Section 4.03 **Improvement Fund.** 31

Section 4.04 **Costs of Issuance Fund.** 31

Section 4.05 **Reserve Fund.** 32

Section 4.06 **Debt Service Fund.** 33

Section 4.07 **Tax Increment Fund and Special Taxes Fund** 34

Page

Section 4.08 Administrative Expense Fund. 35
Section 4.09 Investments. 36
Section 4.10 Priority of Payments Following Default 36
Section 4.11 Application of Funds for Retirement of Bonds. 38
Section 4.12 Unclaimed Moneys. 38
ARTICLE V COVENANTS OF THE COUNTY 39
Section 5.01 Punctual Payment. 39
Section 5.02 Bonds Constitute Special Obligations. 39
Section 5.03 Encumbrances. 39
Section 5.04 Extension of Time for Payment. 40
Section 5.05 Books and Records. 40
Section 5.06 Collection of Tax Increment Revenues and Special Tax Revenues. 40
Section 5.07 Protection of Security and Rights of Bondholders; Further Assurances. 41
Section 5.08 Bonds Not to be Arbitrage Bonds. 41
Section 5.09 Amendment of the Public Improvements. 42
Section 5.10 Funding Agreement. 42
Section 5.11 Continuing Disclosure. 43
ARTICLE VI THE TRUSTEE; THE ADMINISTRATOR 43
Section 6.01 Trustee as Trustee and Paying Agent. 43
Section 6.02 Trustee Entitled to Indemnity. 44
Section 6.03 Responsibilities of the Trustee. 44
Section 6.04 Property Held in Trust. 45
Section 6.05 Trustee Protected in Relying on Certain Documents. 45
Section 6.06 Compensation. 46
Section 6.07 Permitted Acts. 46
Section 6.08 Resignation of Trustee. 46
Section 6.09 Removal of Trustee. 47
Section 6.10 Successor Trustee. 47

Page

Section 6.11 Transfer of Rights and Property to Successor Trustee. 47
Section 6.12 Merger, Conversion or Consolidation of Trustee. 48
Section 6.13 Trustee to File Continuation Statements. 48
Section 6.14 Construction of Indenture. 48
Section 6.15 The Administrator. 48
Section 6.16 Duties of Administrator. 49
Section 6.17 Qualifications, Resignation, Removal and Appointment of Successor Administrator. 49
Section 6.18 Rights of Administrator. 50
ARTICLE VII MODIFICATION OR AMENDMENT OF INDENTURE 50
Section 7.01 Modification or Amendment Without Consent. 50
Section 7.02 Supplemental Indentures Requiring Consent of Bondholders. 51
Section 7.03 Notation on Bonds. 51
Section 7.04 Amendments to Authorizing Legislation. 52
ARTICLE VIII DEFEASANCE 52
Section 8.01 Defeasance. 52
ARTICLE IX MISCELLANEOUS 53
Section 9.01 Liability of County. 53
Section 9.02 Benefits of Indenture Limited to Parties. 54
Section 9.03 Execution of Documents and Proof of Ownership of Bonds. 54
Section 9.04 Restrictions upon Action by Individual Holders. 54
Section 9.05 Moneys and Funds Held for Particular Bonds. 55
Section 9.06 Waiver of Personal Liability. 55
Section 9.07 Notices to and Demands on County, Trustee and Administrator. 55
Section 9.08 Partial Invalidity. 56
Section 9.09 Applicable Law. 56
Section 9.10 Conflict with Acts. 56
Section 9.11 Payment or Performance on Business Days. 56

TABLE OF CONTENTS
(continued)

Page

Section 9.12	**Intention as to Seal and Contract.**	57
Section 9.13	**Counterparts.**	57

EXHIBITS

EXHIBIT A	Form of Series 2017 A Bond
EXHIBIT B	Form of Requisition for Payment from Improvement Fund
EXHIBIT C	First Available Tax Increment Revenues
EXHIBIT D	Required Maximum Special Tax
EXHIBIT E	Second Available Tax Increment Revenues
EXHIBIT F	Phase One Properties – List of Tax Parcel Numbers and Map

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "*Indenture*") dated as of October 1, 2017, is by and between **HOWARD COUNTY, MARYLAND**, a body corporate and politic and a political subdivision of the State of Maryland (the "*County*"), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a New York banking corporation, as trustee (the "*Trustee*").

RECITALS

The County is authorized under Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "*Tax Increment Financing Act*"), to designate an area within the County as a "development district" and to establish a special tax increment fund with respect to such development district into which certain incremental tax revenues from the development district are deposited for the purpose of providing funds for the development, redevelopment, revitalization and renovation of the development district. The Tax Increment Financing Act authorizes the County to issue bonds from time to time to fulfill one or more of the purposes of the Tax Increment Financing Act.

Under Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended (the "*Special Taxing District Act*" and, together with the Tax Increment Financing Act, the "*Acts*"), the County may create a special taxing district and a special fund with respect thereto, to levy ad valorem or special taxes and to issue bonds for the purpose of financing, refinancing or reimbursement for the costs of certain infrastructure improvements as necessary for the development and utilization of the land in a defined geographic region within the County.

Pursuant to the Acts, the County Council of the County (the "*County Council*") adopted Resolution No. 105-2016 on November 9, 2016 (the "*Resolution*"), and enacted Council Bill No. 56-2016 on November 9, 2016 (the "*Bond Ordinance*" and, together with the Resolution, the "*Authorizing Legislation*"), which (i) designated an area within the County more particularly described therein to be known as the Downtown Columbia Development District (the "*Development District*") as a development district under the provisions of the Tax Increment Financing Act; (ii) designated an area within the County more particularly described therein to be known as the Crescent Special Taxing District (the "*Special Taxing District*" and, together with the Development District, the "*Districts*") as a special taxing district under the provisions of the Special Taxing District Act; (iii) created a "special fund" within the meaning of the Tax Increment Financing Act for the Development District to be known as the Downtown Columbia Development District Tax Increment Fund (the "*Tax Increment Fund*"); (iv) created a "special fund" within the meaning of the Special Taxing District Act for the Special Taxing District to be known as the Crescent Special Taxes Fund (the "*Special Taxes Fund*"); (v) pledged to the Tax Increment Fund the proceeds of the "tax increment" (as such term is used in the Tax Increment Financing Act); (vi) pledged to the Special Taxes Fund the proceeds of the special taxes to be levied by the County on certain real and personal property within the Special Taxing District, unless exempted thereby or otherwise by law, for the purposes and to the extent and manner set forth in the Rate and Method (defined herein); (vii) directed the Director of Finance of the County to deposit all taxes representing the levy on and collection of the tax increment in the

Development District into the Tax Increment Fund; (viii) directed the Director of Finance of the County to deposit all Special Taxes levied and collected in the Special Taxing District into the Special Taxes Fund; (ix) authorized the issuance by the County from time to time in one or more series of its special obligation bonds in the maximum aggregate principal amount of $90,000,000 to finance the costs of certain public improvements more particularly described therein; and (x) authorized the County Executive of the County to specify and prescribe by executive order certain matters pertaining to such bonds.

On October 18, 2017, the County Executive issued an Executive Order (the "*Executive Order*") in accordance with the Acts and Authorizing Legislation pursuant to which the County Executive authorized the issuance and sale of $48,225,000 of such bonds (the "Series 2017 A Bonds") and specified the details of the Series 2017 A Bonds.

As provided in the Acts and the Bond Ordinance, the Bonds (defined herein) are not an indebtedness of the County for which the County is obligated to levy or pledge, or has levied or pledged, ad valorem or special taxes of the County other than the real property taxes representing the levy on the tax increment of properties located in the Development District or the special taxes contemplated by the Bond Ordinance. The Bonds are special obligations of the County, payable from amounts in the Tax Increment Fund and the Special Taxes Fund and funds pledged therefor under this Indenture, and shall not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power.

GRANTING CLAUSES

The County, in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, of the purchase and acceptance of the Bonds by the owners thereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, Redemption Price (defined herein) of and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the County of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, assign and pledge, and grant a security interest in, the following to the Trustee and its successors in trust and assigns forever, subject only to the provisions of this Indenture permitting the application thereof on the terms and conditions set forth in this Indenture:

GRANTING CLAUSE FIRST

All of the right, title and interest of the County in and to (i) all of the Revenues (defined herein) and (ii) all moneys from time to time on deposit in the Tax Increment Fund, the Special Taxes Fund, the Series 2017 A Bond Fund, the Improvement Fund, the Debt Service Fund and the Reserve Fund created pursuant to the Acts, the Authorizing Legislation and this Indenture;

GRANTING CLAUSE SECOND

All of the right, title and interest of the County in and to any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder by the County or by anyone on its behalf, or with its written consent, to the Trustee,

which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof (all of the property conveyed by the foregoing granting clauses being herein referred to as the "*Trust Estate*");

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever upon the terms and trusts herein set forth for the equal and ratable benefit, protection and security of the Holders of the Series 2017 A Bonds and, to the extent provided herein and in any Supplemental Indenture (defined herein) authorizing the issuance of Additional Bonds (defined herein), the Holders of such Additional Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Bond over any other Bond except as expressly provided herein or permitted hereby, including, without limitation, in Section 5.03 hereof;

PROVIDED, HOWEVER, that the County may grant, bargain, sell, convey, assign and pledge, and grant a security interest in, all of the County's right, title and interest in and to the Tax Increment Revenues and all moneys from time to time on deposit in the Tax Increment Fund to secure the payment of the principal of, redemption price of and interest on any Future Downtown Columbia Bonds (defined herein) issued pursuant to a separate indenture and to secure the performance and observance by the County of all of the covenants expressed or implied in such indenture, to the extent provided in and permitted by Section 5.03 hereof;

PROVIDED, FURTHER, that if the County shall well and truly pay, or cause to be paid, the principal or Redemption Price of and interest on the Bonds according to the true intent and meaning thereof, or shall provide for the payment thereof as permitted by Article VIII, and shall perform and observe all the covenants and conditions of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, upon compliance with Article VIII, the lien of this Indenture shall be discharged and satisfied; otherwise this Indenture shall be and remain in full force and effect.

All Bonds issued and secured hereunder are to be issued, authenticated and delivered and all such property, rights and interest, including (without limitation) the amounts hereby assigned and pledged, are to be dealt with and disposed of under, upon and subject to the terms and conditions hereinafter expressed, and the County has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective owners of the Bonds as follows (subject, however, to the provisions of Section 5.02).

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01 Definitions. Terms used in this Indenture shall have the meanings set forth in this Section 1.01 unless a different meaning clearly appears from the context.

"Acts" means, collectively, the Tax Increment Financing Act and the Special Taxing District Act.

"Additional Bonds" means any Bonds issued by the County pursuant to Section 2.04.

"*Additional Phase One Bonds*" means any Additional Bonds issued by the County pursuant to Section 2.04 that constitute Phase One Bonds.

"*Additional Public Improvements*" means any Public Improvements financed in whole or in part by the issuance of Additional Bonds in accordance with the Act.

"*Administration Agreement*" means the Agreement for Administrative Services, by and between the County and the Administrator, as amended from time to time.

"*Administrator*" means the entity selected by the County to perform any and all tasks set forth in Section 6.16 and those tasks specified in the Administration Agreement. Initially, MuniCap, Inc. shall act as the Administrator.

"*Administrative Expense Fund*" means the "Downtown Columbia Administrative Expense Fund" established pursuant to Section 4.01.

"*Affiliate*" means (i) any entity owned or controlled by, or under common ownership or control with, the Developer, (ii) all general partners of the Developer, if the Developer is a partnership or any member owning at least 50% of the Developer, if the Developer is a limited liability company and (iii) Parcel C Property, LLC, Parcel D Property, LLC, Crescent Area 1-A Holdings, LLC and Crescent Area 1-B Holdings, LLC. Control shall mean ownership of 50% or more of the voting power of or ownership interest in the Developer or other entity, as applicable.

"*Annual Debt Service*" means, for each Fiscal Year, the sum of (i) the interest due on the Outstanding Bonds in such Fiscal Year, and (ii) the principal of and the Sinking Fund Installments for the Outstanding Bonds due in such Fiscal Year.

"*Applicable Parcels*" means, collectively, each parcel of the Phase One Properties for which a certificate of occupancy or a building permit has been issued and is not, as of the date of determination, delinquent in the payment of the real property taxes due on such parcel.

"*Approved Investors*" means "accredited investors" as defined in Regulation D under the Securities Act of 1933 or (ii) "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933.

"*Assessable Base*" shall have the meaning given such term in the Resolution.

"*Assessment Ratio*" shall have the meaning given such term in the Resolution.

"*Authorized Denomination*" means (i) in the case of the Series 2017 A Bonds, $100,000 or any integral multiple of $5,000 in excess thereof, *provided that* if the Series 2017 A Bonds are rated in a rating category not lower than "BBB-" by Fitch, "Baa3" by Moody's or "BBB-" by S&P, and upon compliance by the County and the Underwriter with applicable securities laws then the Series 2017 A Bonds shall be issuable in denominations of $5,000 and integral multiples thereof and (ii) in the case of any Additional Bonds, such denomination as shall be specified in the Supplemental Indenture authorizing the issuance thereof.

"*Authorized Officer*" means each of the County Executive, the Chief Administrative Officer and the Director of Finance of the County and any other officer or employee designated to act on behalf of the County by a written certificate signed by the Director of Finance of the County. Such certificate may designate an alternate or alternates.

"*Authorizing Legislation*" means, collectively, the Resolution and the Bond Ordinance.

"*Bond Counsel*" means McGuireWoods LLP or any attorney or firm of attorneys selected by the County and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"*Bond Ordinance*" means Council Bill No. 56-2016 enacted by the County Council on November 9, 2016, approved by the County Executive on November 14, 2016 and effective on November 14, 2016, as supplemented and amended from time to time.

"*Bond Register*" means the books for the registration and transfer of Bonds maintained by the Trustee under Section 2.06.

"*Bond Year*" means each one year period beginning on February 16 and ending on the immediately succeeding February 15.

"*Bonds*" means the Series 2017 A Bonds and any Additional Bonds.

"*Business Day*" means any day other than a Saturday, Sunday or legal holiday in the State of Maryland observed as such by the County or the Trustee.

"*Capitalized Interest Account*" means the "Howard County, Maryland Series 2017 A Downtown Columbia Capitalized Interest Account" established within the Debt Service Fund pursuant to Section 4.01.

"*Capitalized Interest Period*" means the period from the date of delivery of the Series 2017 A Bonds to and including February 15, 2019.

"*Closing Date*" means (i) with respect to the Series 2017 A Bonds, the date on which there is physical delivery of the Series 2017 A Bonds in exchange for the purchase price thereof and (ii) with respect to any Series of Additional Bonds, the date on which there is physical delivery of such Series of Additional Bonds in exchange for the purchase price thereof.

"*Code*" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series 2017 A Bonds as it may be amended to apply to any Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published under the Code.

"*Costs*" shall have the meaning given such term in the Funding Agreement.

"*Costs of Issuance*" means items of expense payable or reimbursable directly or indirectly by the County and related to the authorization, sale and issuance of the Bonds,

including (without limitation) expenses incurred by the County in connection with the establishment of the Districts.

"*Costs of Issuance Fund*" means the "Howard County, Maryland Series 2017 A Downtown Columbia Costs of Issuance Fund" established pursuant to Section 4.01.

"*Council Bill No. 70-2016*" means Council Bill No. 70-2016, enacted by the County Council on December 5, 2016, signed by the County Executive on December 9, 2016, and effective on February 8, 2017.

"*County*" means Howard County, Maryland, a body politic and corporate and a political subdivision of the State of Maryland.

"*County Council*" means the County Council of Howard County, Maryland.

"*County Expenses*" means the fees and expenses of the Trustee; the expenses of the County or the Administrator in carrying out its duties under this Indenture, including, but not limited to, the calculating, levying and collecting the Special Taxes and taxes levied on the Tax Increment and complying with arbitrage rebate requirements and obligated person disclosure requirements associated with applicable federal and state securities law, including the allocable costs of any employees of the County and fees of any professionals retained by the County to provide these services and allocable general administration overhead related thereto and the out-of-pocket costs and expenses of the County for any professionals retained by the County to provide services for such purpose, including without limitation, the Administrator; all other costs and expenses of the County and the Trustee incurred or advanced in connection with the discharge of their duties under this Indenture, including legal expenses associated with those duties, fees and expenses of bond counsel in connection with any opinion of bond counsel rendered pursuant to this Indenture or the Funding Agreement, and in any way related to the administration of the Districts, including the costs of commencing foreclosure of delinquent Special Taxes and taxes levied on the Tax Increment; any amounts required to be rebated by the United States of America to comply with the arbitrage rebate requirements applicable to the Bonds, including payments in lieu of rebate; fees payable for any bond insurance or other financial guaranty or credit enhancement with respect to any Bonds or under this Indenture, including without limitation any credit facility for any reserve fund; any unpaid cost or expense of the County, including without limitation fees and expenses of legal counsel and any professionals retained by the County, for which the County is entitled to indemnification pursuant to a development agreement or other similar agreement relating to the Districts incurred in connection with the defense by the County or the bringing by the County of any claim, demand, suit or cause of action relating to the issuance of any Bonds, the establishment of the District, the levy or collection of Special Tax or any other matters related thereto; any fees, expenses or costs included in the definition of Administrative Expenses as set forth in the Rate and Method and not specifically included herein; amounts payable to a Rating Agency in connection with the application for and maintenance of a rating on any Series of Bonds; all other costs and expenses of the County, the Trustee, and the Administrator incurred in connection with the discharge of their respective duties, including legal fees and expenses associated with such duties.

"*Debt Service*" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"*Debt Service Fund*" means the "Howard County, Maryland Series 2017 A Downtown Columbia Debt Service Fund" established pursuant to Section 4.01.

"*Developer*" means The Howard Research And Development Corporation, a Maryland corporation, its successors and permitted assigns under the Funding Agreement.

"*Development District*" means the Downtown Columbia Development District established pursuant to the Resolution.

"*Disclosure Agreements*" means, collectively, (i) the County Continuing Disclosure Agreement among the County, the Trustee and the Administrator dated as of October 1, 2017 and (ii) the Developer Continuing Disclosure Agreement between the Developer and the Administrator dated as of October 1, 2017, in each case as supplemented and amended from time to time in accordance with their respective terms.

"*Districts*" means, collectively, the Development District and the Special Taxing District.

"*Executive Order*" means the Executive Order issued by the County Executive on October 18, 2017.

"***First Available Tax Increment Revenues***" means, in each Fiscal Year, (i) with respect to the Phase One Bonds, (A) the amount of Tax Increment Revenues shown in Exhibit C for such Fiscal Year, less (B) the amount of any real property tax credits on the Phase One Properties that reduce the County real property taxes paid with respect to such properties and (ii) with respect to the Phase Two Bonds, the amount of Tax Increment Revenues set forth in the Supplemental Indenture authorizing the issuance of such Bonds.

"*Fiscal Year*" means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding calendar year, both dates inclusive.

"*Fitch*" means Fitch Ratings Inc. and any successor thereto.

"*Funding Agreement*" means the Funding Agreement dated October 18, 2017, between the County and the Developer, as supplemented and amended from time to time.

"*Future Downtown Columbia Bonds*" means any bonds issued pursuant to the Acts to finance infrastructure improvements within or relating to the development of the areas in the Development District that are outside of the Special Taxing District. Future Downtown Columbia Bonds shall not be issued pursuant to this Indenture and shall not constitute Additional Bonds.

"*Government Obligations*" means direct obligations of the United States of America or other obligations, the timely payment of the principal of and the interest on which the United States of America has pledged its faith and credit.

"*Holder*," or **"*holder*"** or **"*Bondholder*"** means any person who shall be the registered owner of any Outstanding Bond.

"*Improvement Fund*" means the "Howard County, Maryland Series 2017 A Downtown Columbia Improvement Fund" established pursuant to Section 4.01.

"*Indenture*" means this Indenture of Trust, as it may be amended or supplemented from time to time by any Supplemental Indenture adopted pursuant to the provisions hereof.

"*Independent Financial Consultant*" means any consultant or firm of consultants appointed by the County, and who, or each of whom: (i) is judged by the Director of Finance of the County to have experience in matters relating to the issuance or administration of bonds under the Acts; (ii) is in fact independent; (iii) does not have any substantial interest, direct or indirect, with or in the County, or any owner of real property in the Districts and (iv) is not an officer or employee of the County, but who may be regularly retained to make reports to the County. The Administrator may be an Independent Financial Consultant.

"*Inspector*" means the County Department of Public Works, or any independent engineer or firm of engineers registered and qualified to practice the profession of engineering under the laws of the State and selected by the County to inspect the Public Improvements as required by the Funding Agreement.

"*Interest Payment Dates*" means (i) with respect to the Series 2017 A Bonds, February 15 and August 15 of each year, commencing February 15, 2018 and (ii) with respect to any Additional Bonds, the dates established in the Supplemental Indenture authorizing the issuance thereof.

"*Minimum Debt Service Coverage Requirement*" means for purposes of Section H of the Rate and Method, one hundred five percent (105%) of the total Annual Debt Service on the Outstanding Bonds.

"*Maximum Annual Debt Service*" means, as of any date of calculation, the largest Annual Debt Service for the then-current or any Fiscal Year after such date of calculation.

"*Maximum Special Tax*" shall have the meaning given such term in the Rate and Method.

"*Moody's*" means Moody's Investors Service, Inc. and any successor thereto.

"*Net Debt Service*" means Debt Service plus County Expenses, less any amounts on deposit in the Capitalized Interest Account and any excess amounts on deposit in the Reserve Fund available for transfer to the Debt Service Fund.

"*Offering Memorandum*" means that certain Limited Offering Memorandum issued on October 5, 2017 in connection with the Series 2017 A Bonds.

"*Officer's Certificate*" means a written certificate of the County signed by an Authorized Officer.

"*Opinion of Bond Counsel*" means, when used with respect to or in connection with any action, a written opinion of Bond Counsel to the effect that such action will not adversely affect the excludability from gross income, for federal income tax purposes, of interest paid on any Tax-Exempt Bonds theretofore issued.

"*Original Purchaser(s)*" means the first purchaser(s) of the Series 2017 A Bonds from the Underwriter.

"*Original Taxable Value*" shall have the meaning given such term in the Resolution.

"*Outstanding*" or "***outstanding***" means, as of any particular date, all Bonds authenticated and delivered under the Indenture except (i) any Bond canceled by the Trustee (or delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for the payment of the principal or Redemption Price of and interest on which provision shall have been made as provided in Section 8.01 and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Article II or Section 7.03.

"***Parity Phase Two Bonds***" means any Phase Two Bonds secured by a lien on the Phase One Tax Increment Revenues that is on a parity with the lien pledged to the Phase One Bonds hereunder.

"*Paying Agent*" means the Trustee in its capacity as paying agent for the Bonds.

"*Permitted Investments*" means any of the following which at the time of investment are legal investments under the laws of the State of Maryland for funds held by the Trustee or the County (as the case may be):

(a) Government Obligations;

(b) obligations that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress;

(c) an obligation issued and unconditionally guaranteed by a supranational issuer denominated in United States dollars and eligible to be sold in the United States;

(d) banker's acceptances guaranteed by a financial institution with a short-term debt rating in the highest rating category of at least one Rating Agency;

(e) any investment portfolio created under the Maryland Local Government Investment Pool defined under Sections 17-301 through 17-309 of the Local Government Article of the Annotated Code of Maryland that is administered by the Office of the State Treasurer;

(f) commercial paper which is rated at the time of purchase in the highest rating category of at least two Rating Agencies, *provided that* such commercial paper may not exceed 10% of the total Permitted Investments;

(g) investments in a money market mutual fund registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, operated in

accordance with Rule 2A-7 of the Investment Company Act of 1940, as amended, and rated in the highest rating category of at least one Rating Agency;

(h) bonds, notes or other obligations issued by or on behalf of any state of the United States of America or of any agency, department, county, municipal or public corporation, special district, authority or political subdivision thereof which are rated in the highest rating category of at least one Rating Agency or any fund or trust that invests only in such securities; and

(i) any repurchase agreement with a financial institution the long-term unsecured debt obligations or claims-paying ability of which (or the guarantor of which) is rated in one of the two highest rating categories of at least one Rating Agency at the time of execution of such contract or agreement, provided that (i) such contract or agreement is collateralized by obligations described in paragraph (a) and/or (b), (ii) all such collateral is held by the Trustee or a third party custodian, (iii) the market value is not less than 102% of the principal invested, (iv) moneys invested thereunder may be withdrawn without penalty, premium or charge, for use in accordance with this Indenture, upon not more than seven days' notice, (v) the contract or agreement is not subordinated to any other obligation of the provider thereof, (vi) the Trustee receives an opinion of counsel to the effect that such contract or agreement and any guaranty are enforceable obligations of such provider; and (vii) the agreement provides that the provider or the guarantor (as the case may be) must promptly notify the Trustee if the rating assigned by at least one Rating Agency to its long-term unsecured debt obligations or claims-paying ability, as applicable, is suspended, withdrawn or reduced by at least one Rating Agency.

Notwithstanding the foregoing, if the Trustee receives written notice that, by reason of a rating withdrawal or downgrade or otherwise, any investment no longer satisfies the description of a Permitted Investment, the Trustee shall immediately liquidate such investment, notify the County of such liquidation, and reinvest the proceeds of such liquidation in another Permitted Investment pursuant to Section 4.09.

"***Phase One Bonds***" means any Bonds issued pursuant to the Bond Ordinance, as originally adopted without regard to any amendment or supplement. The Series 2017 A Bonds constitute Phase One Bonds. The maximum aggregate principal amount of Phase One Bonds that may be issued pursuant to the Bond Ordinance is $90,000,000.

"***Phase One Properties***" means the properties depicted on the map attached hereto as Exhibit F which, as of the date hereof have the tax parcel numbers listed on Exhibit F (as the same may be renumbered or redesignated as a result of any subdivision or resubdivision of such property) and any other parcel of property in the Special Taxing District that is added to this definition by a Supplemental Indenture; provided that at the time of its addition, the proposed improvements to be constructed on such parcel have been completed or are actively in process, as evidenced by an executed construction contract, and adequate funding to complete such construction is in place, in each case as determined by the County in its sole discretion. To the extent of any discrepancy between the map and the list of tax parcel numbers, the list of tax parcel numbers shall control.

"Phase One Tax Increment Revenues" means the Tax Increment Revenues levied on and collected by the County from the Phase One Properties.

"***Phase Two Bonds***" means any Bonds other than the Phase One Bonds issued by the County pursuant to the Acts and this Indenture to finance infrastructure improvements within or relating to development in the Special Taxing District. If and when issued, the Phase Two Bonds will constitute Additional Bonds.

"Projected Phase One Tax Increment Revenues" means the Phase One Tax Increment Revenues projected to be generated by the Applicable Parcels, based upon a study completed within the prior 90 days by the Administrator or such other party that the County, in its sole discretion, determines to be an expert in the valuation and assessment of property in the State of Maryland, which study shall take into account expected reassessments, tax credits and an inflation rate of not more than two percent (2%) per year.

"Public Improvements" means the public infrastructure improvements described in the Authorizing Legislation, which are eligible to be financed with the proceeds of the Bonds, consisting of the 2017 A Public Improvements and any Additional Public Improvements.

"Rate and Method" means the Rate and Method of Apportionment of Special Taxes included as Exhibit B to the Bond Ordinance, as amended and supplemented from time to time.

"Rating Agency" means Fitch, Moody's or S&P, or any other nationally recognized securities rating agency.

"Record Date" means the close of business on the first day of the calendar month in which the Interest Payment Date occurs, whether or not such day is a Business Day.

"Redemption Price" means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Indenture.

"***Required Maximum Special Tax***" means the amount determined in accordance with Exhibit D being the Required Maximum Special Tax referred to in the Rate and Method.

"Reserve Fund" means the "Howard County, Maryland Series 2017 A Downtown Columbia Reserve Fund" established pursuant to Section 4.01.

"***Reserve Fund for Permanent Public Improvements***" means the fund established by the Council Bill No. 70-2016, enacted by the County Council on December 5, 2016, signed by the County Executive on December 9, 2016, and effective on February 8, 2017.

"Reserve Requirement'' means (i) when used with respect to the Phase One Bonds or the Reserve Fund maintained for the Phase One Bonds, an amount equal to the least of (a) 10% of the original principal amount of the Phase One Bonds outstanding as of the Closing Date, (b) 125% of the average Annual Debt Service on the Phase One Bonds outstanding as of the Closing Date, or (c) the Maximum Annual Debt Service on the Phase One Bonds outstanding as of the date of determination and (ii) when used with respect to any separate reserve fund established for any Series of Additional Bonds, in accordance with Section 2.04, the amount set forth in the Supplemental Indenture providing for the creation thereof.

"*Resolution*" means Resolution No. 105-2016 adopted by the County Council on November 9, 2016, approved by the County Executive on November 14, 2016 and effective on November 14, 2016, as supplemented and amended from time to time.

"*Revenues*" means, collectively, the Tax Increment Revenues and the Special Tax Revenues.

"*S&P*" means S&P Global Ratings and any successor thereto.

"*SDAT*" means the State Department of Assessments and Taxation, or any successor agency that has responsibility for assessing real property in the State.

"***Second Available Tax Increment Revenues***" means, in each Fiscal Year, (i) with respect to the Phase One Bonds, the amount of Tax Increment Revenues in excess of the First Available Tax Increment Revenues up to the amount shown in Exhibit E for such Fiscal Year and (ii) with respect to the Phase Two Bonds, the amount of Tax Increment Revenues set forth in the Supplemental Indenture authorizing the issuance of such Bonds.

"*Section 148 Certificate*" has the meaning ascribed to such term in Section 5.08.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Securities Depository*" has the meaning ascribed to such term in Section 2.09.

"*Series*" means any series of Bonds issued hereunder.

"*Series 2017 A Bond Fund*" means the "Howard County, Maryland Series 2017 A Downtown Columbia Bond Fund" established pursuant to Section 4.01.

"*Series 2017 A Bonds*" means the Bonds so designated and authorized to be issued under Section 2.01.

"*Sinking Fund Installment*" means the amount of money provided in this Indenture to redeem or pay at maturity Term Bonds at the times and in the amounts provided in this Indenture. The Sinking Fund Installments for the Series 2017 A Bonds are set forth in Section 3.01.

"*Special Record Date*" means a subsequent date fixed by the Trustee that is at least 10 and not more than 15 days before the date set for the payment of any defaulted interest.

"***Special Tax Credit***" means, for purposes of calculating the Tax Increment Revenues related to a Parcel (as defined in the Rate and Method) pursuant to the definition of Special Tax Credit in the Rate and Method, for any property subject to Special Taxes, in any Fiscal Year, an amount equal to (i) the Maximum Special Tax for the Parcel divided by the Maximum Special Taxes for all properties subject to Special Taxes, multiplied by (ii) the Tax Increment Revenues used to determine the Special Tax Requirement for that Fiscal Year.

"*Special Tax Requirement*" has the meaning given such term in the Rate and Method. For purposes of determining the Special Tax Requirement for the Phase One Bonds, the "Tax Increment Revenues available to apply to the Special Tax Requirement for that Fiscal Year", as described in clause (B)(1) of the definition thereof, shall mean the First Available Tax Increment Revenues and any Tax Increment Revenues in excess of the sum of the First Available Tax Increment Revenues and the Second Available Tax Increment Revenues.

"*Special Tax Revenues*" means the revenues and receipts from the Special Taxes received by the County, including any scheduled payments thereof, interest thereon and the net proceeds of redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes equal to the amount of such lien and interest thereon, including any penalties collected in connection with delinquent Special Taxes but excluding any expenses of sale or any other administrative expenses collected by the County in connection with such delinquent taxes.

"*Special Taxes*" means the special taxes levied within the Special Taxing District pursuant to the Special Taxing District Act, the Bond Ordinance and this Indenture and in accordance with the Rate and Method.

"*Special Taxes Fund*" means the Crescent Special Taxes Fund established by the Resolution and held by the County.

"*Special Taxing District*" means the Crescent Special Taxing District established pursuant to the Resolution.

"*Special Taxing District Act*" means Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as supplemented and amended from time to time.

"*State*" means the State of Maryland.

"*Supplemental Indenture*" means an indenture amendatory of or supplemental to this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

"*Tax-Exempt Bonds*" means the Series 2017 A Bonds and any other Bonds with respect to which there shall have been delivered to the County an opinion of Bond Counsel to the effect that the interest on such Bonds is excludable from gross income for federal income tax purposes.

"*Tax Increment*" means, for any tax year, the amount by which the Assessable Base of all real property in the Development District as of January 1 preceding that tax year exceeds the Original Taxable Value of all real property in the Development District, divided by the Assessment Ratio used to determine the Original Taxable Value.

"*Tax Increment Financing Act*" means Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as supplemented and amended from time to time.

"*Tax Increment Fund*" means the Downtown Columbia Tax Increment Fund established by the Resolution and held by the County.

"*Tax Increment Revenues*" means the revenues and receipts from the property taxes representing the levy on the Tax Increment that would normally be paid to the County, including any scheduled payments thereof, interest thereon and a portion of the net proceeds of the redemption or sale of property sold as a result of foreclosure of the lien equal to the amount of such lien and interest thereon, including any penalties collected in connection with delinquent taxes but excluding any expenses of sale or any other administrative expenses collected by the County in connection with such delinquent taxes, in each case to the extent attributable to such levy. No State real property taxes constitute Tax Increment Revenues.

"*Term Bonds*" means the Bonds of any Series payable prior to or at their stated maturity from Sinking Fund Installments.

"*Trustee*" means Manufacturers and Traders Trust Company, a New York banking corporation, and its successors, and any other corporation that may at any time be substituted in its place as provided in Section 6.10.

"*Underwriter*" means (i) with respect to the Series 2017 A Bonds, Stifel, Nicolaus & Company, Incorporated, and (ii) with respect to any Additional Bonds, the firms or corporations named as the Underwriter of any Additional Bonds in any Supplemental Indenture authorizing the issuance of such Additional Bonds.

"2017 A Public Improvements" means the Public Improvements described in Exhibit A to the Funding Agreement, which are eligible to be financed with the proceeds of the Series 2017 A Bonds.

Section 1.02 Rules of Construction.

Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Indenture:

(a) Words importing the singular number include the plural number and words importing the plural number include the singular number.

(b) Words of the masculine gender include correlative words of the feminine and neuter genders.

(c) The headings and the table of contents set forth in this Indenture are solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

(d) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(e) Any reference to a particular percentage or proportion of the holders of Bonds shall mean the holders at the particular time of the specified percentage or proportion in aggregate principal amount of all Bonds then Outstanding under this Indenture, except Bonds held by or for the account of the County, whether or not pledged to or by the County; however,

Bonds so pledged may be regarded as Outstanding for the purposes of this paragraph if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to vote such Bonds. Any reference herein to Bonds of which the consent or direction of a specified proportion of the holders of such Bonds is required or permitted prior to the taking of any action hereunder shall mean the holders of such proportion of Outstanding Bonds as shall be affected thereby.

(f) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

ARTICLE II
AUTHORIZATION AND DETAILS OF THE BONDS; ADDITIONAL BONDS

Section 2.01 Series 2017 A Bonds Authorized.

There is hereby authorized the issuance under this Indenture of a Series of Bonds in the aggregate principal amount of Forty-Eight Million Two Hundred Twenty-Five Thousand Dollars ($48,225,000) which shall be designated "Howard County, Maryland Special Obligation Bonds (Downtown Columbia Project), Series 2017 A," for the purpose of financing the 2017 A Public Improvements.

Section 2.02 Details of Bonds; Form of Bonds.

The Series 2017 A Bonds shall be issued as fully registered bonds without coupons in Authorized Denominations. The Series 2017 A Bonds shall bear interest at the rates set forth in the table below (calculated on the basis of a 360-day year consisting of twelve 30-day months) and shall mature on February 15 in the years and the amounts as follows:

Term Bonds

Year	Principal Amount	Interest Rate
2028	$ 4,500,000	4.000%
2034	8,675,000	4.125
2039	10,300,000	4.375
2047	24,750,000	4.500

All interest due on each Series 2017 A Bond shall be payable to the person in whose name such Series 2017 A Bond is registered on the Bond Register as of the Record Date and shall be made by check mailed to the address of such owner as it appears on the Bond Register; provided, that if there is a default in the payment of interest due on any Series 2017 A Bond, such defaulted interest shall be payable to the person in whose name such Series 2017 A Bond is registered as of the close of business on the Special Record Date. Notice of any Special Record Date will be given to the registered owners of the Series 2017 A Bonds not later than 10 days before the Special Record Date.

The Series 2017 A Bonds shall be subject to redemption prior to maturity in accordance with Section 3.01, and shall otherwise have the terms, tenor, denominations, details and specifications as set forth in the form of Series 2017 A Bond attached hereto as Exhibit A.

The Bonds of any Series of Additional Bonds shall bear interest, be subject to redemption prior to maturity and shall otherwise have the terms, tenor, denominations, details and specifications as set forth in Section 2.04 and in the Supplemental Indenture authorizing the issuance of such Additional Bonds.

The principal of the Bonds shall not be subject to acceleration, provided that nothing in this Section shall in any way prohibit the prepayment or redemption of Bonds under Article III, or the defeasance of the Bonds and discharge of this Indenture under Section 8.01.

The Series 2017 A Bonds shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof, with such insertions, omissions and variations as may be deemed necessary or appropriate by the officers of the County executing the same and as shall be permitted by the Acts and the Authorizing Legislation. The County hereby adopts the form of Series 2017 A Bond set forth in Exhibit A, and all of the covenants and conditions set forth therein, as and for the form of obligation to be incurred by the County as the Series 2017 A Bonds. The covenants and conditions set forth in such form are incorporated into this Indenture by reference and shall be binding upon the County as though set forth in full herein.

The Bonds may contain, or have endorsed thereon, any notations, legends or endorsements not inconsistent with the provisions of this Indenture or of any Supplemental Indenture authorizing the same as may be necessary or desirable and as may be determined by the officers of the County executing the Bonds prior to the authentication and delivery of such Bonds. The execution and delivery of the Bonds by the County in accordance with this Indenture shall be conclusive evidence of the approval of the form of such Bonds by the County, including any insertions, omissions, variations, notations, legends or endorsements authorized by this Indenture.

The Bonds shall be numbered in the manner determined by the Trustee. Before authenticating and delivering any Bond, the Trustee shall complete the form of such Bond to show the registered owner, principal amount, interest rate, maturity date, number and authentication date of such Bond as directed by the County in writing.

The printing of CUSIP numbers on the Bonds shall have no legal effect and shall not affect the enforceability of any Bond.

Upon receipt of a written request on behalf of not less than 25% of the Holders of the Series 2017 A Bonds, the County shall apply for a rating on the Series 2017 A Bonds from Fitch, S&P or Moody's; provided, in advance of applying for such rating the Administrator has determined in its reasonable discretion that, based upon published criteria or discussions with the applicable Rating Agency, the Series 2017 A Bonds can be expected to receive a rating in a category not lower than "BBB-" by Fitch, "Baa3" by Moody's or "BBB-" by S&P. The costs of any rating on the Series 2017 A Bonds shall be payable from Tax Increment Revenues to the extent available hereunder, and the County shall not be responsible for paying the costs of applying for such rating, except from Tax Increment Revenues, to the extent available. If such Tax Increment Revenues are not available hereunder, then the County shall not be required to apply for a rating pursuant to this Section until sufficient Tax Increment Revenues become available. Upon receipt of such rating, the Authorized Denomination of the Series 2017 A Bonds shall be reduced as described in the definition of "Authorized Denomination" set forth in Section 1.01. Promptly upon the Series 2017 A Bonds meeting the requirements for a reduction in the Authorized Denomination as set forth in the definition of such term in Section 1.01, the County shall provide written notice thereof to the Trustee.

Section 2.03 Conditions Precedent to Delivery of Series 2017 A Bonds.

The Series 2017 A Bonds shall be executed by the County and delivered to the Trustee, whereupon the Trustee shall authenticate the Series 2017 A Bonds and, upon payment of the purchase price of the Series 2017 A Bonds, shall deliver the Series 2017 A Bonds upon the order of the County, but only upon delivery to the Trustee of:

(a) duly certified copies of the Authorizing Legislation and the Executive Order;

(b) original executed counterparts of this Indenture and the Funding Agreement;

(c) a request and authorization executed by an Authorized Officer directing the authentication and delivery of the Series 2017 A Bonds, designating the purchasers to whom the Series 2017 A Bonds are to be delivered, stating the purchase price of the Series 2017 A Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the County;

(d) an opinion of Bond Counsel to the effect that the County is duly authorized and entitled to issue the Series 2017 A Bonds and, upon the execution, authentication and delivery thereof as provided in this Indenture, the Series 2017 A Bonds will be duly and validly issued and will constitute valid and binding special obligations of the County;

(e) with respect to any Series 2017 A Bonds which are Tax-Exempt Bonds, an opinion of Bond Counsel to the effect that, subject to customary exceptions and qualifications, interest on such Series 2017 A Bonds is not includable in the gross income of the holders thereof for federal income tax purposes;

(f) a receipt from the Underwriter acknowledging receipt of the Series 2017 A Bonds;

(g) a certificate of the Underwriter setting forth the Reserve Requirement for the Series 2017 A Bonds; and

(h) evidence that the requirements of Section 8.1 of the Funding Agreement have been met.

Section 2.04 Authorization of Additional Bonds; Conditions Precedent to Delivery of Additional Bonds.

In addition to the Series 2017 A Bonds, the County may issue from time to time Additional Bonds under and secured by this Indenture, subject to the further provisions of this Section, for any purpose for which obligations of the County may be issued under the Acts, including (without limitation) (i) to obtain funds necessary to finance or refinance the completion of any Public Improvements, (ii) to obtain funds necessary to finance or refinance the acquisition

or construction of any Additional Public Improvements, or (iii) to refund or advance refund any Outstanding Bonds. The issuance of Additional Bonds shall be authorized by a Supplemental Indenture, which shall specify all matters required to be provided in this Section.

Each Series of Additional Bonds shall be on a parity with, and shall be entitled to the same benefit and security of this Indenture as the Series 2017 A Bonds and any other Series of Additional Bonds that may be issued from time to time, except to the extent provided in Section 5.03 of this Indenture and the Supplemental Indenture authorizing the issuance of such Series of Additional Bonds.

The Supplemental Indenture authorizing the issuance of any Series of Additional Bonds shall specify the maturities and redemption provisions of such Additional Bonds, the form, denominations, registration provisions and provisions for the exchange of such Additional Bonds, whether such Additional Bonds constitute Phase One Bonds or Phase Two Bonds and other details of such Additional Bonds. Any Supplemental Indenture authorizing the issuance of Additional Bonds may provide for the creation of a separate improvement fund, costs of issuance fund, reserve fund or debt service fund for such Additional Bonds.

Any Supplemental Indenture authorizing the issuance of Additional Bonds constituting Phase One Bonds shall provide that such Series of Additional Bonds shall be secured by the Reserve Fund maintained for the Series 2017 A Bonds. Any Supplemental Indenture authorizing the issuance of Additional Bonds constituting Phase Two Bonds may provide that (i) such Series of Additional Bonds shall not be secured by a reserve fund, or (ii) such Series of Additional Bonds shall be secured by a separate reserve fund.

Any Supplemental Indenture authorizing the issuance of any Series of Additional Bonds constituting Phase One Bonds shall provide for the deposit in such Reserve Fund on the date of issuance of such Additional Bonds of the amount, if any, necessary to make the amount on deposit therein equal to the Reserve Requirement on all Phase One Bonds secured thereby, after giving effect to the issuance of such Additional Bonds. Such Supplemental Indenture may provide that the amount of any increase in the Reserve Requirement resulting from the issuance of such Additional Bonds shall be applied to the final payments of the principal or Redemption Price of such Additional Bonds.

If the Supplemental Indenture authorizing the issuance of any Additional Bonds constituting Phase Two Bonds provides that such Series of Additional Bonds shall be secured by a separate reserve fund, such Supplemental Indenture shall (i) establish the amount of the Reserve Requirement for such reserve fund, (ii) provide the period during which any deficiency shall be cured, which shall be a period of not less than 12 months except in the case of any deficiency resulting from a decline in the value of the assets of such reserve fund, (iii) contain provisions with respect to the issuance of any other Additional Bonds secured by such reserve fund and (iv) provide such terms with respect to the valuation of such reserve fund and the application of any earnings on or surpluses in such reserve fund as the County shall deem appropriate, any other provision of this Indenture to the contrary notwithstanding. If a separate reserve fund is created for any Series of Bonds, the Reserve Requirement shall be calculated separately for each Series of Bonds for which a separate reserve fund is maintained.

If any Supplemental Indenture authorizing the issuance of Additional Bonds constituting Phase Two Bonds provides for the establishment of separate funds and accounts for such Series of Bonds, then such Supplemental Indenture shall require that (i) amounts on deposit in the Tax Increment Fund and the Special Taxes Fund on any date shall be transferred *pro rata* (subject to clause (iii) below) among all debt service funds on the basis of the principal of, the Sinking Fund Installments for and the interest on the Series of Bonds secured thereby due on such date, (ii) amounts on deposit in the Tax Increment Fund and the Special Taxes Fund required to be transferred to the reserve funds on any date shall be transferred *pro rata* (subject to clause (iii) below) among all reserve funds on the basis of the respective deficiencies, if any, in such reserve funds, (iii) if any Series of Bonds is secured by a senior pledge of a portion of the Tax Increment Revenues, such Tax Increment Revenues shall be transferred to the debt service fund and reserve fund, if any, securing such Series of Bonds prior to the transfer to the debt service fund and reserve fund, if any, of any other Series of Bonds; and (iv) amounts on deposit in the funds and accounts created for particular Series of Bonds available for the payment of any Bonds shall be applied solely to the payment of the principal or Redemption Price of and interest on, or the purchase price of, the Bonds of such Series and shall not be available to satisfy the claims of Holders of Bonds of any other Series.

The Bonds of each Series of Additional Bonds shall be executed by the County and delivered to the Trustee, whereupon the Trustee shall authenticate such Additional Bonds and deliver such Additional Bonds to or upon the order of the County, but only upon receipt by the Trustee of the purchase price of such Additional Bonds and each of the following:

(a) executed counterparts of the applicable Supplemental Indenture authorizing the issuance of such Additional Bonds;

(b) a certified copy of an ordinance enacted by the County Council and approved by the County Executive authorizing the issuance of such Additional Bonds pursuant to the Acts and an Executive Order of the County Executive specifying the principal amount of such Additional Bonds and other matters relative thereto;

(c) an Officer's Certificate to the effect that upon the issuance of such Additional Bonds, no default under this Indenture shall have occurred and be continuing;

(d) an opinion of Bond Counsel to the effect that (i) the Supplemental Indenture authorizing the issuance of such Additional Bonds is in full force and effect and is valid and binding upon the County; (ii) the County is duly authorized and entitled to issue such Additional Bonds and, upon the execution, authentication and delivery thereof as provided in such Supplemental Indenture, such Additional Bonds will be duly and validly issued and will constitute valid and binding special obligations of the County; (iii) the issuance of such Additional Bonds will not adversely affect the excludability from gross income, for federal income tax purposes, of interest paid on any Tax-Exempt Bonds theretofore issued; and (iv) with respect to any Additional Bonds which are Tax-Exempt Bonds, an opinion of Bond Counsel to the effect that, subject to customary exceptions and qualifications, interest on such Additional Bonds is not includable in the gross income of the holders thereof for federal income tax purposes;

(e) a request and authorization executed by an Authorized Officer directing the authentication and delivery of such Additional Bonds, designating the purchasers to whom such Additional Bonds are to be delivered, stating the purchase price of such Additional Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the County;

(f) moneys or securities authorized for the investment of the Reserve Fund in an amount equal to the amount, if any, required to make the amount on deposit in the Reserve Fund equal the Reserve Requirement upon the issuance of such Additional Bonds;

(g) if such Additional Bonds are issued to refund or advance refund any Bonds, evidence satisfactory to the Trustee that after giving effect to such refunding or advance refunding, Maximum Annual Debt Service during any year prior to the maturity of any Bonds theretofore outstanding will not be increased by more than 10%;

(h) if such Additional Bonds constitute Additional Phase One Bonds, unless such Additional Phase One Bonds meet the requirements of clause (g) above, either (i) there is delivered to the County and the Trustee a certificate of the Administrator to the effect that (A) the amount of the proposed Additional Phase One Bonds and any Phase One Bonds that will remain Outstanding after the issuance of such Additional Phase One Bonds will not exceed the amount of Phase One Bonds for which Net Debt Service can be paid in each succeeding Bond Year from the amount of Projected Phase One Tax Increment Revenues divided by 125%, and (B) the amount of the Maximum Special Tax in every succeeding Fiscal Year shall be at least one hundred and five percent (105%) of the total Annual Debt Service for the corresponding Bond Year on the proposed Additional Phase One Bonds and any Bonds that will be Outstanding after the issuance of such Additional Phase One Bonds, or (ii) the Holders of a majority of the Phase One Bonds and any Parity Phase Two Bonds outstanding immediately prior to the issuance of such Additional Bonds shall have consented to the issuance thereof;

(i) if such Additional Bonds constitute Phase Two Bonds, unless such Additional Bonds meet the requirements of clause (g) above, either (i) there is delivered to the County and the Trustee a certificate of the Administrator to the effect that (A) the amount of the Maximum Special Tax in every succeeding Fiscal Year shall be at least one hundred and five percent (105%) of the total Annual Debt Service for the corresponding Bond Year on the proposed Phase Two Bonds and any Bonds that will remain Outstanding after the issuance of such Phase Two Bonds and (B) if such Phase Two Bonds constitute Parity Phase Two Bonds, the amount of the proposed Parity Phase Two Bonds and any Phase One Bonds and Parity Phase Two Bonds that will remain Outstanding after the issuance of such Parity Phase Two Bonds will not exceed the amount of Phase One Bonds and Parity Phase Two Bonds for which Net Debt Service can be paid in each succeeding Bond Year from the amount of Projected Phase One Tax Increment Revenues divided by 125%, or (ii) the Holders of a majority of the Phase One Bonds and a majority of the Phase Two Bonds outstanding immediately prior to the issuance of such Additional Bonds shall have consented to the issuance thereof;

(j) a certificate of the Underwriter setting forth the amount of the Reserve Requirement, if any, for such Additional Bonds; and

(k) if such Additional Bonds are being issued to finance or refinance the acquisition and construction of Additional Public Improvements or the completion of any Public Improvements, an executed counterpart of the supplement to the Funding Agreement.

Additional Bonds may be authenticated, delivered and paid for in installments of less than the total authorized principal amount of a Series of Bonds from time to time as the County may direct in its orders.

Section 2.05 Execution and Authentication.

The Bonds shall be executed in the name and on behalf of the County by the manual or facsimile signatures of the County Executive and the Director of Finance of the County, and the seal (or a facsimile thereof) of the County shall be affixed to, or otherwise reproduced on, the Bonds and attested by the manual or facsimile signature of the Chief Administrative Officer of the County. In case any officer whose manual or facsimile signature appears on the Bonds shall cease to be such officer before delivery of such Bonds, such signature, nevertheless, shall be valid and sufficient for all purposes as if such officer had remained in office until such delivery, and the County may adopt and use for the execution of Bonds the manual or the facsimile signature of any person who shall have been at the time the proper officer to execute such Bonds, notwithstanding the fact that such person may not have been such officer on the date of such Bonds or that such person may have ceased to be such officer at the time when such Bonds shall be actually authenticated and delivered.

No Bond shall be valid or obligatory for any purpose or entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication substantially in the form set forth in Exhibit A attached to this Indenture and made a part hereof or the form set forth in the Supplemental Indenture authorizing the issuance thereof (as the case may be), duly executed by the Trustee, and such certificate of the Trustee upon any Bond executed on behalf of the County shall be conclusive evidence and the only evidence required that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefits of this Indenture. The certificate of the Trustee may be executed by any authorized signatory of the Trustee.

Section 2.06 Registration and Exchange of Bonds.

The Bonds shall be negotiable instruments for all purposes and shall be transferable by delivery, subject only to the provisions for registration and registration of transfer endorsed on the Bonds and the limitations set forth below.

The County shall cause books for registration and the registration of transfer of Bonds to be prepared and maintained by the Bond Registrar.

At all times when the Series 2017 A Bonds are in denominations of $100,000 or any integral multiple of $5,000 in excess thereof, (i) the Series 2017 A Bonds and beneficial interests therein may only be purchased by or transferred to Approved Investors and (ii) each beneficial owner of the Series 2017 A Bonds shall acquire such Series 2017 A Bonds for its own account or for the account of an Approved Investor and not with a view to the further distribution thereof but shall have the express limited right to sell or transfer such Series 2017 A Bonds. Each

purchaser of the Series 2017 A Bonds is deemed to have represented and warranted that it is an Approved Investor and, until such restriction does not apply, that it will sell or transfer such Series 2017 A Bonds only to an Approved Investor.

If any Bond is surrendered to the Trustee at its designated office for transfer or exchange in accordance with the provisions of such Bond, the County shall execute and authenticate and the Trustee shall authenticate and deliver in exchange for such Bond a new Bond or Bonds of the same Series, in any Authorized Denominations, bearing interest at the same rate and having the same stated maturity date, in aggregate principal amount equal to the principal amount of the Bond so surrendered, upon reimbursement to the County and the Trustee of an amount equal to any tax or other governmental charge required to be paid with respect to such exchange.

Neither the County nor the Trustee shall be required to register the transfer of any Bond or make any such exchange of any Bond during the 15 days preceding an Interest Payment Date applicable to such Bond, during the 15 days preceding the date of mailing of any notice of redemption or after such Bond has been called for redemption, except as otherwise provided in any Supplemental Indenture.

Section 2.07 Bonds Mutilated, Destroyed, Lost or Stolen.

If any temporary or definitive Bond shall become mutilated or be destroyed, lost or stolen, the County in its discretion may execute, and upon its request the Trustee shall authenticate and deliver, a new Bond in exchange for the mutilated Bond, or in lieu of and substitution for the Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the County and to the Trustee (i) evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond and of the ownership thereof and (ii) in the case of any destroyed, lost or stolen Bond, such security or indemnity as may be required by them to save each of them harmless from all risks, however remote. Upon the issuance of any Bond upon such exchange or substitution, the County may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees and expenses, of the County or the Trustee.

If any Bond that has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, instead of issuing a Bond in exchange or substitution therefor, the County may pay or authorize the payment of such Bond (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the County and to the Trustee evidence to the satisfaction of the County and to the Trustee of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof and, in the case of any destroyed, lost or stolen Bond, such security or indemnity as they may require to save them harmless.

Every Bond issued pursuant to the provisions of this Section in exchange or substitution for any Bond that is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation of the County, whether or not the destroyed, lost or stolen Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued under this Indenture. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with

respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.08 Cancellation and Disposition of Bonds.

All mutilated Bonds, all Bonds surrendered for exchange or transfer, all Bonds that have been paid at maturity or upon prior redemption and all Bonds surrendered to the Trustee for cancellation or purchased by the Trustee shall be canceled by the Trustee and cremated or destroyed by other means. The Trustee shall deliver to the County a certificate of any such cremation or other destruction of any Bond, identifying the Bond so canceled and cremated or otherwise destroyed.

Section 2.09 Book Entry of Bonds.

The provisions of this Section shall apply to the Bonds of each Series so long as such Bonds shall be maintained under a book-entry system with The Depository Trust Company, or any other securities depository for the Bonds appointed pursuant to this Section, or their successors (a "*Securities Depository*"), any other provisions of this Indenture to the contrary notwithstanding. The Series 2017 A Bonds shall be maintained under a book-entry system with a Securities Depository.

(a) The principal or Redemption Price of and interest on the Bonds shall be payable to the Securities Depository, or registered assigns, as the registered owner of the Bonds, in same day funds on each date on which the principal or Redemption Price of or interest on the Bonds becomes due. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the County and the Trustee in writing. Without notice to or the consent of the beneficial owners of the Bonds, the County and the Securities Depository may agree in writing to make payments of principal and interest in a manner different from that set out herein. In such event, the County shall give the Trustee notice thereof, and the Trustee shall make payments with respect to the Bonds in the manner specified in such notice as if set forth herein. Neither the County nor the Trustee shall have any obligation with respect to the transfer or crediting of the appropriate principal and interest payments to any participant of any Securities Depository (a "*Participant*") or the beneficial owners of the Bonds or their nominees.

(b) In the event that part but not all of any outstanding Bond is to be retired (by redemption or otherwise), the Securities Depository, in its discretion (i) may request the Trustee to authenticate and deliver a new Bond in accordance with Section 3.04 upon presentation and surrender of such Bond to the Trustee or (ii) shall make appropriate notation on the Bond indicating the date and amount of each principal payment, provided that payment of the final principal amount of any Bond shall be made only upon presentation and surrender of such Bond to the Trustee.

(c) So long as the Securities Depository or its nominee is the registered owner of the Bonds, the County and the Trustee will recognize the Securities Depository or its nominee (as the case may be) as the holder of the Bonds for all purposes, including (without limitation) the

payment of the principal or Redemption Price of and interest on the Bonds, the giving of notices and any consent or direction required or permitted to be given to, or on behalf of, the holders of the Bonds under this Indenture.

(d) The County, in its discretion, at any time may replace any Securities Depository as the depository for the Bonds with another qualified securities depository or discontinue the maintenance of the Bonds under a book-entry system upon 30 days' notice to the Securities Depository (or such fewer number of days as shall be acceptable to such Securities Depository). A copy of any such notice shall be delivered promptly to the Trustee.

(e) If the County discontinues the maintenance of the Bonds under a book-entry system, the County will issue Bonds directly to the Participants or, to the extent requested by any Participant, to the beneficial owners of Bonds as further described in this Section. The County shall make provision to notify Participants and the beneficial owners of the Bonds, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by the County in its discretion, that it will issue Bonds directly to the Participants or, to the extent requested by any Participant, to beneficial owners of Bonds as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the Securities Depository).

In the event that Bonds are to be issued to Participants or to beneficial owners of the Bonds, the County shall promptly have prepared Bonds in certificated form of the same Series and maturity and bearing interest at the same rate, registered in the names of the Participants as shown on the records of the Securities Depository provided to the Trustee or, to the extent requested by any Participant, in the names of the beneficial owners of Bonds shown on the records of such Participant provided to the Trustee, as of the date set forth in the notice delivered in accordance with this subsection.

(f) If the County replaces any Securities Depository as the depository for the Bonds with another Securities Depository, the County will issue to the replacement Securities Depository Bonds of the same Series and maturity and bearing interest at the same rate, registered in the name of such replacement Securities Depository.

(g) Each Securities Depository and the Participants and the beneficial owners of the Bonds, by their acceptance of the Bonds, agree that the County and the Trustee shall have no liability for the failure of any Securities Depository to perform its obligations to any Participant or any beneficial owner of any Bonds, nor shall the County or the Trustee be liable for the failure of any Participant or other nominee of any beneficial owner of any Bonds to perform any obligation that such Participant or other nominee may incur to any beneficial owner of the Bonds.

Section 2.10 No Acceleration.

The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the prepayment or redemption of Bonds under Article III hereof, or the defeasance of the Bonds and discharge of this Indenture under Section 8.01 hereof.

ARTICLE III
REDEMPTION OF BONDS

Section 3.01 Series 2017 A Bonds Subject to Redemption.

The Series 2017 A Bonds at the time outstanding may be redeemed prior to their respective maturities as follows:

(a) **Optional Redemption**. The Series 2017 A Bonds are subject to redemption prior to maturity on and after February 15, 2026, as a whole or in part at any time, at the option of the County, at a Redemption Price equal to 100% of the principal amount of the Series 2017 A Bonds to be redeemed, plus accrued interest thereon to the date set for redemption.

In lieu of redeeming the Series 2017 A Bonds, the County shall have the right to purchase such Series 2017 A Bonds or cause such Series 2017 A Bonds to be purchased on the date named for redemption at a price equal to 100% of the principal amount of such Series 2017 A Bonds, plus accrued interest thereon to the date named for redemption, and by their acceptance of the Series 2017 A Bonds, the holders thereof agree to sell the Series 2017 A Bonds to the County or any purchaser obtained by the County on such date. If there shall have been deposited with the Trustee the purchase price of such Series 2017 A Bonds on such date, then such Series 2017 A Bonds shall be deemed to have been purchased on such date whether or not the holders thereof surrender such Bonds for purchase and such holders shall not be entitled to interest accruing on such Series 2017 A Bonds subsequent to such date and shall have no claims with respect thereto except to receive the purchase price of such Series 2017 A Bonds so held by the Trustee.

(b) **Mandatory Sinking Fund Redemption**. The Series 2017 A Bonds are subject to mandatory sinking fund redemption prior to maturity at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption from mandatory Sinking Fund Installments on February 15 of the following years in the following amounts:

$4,500,000 Term Bond Due February 15, 2028

Year	Sinking Fund Installment	Year	Sinking Fund Installment
2021	$200,000	2025	$ 465,000
2022	100,000	2026	875,000
2023	100,000	2027	1,100,000
2024	485,000	2028*	1,175,000

*final maturity

$8,675,000 Term Bond Due February 15, 2034

Year	Sinking Fund Installment	Year	Sinking Fund Installment
2029	$1,250,000	2032	$1,475,000
2030	1,325,000	2033	1,575,000
2031	1,400,000	2034*	1,650,000

*final maturity

$10,300,000 Term Bond Due February 15, 2039

Year	Sinking Fund Installment	Year	Sinking Fund Installment
2035	$1,750,000	2038	$2,050,000
2036	1,850,000	2039*	2,725,000
2037	1,925,000		

*final maturity

$24,750,000 Term Bond Due February 15, 2047

Year	Sinking Fund Installment	Year	Sinking Fund Installment
2040	$2,900,000	2044	$3,850,000
2041	3,125,000	2045	4,125,000
2042	3,350,000	2046	3,650,000
2043	3,600,000	2047*	150,000

*final maturity

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

If the aggregate principal amount of Term Bonds of any series purchased by the Trustee or the County or redeemed in any Fiscal Year is in excess of the Sinking Fund Installment due on such Term Bonds on the immediately succeeding February 15, the Trustee shall credit such excess against subsequent Sinking Fund Installments for such Term Bonds as directed by the County.

(c) **Extraordinary Optional Redemption**. At the option of the County, the Series 2017 A Bonds are subject to redemption prior to maturity as a whole or in part at any time, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption, (i) if the County determines that the amount remaining in the Improvement Fund will not be used to fund the 2017 A Public Improvements and directs the Trustee to transfer such amount from the Improvement Fund to the Debt Service Fund for the redemption of the Series 2017 A Bonds in accordance with Section 4.03 or (ii) upon the occurrence of any of the following conditions or events: (x) if title to, or the permanent use of, or use for a limited period of time of, any portion of the improvements located within the Districts are condemned or the subject of an agreement with, or action by, a public authority in the nature of or in lieu of condemnation proceedings; or (y) if title to any portion of the improvements located within the Districts is found to be deficient; or (z) if any portion of the improvements located within the Districts is damaged or destroyed by fire or other casualty, and, with respect to clauses (x), (y) and (z), in such case to the extent that the ability of the properties in the Districts to generate sufficient Tax Increment Revenues and Special Tax Revenues to pay debt service on the Series 2017 A Bonds is substantially impaired.

(d) **Special Mandatory Redemption from Optional Prepayments of Special Taxes**. Series 2017 A Bonds are subject to redemption, in whole or in part, upon the written direction of the County, from amounts received by the Trustee constituting Special Taxes paid as a result of an optional prepayment of the Special Tax pursuant to the terms of the Rate and Method, on any date on which Series 2017 A Bonds are subject to redemption at the option of the County pursuant to paragraph (a) above, at the Redemption Price provided for the redemption of Series 2017 A Bonds pursuant to paragraph (a) above on such date plus interest accrued thereon to the date set for redemption. Upon any redemption pursuant to this paragraph, the Sinking Fund Installments becoming due in each year shall be reduced, *pro rata.*

(e) **Special Mandatory Redemption from Mandatory Prepayments of Special Taxes**. Series 2017 A Bonds are subject to redemption, in whole or in part, from amounts received by the Trustee constituting Special Taxes paid as a result of a Mandatory Prepayment of the Special Tax as defined in the Rate and Method on any date on which Series 2017 A Bonds are subject to redemption at the option of the County pursuant to paragraph (a) above, at the Redemption Price provided for the redemption of Series 2017 A Bonds pursuant to paragraph (a) above on such date plus interest accrued thereon to the date set for redemption. Upon any such redemption, the Sinking Fund Installments becoming due in each year shall be reduced, *pro rata*.

Section 3.02 Selection of Bonds to Be Redeemed.

If fewer than all of the Bonds are to be redeemed at the option of the County, the Series and maturities of the Bonds to be redeemed shall be selected by the County. If fewer than all of the Bonds of a Series of any one maturity shall be called for redemption, the Securities Depository shall select the particular Bonds or portions of Bonds of such Series to be redeemed from such maturity in accordance with its procedures, or if the book-entry system has been discontinued, the Trustee shall select or cause to be selected the particular Bonds or portions of Bonds of such Series to be redeemed from such maturity by random drawing or in such other manner as the Trustee in its discretion may deem proper, *provided that* the portion of any Bond to be redeemed shall be in a principal amount equal to $5,000 or any integral multiple thereof,

provided that no redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time and, in selecting Bonds for redemption, each Bond shall be treated as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by $5,000.

Section 3.03 Notice of Redemption or Purchase.

The County shall give notice to the Trustee of its election to redeem or purchase Bonds pursuant to Section 3.01(a), (c), (d) or (e). Each such notice shall be given at least 45 days prior to the redemption or purchase date of such Bonds, or such fewer number of days as shall be acceptable to the Trustee. Upon receipt of such notice, at least 30 days prior to the date set for redemption or purchase, the Trustee shall give notice in the name of the County by electronic transmission or, if the book-entry system has been discontinued, by first class mail, postage prepaid, to the registered owners of the Bonds to be redeemed or purchased of the County's election to redeem or purchase such Bonds.

At least 30 days before each date on which a Sinking Fund Installment for the Bonds becomes due, the Trustee shall give notice in the name of the County by electronic transmission or, if the book-entry system has been discontinued, by first class mail, postage prepaid, to the registered owners of the Bonds to be redeemed of the redemption of such Bonds. The Securities Depository, or if the book-entry system has been discontinued, the Trustee shall select Bonds then subject to redemption from such Sinking Fund Installment to be redeemed on such date in an aggregate principal amount equal to such Sinking Fund Installment.

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

Each notice of redemption or purchase with respect to any Bond shall comply with any published and mandatory regulation or release of the Securities Exchange Commission, the

Municipal Securities Rulemaking Board or other governmental board or body from time to time applicable to such Bond.

If notice of redemption or purchase shall have been given as provided in this Section and all conditions, if any, to such redemption or purchase have been satisfied, then on or prior to the redemption or purchase date the County shall pay to the Trustee from the Revenues an amount in cash that, in addition to other moneys, if any, available therefor held by the Trustee, shall be sufficient to redeem or purchase at the Redemption Price or purchase price thereof, plus accrued interest to the redemption or purchase date, all of the Bonds to be redeemed or purchased on such date.

Section 3.04 Redemption or Purchase of Portion of Bond.

In case part but not all of any Bond which is not held under a book-entry system shall be selected for redemption or purchase, upon the presentation and surrender of such Bond to the Trustee for payment of the principal amount thereof so called for redemption or purchase in accordance with such Bond, the County shall execute and the Trustee shall authenticate and deliver to or upon the order of the registered owner of such Bond or his attorney or legal representative, without charge therefor, for the unredeemed or unpurchased portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same Series of Bonds and maturity, bearing interest at the same rate and of any Authorized Denomination, in aggregate principal amount equal to the unredeemed or unpurchased portion of such Bond.

Section 3.05 Redemption or Purchase of Additional Bonds.

The provisions of this Article with respect to Additional Bonds are subject in all respects to the provisions of the Supplemental Indenture authorizing the issuance thereof.

ARTICLE IV
FUNDS AND ACCOUNTS

Section 4.01 Creation of Funds and Accounts.

The following funds and accounts are hereby created and shall be maintained under this Indenture:

(1) Howard County, Maryland Series 2017 A Downtown Columbia Bond Fund;
(2) Howard County, Maryland Series 2017 A Downtown Columbia Improvement Fund;
(3) Howard County, Maryland Series 2017 A Downtown Columbia Costs of Issuance Fund;
(4) Howard County, Maryland Series 2017 A Downtown Columbia Reserve Fund;
(5) Howard County, Maryland Series 2017 A Downtown Columbia Debt Service Fund and within such fund a Howard County, Maryland Series 2017 A Downtown Columbia Capitalized Interest Account; and
(6) Downtown Columbia Administrative Expense Fund.

Pursuant to the Acts, the County has created the Tax Increment Fund and the Special Taxes Fund and shall maintain such funds in accordance with the Acts and this Indenture.

The Series 2017 A Bond Fund, the Improvement Fund, the Reserve Fund, the Debt Service Fund and the Capitalized Interest Account shall be held by the Trustee hereunder separate and apart from all other moneys and funds of the Trustee and the County. The Tax Increment Fund, the Special Taxes Fund, the Costs of Issuance Fund and the Administrative Expense Fund shall be held by the County hereunder separate and apart from all other moneys and funds of the County.

For the purposes of internal accounting, the funds and accounts created pursuant to this Section may contain one or more accounts and sub-accounts, as the County shall direct in writing.

Pending the application of amounts on deposit in the Series 2017 A Bond Fund, the Improvement Fund, the Reserve Fund, the Debt Service Fund, the Capitalized Interest Account, the Tax Increment Fund and the Special Taxes Fund as provided in this Indenture, such amounts are hereby pledged to the payment of the principal of and interest on the Outstanding Series 2017 A Bonds and, except as otherwise provided in any Supplemental Indenture authorizing the issuance of any Additional Bonds, any Additional Bonds Outstanding. The Administrative Expense Fund and the Costs of Issuance Fund are not pledged to the payment of any Bonds.

If any Supplemental Indenture provides for the establishment of separate funds and accounts for any Series of Bonds, then any provision of this Indenture requiring or permitting the application of amounts on deposit in any fund or account to the payment of any Bond or the transfer of amounts on deposit in any fund or account maintained for any Bonds to any other fund or account shall refer to the fund or account maintained for such Bonds.

Section 4.02 Deposit of Bond Proceeds.

(a) The proceeds derived from the sale of the Series 2017 A Bonds in an amount equal to $47,679,278 (which represents the principal amount of the Series 2017 A Bonds of $48,225,000, plus net original issue premium of $177,653, less an underwriter's discount of $723,375) shall be paid to the Trustee and forthwith deposited into the Series 2017 A Bond Fund and further deposited or transferred as follows:

(i) to the Capitalized Interest Account: $2,779,600.36;

(ii) to the County, for deposit to the Administrative Expense Fund: $100,000.00;

(iii) to the Reserve Fund: $3,921,282.59 (being the Reserve Requirement for the Series 2017 A Bonds on the Closing Date);

(iv) to the County, for deposit to the Costs of Issuance Fund: $2,378,395.05; and

(v) to the Improvement Fund: $38,500,000.00.

After the foregoing deposits and transfers have been made, the Series 2017 A Bond Fund shall be closed.

(b) The proceeds of any Additional Bonds shall be deposited in accordance with the Supplemental Indenture authorizing the issuance of such Bonds.

Section 4.03 Improvement Fund.

(a) Moneys in the Improvement Fund shall be disbursed solely to pay or reimburse Costs of the 2017 A Public Improvements as permitted by the Acts and in accordance with the Funding Agreement, except as otherwise provided in this Indenture.

(b) Disbursements from the Improvement Fund shall be made by the Trustee from time to time within five (5) Business Days of receipt of a properly executed and completed Requisition substantially in the form set forth in Exhibit B (a "*Requisition*").

(c) If an Authorized Officer determines in his sole discretion that all or any portion of the amounts then on deposit in the Improvement Fund are not expected to be expended for purposes of the Improvement Fund then the Authorized Officer shall file an Officer's Certificate with the Trustee to that effect identifying the amounts then on deposit in the Improvement Fund that are not expected to be used for purposes of the Improvement Fund. The Trustee, upon receipt of such certificate, shall transfer the amounts identified therein from the Improvement Fund to the Debt Service Fund to be used (i) to redeem the Bonds on the next Interest Payment Date for which notice of redemption can timely be given pursuant to Section 3.03 if the amount so transferred is at least $100,000, or (ii) if such amount is less than $100,000, to pay interest on the Bonds on the next Interest Payment Date. In making any determination pursuant to this paragraph, the Authorized Officer may conclusively rely upon a certificate of an Independent Financial Consultant.

(d) Notwithstanding anything to the contrary contained herein, the County shall not requisition for any amount to be paid to the Developer if the Developer, or any of its Affiliates, are delinquent in the payment of any taxes payable to the County (including Special Taxes); but the County shall requisition for any amount to be paid directly to contractors hired directly by the Developer or to any assignee of the Developer's interests in the Funding Agreement in accordance with Section 4.3(c) of the Funding Agreement.

(e) Upon the filing of an Officer's Certificate to the effect that the 2017 A Public Improvements have been completed, the Trustee shall transfer the amount, if any, remaining in the Improvement Fund to the Debt Service Fund and apply such amount in accordance with Section 4.06. When no amounts remain in the Improvement Fund, the Improvement Fund shall be closed.

Section 4.04 Costs of Issuance Fund.

Amounts in the Costs of Issuance Fund shall be disbursed by the County from time to time to pay Costs of Issuance. Upon the earlier of (a) the date that is six months from the date of

initial delivery of the Bonds or (b) the date on which no amounts remain in the Costs of Issuance Fund, the Costs of Issuance Fund shall be closed and any remaining amounts on deposit therein shall be transferred to the Administrative Expense Fund.

Section 4.05 Reserve Fund.

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

(b) Whenever transfer is made from the Reserve Fund to the Debt Service Fund due to a deficiency in the Debt Service Fund, the Trustee shall provide written notice thereof to the County and the Administrator, specifying the amount withdrawn.

(c) The Trustee shall determine the value of the assets of the Reserve Fund on each Interest Payment Date, beginning on February 15, 2019, and on any other date at the written request of an Authorized Officer. If the amount in the Reserve Fund exceeds the Reserve Requirement, the Trustee shall provide written notice to the County of the amount of the excess and shall transfer, in the following order of priority, the amount of such excess available for transfer from the Reserve Fund: (i) to the Capitalized Interest Account during the Capitalized Interest Period and (ii) thereafter, (A) to the County an amount equal to the County Expenses due for the next Fiscal Year, plus any County Expenses then due and payable (all as reflected in an Officer's Certificate delivered to the Trustee), and (B) to the Debt Service Fund or the Improvement Fund, as shall be directed in writing by an Authorized Officer. If the amount in the Reserve Fund is less than the Reserve Requirement, the Trustee shall provide written notice to the County of the amount of the deficiency and the County shall transfer moneys from the Tax Increment Fund and the Special Taxes Fund to the Reserve Fund in accordance with Section 4.07.

(d) In determining the value of the assets of the Reserve Fund, there shall be credited to the Reserve Fund the amount that can be realized by the Trustee under any letter of credit, insurance policy, guaranty, surety bond or other similar facility (a "*Reserve Fund Credit Facility*") delivered to the Trustee by the County if each of the following conditions is met: (i) on the date of delivery of such Reserve Fund Credit Facility to the Trustee, the unsecured indebtedness or claims-paying ability of the issuer thereof is rated in one of the three highest rating categories of at least one Rating Agency; (ii) such Reserve Fund Credit Facility requires that the issuer thereof provide written notice to the Trustee of any downgrade in any rating of such issuer if the result of such downgrade would cause such rating to fall below the requirements set forth in clause (i) above and, as of the date of valuation, the Trustee has not received such notice; (iii) such Reserve Fund Credit Facility permits the Trustee to realize amounts thereunder at such times as the Trustee is required to transfer any amount (other than any excess) from the Reserve Fund in accordance with this Indenture; (iv) such Reserve Fund Credit Facility permits the Trustee to realize thereunder the full amount of such Reserve Fund Credit Facility (A) prior to the expiration thereof, if no replacement Reserve Fund Credit Facility

is delivered to the Trustee prior to such expiration date, unless the expiration date of such Reserve Fund Credit Facility is after the maturity date of the Bonds secured thereby and (B) upon any downgrade in any rating of the issuer thereof if such downgrade would cause such rating to fall below the requirements set forth in clause (i) above; and (v) on the date of delivery of such Reserve Fund Credit Facility to the Trustee, there has been delivered to the County and the Trustee an Opinion of Bond Counsel.

(e) Whenever the balance in the Reserve Fund equals or exceeds the amount required to redeem or pay all Outstanding Bonds secured thereby, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, upon the written direction of the County, the Trustee shall transfer the amount in the Reserve Fund to the Improvement Fund or the Debt Service Fund as shall be specified by the County. In the event that the amount so transferred to the Debt Service Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the amount of the excess shall be transferred to the County free and clear of the lien of this Indenture. Notwithstanding the foregoing, no amounts shall be transferred from the Reserve Fund pursuant to this paragraph until after the calculation of any amount due to the United States of America pursuant to Section 5.05 following payment of the Bonds secured thereby and withdrawal of any such amount from the Reserve Fund for purposes of making such payment.

Section 4.06 Debt Service Fund.

(a) On each Interest Payment Date and on each date on which the principal or Redemption Price of any Bonds becomes due, the Trustee shall withdraw from the Debt Service Fund and pay to the Holders of the Bonds the principal of and interest and premium, if any, on the Bonds then due and payable, less any amount of such interest to be paid from the Capitalized Interest Account.

(b) Moneys in the Capitalized Interest Account shall be used exclusively for the payment of interest accruing on the Series 2017 A Bonds during the Capitalized Interest Period. Following the Capitalized Interest Period, the Trustee, upon receipt of an Officer's Certificate, shall transfer amounts remaining on deposit in the Capitalized Interest Account to the Improvement Fund for application pursuant to Section 4.03. When no amounts remain on deposit in such account, the Capitalized Interest Account shall be closed.

(c) Subject to the provisions of paragraphs (a) and (b) of this Section, available moneys in the Debt Service Fund shall be applied by the Trustee to the purchase or redemption of Bonds of such Series and maturities as the County shall direct. Notwithstanding the foregoing, if the County directs the Trustee to purchase Bonds with amounts on deposit in the Debt Service Fund being held for the payment of any Sinking Fund Installments becoming due on any Term Bonds in any year, such amounts shall be applied solely to the purchase of such Term Bonds, provided that, if in any Fiscal Year the amount credited against the Sinking Fund Installment for Term Bonds of any Series in accordance with Section 3.01 equals or exceeds the Sinking Fund Installment for such Term Bonds due on the immediately succeeding February 15, any excess amount on deposit in the Debt Service Fund for the payment of such Sinking Fund Installment shall be applied by the Trustee to the purchase of any Bonds then outstanding as shall be directed by the County. Moneys required to pay the principal or Redemption Price of or

interest on any Bonds shall not be deemed to be available for application as provided in this Section. Any Bonds purchased pursuant to this Section shall be registered in such names or cancelled as the County shall direct.

(d) If the County shall determine to provide for the payment of any Bonds as provided in Section 8.01, amounts on deposit in the Debt Service Fund for the payment of the principal or Redemption Price of or interest on such Bonds shall be paid to the escrow deposit agent for such Bonds upon the written direction of the County.

Section 4.07 Tax Increment Fund and Special Taxes Fund.

(a) As soon as practicable following receipt thereof, the County shall deposit (i) all Tax Increment Revenues to the credit of the Tax Increment Fund and (ii) all Special Tax Revenues to the credit of the Special Taxes Fund.

(b) (i) On each January 15 and July 15 (with respect to payments of principal of and interest on the Phase One Bonds on the immediately succeeding Interest Payment Date) and on any date required for the payment of any other obligations relating to the Development District and the Special Taxing District, the County shall withdraw, (i) first from amounts in the Tax Increment Fund up to an amount equal to the First Available Tax Increment Revenues, (ii) second, to the extent such amounts are insufficient therefor, from any remaining amounts in the Tax Increment Fund which exceed the Second Available Tax Increment Revenues, (iii) third, to the extent such amounts are insufficient therefor, from the Special Taxes Fund, and (iv) fourth, to the extent such amounts are insufficient therefor, from any remaining amounts in the Tax Increment Fund (subject to the senior or parity pledge of such amounts to the Phase Two Bonds or Future Downtown Columbia Bonds in accordance with Section 5.03 hereof), and transfer the following amounts for the following purposes in the following order of priority: (A) to the Administrative Expense Fund, such amount as shall be determined by the County to be necessary to pay County Expenses (as reflected in an Officer's Certificate delivered to the Trustee), (B) to the Trustee for deposit to the Debt Service Fund, the amount necessary, taking into account any amounts then on deposit in the Debt Service Fund and the Capitalized Interest Account and any excess in the Reserve Fund available for transfer to the Debt Service Fund, to make the amount in the Debt Service Fund equal the principal, premium, if any, and interest due on the Phase One Bonds on the immediately succeeding Interest Payment Date or such other payment date, as applicable; and (C) to the Trustee for deposit to the Reserve Fund, the amount necessary, taking into account amounts then on deposit in the Reserve Fund after giving effect to any amount required to be transferred from the Reserve Fund to the Debt Service Fund, to make the amount in the Reserve Fund equal the Reserve Requirement.

(ii) The transfer of amounts in the Tax Increment Fund and the Special Taxes Fund to the debt service funds and the reserve funds, if any, securing the Phase Two Bonds shall be set forth in the Supplemental Indenture authorizing the issuance of such Phase Two Bonds, and shall reflect the relative priority of the pledge of the Tax Increment Revenues securing such Phase Two Bonds as set forth in Section 5.03 hereof and the Supplemental Indenture authorizing the issuance of such Phase Two Bonds.

(iii) The transfer of amounts in the Tax Increment Fund to the debt service funds and the reserve funds, if any, securing the Future Downtown Columbia Bonds shall be set forth in the separate indenture authorizing the issuance of such Future Downtown Columbia Bonds, and shall reflect the relative priority of the pledge of the Tax Increment Revenues securing such Future Downtown Columbia Bonds as set forth in Section 5.03 hereof and the indenture authorizing the issuance of such Future Downtown Columbia Bonds.

(c) On July 15 of each year, after the County has made the transfers required by clauses (b)(i)(A) through (C) above and any transfers relating to the Phase Two Bonds and the Future Downtown Columbia Bonds, any balance on deposit in, or deposited to (i) the Special Taxes Fund shall remain on deposit in the Special Taxes Fund and applied as set forth herein, and (ii) the Tax Increment Fund may be withdrawn by the County free and clear of the lien of this Indenture and transferred, first to the Reserve Fund for Permanent Public Improvements, up to the amounts determined by the County in accordance with Council Bill No. 70-2016, and second to the County's general fund.

(d) Promptly following any date on which any owner of property in the Special Tax District prepays the Special Taxes with respect to such property, in whole or in part, the County shall transfer to the Administrative Expense Fund, the amount of such prepayment representing the payment of Administrative Expenses, and shall transfer the balance of such prepayment (i) to the Debt Service Fund to be applied to the redemption of Bonds on the redemption date specified by the County and to the payment of interest on the Bonds until such date or (ii) if such amount will not be applied to the redemption of Bonds within six months of the date of receipt of such prepayment, to a sub-account of the Debt Service Fund to be held by the Trustee and invested at the written direction of the County in non-callable Government Obligations the principal of and interest on which when due will be sufficient, together with money on deposit in such sub-account, to pay the principal of, the Sinking Fund Installments for and the interest on the Bonds to be redeemed with such prepayment when due and to pay on the redemption date specified by the County the Redemption Price of such Bonds plus accrued interest to the redemption date.

Section 4.08 Administrative Expense Fund.

(a) Amounts on deposit in the Administrative Expense Fund may be used by the County to pay County Expenses from time to time. The County shall maintain records of all County Expenses paid by the County from time to time, including the nature of such County Expenses.

(b) Annually, on the last day of each Fiscal Year, commencing with the first Fiscal Year in which the amount of the Tax Increment Revenues collected by the County is not less than the Debt Service due on February 15 of such Fiscal Year and on the August 15 immediately succeeding such Fiscal Year, as evidenced by an Officer's Certificate delivered to the Trustee, the County may withdraw any amounts then remaining in the Administrative Expense Fund that are not required to pay County Expenses incurred but not yet paid, and which are not otherwise encumbered.

(c) Notwithstanding the provisions of paragraph (b) above, any amounts on deposit in the Administrative Expense Fund representing bond proceeds or investment earnings thereon

shall be held in the Administrative Expense Fund and used by the County to pay County Expenses; provided that any such amounts representing bond proceeds or investment earnings thereon remaining on deposit in the Administrative Expense Fund on the third anniversary of the Closing Date shall be withdrawn from the Administrative Expense Fund and paid over to the Trustee for deposit to the Debt Service Fund.

Section 4.09 Investments.

(a) Moneys in any fund or account established pursuant to this Indenture and held by the Trustee shall be invested by the Trustee as directed in writing by an Authorized Officer, but only in Permitted Investments. In the absence of any such direction, the Trustee shall invest any such moneys in Permitted Investments described in clause (g) of the definition thereof. The Authorized Officer shall direct the investment of such funds so as to comply with Section 5.08.

(b) Subject to the provisions of Section 5.09, (i) moneys in the Special Taxes Fund shall be invested by the County in Permitted Investments and (ii) moneys in the Tax Increment Fund and in any fund or account established pursuant to this Indenture and held by the County (except for the Special Taxes Fund) shall be invested in any lawful investment for funds of the County and in accordance with the County's investment policy.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. Neither the Trustee nor the County shall incur any liability for losses arising from any investments made in accordance with this Section. The Trustee shall not be required to determine the legality of any investments or compliance with Section 5.08 or whether such investment qualifies as a Permitted Investment.

(d) In determining the value of the assets of the funds and accounts created by this Indenture, investments and accrued interest thereon shall be deemed a part thereof. Investments shall be valued at current market value. Interest earned, profits realized and losses suffered by reason of any investment of the funds and accounts created by this Indenture shall be credited or charged, as the case may be, to the fund or account for which such investment shall have been made.

(e) Investments in any and all funds and accounts may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Trustee or the County hereunder, provided that the Trustee or the County, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Indenture.

(f) The Trustee will furnish the County and the Administrator with monthly statements of the funds and accounts established hereunder that are held by the Trustee, which statements shall include detail for all investment transactions made by the Trustee hereunder.

Section 4.10 Priority of Payments Following Default.

If on any date on which the principal or Redemption Price of or interest on any Bond becomes due, the amounts on deposit in the funds and accounts established pursuant to this

Indenture and available for the payment thereof shall not be sufficient to provide for such payments, amounts held by the Trustee or the County hereunder and under the Authorizing Legislation, together with any moneys thereafter becoming available for such purpose shall be applied, after payment of County Expenses and payment of fees and expenses of the Trustee (including reasonable attorneys' fees), as follows:

FIRST: to the payment to the persons entitled thereto of all installments of interest then due on the Bonds Outstanding, in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment of such installment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference, except as to any difference in the respective rates of interest specified in such Bonds;

SECOND: to the payment to the persons entitled thereto of the unpaid principal of any Outstanding Bonds that shall have become due and payable, in the order of their due dates, with interest upon the principal amount of such Bonds from the respective dates upon which such principal shall have become due and payable and, if the amount available shall not be sufficient to pay in full the principal of such Bonds due and payable on any particular date, together with such interest, then first to the payment of such interest, ratably, according to the amount of interest due on such date, and then to the payment of such principal, ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or preference, except as to any difference in the respective rates of interest specified in such Bonds; and

THIRD: to the payment of the interest on and the principal of the Bonds Outstanding as the same become due and payable.

Notwithstanding the foregoing provisions of this Section (a) amounts on deposit in any fund or account maintained for any particular Series of Bonds shall be applied solely to the payment of amounts due on Bonds of such Series; (b) any other amounts held by the Trustee or the County hereunder and under the Authorizing Legislation shall be allocated *pro rata* (subject to clauses (c) and (d) below) among the Outstanding Bonds of each Series after giving effect to the application of amounts on deposit in the Debt Service Fund and the Reserve Fund maintained for such Bonds, on the basis of the amounts of principal and interest then due on such Bonds; (c) if any Series of Bonds is secured by a senior pledge of a portion of the Tax Increment Revenues, such Tax Increment Revenues shall be applied to the payment of such Series of Bonds prior to the payment of any other Series of Bonds; (d) if any Future Downtown Columbia Bonds that are issued under a separate indenture are secured by a senior pledge of a portion of the Tax Increment Revenues, such Tax Increment Revenues shall be transferred to the trustee under such separate indenture and applied to the payment of such Future Downtown Columbia Bonds prior to the payment of any Series of Bonds; and (e) prior to the application of any moneys that constitute proceeds of any Series of Tax-Exempt Bonds or the investment earnings on such proceeds to the payment of any Bond of any other Series, the Trustee shall obtain an Opinion of Bond Counsel.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its

sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The setting aside of such moneys in trust for the benefit of all holders of Bonds Outstanding shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the County, to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal of the Bonds to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The provisions of this paragraph shall be subject in all respects to the provisions of the Bonds with respect to the payment of defaulted interest on the Bonds. The Trustee shall not be required to make payment to the holder of any Bond unless such Bond shall be presented to the Trustee.

Section 4.11 Application of Funds for Retirement of Bonds.

If the County shall determine to provide for the payment or redemption of all Outstanding Bonds, amounts on deposit in any fund or account created by this Indenture shall be transferred to the Debt Service Fund or any escrow agent for the Bonds for the payment of the principal or Redemption Price of or interest on such Bonds upon the written direction of the County.

Section 4.12 Unclaimed Moneys.

Anything contained herein to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of the principal of, and the interest and premium on, the Bonds which remains unclaimed for three years after the date when the payment of such principal, interest and premium have become payable, shall, to the extent permitted by law, be repaid by the Trustee to the County as its absolute property free from any trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Holders shall look only to the County for the payment of the principal of, and interest and premium on, such Bonds.

ARTICLE V
COVENANTS OF THE COUNTY

Section 5.01 Punctual Payment.

The County will punctually pay or cause to be paid, but solely from the Revenues, the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Indenture, the Bonds and any Supplemental Indenture, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture, the Bonds and any Supplemental Indenture.

Section 5.02 Bonds Constitute Special Obligations.

The Bonds are special obligations of the County, payable solely from the Revenues and certain other assets and revenues pledged by the County under the Authorizing Legislation and this Indenture, including certain other funds held by the Trustee hereunder. The Bonds do not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power. Except for the Revenues, no other taxes or assessments are pledged to the payment of the Bonds.

Amounts in the Administrative Expense Fund and the Costs of Issuance Fund are not pledged to the repayment of the Bonds.

The Public Improvements financed with the proceeds of the Bonds are not in any way pledged to pay the Debt Service on the Bonds. Any proceeds of condemnation or destruction of the Public Improvements financed with the proceeds of the Bonds are not pledged to pay the Debt Service on the Bonds and are free and clear of any lien or obligation imposed hereunder.

Section 5.03 Encumbrances.

(a) The County shall not (i) encumber, pledge or place any charge or lien upon any of the Revenues or other amounts pledged to the Bonds superior to, on a parity with or subordinate to the pledge and lien herein created for the benefit of the Bonds or (ii) issue any bonds, notes or other obligations (other than the Bonds) that are secured by any pledge or lien on the Revenues or other property pledged under this Indenture, in each case except as permitted by this Indenture.

(b) The Bonds are secured by a lien on all Tax Increment Revenues; provided that the lien on the Phase One Tax Increment Revenues securing the Phase One Bonds shall be (i) senior to or on a parity with the lien on the Phase One Tax Increment Revenues securing any Phase Two Bonds and (ii) senior to the lien on the Phase One Tax Increment Revenues securing any Future Downtown Columbia Bonds. Any Phase Two Bonds may be secured by a lien on the Phase One Tax Increment Revenues, and such lien may be on a parity with or subordinate to the lien pledged to the Phase One Bonds hereunder. Any Future Downtown Columbia Bonds may be secured by a lien on the Phase One Tax Increment Revenues, but such lien shall be in all respects subordinate to the lien pledged to the Phase One Bonds hereunder and any Parity Phase Two Bonds. The County shall not otherwise encumber, pledge or place any charge or lien upon

any of the Phase One Tax Increment Revenues superior to the pledge and lien herein created for the benefit of the Phase One Bonds and any Parity Phase Two Bonds.

(c) The County may encumber, pledge or place a charge upon any of the Tax Increment Revenues other than the Phase One Tax Increment Revenues to secure Phase Two Bonds or any Future Downtown Columbia Bonds and such lien may be superior to, on a parity with, or subordinate to the pledge and lien herein created for the benefit of the Phase One Bonds.

Section 5.04 Extension of Time for Payment.

In order to prevent any accumulation of claims for interest after maturity, the County shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the County, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.05 Books and Records.

The County will keep, or cause to be kept, proper books of record and account in which complete and correct entries shall be made of all transactions relating to the Development District, the Special Taxing District and the Revenues. Such books shall be subject to the inspection of the Trustee and any duly authorized representative of Holders of not less than ten percent of the Bonds, upon written request to the County by the Trustee or such representative, as applicable. The County shall provide the Trustee or such representative, as applicable, an opportunity to inspect such books and records during the County's regular business hours and on a mutually agreeable date not later than 30 days after the County receives such request.

Section 5.06 Collection of Tax Increment Revenues and Special Tax Revenues.

(a) The County shall comply in all material respects with all requirements of all applicable State and local laws, including the Acts and the Authorizing Legislation, to the extent required to assure the timely collection of Revenues for the payment of the Bonds and other amounts payable hereunder. Without limiting the generality of the foregoing, the County covenants to collect the Special Taxes in accordance with the Special Taxing District Act and the Authorizing Legislation (including the Rate and Method).

(b) Prior to the beginning of each Fiscal Year, the Authorized Officer shall determine, or cause the Administrator to determine, taking into account the amount on deposit in the funds and accounts hereunder and the amount of Tax Increment Revenues expected to be levied and collected in the ensuing Fiscal Year, if Special Taxes need to be collected pursuant to the terms of the Authorizing Legislation. If the Authorized Officer or the Administrator determines that the collection of Special Taxes is required, the Authorized Officer shall ascertain, or cause the Administrator to ascertain, the relevant parcels on which the Special Taxes are to be collected, taking into account any parcel splits during the preceding and then current Fiscal Year and shall

determine the amount of Special Taxes within the Special Taxing District required during the ensuing Fiscal Year for the purposes set forth in the Authorizing Legislation, including the payment of the principal of and interest on any Outstanding Bonds, any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the County Expenses during such Fiscal Year, taking into account the balances in such funds, the Tax Increment Fund and the Special Taxes Fund. The Authorized Officer or the Administrator shall make such determination in accordance with the Authorizing Legislation and the Acts. The Special Taxes so collected shall not exceed the authorized amounts as provided in the proceedings pursuant to the Authorizing Legislation. The Authorized Officer shall take all necessary actions to cause such amount of Special Taxes to be collected in each Fiscal Year in which Special Taxes are required to be collected under this Indenture.

(c) The County hereby covenants with and for the benefit of the Bondholders that it will order, and cause to be commenced as hereinafter provided, and thereafter diligently prosecute the collection (unless such delinquency is theretofore brought current) of any property taxes or Special Taxes or installment thereof levied on any property in the Districts and not paid when due.

(d) In the event that any property that has been offered for sale for nonpayment of taxes has not been purchased by a private purchaser, the County will use reasonable efforts to continue to offer the property for sale until sold to a private purchaser.

Section 5.07 Protection of Security and Rights of Bondholders; Further Assurances.

The County will preserve and protect the security of the Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons. The County will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for better assuring and confirming unto the Holders the rights and benefits provided in this Indenture.

Section 5.08 Bonds Not to be Arbitrage Bonds.

The County Executive and the Director of Finance of the County shall be the officials of the County responsible for issuing the Tax-Exempt Bonds (the "*Section 148 Certifying Officials*"). The Section 148 Certifying Officials shall execute and deliver (on the date of each issuance of Tax-Exempt Bonds) a certificate of the County (each such certificate, as it may be amended and supplemented from time to time in accordance with this Section, being referred to herein as a "*Section 148 Certificate*") that complies with the requirements of Section 148 of the Code or any successor to such Section in effect on the date of issuance of such Bonds ("*Section 148*"). The County shall set forth in such Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of such Bonds, or of any moneys, securities or other obligations that may be deemed to be proceeds of such Bonds within the meaning of Section 148 (collectively, "*Bond Proceeds*").

The County covenants that (i) the facts, estimates and circumstances set forth in each Section 148 Certificate will be based on the County's reasonable expectations on the date of delivery of such Certificate and will be, to the best of the Section 148 Certifying Officials' knowledge, true, correct and complete as of that date, and (ii) the Section 148 Certifying Officials will make reasonable inquiries to ensure such truth, correctness and completeness.

The County further covenants that it will not make, or (to the extent it exercises control or direction) permit any other person to make, any use of the Bond Proceeds that would cause any Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148. The County further covenants that it will comply with those provisions of Section 148 that are applicable to any Tax-Exempt Bonds on the date of issuance of such Bonds and with those provisions of Section 148 that may subsequently be lawfully made applicable to such Bonds. To the extent that provisions of Section 148 apply only to a portion of any Tax-Exempt Bonds, it is intended that the covenants of the County contained in this Section be construed so as to require the County to comply with Section 148 only to the extent of such applicability.

The County shall (i) hold and invest Bond Proceeds within its control (if such proceeds are invested), and (ii) direct the Trustee to transfer amounts on deposit in any fund or account created by this Indenture to the County for the payment of rebates or payments in lieu thereof to the United States of America, all in accordance with the expectations of the County set forth in the Section 148 Certificate.

The County shall make timely payment, but only from the Revenues and other property pledged under this Indenture, of any rebate amount or payment in lieu thereof (or installment of either) required to be paid to the United States of America in order to preserve the excludability from gross income, for federal income tax purposes, of interest paid on the Tax-Exempt Bonds and shall include with any such payment such other documents, certificates or statements as shall be required to be included therewith under then-applicable law and regulations.

The Section 148 Certifying Officials may execute an amendment or supplement to any Section 148 Certificate upon delivery to the Trustee of an Opinion of Bond Counsel with respect to the actions to be taken by the County in accordance with such amendment or supplement.

Neither the County nor the Trustee shall incur any liability in connection with any action as contemplated herein so long as the County and the Trustee act in good faith.

Section 5.09 Amendment of the Public Improvements.

Nothing contained herein shall be construed to limit the right of the County to amend the Public Improvements subject in all respects to the requirements of the Acts and the Authorizing Legislation.

Section 5.10 Funding Agreement.

The County covenants to enforce its rights under the Funding Agreement as necessary and appropriate to facilitate the completion of the 2017 A Public Improvements, its collection of the Revenues and the satisfaction of its obligations under this Indenture and the Bonds. The County further covenants that it will not terminate the Funding Agreement other than in

accordance with its terms. The County agrees to consult with the Trustee regarding the County's selection of remedies under the Funding Agreement.

Without notice to or the consent of the Bondholders, the County at any time and from time to time may supplement, modify or amend the Funding Agreement for one or more of the following purposes:

(a) to add to the covenants and agreements of the Developer contained in the Funding Agreement, other covenants and agreements thereafter to be observed;

(b) to make any change required or permitted by the Funding Agreement;

(c) to cure any ambiguity or to cure or correct any defect or inconsistent provisions contained in the Funding Agreement or to make such provisions in regard to matters or questions arising under the Funding Agreement as may be necessary or desirable and not contrary to or inconsistent with the Funding Agreement or this Indenture;

(d) to make any change required or permitted pursuant to Section 2.04 of this Indenture in connection with the issuance of Additional Bonds;

(e) to obtain or to maintain any ratings on any Bonds from any Rating Agency;

(f) to preserve the excludability from gross income for federal income tax purposes of the interest paid on any Tax-Exempt Bonds theretofore issued; or

(g) to make any other change in the Funding Agreement which the Trustee determines shall not prejudice in any material respect the rights of the holders of the Bonds Outstanding at the date as of which such change shall become effective.

Except as provided above, the County covenants that it will not supplement, modify or amend the Funding Agreement without the prior written consent of the holders of a majority of the Bonds Outstanding.

Section 5.11 Continuing Disclosure.

The County and the Developer have agreed to provide continuing disclosure pursuant to the Disclosure Agreements; provided however that any failure by the County or the Developer to comply with the requirements of the Disclosure Agreements shall not constitute a default or event of default under this Indenture or the Bonds.

ARTICLE VI
THE TRUSTEE; THE ADMINISTRATOR

Section 6.01 Trustee as Trustee and Paying Agent.

The Trustee is hereby designated and agrees to act as Trustee and Paying Agent for and in respect to the Series 2017 A Bonds and, except as otherwise provided in any Supplemental Indenture, any Additional Bonds.

Section 6.02 Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all reasonable costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the County shall reimburse the Trustee from the Revenues, but only to the extent that such amounts are appropriated by the County, for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the County shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 6.03 Responsibilities of the Trustee.

The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the County and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representation as to the validity or sufficiency of this Indenture or the Bonds or with respect to the security afforded by this Indenture, the compliance of the Public Improvements with the Acts or the Authorizing Legislation or the tax-exempt status of the Tax-Exempt Bonds and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the County or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; or (iv) any calculation of arbitrage or rebate under the Code.

The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct.

The rights, privileges, protections, immunities and benefits given to the Trustee, including (without limitation) its rights to be indemnified, are extended to, and shall be enforceable by the Trustee in each of its capacities hereunder. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture and final payment of the Bonds.

The Trustee is under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Bondholders unless such holders have

offered to the Trustee security or indemnity satisfactory to the Trustee as to its terms, coverage, duration, amount and otherwise with respect to the costs, expenses and liabilities which may be incurred.

The permissive right of the Trustee to take actions permitted by this Indenture shall not be construed as an obligation or duty to do so.

The Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of holders of the Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may determine what action, if any, shall be taken.

Section 6.04 Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 6.05 Trustee Protected in Relying on Certain Documents.

The Trustee may rely upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel or counsel to the County, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by an Officer's Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such Officer's Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the County to the Trustee shall be sufficiently executed if executed in the name of the County by an Authorized Officer.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any person of notice of the provisions hereof except as expressly required in Section 6.13.

Section 6.06 Compensation.

Unless otherwise provided by contract with the Trustee, the County shall pay to the Trustee, but only to the extent that such amounts are appropriated by the County, from the Revenues or amounts on deposit in the Costs of Issuance Fund or the Administrative Expense Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Trustee and Paying Agent, together with all its reasonable expenses, charges and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by specific agreement, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Outstanding. The County shall indemnify and save the Trustee harmless, but solely from the Revenues, but only to the extent that such amounts are appropriated by the County, or amounts on deposit in the Costs of Issuance Fund and the Administrative Expense Fund, against any expenses and liabilities that the Trustee may incur in the exercise and performance of its powers and duties hereunder that are not due to its negligence or willful misconduct. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. If the County shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 6.07 Permitted Acts.

The Trustee and its directors, officers, employees or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any holder of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the County or any committee formed to protect the rights of holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the holders of a majority of the Bonds.

Section 6.08 Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' notice, specifying the date when such resignation shall take effect, to the County and each Holder of any outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 6.10 and the acceptance of such appointment by such successor.

Section 6.09 Removal of Trustee.

The Trustee may be removed at any time by (i) the Holders of a majority of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Holders or by their attorneys-in-fact, duly authorized and delivered to the County, or (ii) so long as no default shall have occurred and be continuing under this Indenture, the County. Copies of each such instrument shall be delivered by the County to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the County or the Holders of not less than 10% of the Bonds.

Section 6.10 Successor Trustee.

If the Trustee shall resign, be removed, be dissolved or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee shall be appointed by the County or, if a default shall have occurred and be continuing hereunder, by the Holders of at least 25% of the Bonds by an instrument or concurrent instruments in writing delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and, in the case of any appointment made by the Bondholders, the County.

If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 6.08 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Holder of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least $100,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee and each of the Holders of the Bonds.

Section 6.11 Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 6.10 shall execute, acknowledge and deliver to its predecessor and the County an instrument in writing accepting

such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the County or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers and trusts of such Trustee and all the right, title and interest of such Trustee in and to the Trust Estate, and shall pay over, assign and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the County be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged and delivered by the County.

Section 6.12 Merger, Conversion or Consolidation of Trustee.

Any company into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such company shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 6.10.

Section 6.13 Trustee to File Continuation Statements.

The Trustee shall file or cause to be filed, at the expense of the County, but solely from the Revenues, but only to the extent that such amounts are appropriated by the County, or amounts on deposit in the Costs of Issuance Fund or the Administrative Expense Fund, such amendments to financing statements as may be required by the Maryland Uniform Commercial Code, as from time to time in effect (the "*UCC*") and provided by the County, in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture the time, place and manner required by the UCC.

Section 6.14 Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Holders of the Bonds.

Section 6.15 The Administrator.

MuniCap, Inc. is hereby appointed by the County as Administrator hereunder. The Administrator undertakes to perform such duties, and only such duties, as are specifically set

forth in this Indenture and as further set forth in this Article VI, and no implied covenants or obligations shall be read into this Indenture against the Administrator.

Section 6.16 Duties of Administrator.

(a) The Administrator by its acceptance hereof agrees to perform the following tasks in connection with the Bonds:

(i) determine and calculate the annual Special Taxes to be levied and collected each year as provided for in the Authorizing Legislation and the Rate and Method;

(ii) prepare an annual report for submission to the County containing an explanation of the classification of property and the methodology employed to calculate the amount of Special Taxes levied;

(iii) provide such advice and assistance as may be required by the County in connection with the levy and collection of Special Taxes;

(iv) perform such additional duties as may be specified in this Indenture or the Administration Agreement; and

(v) provide those services required of it pursuant to the Disclosure Agreements.

(b) In the event of a failure by the Administrator to comply with any provisions of this Section, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Administrator to comply with its obligations under this Section.

(c) The Administrator shall have only those duties relating to continuing disclosure as set forth in the Disclosure Agreements, and shall not be deemed to be acting in a fiduciary capacity for the Developer, the County, the Trustee, the Bondholders or any other party for the purpose of complying with its obligation to provide continuing disclosure.

Section 6.17 Qualifications, Resignation, Removal and Appointment of Successor Administrator.

Any successor Administrator appointed pursuant to the provisions of this Section shall be an individual or entity with the ability, as determined by the County, to perform the duties of the Administrator under this Indenture and the Disclosure Agreements and as more particularly set forth in the Administration Agreement. Such successor Administrator shall enter into an agreement with the County substantially in the form of the Administration Agreement.

The County may remove the Administrator initially appointed and any successor thereto upon sixty (60) days' written notice to the Administrator, and shall appoint a successor or successors thereto. The County shall provide notice to the Trustee and the Holders of the removal of the Administrator and the appointment of any successor Administrator.

The Administrator may resign from its obligations hereunder and under the Administration Agreement upon sixty (60) days' written notice to the County and the Trustee. Any resignation or removal of the Administrator shall become effective upon acceptance of appointment by the successor Administrator.

If no appointment of a successor Administrator shall be made pursuant to the provisions of this Section within sixty (60) days following receipt by the County of the written notice of the resignation or removal of the Administrator, the County shall assume the obligations of the Administrator hereunder.

Section 6.18 Rights of Administrator.

The Administrator shall be afforded the same rights with respect to limitation of responsibilities, liability, notice, compensation and indemnification given to the Trustee pursuant to this Indenture.

ARTICLE VII
MODIFICATION OR AMENDMENT OF INDENTURE

Section 7.01 Modification or Amendment Without Consent.

Without notice to or the consent of the Bondholders, the County at any time and from time to time may enter into Supplemental Indentures supplementing, modifying or amending this Indenture or any Supplemental Indenture for one or more of the following purposes:

(a) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Trustee for the benefit of such holders, including the addition of any parcel of property in the Special Taxing District to the definition of Phase One Properties in accordance with requirements set forth in such definition;

(b) to add to the covenants and agreements of the County contained in this Indenture, other covenants and agreements thereafter to be observed relative to the acquisition, construction, equipping, operation, maintenance, development or administration of the Public Improvements or relative to the application, custody, use or disposition of the proceeds of Bonds;

(c) to surrender any right, power or privilege reserved to or conferred upon the County by this Indenture;

(d) to confirm, as further assurance, any pledge under, and the subjection to any lien on, or claim or pledge of (whether created or to be created by this Indenture), the Revenues or any other property pledged hereunder;

(e) to cure any ambiguity or to cure or correct any defect or inconsistent provisions contained in this Indenture or to make such provisions in regard to matters or questions arising under this Indenture as may be necessary or desirable and not contrary to or inconsistent with this Indenture;

(f) to authorize the issuance of Additional Bonds, including (without limitation) any modifications or amendments required to grant to or otherwise secure for the holders of such Additional Bonds a parity, senior or subordinate interest in the security granted to the holders of the Series 2017 A Bonds and any other then-Outstanding Bonds in accordance with Sections 2.04 and 5.03;

(g) to permit the qualification of this Indenture or any Supplemental Indenture under any federal statute now or hereafter in effect or under any state blue sky law and, in connection therewith, to add to this Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted or required by such federal statute or state blue sky law;

(h) to obtain or to maintain any ratings on any Bonds from any Rating Agency;

(i) to preserve the excludability from gross income for federal income tax purposes of the interest paid on any Tax-Exempt Bonds theretofore issued; or

(j) to make any other change in this Indenture which the Trustee determines shall not prejudice in any material respect the rights of the holders of the Bonds Outstanding at the date as of which such change shall become effective.

Section 7.02 Supplemental Indentures Requiring Consent of Bondholders.

In addition to Supplemental Indentures permitted by Section 7.01, with the prior written consent of the holders of a majority of the Bonds, the County at any time and from time to time may enter into Supplemental Indentures amending or supplementing this Indenture, any Supplemental Indenture or any Bond to modify any of the provisions thereof or to release the County from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained, provided that nothing contained herein shall permit (i) a change in any terms of redemption or purchase of any Bond, the due date for the payment of the principal of or interest on any Bond or any reduction in the principal, Redemption Price or purchase price of or interest rate on any Bond without the consent of the Holder of such Bond or (ii) a preference or priority of any Bond over any other Bond or a reduction in the percentage of Bonds the consent of the Holders of which is required for any modification of this Indenture, without the unanimous consent of the holders of all Outstanding Bonds.

Section 7.03 Notation on Bonds.

Bonds authenticated and delivered after the effective date of any Supplemental Indenture may, and if the Trustee or the County so determines, shall, bear a notation by endorsement or otherwise in form approved by the County and the Trustee of such action. If the County or the Trustee shall so determine, new Bonds modified as necessary, in the opinion of the Trustee and the County, to conform to such Supplemental Indenture shall be prepared, authenticated and delivered and, upon demand of the Holder of any Outstanding Bond and surrender of such Bond to the Trustee, such Bond shall be exchanged, without cost to such Holder, for a new Bond.

Section 7.04 Amendments to Authorizing Legislation.

Without notice to or the consent of the Bondholders, the County at any time and from time to time may pass supplemental legislation supplementing, modifying or amending the Authorizing Legislation (i) in connection with any Supplemental Indenture entered into pursuant to Section 7.01 of this Indenture; (ii) in connection with any amendment to the Funding Agreement which does not require Bondholder consent pursuant to Section 5.10 of this Indenture; or (iii) to add additional real property to the Districts or either one of them. Except for supplemental legislation permitted by the preceding sentence, the County shall not pass any supplemental legislation supplementing, modifying or amending the Resolution or the Bond Ordinance without the prior written consent of the holders of a majority of the Bonds Outstanding.

ARTICLE VIII
DEFEASANCE

Section 8.01 Defeasance.

(a) If the County shall pay or cause to be paid the principal or Redemption Price of and interest on all Bonds at the times and in the manner stipulated therein and in this Indenture, then the pledge of any Revenues and other property hereby pledged to the Bonds and all other rights granted hereby to the Bonds shall be discharged and satisfied. In such event, upon the request of the County, the Trustee shall execute and deliver to the County all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay or deliver to the County, or to such officer, board or body as may then be entitled by law to receive the same, all property held by it pursuant to this Indenture (other than any moneys and securities required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption).

(b) A Series 2017 A Bond and any Additional Bond, except as otherwise provided in the Supplemental Indenture authorizing the issuance thereof, shall be deemed to have been paid within the meaning of and with the effect expressed in this Section if (i) money for the payment or redemption of such Bond shall be held by the Trustee (through deposit by the County of moneys for such payment or redemption or otherwise, regardless of the source of such moneys), whether at or prior to the maturity or the redemption date of such Bond, or (ii) if the maturity or redemption date of such Bond shall not have arrived (A) provision shall have been made by the County for the payment of the principal or Redemption Price of and interest on such Bond on the due dates for such payments by deposit with the Trustee (or other method satisfactory to the Trustee) of moneys or Government Obligations, the principal of and the interest on which when due, without reinvestment, will provide for such payment, and, if such Bond will be redeemed more than 90 days after the date the deposit is made, the County shall have made provision satisfactory to the Trustee for the mailing of a defeasance notice to the Holder(s) of such Bond that such moneys are so available for such payment and (B) if such Bond is to be redeemed prior to the maturity thereof, the County shall have taken all action necessary to redeem such Bond and notice of such redemption shall have been duly given or provisions satisfactory to the Trustee shall have been made for the giving of such notice and (iii) the Trustee has received an opinion of counsel experienced in bankruptcy law matters that the use of such moneys and/or Government

Obligations will not constitute a voidable preference payment pursuant to Section 547 of the United States Bankruptcy Code in the event the County were to become a debtor under the United States Bankruptcy Code. The Trustee may rely upon a verification report by an independent public accountant or a verification agent with a favorable reputation in the field of verifying defeasance escrows as to the sufficiency of the deposit (or other method) under clause (A) above to provide for the payment described therein. Upon any defeasance of all or a portion of the Bonds, all optional and extraordinary redemption provisions shall cease to be applicable thereto (other than optional redemption provisions, if any, exercised in connection with the defeasance).

ARTICLE IX
MISCELLANEOUS

Section 9.01 Liability of County.

The County shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The County shall not be liable in connection with the performance of its duties hereunder, except for its own gross negligence or willful misconduct. The County shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or event of default thereunder.

No provision of this Indenture, the Bonds, the Funding Agreement, the Disclosure Agreements or any agreement, document, instrument or certificate executed, delivered or approved in connection with the issuance, sale, delivery or administration of the Bonds (the "*Bond Documents*") shall require the County to expend or risk its own general funds or otherwise incur any financial liability, the obligations and liabilities of the County hereunder being payable solely from the Revenues and other property pledged hereunder.

Neither the Holders nor any other person shall have any claim against the County or any officer, official, agent or employee of the County for damages suffered as a result of the County's failure to perform in any respect any covenant, undertaking or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking representation or covenant of the County, such as the payment of debt service on the Bonds, that is properly payable pursuant to the Acts, and in accordance with the Bond Documents. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the County or any of its officers, officials, agents or employees to enforce the provisions of any of the Bond Documents.

In order to perform its duties and obligations hereunder, the County may employ such agents as it deems necessary or advisable. The County shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder and shall be entitled

to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

Section 9.02 Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any person other than the County, the Trustee, the Administrator and the Holders any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the County shall be for the sole and exclusive benefit of the Holders and the Trustee.

Section 9.03 Execution of Documents and Proof of Ownership of Bonds.

Any request, declaration or other instrument which this Indenture may require or permit to be executed by Holders may be in one or more instruments of similar tenor, and shall be executed by Holders in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Holder or any Holder's attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which such Holder or attorney purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to such officer the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such officer.

Except as otherwise herein expressly provided, the ownership of Bonds and the amount, maturity, number and date of holding the same shall be proved by the Bond Register.

Any request, declaration or other instrument or writing of the Holder of any Bond shall bind all future Holders of such Bond in respect of anything done or suffered to be done by the County or the Trustee in good faith and in accordance therewith.

Section 9.04 Restrictions upon Action by Individual Holders.

No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law on any Bond for the execution of any trust hereunder or for any other remedy unless (a) such holder previously shall have given to the Trustee written notice of the default on account of which such suit, action or proceeding is to be instituted, and (b) the holders of not less than 25% of the Bonds shall have made written request to the Trustee and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by this Indenture or to institute such action, suit or proceeding in its or their name, and (c) there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or to any other remedy hereunder. Notwithstanding the foregoing provisions of this Section and without complying

therewith, the holders of not less than 25% of the Bonds may institute any such suit, action or proceeding in their own names for the benefit of all holders of Bonds.

It is understood and intended that, except as otherwise provided above, no one or more Bondholders shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Bondholders and that any individual right of action or other right given by law to one or more of such holders is restricted by this Indenture to the rights and remedies herein provided.

Section 9.05 Moneys and Funds Held for Particular Bonds.

Amounts held by the Trustee for the payment of the principal or Redemption Price of and interest on Bonds due on any date shall be set aside and held in trust by it solely for the holders of such Bonds pending such payment and shall not be available to pay the principal or Redemption Price of or interest on any other Bonds.

Section 9.06 Waiver of Personal Liability.

No officer, official, agent or employee of the County shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such officer, official, agent or employee from the performance of any official duty provided by law.

Section 9.07 Notices to and Demands on County, Trustee and Administrator.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be telexed, cabled, delivered by hand or mailed by first class mail, postage prepaid, and addressed as follows:

If to the County:	Howard County, Maryland George Howard Building 3430 Courthouse Drive Ellicott City, Maryland 21043 Attention: Director of Finance
With a copy to:	Howard County Office of Law Carroll Building 3450 Courthouse Drive Ellicott City, Maryland 21043 Attention: County Solicitor
If to the Trustee:	Manufacturers and Traders Trust Company 25 South Charles Street, 11th Floor Mail Code MD2-CS58 Baltimore, Maryland 21201

Attention: Sarah Stokes, Assistant Vice President

If to the Administrator: MuniCap, Inc.
8965 Guilford Road, Suite 210
Columbia, Maryland 21046
Attention: Keenan Rice

Any such notice, demand or request may also be transmitted to the appropriate party by telephone or other electronic transmission and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change.

Section 9.08 Partial Invalidity.

If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The County hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 9.09 Applicable Law.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Maryland applicable to contracts made and performed in the State of Maryland.

Section 9.10 Conflict with Acts.

In the event of a conflict between any provision of this Indenture with any provision of the Acts as in effect on the date of delivery of the Series 2017 A Bonds, the provision of the Acts shall prevail over the conflicting provision of this Indenture.

Section 9.11 Payment or Performance on Business Days.

Except as otherwise expressly provided herein, if any date specified herein for the payment of any Bond or the performance of any act shall not be a Business Day, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date.

Section 9.12 Intention as to Seal and Contract.

It is intended that this Indenture, when signed on behalf of the County and the Trustee and duly delivered between them, shall constitute a contractual obligation under seal under the laws of the State of Maryland with force and effect as an agreement and indenture of trust.

Section 9.13 Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the County has caused this Indenture to be executed by its County Executive and its official seal to be impressed hereon and attested by its Chief Administrative Officer, and the Trustee has caused this Indenture to be executed by one of its duly authorized officers and its seal to be impressed hereon and attested by one of its duly authorized officers, all as of October 1, 2017.

ATTEST:

HOWARD COUNTY, MARYLAND

_____
Lonnie R. Robbins
Chief Administrative Officer

By: _____
Allan H. Kittleman
County Executive

[SEAL]

APPROVED FOR SUFFICIENCY OF FUNDS:

_____
Stanley J. Milesky
Director of Finance

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY THIS
____ DAY OF OCTOBER, 2017:

_____
Gary W. Kuc
County Solicitor

REVIEWING ATTORNEY:

_____
Kristen Perry
Assistant County Solicitor

[County Signature Page to Indenture of Trust]

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

[SEAL]

By: _____
Sarah A. Stokes
Assistant Vice President

ATTEST:

_____
Name: _____
Title: _____

[Trustee Signature Page to Indenture of Trust]

Acknowledged and Accepted:

MUNICAP, INC., as Administrator

By: _____
Authorized Officer

EXHIBIT A
TO INDENTURE OF TRUST

FORM OF SERIES 2017 A BOND

AT ALL TIMES WHEN THE SERIES 2017 A BONDS ARE IN DENOMINATIONS OF $100,000 OR ANY INTEGRAL MULTIPLE OF $5,000 IN EXCESS THEREOF, THIS BOND SHALL BE LIMITED TO PURCHASE, TRANSFER, ASSIGNMENT OR NEGOTIATION TO APPROVED INVESTORS AS DEFINED IN THE INDENTURE (DESCRIBED HEREIN). EACH PURCHASER OF THIS BOND IS DEEMED TO HAVE REPRESENTED AND WARRANTED THAT IT IS AN APPROVED INVESTOR AND THAT, UNTIL SUCH RESTRICTION DOES NOT APPLY, IT WILL SELL OR TRANSFER THIS BOND ONLY TO AN APPROVED INVESTOR.

REGISTERED | UNITED STATES OF AMERICA | REGISTERED

No. R-__ | $_____

HOWARD COUNTY, MARYLAND
SPECIAL OBLIGATION BOND
(DOWNTOWN COLUMBIA PROJECT)
SERIES 2017 A

Dated Date	Interest Rate (Per annum)	Maturity Date	CUSIP
October __, 2017	____%	February 15, 20__	

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS ($_____)

HOWARD COUNTY, MARYLAND, a body politic and corporate and a political subdivision of the State of Maryland (the "*County*"), for value received, hereby promises to pay, but only from the Revenues (defined herein) and other amounts pledged to such payment under the Indenture (defined herein), to the Registered Owner shown above or registered assigns or legal representative, upon the presentation and surrender hereof at the designated office of the Trustee (defined herein), the Principal Sum shown above (or such lesser amount as shall be outstanding hereunder from time to time in accordance with Section 5 hereof) on the Maturity Date shown above (or earlier as hereinafter referred to), with interest thereon from the most

recent date to which interest has been paid or, if the Date of Authentication shown below is prior to the first interest payment date, from its Dated Date at the Interest Rate shown above until said Principal Sum is paid, payable on February 15 and August 15 of each year, beginning February 15, 2018.

All interest due on this bond shall be payable to the person in whose name this bond is registered on the bond registration books maintained by Manufacturers and Traders Trust Company, as Trustee (such entity and any successor in such capacity being referred to herein as the "*Trustee*"), as of the close of business on the first day of the calendar month in which the interest payment date occurs and shall be made by check mailed to the address of such owner as it appears on the bond registration books maintained by the Trustee; provided, that if there is a default in the payment of interest due hereon, such defaulted interest shall be payable to the person in whose name this bond is registered as of the close of business on a subsequent date fixed by the Trustee (the "*Special Record Date*") that is at least 10 and not more than 15 days before the date set for the payment of such defaulted interest. Notice of any Special Record Date will be given as hereinafter provided to the registered owner hereof not later than 10 days before the Special Record Date. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The principal or redemption price of and interest on this bond are payable in lawful money of the United States of America or by check payable in such money. If any payment of the principal or redemption price of or interest on this bond shall be due on a day other than a Business Day (as defined in the Indenture), such payment shall be made on the next succeeding Business Day with like effect as if made on the originally scheduled date.

As provided in the Acts (defined herein), the Authorizing Legislation (defined herein) and the Executive Order (defined herein), this bond is a special obligation of the County, payable solely from the Revenues and certain other assets and revenues pledged by the County under the Authorizing Legislation and the Indenture (defined herein), including certain other funds held by the Trustee under the Indenture. This bond does not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power. Except for the Revenues, no other taxes or assessments are pledged to the payment of this bond.

1. Indenture. This bond is one of a duly authorized series of bonds of the County designated "Howard County, Maryland, Special Obligation Bonds (Downtown Columbia Project), Series 2017 A" (the "*Series 2017 A Bonds*"), aggregating Forty-Eight Million Two Hundred Twenty-Five Thousand Dollars ($48,225,000) in principal amount, dated as of their date of delivery, and duly issued by the County under and pursuant to (i) Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "*Tax Increment Financing Act*"); (ii) Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended (the "*Special Taxing District Act*" and, together with the Tax Increment Financing Act, the "*Acts*"); (iii) Resolution No. 105-2016 adopted on November 9, 2016 by the County Council of the County (the "*County Council*") (the "*Resolution*"), and Council Bill No. 56-2016 enacted on November 9, 2016 (the "*Bond Ordinance*" and, together with the Resolution, the "*Authorizing Legislation*"); (iv) the Executive Order issued by the County Executive on October 18, 2017 (the "*Executive Order*") and (v) the Indenture of Trust dated as of October 1, 2017 (the "*Indenture*"),

by and between the County and the Trustee. The terms of the Series 2017 A Bonds include those stated in the Indenture, and the Series 2017 A Bonds are subject to all such terms. Reference is made hereby to the Indenture for a description of the funds, revenues and property pledged thereunder, the nature and extent of the security created or to be created, and the rights, limitations of rights, obligations, duties and immunities of the County, the Trustee and the holders of the Series 2017 A Bonds. By the acceptance of this bond, the holder hereof assents to all of the provisions of the Indenture. Certified copies of the Indenture are on file at the designated office of the Trustee and at the office of the Director of Finance of the County in Ellicott City, Maryland.

2. Revenues. In the Indenture, the County has covenanted to pay the principal of, interest and premium on, the Series 2017 A Bonds solely from the Revenues and other amounts pledged therefor under the Indenture.

3. The Series 2017 A Bonds. All of the Series 2017 A Bonds are of like tenor except as to number, interest rate, maturity date and principal amount.

4. Additional Bonds. The Indenture provides that Additional Bonds (as defined in the Indenture) may be issued within the limitations and provisions of the Indenture (the Series 2017 A Bonds and any Additional Bonds being referred to herein, collectively, as "*Bonds*"). All Bonds issued within the limitations and provisions of the Indenture shall be secured equally and ratably by the Revenues and other property pledged under the Indenture, to the extent provided in the Indenture.

5. Redemption.

(a) The Series 2017 A Bonds at the time outstanding may be redeemed prior to their respective maturities at the times and in the amounts provided by the Indenture.

(b) The Trustee shall give notice of any redemption of the Series 2017 A Bonds at least 30 days before the redemption date to the registered owners of the Series 2017 A Bonds to be redeemed. The failure so to give any such notice to any of such registered owners shall not affect the validity of the proceedings for the redemption of any Bonds.

(c) On the date designated for redemption, notice having been given as provided herein and in the Indenture and any conditions to such redemption having been satisfied, the Series 2017 A Bonds or portions of Series 2017 A Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2017 A Bonds or such portions thereof on such date and, if moneys for the payment of the redemption price and accrued interest are held by the Trustee as provided in the Indenture, interest on such Series 2017 A Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2017 A Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture, and the registered owners thereof shall have no rights in respect of such Series 2017 A Bonds or such portions thereof so called for redemption except to receive payment of the redemption price thereof and the accrued interest thereon so held by the Trustee. If a portion of this Series 2017 A Bond shall be called for redemption, a new Series 2017 A Bond or Series 2017 A Bonds in aggregate principal amount equal to the unredeemed

portion hereof, of the same maturity and bearing interest at the same rate, shall be issued to the registered owner upon the surrender hereof.

(d) Provisions Applicable to Book-Entry Bonds. So long as all of the Series 2017 A Bonds shall be maintained in book-entry form with a Securities Depository (as defined in the Indenture) in accordance with the Indenture, in the event that part, but not all, of this bond shall be called for redemption, the holder of this bond may elect not to surrender this bond in exchange for a new Series 2017 A Bond in accordance with paragraph (c) above and in such event shall make a notation indicating the principal amount of such redemption and the date thereof on the Payment Grid attached hereto. For all purposes, the principal amount of this bond outstanding at any time shall be equal to the Principal Sum shown on the face hereof reduced by the principal amount of any partial redemption of this bond following which the holder of this bond has elected not to surrender this bond in accordance with paragraph (c) above. The failure of the holder hereof to note the principal amount of any partial redemption on the Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation of the County hereunder. THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.

6. Defeasance. The Indenture prescribes the manner in which it may be discharged and provides that Series 2017 A Bonds shall be deemed to be paid if moneys or certain Government Obligations (as defined in the Indenture), the principal of and interest on which, when due, will be sufficient to pay the principal or redemption price of and interest on such Bonds to the date of maturity or redemption thereof, shall have been deposited with the Trustee.

7. Persons Deemed Owners; Restrictions upon Actions by Individual Holders. The County and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof (whether or not this bond shall be overdue and notwithstanding any notation of ownership or other writing hereon made by anyone other than the County or the Trustee) for the purpose of receiving payment of or on account of the principal or redemption price of this bond, and for all other purposes except as otherwise provided herein with respect to the payment of interest on this bond, and neither the County nor the Trustee shall be affected by any notice to the contrary. All such payments so made to any such registered owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable under this bond.

The registered owner of this bond shall have no right to enforce the provisions of the Indenture, or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

8. Transfer and Exchange. This bond may be exchanged for an equal aggregate principal amount of Series 2017 A Bonds of other authorized denominations, and, subject to the limitations on sale and transfer set forth in the Indenture, the transfer of this bond may be registered, upon presentation and surrender of this bond at the designated office of the Trustee, together with an assignment duly executed by the registered owner hereof or such owner's attorney or legal representative. The County and the Trustee may require the person requesting any such exchange or transfer to reimburse them for any tax or other governmental charge

payable in connection therewith. Neither the County nor the Trustee shall be required to register the transfer of this bond or make any such exchange of this bond during the 15 days preceding an Interest Payment Date, during the 15 days preceding the date of mailing of any notice of redemption, or after this bond or any portion hereof has been selected for redemption.

9. Modifications. Modifications or alterations of the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

10. Negotiability. As declared by the Acts, this bond shall be and be deemed to be for all purposes a negotiable instrument subject only to the provisions for registration and registration of transfer stated herein.

11. Governing Law. This bond shall be governed by and construed in accordance with the laws of the State of Maryland.

12. Notices. Except as otherwise provided in the Indenture and this bond, when the Trustee is required to give notice to the owner of this bond, such notice shall be mailed by first-class mail to the registered owner of this bond at such owner's address as it appears on the registration books maintained by the Trustee. Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by the addressee.

All acts, conditions and things required by the Constitution and laws of the State of Maryland and the Charter, laws, rules and regulations of the County to happen, exist and be performed precedent to and in the issuance of this bond and the execution and delivery of the Indenture have happened, exist and have been performed as so required.

No recourse shall be had for the payment of the principal or redemption price of and interest on this bond or for any claims based thereon or on the Indenture against any member or other officer of the County or any person executing this bond, all such liability, if any, being expressly waived and released by the registered owner of this bond by the acceptance of this bond.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the certificate of authentication endorsed hereon.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Howard County, Maryland has caused this bond to be executed in its name by the manual or facsimile signatures of its County Executive and Director of Finance and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced, attested by the manual or facsimile signature of the Chief Administrative Officer; all as of the Dated Date set forth above.

HOWARD COUNTY, MARYLAND

By: _____
County Executive

[SEAL]

By: _____
Director of Finance

Attest:

_____
Chief Administrative Officer

Certificate of Authentication

This bond is one of the bonds of the series designated herein and issued under the provisions of the within-mentioned Indenture.

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By: _____
Authorized Officer

Date of Authentication: October ___, 2017

PAYMENT GRID

Date of Payment	Principal Amount Paid	Principal Amount Outstanding	Holder's Signature

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____

_____

(Please Print or Type Name and Address of Assignee)

the within bond and all rights thereunder and hereby irrevocably does constitute and appoint _____ attorney to transfer the bond on books kept for the registration thereof, with full power of substitution in the premises.

Dated:_____

Signature Guaranteed:

_____ _____

(Name of Registered Owner)

Notice: The signature above must correspond with the name of the registered owner as it appears on the front of this Bond in every particular without alteration or enlargement or any change whatsoever.

_____

(Please Insert Social Security or other Identifying Number of Assignee)

EXHIBIT B
TO INDENTURE OF TRUST

HOWARD COUNTY, MARYLAND
SPECIAL OBLIGATION BONDS
(DOWNTOWN COLUMBIA PROJECT)
SERIES 2017 A

FORM OF
REQUISITION FOR PAYMENT
FROM IMPROVEMENT FUND

TO: MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE (THE "*TRUSTEE*") UNDER THE INDENTURE OF TRUST DATED AS OF OCTOBER 1, 2017 (THE "*INDENTURE*"), BETWEEN HOWARD COUNTY, MARYLAND (THE "*COUNTY*") AND THE TRUSTEE

This requisition for payment is delivered to the Trustee in accordance with Section 4.03(b) of the Indenture. Payment shall be made from the Improvement Fund established in accordance with Section 4.01 of the Indenture. All terms used herein which are not otherwise defined herein shall have the meaning given such terms in the Indenture.

(1) Requisition for Payment No.: _____.

(2) Amount of disbursement from the Improvement Fund: $_____.

(3) As set forth in Schedule I to the Payment Request (the "*Payment Request*") attached hereto, of the total amount of disbursement set forth in (2) above,

(a) $_____ is to be paid on a joint basis to the Developer and a contractor or supplier of materials with respect to an expense previously incurred;

(b) $_____ is to be paid directly to a contractor or supplier of materials with respect to an expense previously incurred; and/or

(c) $_____ is to be paid directly to the Developer as reimbursement for an expense previously incurred and paid by the Developer.

(4) _____ Attached as Exhibit A hereto is a Payment Request, executed by the Developer under the Funding Agreement, which sets forth certain representations of the Developer regarding this disbursement and related matters, or

_____ This Payment Request represents costs incurred by the County with respect to completion of the 2017 A Public Improvements following an event of default under the Funding Agreement.

(5) _____ If this requisition includes Actual Costs (as defined in the Funding Agreement) attributable to costs under a Construction Contract, attached to the Payment Request is a Certificate and Approval of Inspector, executed by the Inspector (the "*Certificate of Inspector*"), which sets forth certain representations of the Inspector regarding this disbursement and related matters, in accordance with the Funding Agreement.

(6) Payments shall be made by the Trustee in accordance with Schedule I attached to the Payment Request.

HOWARD COUNTY, MARYLAND

By: _____

Date: _____, 20__

EXHIBIT C
TO INDENTURE OF TRUST

FIRST AVAILABLE TAX INCREMENT REVENUES

(PHASE ONE BONDS)

Tax Year Beginning	Bond Year Ending	First Available Tax Increment Revenues
July 1, 2017	February 15, 2018	$0
July 1, 2018	February 15, 2019	$0
July 1, 2019	February 15, 2020	$3,949,044
July 1, 2020	February 15, 2021	$4,048,897
July 1, 2021	February 15, 2022	$4,149,591
July 1, 2022	February 15, 2023	$4,252,706
July 1, 2023	February 15, 2024	$4,356,704
July 1, 2024	February 15, 2025	$4,465,103
July 1, 2025	February 15, 2026	$4,574,186
July 1, 2026	February 15, 2027	$4,685,412
July 1, 2027	February 15, 2028	$4,799,121
July 1, 2028	February 15, 2029	$4,914,595
July 1, 2029	February 15, 2030	$5,033,113
July 1, 2030	February 15, 2031	$5,153,836
July 1, 2031	February 15, 2032	$5,276,926
July 1, 2032	February 15, 2033	$5,402,481
July 1, 2033	February 15, 2034	$5,530,543
July 1, 2034	February 15, 2035	$5,662,092
July 1, 2035	February 15, 2036	$5,793,989
July 1, 2036	February 15, 2037	$5,931,215
July 1, 2037	February 15, 2038	$6,069,389
July 1, 2038	February 15, 2039	$7,210,313
July 1, 2039	February 15, 2040	$7,354,607
July 1, 2040	February 15, 2041	$7,502,771
July 1, 2041	February 15, 2042	$7,652,187
July 1, 2042	February 15, 2043	$7,805,295
July 1, 2043	February 15, 2044	$7,961,295
July 1, 2044	February 15, 2045	$8,120,328
July 1, 2045	February 15, 2046	$6,919,852
July 1, 2046	February 15, 2047	$362,362
July 1, 2047	February 15, 2048	$0
July 1, 2048	February 15, 2049	$0
July 1, 2049	February 15, 2050	$0
July 1, 2050	February 15, 2051	$0

EXHIBIT D
TO INDENTURE OF TRUST

REQUIRED MAXIMUM SPECIAL TAX

1. Required Maximum Special Tax.

The Required Maximum Special Tax on each Parcel for Fiscal Year 2017-2018 shall be equal to the amount set forth in Table 1 below, subject to adjustment in each subsequent Fiscal Year, or as otherwise provided in accordance with the further provisions of this Exhibit D.

Table D-1
Required Maximum Special Tax
FY 2017-2018

Parcel Number	Description of Property	Development	Required Max. Sp. Tax
15-598795	Downtown Columbia Crescent Neighborhood Par A-1 (Bldg 1OA)	Office/Retail	$327,255
15-598796	Downtown Columbia Crescent Neighborhood Par A-2 (Bldg 1OB)	Office/Retail	$222,201
15-598797	Downtown Columbia Crescent Neighborhood Par A-3 (Parking Garage Ph-I)	Parking Garage	$0
15-599570	All of Open Space Lot 1 (Crescent Neighborhood)	0	$0
15-599571	All of Open Space Lot 2	0	$0
15-599572	All of Open Space Lot 3	0	$0
15-599573	All of Open Space Lot 4	0	$0
15-599574	All of Open Space Lot 5	0	$0
15-045884	Part of Open Space Lot 7 (=10,380 sf)	0	$0
15-599577	All of Parcel B (Bldg 1OC)	Office/Retail	$483,456
15-599578	All of Parcel C (Area Two)	Office/Retail/MF	$1,810,325
15-599579	All of Parcel D (Area Three)	Office/Retail/MF	$3,400,444
15-599580	All of Parcel E (Area Four)	Office/Retail/MF	$374,568
15-599584	All of Non Buildable Bulk Parcel J	0	$0
15-599585	All of Non Buildable Bulk Parcel K	0	$0
15-599586	All of Non Buildable Bulk Parcel L	0	$0
15-599587	All of Non Buildable Bulk Parcel M	0	$0
15-599588	All of Non Buildable Bulk Parcel N	0	$0
15-599590	Part of Non Buildable Bulk Parcel P (=3,085 sf)	0	$0
15-599589	Part of Non Buildable Bulk Parcel O (=6,880 sf)	0	$0.00
---	Public Road Rights of Way (to-date)	0	$0.00
Total			$6,618,249

2. Adjustments of Required Maximum Special Tax.

a. Subdivision of Parcel

Upon the subdivision of any Parcel, the Required Maximum Special Tax on the Parcel immediately prior to the subdivision shall be reallocated to each Parcel resulting from such subdivision in accordance with the following formula:

$$A = B \times (C + D)$$

Where the terms have the following meanings:

A = the Required Maximum Special Tax on such Parcel after the subdivision

B = the Required Maximum Special Tax on the Parcel subdivided prior to the subdivision

C = the Maximum Special Tax on the Parcel after the subdivision

D = the sum of the Maximum Special Tax on all of the Parcels resulting from the subdivision

b. Consolidation of Parcels

Upon the consolidation of two or more Parcels, the Required Maximum Special Tax on the consolidated Parcel shall equal the sum of the Required Maximum Special Tax for the Parcels prior to the consolidation.

c. Change in Development

(i) *Base Reallocation Formula*

The Required Maximum Special Tax on some or all of the Parcels may be reallocated by the County upon the unanimous written request of the owners of such Parcels if such owners determine to change the development of the Parcels.

The Required Maximum Special Tax on each Parcel for which such reallocation is made shall be determined in accordance with the following formula:

$$A = B \times (C + D)$$

Where the terms have the following meanings:

A = the Required Maximum Special Tax on such Parcel

B = the sum of the Required Maximum Special Tax on all of the Parcels for which such reallocation is made prior to the reallocation

C = the Maximum Special Tax on such Parcel after giving effect to the change in the development of such Parcel

D = the sum of the Maximum Special Tax on each Parcel for which the Required Maximum Special Tax is being reallocated after giving effect to the change in development

(ii) *Alternate Formula*

In the alternative, upon the unanimous written request of the owners of such Parcels, the County may allocate (A) the Required Maximum Special Tax to any of such Parcels in an amount equal to not less than 105% of the Tax Increment Revenues produced by such Parcel in the Fiscal Year in which such reallocation is made (the sum of the Required Maximum Special Tax allocated to all Parcels for which a reallocation is made in accordance with this clause (A) being referred to in this paragraph as the "Total Alternative Required Maximum Special Tax Allocation"), and (B) the balance of the Required Maximum Special Tax to each of the remaining Parcels in accordance with the following formula:

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

Where the terms have the following meanings:

A = the Required Maximum Special Tax for such Parcel

B = the sum of the Required Maximum Special Tax on each Parcel for which such reallocation is made prior to the reallocation

C = the Total Alternative Required Maximum Special Tax Allocation

D = the Maximum Special Tax on such Parcel after giving effect to the change in the development of such Parcel

E = the sum of the Maximum Special Tax on each Parcel for which the Required Maximum Special Tax is being reallocated after giving effect to the change in development, less the sum of the Maximum Special Tax on each Parcel for which the Required Maximum Special Tax is reallocated in accordance with clause (ii)(A) above

(iii) *Total Required Maximum Special Tax Not to Be Reduced*

The sum of the Required Maximum Special Tax on each Parcel for which the Required Maximum Special Tax is reallocated in accordance with this subsection c. shall equal the sum of the Required Maximum Special Tax on each such Parcel prior to such reallocation.

d. Annual Increase in Required Special Tax

On each July 1, commencing July 1, 2018, the Required Maximum Special Tax on each Parcel determined as provided in this Appendix D automatically shall be increased to 102 percent of the Required Maximum Special Tax on such Parcel in effect in the immediately preceding Fiscal Year.

e. Adjustment upon Redemption of Bonds

(i) The Required Maximum Special Tax on each Parcel shall be reduced upon the redemption of Bonds (other than any redemption from the

Sinking Fund Installments or from an optional or mandatory prepayment of Special Tax) in accordance with the following formula:

$$A = (B + C) \times D$$

Where the terms have the following meanings:

A = the Required Maximum Special Tax on such Parcel

B = the principal amount of the Bonds redeemed

C = the total principal amount of Bonds outstanding immediately prior to such redemption

D = the Required Mandatory Special Tax on such Parcel immediately prior to such redemption

(ii) If Bonds are redeemed as a result of a prepayment of the Special Tax (including a Mandatory Prepayment of the Special Tax), the Required Maximum Special Tax shall be reduced for the Parcel for which the Special Tax is prepaid.

3. Mandatory Prepayment of Special Tax upon Change in Development.

a. Annual Estimate of Tax Increment Revenues Prior to Build-Out

The County shall cause the Administrator to prepare not later than May 1 of each year prior to build-out of the Development an estimate of the Tax Increment Revenues to be produced at build-out of the Development, assuming a growth in Tax Increment Revenues in each year equal to the lesser of (i) 2% and (ii) the average growth in County *ad valorem* real property tax revenues over the prior five years, which estimate shall be included in the Annual Special Tax Report for such year.

b. Mandatory Prepayment of Special Tax.

(i) Promptly following any date on which a change in the development of any Parcel from the development expected to occur on such Parcel as set forth in Section 1 above (after giving effect to any adjustment made in accordance with Section 3 above), the Administrator shall make the determinations required by this paragraph and provide the results thereof to the County.

(ii) The Administrator shall determine the ratio of (A) the Tax Increment Revenues from the District (1) at build-out, if the change occurs prior to build-out, as estimated in accordance with paragraph a. above or (2) for the year in which such change occurs, if the change occurs after build-out to (B) Maximum Annual Debt Service. If such Tax Increment Revenues are equal to or greater than 125% of the principal of, the Sinking Fund Installments for and the interest on all outstanding Bonds becoming due in the immediately succeeding

Fiscal Year, then the Required Maximum Special Tax for each Parcel the development of which is changed shall be deemed to equal to the Maximum Special Tax for such Parcel for the purpose of determining whether a Mandatory Prepayment of Special Tax is required in connection with such change and, in accordance with Section L of the Rate and Method, no Mandatory Prepayment of Special Tax shall be required in connection with such change.

(iii) The Administrator shall determine the ratio of (A) the Tax Increment Revenues from each Parcel the development of which is changed for the year in which such change occurs, to (B) the Required Maximum Special Tax on such Parcel immediately prior to such change. If the Tax Increment Revenues from such Parcel are equal to or greater than 120% of the Required Maximum Special Tax on such Parcel immediately prior to such change, then the Required Maximum Special Tax on such Parcel shall be equal to the Maximum Special Tax on such Parcel for the purpose of determining whether a Mandatory Prepayment of Special Tax is required in connection with such change and, in accordance with Section L of the Rate and Method, no Mandatory Prepayment of Special Tax shall be required in connection with such change.

4. Development.

For the purposes of Section L of the Rate and Method, the development that is to occur on a Parcel (i) initially shall be the development shown in Table D-2, and (ii) shall be adjusted based on subdivisions and consolidations of Parcels and changes in development in accordance with Section 3 above. A change in a Parcel from Taxable Property to Public Property or Owner Association Property shall be deemed to be a change in the development that is to occur on such Parcel for the purposes of Section L of the Rate and Method.

Table D-2
Development

Parcel Number	Description of Property	Development						
		Office (Square Feet)	Retail (Square Feet)	Hotel (Rooms)	Apt. Rental A (Units)	Apt. Rental B (Units)	Apt. Rental C (Units)	Apt. Rental D Units)
15-598795	Crescent Neighborhood Par A-1 (Bldg 1OA)	208,034	9,749					
15-598796	Crescent Neighborhood Par A-2 (Bldg 1OB)	102,993	29,583					
15-598797	Crescent Neighborhood Par A-3 (Parking Garage Ph-I)							
15-599570	All of Open Space Lot 1 (Crescent Neighborhood)							
15-599571	All of Open Space Lot 2							
15-599572	All of Open Space Lot 3							
15-599573	All of Open Space Lot 4							
15-599574	All of Open Space Lot 5							
15-045884	Part of Open Space Lot 7 (±10,380 sf)							
15-599577	All of Parcel B (Bldg 1OC)	310,000	12,800					
15-599578	All of Parcel C (Area Two)	848,699	30,000		338	18		19
15-599579	All of Parcel D (Area Three)	1,075,000	224,403	250	759	23	117	23
15-599580	All of Parcel E (Area Four)	175,000	0		80	5		5
15-599584	All of Non Buildable Bulk Parcel J							
15-599585	All of Non Buildable Bulk Parcel K							
15-599586	All of Non Buildable Bulk Parcel L							
15-599587	All of Non Buildable Bulk Parcel M							
15-599588	All of Non Buildable Bulk Parcel N							
15-599590	Part of Non Buildable Bulk Parcel P (±3,085 sf)							
15-599589	Part of Non Buildable Bulk Parcel O (±6,880 sf)							
---	Public Road Rights of Way (to-date)							
Total		2,719,726	306,535	250	1,177	46	117	47

5. Limitation of Liability.

The Administrator shall not be liable for any estimate or determination or other action in connection with the application of Section L of the Rate and Method so long as such action is undertaken in good faith and without gross negligence. The County may rely on any recommendation, report, estimate or other item or information provided by the Administrator in connection with application of Section L of the Rate and Method and shall have no liability for any action taken or suffered by it in good faith and in accordance therewith.

6. Definitions.

Terms used in this Exhibit D that are not defined in this Indenture shall have the meanings specified in the Rate and Method unless the context shall otherwise require.

EXHIBIT E
TO INDENTURE OF TRUST

SECOND AVAILABLE TAX INCREMENT REVENUES

(PHASE ONE BONDS)

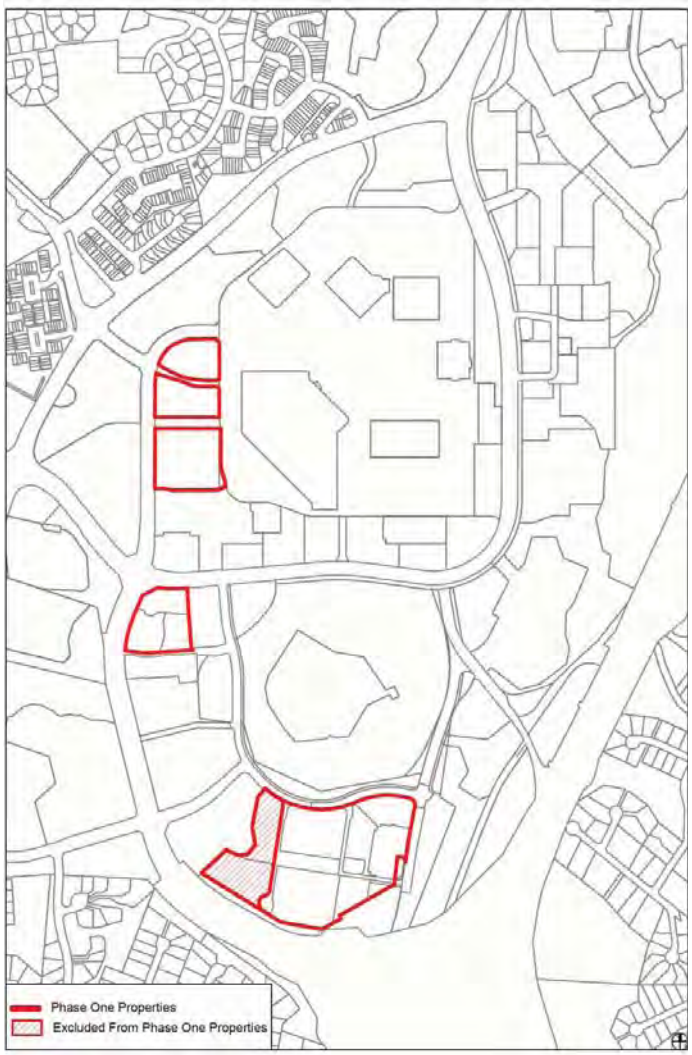
Tax Year Beginning	Bond Year Ending	Second Available Tax Increment Revenues
July 1, 2017	February 15, 2018	$1,160,055
July 1, 2018	February 15, 2019	$2,233,028
July 1, 2019	February 15, 2020	$1,179,980
July 1, 2020	February 15, 2021	$2,093,331
July 1, 2021	February 15, 2022	$3,244,670
July 1, 2022	February 15, 2023	$3,705,097
July 1, 2023	February 15, 2024	$3,944,347
July 1, 2024	February 15, 2025	$4,151,682
July 1, 2025	February 15, 2026	$4,303,351
July 1, 2026	February 15, 2027	$4,460,699
July 1, 2027	February 15, 2028	$4,623,620
July 1, 2028	February 15, 2029	$4,793,076
July 1, 2029	February 15, 2030	$4,968,036
July 1, 2030	February 15, 2031	$5,149,594
July 1, 2031	February 15, 2032	$5,337,855
July 1, 2032	February 15, 2033	$5,532,991
July 1, 2033	February 15, 2034	$5,735,240
July 1, 2034	February 15, 2035	$5,943,912
July 1, 2035	February 15, 2036	$6,162,443
July 1, 2036	February 15, 2037	$6,386,158
July 1, 2037	February 15, 2038	$6,619,752
July 1, 2038	February 15, 2039	$5,861,750
July 1, 2039	February 15, 2040	$6,111,865
July 1, 2040	February 15, 2041	$6,369,942
July 1, 2041	February 15, 2042	$6,638,956
July 1, 2042	February 15, 2043	$6,916,830
July 1, 2043	February 15, 2044	$7,204,740
July 1, 2044	February 15, 2045	$7,502,935
July 1, 2045	February 15, 2046	$9,174,358
July 1, 2046	February 15, 2047	$16,216,921
July 1, 2047	February 15, 2048	$17,078,909
July 1, 2048	February 15, 2049	$17,593,524
July 1, 2049	February 15, 2050	$18,123,577
July 1, 2050	February 15, 2051	$18,669,532

EXHIBIT F

PHASE ONE PROPERTIES

TAX PARCEL NUMBERS AND MAP

Parcel Number	Description of Property
15-595516	Downtown Columbia Warfield Parcel D-2 (Future Private Road)
15-130164	10000 Town Center Master Condo Unit 1 (Metropolitan)
15-597758	10000 Town Center Residential Condo Unit 1 (Metropolitan)
15-597760	10000 Town Center Residential Condo Unit 3 (Metropolitan)
15-597759	10000 Town Center Residential Condo Unit 2 (Metropolitan)
15-597762	10000 Town Center Residential Condo Unit 5 (Metropolitan)
15-597763	10000 Town Center Residential Condo Unit 6 (Metropolitan)
15-597764	10000 Town Center Residential Condo Unit 7 (Metropolitan)
15-597765	10000 Town Center Residential Condo Unit 8 (Metropolitan)
15-597756	10000 Town Center Master Condo Unit 2 (Metropolitan)
15-597761	10000 Town Center Residential Condo Unit 4 (Metropolitan)
15-595159	Parcel C-2 (M Flats)
15-130156	Parcel C-1 (10M Flats)
15-595514	Parcel C-3 (M Flats & 10M Flats)
15-598795	Downtown Columbia Crescent Neighborhood Par A-1 (Bldg 1OA)
15-598796	Downtown Columbia Crescent Neighborhood Par A-2 (Bldg 1OB)
15-598797	Downtown Columbia Crescent Neighborhood Par A-3 (Parking Garage Ph-I)
15-599579	The portions of Parcel D (Area 3) on which 3OA, 3MFB, 3RE, 3MFC, 3OB and Area Three Parking (each as described in the Limited Offering Memorandum) will be constructed



THIS PAGE INTENTIONALLY LEFT BLANK

APPENDIX G

Proposed Form of Funding Agreement

[THIS PAGE INTENTIONALLY LEFT BLANK]

FUNDING AGREEMENT

by and between

HOWARD COUNTY, MARYLAND

and

THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION

Dated October 18, 2017

$48,225,000
Howard County, Maryland
Special Obligation Bonds
(Downtown Columbia Project)
Series 2017 A

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS 2
ARTICLE II FUNDING OF COSTS; INDENTURE 5
Section 2.1 **County Proceedings; Additional Bonds** 5
Section 2.2 **Series 2017 A Bonds** 6
Section 2.3 **Bond Proceeds; Indenture** 6
Section 2.4 **Payment of Taxes** 6
Section 2.5 **No Impact on Obligation of Developer** 7
Section 2.6 **Reimbursements** 7

ARTICLE III CONSTRUCTION OF PUBLIC IMPROVEMENTS 7
Section 3.1 **Plans** 7
Section 3.2 **Duty of Developer to Construct** 7
Section 3.3 **Relationship to Public Works** 8
Section 3.4 **Independent Contractor** 8
Section 3.5 **Payment and Performance Financial Securities** 8
Section 3.6 **Time for Completion** 8
Section 3.7 **Contracts and Change Orders** 9
Section 3.8 **Adequacy** 9

ARTICLE IV PAYMENT FOR ACTUAL COSTS OF PUBLIC IMPROVEMENTS 9
Section 4.1 **Payment Requests.** 9
Section 4.2 **Payments for Public Improvements** 10
Section 4.3 **Restrictions on Payments** 11
Section 4.4 **Insufficient Funds in Improvement Fund** 12
Section 4.5 **Modification of Public Improvements** 12
Section 4.6 **Dispute Mechanism** 13

ARTICLE V OWNERSHIP AND TRANSFER OF PUBLIC IMPROVEMENTS 13
Section 5.1 **Conveyance of Land and Easements** 13

ARTICLE VI INSURANCE REQUIREMENTS DURING CONSTRUCTION PERIOD 14
Section 6.1 **Insurance Requirements during Construction Period** 14
Section 6.2 **Standards Applicable** 16
Section 6.3 **Evidence of Insurance** 16

ARTICLE VII SAFETY REQUIREMENTS 16
Section 7.1 **Safety Requirements** 16

ARTICLE VIII ADDITIONAL CONDITIONS 17
Section 8.1 **Conditions to Issuance of Series 2017 A Bonds** 17

ARTICLE IX REPRESENTATIONS, WARRANTIES AND COVENANTS 18
Section 9.1 **Representations, Covenants and Warranties of the Developer** 18

TABLE OF CONTENTS
(continued)

Page

Section 9.2 **Indemnification and Hold Harmless** 21
Section 9.3 **Enforcement of Remedies** 21
Section 9.4 **No Termination of Memorandum of Understanding** 22
Section 9.5 **No Approval by County** 22
Section 9.6 **Representations, Covenants and Warranties of the County** 22
Section 9.7 **Use of Moneys by County; Changes to Indenture.** 23

ARTICLE X TERMINATION 23
Section 10.1 **No Bonds** 23
Section 10.2 **Mutual Consent** 23
Section 10.3 **County Election to Terminate for Cause** 23
Section 10.4 **Force Majeure** 25

ARTICLE XI MISCELLANEOUS 25
Section 11.1 **Limited Liability of County** 25
Section 11.2 **Audit** 26
Section 11.3 **Notices** 26
Section 11.4 **Severability** 27
Section 11.5 **Successors and Assigns** 27
Section 11.6 **Other Agreements** 27
Section 11.7 **Waiver** 28
Section 11.8 **Merger** 28
Section 11.9 **Parties in Interest** 28
Section 11.10 **Amendment** 28
Section 11.11 **Counterparts** 28
Section 11.12 **Continuing Obligations** 28
Section 11.13 **Governing Law** 28
Section 11.14 **No Interpretation Against Drafter** 28
Section 11.15 **Consent to Jurisdiction; Venue** 28
Section 11.16 **Waiver of Jury Trial** 29

EXHIBITS

EXHIBIT A Description of Public Improvements
EXHIBIT B Form of Payment Request
EXHIBIT C Additional Procedures Regarding Payment Requests
EXHIBIT D Form of ISO Endorsement
EXHIBIT E Form of Partial Lien Release
EXHIBIT F Form of Final Lien Release

[THIS PAGE INTENTIONALLY LEFT BLANK]

FUNDING AGREEMENT

This Funding Agreement, dated October 18, 2017 (this "*Agreement*"), is by and between **HOWARD COUNTY, MARYLAND**, a body corporate and politic and a political subdivision of the State of Maryland (the "*County*") and **THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION**, a Maryland corporation (the "*Developer*").

RECITALS

The County is authorized under Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "*Tax Increment Financing Act*"), to designate an area within the County as a "development district" and to establish a special tax increment fund with respect to such development district into which certain incremental tax revenues from the development district are deposited for the purpose of providing funds for the development, redevelopment, revitalization and renovation of the development district. The Tax Increment Financing Act authorizes the County to issue bonds from time to time to fulfill one or more of the purposes of the Tax Increment Financing Act.

Under Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended (the "*Special Taxing District Act*" and, together with the Tax Increment Financing Act, the "*Acts*"), the County may create a special taxing district and a special fund with respect thereto, levy ad valorem or special taxes and issue bonds for the purpose of financing, refinancing or reimbursement for the costs of certain infrastructure improvements as necessary for the development and utilization of the land in a defined geographic region within the County.

Pursuant to the Acts, the County Council of the County (the "*County Council*") adopted Resolution No. 105-2016 on November 9, 2016 (the "*Resolution*"), and enacted Council Bill No. 56-2016 on November 9, 2016 (the "*Bond Ordinance*" and, together with the Resolution, the "*Authorizing Legislation*"), which (i) designated an area within the County more particularly described therein to be known as the Downtown Columbia Development District (the "*Development District*") as a development district under the provisions of the Tax Increment Financing Act; (ii) designated an area within the County more particularly described therein to be known as the Crescent Special Taxing District (the "*Special Taxing District*" and, together with the Development District, the "*Districts*") as a special taxing district under the provisions of the Special Taxing District Act; (iii) created a "special fund" within the meaning of the Tax Increment Financing Act for the Development District to be known as the Downtown Columbia Development District Tax Increment Fund (the "*Tax Increment Fund*"); (iv) created a "special fund" within the meaning of the Special Taxing District Act for the Special Taxing District to be known as the Crescent Special Taxes Fund (the "*Special Taxes Fund*"); (v) pledged to the Tax Increment Fund the proceeds of the "tax increment" (as such term is used in the Tax Increment Financing Act); (vi) pledged to the Special Taxes Fund the proceeds of the special taxes to be levied by the County on certain real and personal property within the Special Taxing District, unless exempted thereby or otherwise by law, for the purposes and to the extent and manner set forth in the Rate and Method (defined herein); (vii) directed the Director of Finance of the County to deposit all taxes representing the levy on and collection of the tax increment in the Development District into the Tax Increment Fund; (viii) directed the Director of Finance of the County to deposit all Special Taxes levied and collected in the Special Taxing District into the Special Taxes Fund; (ix) authorized the issuance by the County from time to time in one or more series of its special obligation bonds in the maximum aggregate principal amount of $90,000,000 to finance the costs of certain public improvements more particularly described therein; and (x) authorized the County Executive of the County to specify and prescribe by executive order certain matters pertaining to the Series 2017 A Bonds (defined herein).

The Developer is developing land within the Districts, which will be a part of a larger development that is expected to include a mix of office, multifamily rental (a portion of which is expected to include affordable housing units), retail, restaurant, hotel and civic/recreation uses.

The Developer and the County wish to provide for the financing of certain public improvements benefitting the Districts, including but not limited to the Public Improvements (defined herein), by (1) entering into this Agreement and (2) issuing the Series 2017 A Bonds, the proceeds of which will be used in part to finance or reimburse costs of such Public Improvements as contemplated by the Authorizing Legislation.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and the Developer agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined elsewhere herein (including in the Recitals hereto), the following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

"***Actual Cost***" means those substantiated Costs actually paid or incurred by the Developer. The total Actual Costs of the Public Improvements to be financed with the proceeds of the Series 2017 A Bonds shall not exceed the amount of Series 2017 A Bond proceeds initially deposited into the Improvement Fund, plus available investment earnings thereon.

"***Affiliate***" means (i) any entity owned or controlled by, or under common ownership or control with, the Developer, (ii) all general partners of the Developer, if the Developer is a partnership or any member owning at least 50% of the Developer, if the Developer is a limited liability company and (iii) Parcel C Property, LLC, Parcel D Property, LLC, Crescent Area 1-A Holdings, LLC and Crescent Area 1-B Holdings, LLC. "*Control*" shall mean ownership of more than 50% of the voting power of or ownership interest in the Developer or other entity, as applicable.

"***Budgeted Costs***" means the budgeted Cost of each item or category of the Public Improvements to be financed with the proceeds of the Series 2017 A Bonds, as set forth in Exhibit A.

"Building 3OA" means the office building to be constructed in the Special Taxing District and expected to contain approximately 369,161 gross square feet.

"*Building 3MFB*" means the residential building to be constructed in the Special Taxing District and expected to contain approximately 477,620 gross square feet.

"***Completed 2017 Private Improvements***" means, collectively, The Metropolitan and One Merriweather.

"***Construction Contract***" means any direct contract between the Developer and a contractor or supplier of materials or services relating to the construction of the Public Improvements.

"***Continuing Disclosure Agreement***" means the Developer Continuing Disclosure Agreement dated as of October 1, 2017 between the Developer and the Administrator relating to the Series 2017 A Bonds.

"***Contracting Officer***" means the Director of Finance of the County and any other person or persons appointed by the County to perform the tasks of Contracting Officer under this Agreement or a designee of such person.

"*Contracting Officer Technical Representative*" *or* **"*COTR*"** means the authorized representative of the County's Department of Public Works assigned to make detailed inspection for compliance with the Plans and Specifications and other contract documents for any or all portions of the Public Improvements or materials thereof.

"***Cost***" or "***Costs***" means the costs of the Public Improvements permitted by the Acts and the Bond Ordinance to be financed with the Series 2017 A Bonds and listed on Exhibit A to this Agreement. "Costs" include the Public Improvements Fees and Costs.

"*Developer Agreement*" means a developer agreement by and between the County and the Developer relating to the construction of a Public Improvement.

"*Developer Fees*" means the development management fees payable pursuant to (i) the Development Management Agreement dated December 15, 2014, between the Developer and HRD Development Management, LLC, and (ii) the Development Management Agreement between Crescent Area 1-A Holdings, LLC, and HRD Development Management, LLC dated June 1, 2015, in each case as amended from time to time, for the services described therein with respect to the Public Improvements as set forth in Section 4.1(f).

"***Engineer***" means Gutschick, Little & Weber, P.A., or any other independent engineer or firm of engineers registered and qualified to practice the profession of engineering under the laws of the State and hired by the Developer.

"***Guarantor***" means The Howard Hughes Corporation, a Delaware corporation.

"***Indenture***" means the Indenture of Trust dated as of October 1, 2017 by and between the County and the Trustee relating to the Series 2017 A Bonds and any Supplemental Indenture adopted pursuant to the provisions thereof relating to the Series 2017 A Bonds.

"***Inspector***" means the County's Department of Public Works or any independent engineer or firm of engineers registered and qualified to practice the profession of engineering under the laws of the State and selected by the County to inspect the Public Improvements as required hereby.

"***Letter of Intent***" means the letter executed by the Developer concerning the issuance of bonds dated August 14, 2015.

"***Limited Offering Memorandum***" means the limited offering memorandum or other offering document prepared in connection with the sale of the Series 2017 A Bonds.

"***Look-Back Agreement***" means the agreement described in Section 12.0 of the Memorandum of Understanding to be entered into by the County and the Developer.

"***Memorandum of Understanding***" means the Memorandum of Understanding dated as of November 9, 2016, between the County and the Developer, and any amendment or supplement thereto.

"***m.flats***" means the multifamily development being constructed in the Development District containing approximately 267 residential units and 18,041 square feet of retail and restaurants, to be known as "m.flats".

"***One Merriweather***" means the office building being constructed in the Special Taxing District containing approximately 208,000 square feet of office space and approximately 9,700 square feet of retail and restaurants, to be known as "One Merriweather".

"***Payment Request***" means a document, substantially in the form of Exhibit B hereto to be used by the Developer in requesting payment of the Actual Costs of a Public Improvement, or portion thereof.

"*Pending Litigation*" means Corporate Office Properties Trust, Merritt Properties, LLC, St. John Properties, Inc. and Greenebaum Enterprises, Inc. vs. Howard County, Maryland (Case No. C-02-CV-17-001419B) pending in the Circuit Court of Anne Arundel County as described in the Limited Offering Memorandum under the heading "LITIGATION- Pending Litigation."

"***Plans and Specifications***" means the plans, specifications, addenda, revisions to the plans and specifications, schedules and related documents establishing the work to be performed under a Construction Contract for the Public Improvements, all as approved by the County.

"***Public Improvements***" means the public infrastructure improvements described in the Authorizing Legislation and Exhibit A hereto, which are eligible to be financed with the proceeds of the Series 2017 A Bonds.

"***Public Improvements Fees and Costs***" means the fees and costs related to the planning and design, engineering, permits and fees, testing, inspections and consultants and experts incurred with respect to the public infrastructure improvements described in Exhibit A which are eligible to be financed with the proceeds of the Series 2017 A Bonds.

"***Series 2017 A Bond(s)***" means the Howard County, Maryland Special Obligation Bonds (Downtown Columbia Project), Series 2017 A, which are issued in the original aggregate principal amount of $48,225,000, at any time Outstanding under the Indenture.

"***Special Taxes***" means the special taxes levied within the Special Taxing District pursuant to the Special Taxing District Act, the Bond Ordinance and the Indenture and in accordance with the Rate and Method.

"***State***" means the State of Maryland.

"***Supplement***" means a written document agreed upon by the Developer and the County amending, supplementing or otherwise modifying this Agreement and any Exhibit hereto, including any amendments to the list of Public Improvements in Exhibit A in a manner consistent with the Authorizing Legislation.

"***TEN.M***" means the multifamily development being constructed in the Development District containing approximately 170 residential units and 16,336 square feet of retail and restaurants, to be known as "TEN.M".

"***The Metropolitan***" means the multifamily development constructed in the Development District containing approximately 380 residential units and 15,000 square feet of retail and restaurants, known as "The Metropolitan".

"***Trustee***" means Manufacturers and Traders Trust Company and its successors, and any other corporation that may at any time be substituted in its place as trustee under the Indenture.

"***Two Merriweather***" means the office building being constructed in the Special Taxing District containing approximately 103,000 square feet of office space and approximately 29,000 square feet of retail and restaurants, to be known as "Two Merriweather".

"***2017 Private Improvements***" means, collectively, the Completed 2017 Private Improvements, TEN.M, m.flats, Two Merriweather, Building 3OA and Building 3MFB.

ARTICLE II
FUNDING OF COSTS; INDENTURE

Section 2.1 County Proceedings; Additional Bonds. (a) The County shall conduct all necessary proceedings under the Acts for the issuance, sale and delivery of the Series 2017 A Bonds; provided, however, that nothing herein shall be construed as requiring the County to issue the Series 2017 A Bonds. Upon the written request of the Developer, the Developer, Bond Counsel, and the County staff shall meet regarding the amount, timing and other material aspects of the Series 2017 A Bonds, but the legal proceedings and the principal amounts, rates, terms and conditions and timing of the sale of the Series 2017 A Bonds shall be in all respects subject to the approval of the County, as set forth in one or more executive orders as contemplated by the Bond Ordinance.

(b) The Developer acknowledges and agrees that, notwithstanding the provisions of the Indenture relating to the issuance of Additional Bonds, the County will not issue any additional

Phase One Bonds if the ratio of (i) the sum of the First Available Tax Increment Revenues plus any remaining Tax Increment Revenues in excess of the Second Available Tax Increment Revenues, in each case for the immediately preceding Fiscal Year, plus such Tax Increment Revenues projected to be derived from projects in the Development District which are under construction or for which significant progress towards the commencement of construction has occurred, as determined by the County in its reasonable judgment, to (ii) the Debt Service payable on all Outstanding Phase One Bonds, including such additional Phase One Bonds to be issued, in each future Fiscal Year in which any then-Outstanding Phase One Bonds will remain Outstanding, is less than 80%. Factors to be considered by the County in determining whether significant progress towards the commencement of construction has occurred include, but are not limited to (i) an advanced status in the design process, taking into account the status of the completion of building conceptual and schematic design documentation, (ii) significant progress on design development drawings, (iii) submission of a site development plan for the applicable project to the Howard County Planning Board, taking into account the review or approval status, (iv) the availability of financing for the project, and (v) review or status of any applicable agreements, requirements or impediments to construction. Notwithstanding the foregoing, the County may waive the requirements of this subsection (b) in its sole discretion.

Section 2.2 Series 2017 A Bonds. Neither the County nor the Trustee shall be obligated to pay for the Actual Costs of the Public Improvements except from amounts on deposit in the Improvement Fund on or after the date of closing of the Series 2017 A Bonds. The County makes no warranty, express or implied, that the proceeds of the Series 2017 A Bonds deposited and held in the Improvement Fund and any investment earnings thereon deposited to the Improvement Fund, will be sufficient to pay the Actual Costs of the Public Improvements.

Section 2.3 Bond Proceeds; Indenture. The Developer acknowledges that a significant portion of the proceeds of the Series 2017 A Bonds will be deposited in the Improvement Fund established under the Indenture. These proceeds shall be deposited, held, invested and reinvested and disbursed as provided in the Indenture. Moneys in the Improvement Fund, in the maximum amount equal to the amount of Series 2017 A Bond proceeds initially deposited into the Improvement Fund, plus available investment earnings thereon, shall be withdrawn therefrom in accordance with the provisions of the Indenture, and any applicable provisions of this Agreement, for payment of all or a portion of the Actual Costs of the Public Improvements, as provided herein. The Developer acknowledges and agrees that the funds on deposit in the funds and accounts established by or pursuant to the Indenture shall be invested as directed under the Indenture and that the Developer has no right whatsoever to direct the investments under the Indenture. The County shall have no responsibility whatsoever to the Developer with respect to any investments of funds made by the Trustee under the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment. Any such loss may diminish the amounts available in the Improvement Fund to pay the Actual Costs of the Public Improvements hereunder.

Section 2.4 Payment of Taxes. The Developer further acknowledges that the obligation of any owner of real property in the Districts, including the Developer to the extent it owns any real property in the Districts, and their successors and assigns, to pay real property taxes and the Special Taxes levied in the Districts is not in any way dependent on (a) the availability of amounts in the Improvement Fund to pay for all or any portion of the Actual Costs of the Public

Improvements under the Indenture or hereunder or (b) the alleged or actual misconduct of the County in the performance of its obligations under this Agreement, the Indenture, or any other agreement to which the Developer and the County are signatories.

Section 2.5 No Impact on Obligation of Developer. The Developer acknowledges that any lack of availability of amounts in the Improvement Fund to pay the Actual Costs of Public Improvements hereunder shall in no way diminish any obligation of the Developer with respect to (a) the construction of, or contributions for, the Public Improvements, (b) the construction of, or contributions for, all other public improvements in the Districts necessary for the development of land within the Districts as a mixed-use development with retail, residential and office space and a hotel and the performance of all obligations under all development agreements relating thereto, (c) the performance of all of the Developer's obligations under the Memorandum of Understanding or (d) any governmental approval to which the Developer or any land located within the Districts are subject.

Section 2.6 Reimbursements. The County acknowledges that, in addition to the payment of the Actual Costs of the Public Improvements hereunder, a portion of the proceeds of the Series 2017 A Bonds will be paid to the Developer for certain costs of the creation of the District and of certain Actual Costs of the Public Improvements for which the Developer has heretofore advanced its own funds. Provided that such payments are permitted by the Acts, the Authorizing Legislation and applicable federal tax laws and the County and the Administrator receive satisfactory documentation of such costs as herein provided, the County, to the extent not paid directly by the Trustee to the Developer, on the date of the issuance of the Series 2017 A Bonds, shall use a portion of the proceeds of the Series 2017 A Bonds deposited into the Cost of Issuance Fund and the Improvement Fund to reimburse the Developer for such advances.

ARTICLE III
CONSTRUCTION OF PUBLIC IMPROVEMENTS

Section 3.1 Plans. The Developer shall cause Plans and Specifications to be prepared for the Public Improvements. The Developer shall obtain the written approval of the Plans and Specifications in accordance with applicable ordinances and regulations of all applicable governmental authorities. The Developer shall also deliver copies of all Plans and Specifications to the COTR, together with an assignment of the Plans and Specifications to the County if such Plans and Specifications were not assigned to the County pursuant to the assignment delivered on the Closing Date pursuant to Section 8.1(a) hereof.

Section 3.2 Duty of Developer to Construct. All of the Public Improvements shall be constructed by or caused to be constructed by the Developer in accordance with the approved Plans and Specifications, in accordance with this Agreement. Nothing in this Agreement shall alter, in any respect, any of the requirements contained in the Developer's governmental approvals with respect to the construction of the Public Improvements, and the Developer shall observe the requirements of the County and of all applicable governmental agencies with respect to the construction of the Public Improvements. The Developer shall perform or cause the performance of all of its obligations hereunder and shall conduct all operations with respect to the construction of Public Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by a duly qualified person in the performance

of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of the Public Improvements in accordance with this Agreement.

The Developer shall not be relieved of its obligation to construct the Public Improvements in accordance with the terms hereof, even if there are insufficient funds in the Improvement Fund to pay the Actual Costs thereof, and, in any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the Districts owned by the Developer or its Affiliates is subject, with respect to the Public Improvements required in connection with the development of the land within the Districts. The Developer shall be obligated to construct the Public Improvements and pay the Actual Costs thereof in excess of available moneys in the Improvement Fund, and such obligations shall be the obligation of the Developer in its capacity as owner or developer of the land within the Districts and as a party to this Agreement.

Section 3.3 Relationship to Public Works. This Agreement is for the funding by the County of the Actual Costs of the Public Improvements from moneys in the Improvement Fund and is not intended to be a public works contract. The County and the Developer agree that the Developer shall be solely responsible for awarding and administering all contracts for the construction of the Public Improvements. The County and the Developer agree that the Developer shall award all contracts for the construction of the Public Improvements and that this Agreement is necessary to assure the timely and satisfactory completion of the Public Improvements.

Section 3.4 Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the County. The County shall not be responsible for making any payments to any contractor, subcontractor, agent, consultant, employee or supplier of the Developer.

Section 3.5 Payment and Performance Financial Securities. The Developer and the County shall enter into one or more Developer Agreements for the construction of the Public Improvements. Pursuant to the Developer Agreements, the Developer shall provide the requisite performance and payment financial securities acceptable to the County. The performance financial security shall be in an amount not less than one hundred percent (100%) of the estimated construction costs of the Public Improvements and the labor and material payment financial security shall be in an amount not less than fifty percent (50%) of the estimated construction costs of the Public Improvements. The financial securities required under the Developer Agreements shall not be released until the Public Improvements are (i) accepted by the County in accordance with the release of securities provision of the Developer Agreements and (ii) certified by the COTR as completed in accordance with the approved Plans and Specifications and the requisite permits.

Section 3.6 Time for Completion. The Developer agrees that this Agreement is for the benefit of the County and the Developer and, therefore, the Developer represents that it expects to complete the Public Improvements to be financed with the proceeds of the Series 2017 A Bonds by December 31, 2018 and to have requested payment for such Public Improvements under this Agreement by December 31, 2018, except for the Road Segment 4 Design, Multiuse Pathway

Phase I, Multiuse Pathway Phase II, and the EMT Rapid Fire Station, which the Developer expects to complete and request payment for by December 31, 2019. Any failure of the Developer to complete such Public Improvements within said time period shall not, however, in itself, constitute a breach by the Developer of the terms of this Agreement.

Section 3.7 Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as "*change orders*") required for the construction of the Public Improvements. If any change order causes the aggregate of the Actual Costs of any item or category of Actual Costs of the Public Improvements to exceed the Budgeted Costs for such item or category, such increased cost may be paid from amounts on deposit in the Improvement Fund only to the extent provided in Section 4.3(a) hereof. The Developer shall be responsible for (i) payment of any amounts in excess of the Budgeted Costs of any item or category of Actual Costs, unless such excess is payable from amounts on deposit in the Improvement Fund pursuant to Section 4.3(a) hereof and (ii) payment of any amounts beyond the available funds in the Improvement Fund. In any event, the County shall not be responsible for payment of the Costs for any Public Improvement beyond the available funds in the Improvement Fund.

Section 3.8 Adequacy. The County shall have no responsibility as to the adequacy of the completed Public Improvements for the purposes of the 2017 Private Improvements. No inspection or approval by the County hereunder or otherwise shall negate or diminish the obligations of the Developer hereunder or under any Developer Agreement or any applicable warranties related to such work.

G-7

ARTICLE IV
PAYMENT FOR ACTUAL COSTS OF PUBLIC IMPROVEMENTS

Section 4.1 Payment Requests.

(a) In order to receive progress payments for Actual Costs of a Public Improvement not attributable to costs under a Construction Contract, the Developer shall deliver to the Contracting Officer a properly completed Payment Request substantially in the form of Exhibit B hereto for such Actual Costs, together with all attachments and exhibits required by Exhibit B to be included therewith.

(b) In order to receive progress payments for Actual Costs of a Public Improvement attributable to costs under a Construction Contract, the Developer shall deliver to the Contracting Officer, the COTR and the Administrator a Payment Request approved by the Engineer substantially in the form of Exhibit B hereto for such work, together with all attachments and exhibits required by Exhibit B and Exhibit C to be included therewith, including without limitation, an appropriately completed and executed AIA form. The COTR shall conduct a review and/or contact the Inspector who shall conduct a review in order to (i) verify that the work with respect to such Public Improvement identified therein for which payment is requested was completed, (ii) verify that all governmental approvals, permits or inspections required in connection with the construction of such Public Improvement which has been completed to the date of such Payment Request have been received or approved, as applicable, (iii) verify that, in reliance upon quality control testing conducted by the Engineer and submission of test results and

certifications provided by the Engineer, such work was completed in accordance with the Plans and Specifications, with the terms of this Agreement and with all applicable governmental permits and (iv) verify and approve the Actual Cost of such work specified in such Payment Request. The Administrator shall conduct a review in order to verify compliance with the Bond Documents, confirm proper documentation in the audit file and identify any missing information or requirements related thereto. The Developer agrees to cooperate with the COTR, the Inspector and the Administrator in conducting each such review and to provide, or cause the Engineer to provide, the COTR, the Inspector and the Administrator with such additional information and documentation as is reasonably necessary for the COTR, the Inspector and the Administrator to conclude each such review. Within 10 Business Days of receipt of a properly completed Payment Request, the COTR and the Administrator shall (i) approve and execute the Payment Request and forward the same to the Contracting Officer to be delivered to the Trustee for payment or (ii) in the event the COTR or the Administrator disapproves the Payment Request, give written notification to the Developer and the Contracting Officer of the COTR's or the Administrator's disapproval, in whole or in part, as applicable, of such Payment Request, specifying the reasons for such disapproval, in whole or in part, as applicable, of such Payment Request, and the additional requirements to be satisfied for approval of such Payment Request. If a Payment Request seeking reimbursement is approved only in part, the COTR or the Administrator, as applicable, shall specify the extent to which the Payment Request is approved and shall deliver such partially approved Payment Request to the Contracting Officer to be delivered to the Trustee, and any such work shall be processed for partial payment under Section 4.2 notwithstanding such partial denial. The County shall forward all approved Payment Requests to the Trustee within 3 Business Days of the Contracting Officer's receipt thereof from the COTR and the Administrator.

(c) Fees of the Inspector for the Public Improvements shall be paid by the Developer.

(d) The Developer may submit no more than one Payment Request in each calendar month.

(e) Notwithstanding anything in this Agreement to the contrary, except during any period in which an Event of Default hereunder has occurred and is continuing, upon receipt of a Payment Request (and all required accompanying documentation), the County may approve any disbursement from the Improvement Fund to pay Actual Costs of the Public Improvement and may authorize such payment to be made to the Developer or a third party, in each case as it deems appropriate.

(f) Developer Fees may be included in the Actual Costs of a Public Improvement which are eligible for reimbursement through the Payment Request process; provided that any Developer Fees to be reimbursed through the Payment Request process (i) may not exceed five percent (5%) of the Budgeted Costs of the Public Improvements (excluding contingency amounts), and (ii) shall not be paid with respect to a Public Improvement until a certificate of substantial completion has been issued by the County for such Public Improvement.

Section 4.2 Payments for Public Improvements. Upon approval of a Payment Request by the Contracting Officer and, if required by Section 4.1(b), the COTR, the Contracting Officer shall submit such Payment Request, together with the appropriate form of requisition, to

the Trustee for payment under the applicable provisions of the Indenture from available moneys in the Improvement Fund. Any Payment Request not paid due to an insufficiency of funds in the Improvement Fund as herein provided shall be paid in accordance with Section 4.3 of this Agreement.

Section 4.3 Restrictions on Payments. Notwithstanding any other provisions of this Agreement, the following restrictions shall apply to any payments made under Section 4.2 hereof:

(a) *Amounts of Payments.* Subject to the following paragraphs of this Section 4.3, payments for each item or category of Actual Costs of the Public Improvements will be made only in the amount of the lesser of the Actual Cost or Budgeted Cost for the respective item or category; *provided, however*, if the Actual Cost exceeds the Budgeted Cost for any item or category of a Public Improvement and a change order has been approved as provided herein, the excess may be funded (i) to the extent of any contingency amounts held by the Trustee in the Improvement Fund, (ii) from any savings resulting from the aggregate Actual Costs of a complete item or category being less than the Budgeted Costs of such item or category as set forth on Exhibit A, or (iii) upon approval of the Contracting Officer (such approval not to be unreasonably withheld).

In any event, the Contracting Officer shall not approve any Payment Request if the result would be to (i) pay more than the Actual Cost of a Public Improvement or such portion thereof for which payment is requested, or (ii) pay an amount that would cause the sum of all amounts paid by the Trustee for all Public Improvements to exceed the amount of Series 2017 A Bond proceeds initially deposited into the Improvement Fund, plus available investment earnings thereon.

Any Payment Request not paid due to an insufficiency of funds in the Improvement Fund shall be paid promptly following the deposit into the Improvement Fund of proceeds of any investment earnings. The Developer shall not look to the County for payment of the Actual Cost for any Public Improvement which exceeds the available funds in the Improvement Fund. The parties hereto acknowledge and agree that all payments to the Developer for the Actual Costs of Public Improvements are intended for immediate payment by the Developer (or directly by the Trustee) to third parties in respect of such Public Improvements or for reimbursement to the Developer for Actual Costs incurred by the Developer.

(b) *Developer, Joint or Third-Party Payments.*

If the Payment Request is for Actual Costs of a Public Improvement which have not been paid, the Trustee shall make payment for such Actual Costs to the Developer and the applicable contractor or supplier of materials, as their interests may appear, or directly to the contractor or supplier of materials. If the Payment Request is for Actual Costs of a Public Improvement which have been paid, with the consent of the Contracting Officer, payment may be made directly to the Developer if the Developer submits satisfactory evidence to the Contracting Officer that such Actual Costs have been paid by the Developer and (1) such payment is being made pursuant to the first Payment Request submitted hereunder or (2) such payment is being made pursuant to the second or any subsequent Payment Request hereunder and such Payment Request is accompanied by an unconditional lien release from the appropriate party(s)

encompassing all work represented by the immediately preceding Payment Request in the form of Exhibit E or Exhibit F, as applicable.

Nothing in this Agreement shall be deemed to prohibit the Developer from contesting in good faith the validity or amount of any mechanic's or materialman's lien and/or judgment nor limit the remedies available to the Developer with respect thereto.

(c) *Withholding Payment.* The County shall be entitled, but shall not be required, to cause the Trustee to withhold any payment for a Public Improvement if the Developer or any Affiliates are delinquent in the payment of ad valorem real property taxes or Special Taxes levied in the Districts. In the event of any such delinquency, the Contracting Officer shall approve and shall cause the Trustee to only make payments hereunder directly to contractors hired directly by the Developer or to any assignee of the Developer's interests in this Agreement (and not to the Developer or any Affiliates), until such time as the Developer provides the Contracting Officer with evidence that all such delinquent taxes have been paid.

(d) *Retainage; Reduction in Retainage Requirement.* At the time of disbursement pursuant to an approved Payment Request (other than for a Payment Request relating to Public Improvements Fees and Costs and the Developer's Fee), there shall be withheld as retainage an amount equal to 10% of the Actual Cost of the Public Improvement being requested for disbursement, unless otherwise reduced in the discretion of the COTR.

Notwithstanding the foregoing, the Developer may submit a Payment Request including a specific request to reduce the retainage requirement to 5% of the Actual Cost of the Public Improvement being requested for disbursement following the verification by the COTR that (i) if such Public Improvement is a public road improvement, base paving has been completed or (ii) if applicable to such Public Improvement, the structural precast elements have been delivered to the site. From and after the approval by the COTR of the 5% retainage request, there shall be withheld as retainage an amount equal to 5% of the Actual Cost of such Public Improvement being requested for disbursement.

Upon receipt of a certificate of substantial completion from the County relating to a Public Improvement, the Developer may submit a Payment Request including a specific request to reduce the retainage requirement to 2.5% of the Actual Cost of such Public Improvement being requested for disbursement. From and after the approval by the COTR of the 2.5% retainage request, there shall be withheld as retainage an amount equal to 2.5% of the Actual Cost of such Public Improvement being requested for disbursement.

(e) The provisions set forth in Exhibit C shall also govern all Payment Requests made pursuant to this Agreement.

Section 4.4 Insufficient Funds in Improvement Fund. The Developer acknowledges that the County shall have no obligation to direct the Trustee to fund approved Payment Requests for Public Improvements to the extent that there are insufficient funds in the Improvement Fund under the Indenture for any reason.

Section 4.5 Modification of Public Improvements. Upon written request of the Developer and the satisfaction of all other applicable governmental approvals relating to the Public

Improvements, the Contracting Officer may permit modification of the description of any Public Improvements in a manner consistent with the Authorizing Legislation, the Acts and the Indenture. Any such modification shall not diminish the overall Public Improvements to be provided by the Developer hereunder in a material way such that the change may be reasonably determined by the County to invalidate the assumptions used in the market study and appraisal conducted to sell the Series 2017 A Bonds, nor violate any applicable law, regulation or ordinance or any agreement between the Developer and the County. Prior to approving any modification, the Contracting Officer may require an opinion of Bond Counsel be delivered to the County, at the expense of the Developer, to the effect that such modifications would not adversely affect the tax-exemption of the interest on any Tax-Exempt Bonds.

Section 4.6 Dispute Mechanism. All disputes arising under this Agreement shall be resolved in accordance with the provisions of Section GC-5.13 of the Howard County Design Manual Volume IV, or successor provisions. Notwithstanding the foregoing, the provisions of Section 10.3 shall govern upon the occurrence of any event described therein.

ARTICLE V
OWNERSHIP AND TRANSFER OF PUBLIC IMPROVEMENTS

Section 5.1 Conveyance of Land and Easements. All of the Public Improvements are to be located on land currently owned or to be owned by the County, whether in fee simple or by exclusive, perpetual easement or other easement arrangement, or right-of-way or by long term ground lease, taking into consideration the nature of the applicable Public Improvement, but in each case as determined by the County in its sole discretion. To the extent title to property on, in or over which any Public Improvement to be acquired by the County will be located, is to be deeded over to the County by way of grant, deed, quit claim or dedication of such property or easement thereon, the Developer agrees to convey or cause to be conveyed such property or property rights to the County on a form acceptable to the County and its counsel for no additional consideration other than amounts paid thus far pursuant to this Agreement. The Developer agrees to provide to the Contracting Officer or the Contracting Officer's designee reasonable assistance in obtaining such documents relating to obtaining such title. Title to such property shall be good and marketable title, insurable at standard rates of title insurance, and free of all liens and encumbrances.

The Developer shall furnish to the County a preliminary title report for any land to be acquired by the County from the Developer with respect to Public Improvements not previously dedicated or otherwise conveyed to the County, for review and approval at least 30 calendar days prior to the transfer of title to the County, which approval shall not be unreasonably withheld. The County will use its best efforts to review and either approve or disapprove the title report within 30 calendar days of receipt. In the event the County does not approve the preliminary title report, the County shall not be obligated to accept any Public Improvements or authorize payment of any unpaid Actual Costs relating thereto until the Developer has cured such objections to title to the satisfaction of the County.

ARTICLE VI
INSURANCE REQUIREMENTS DURING CONSTRUCTION PERIOD

Section 6.1 Insurance Requirements during Construction Period.

(a) The Developer shall, at all times during the construction period and until final acceptance of all Public Improvements by the County, maintain and deliver to the County evidence of and keep in full force and effect, or cause the general contractor(s) for the Public Improvements to maintain and deliver to the County evidence of and keep in full force and effect, not less than the following coverage and limits of insurance, which shall be maintained with insurers and under forms of policies satisfactory to the County and which may be satisfied by maintaining a combination of primary policies and umbrella/excess policies: (i) Workers' Compensation and Employer's Liability - Workers' Compensation coverage covering Maryland jurisdiction, statutory limits and Employers' Liability in the amount of $1,000,000 per accident and $1,000,000 per disease; (ii) Commercial General Liability insurance - limits of at least $1,000,000 per occurrence and $3,000,000 in the aggregate; (iii) Automobile Liability insurance - Combined Single Limit - $1,000,000 per occurrence; (iv) at the time of completion, if the property in the Districts is identified by the Secretary of Housing and Urban Development as being in an area or community having special flood, mudslide, erosion or other hazards and if flood insurance is available from the National Flood Insurance Program ("*NFIP*") or other commercial insurer, then flood insurance must be obtained under NFIP or from such other insurer, as applicable, in an amount or amounts equal to the aggregate principal amount of the Series 2017 A Bonds then outstanding or the maximum amount available under the NFIP, whichever is less; and (v) Builder's Risk insurance – in an amount equal to the original principal amount of the Series 2017 A Bonds or the total construction cost on a replacement cost basis, whichever is greater. The Builders' Risk insurance shall be written on an individual policy or on multiple policies with coverage equivalent to an All-Risk policy form with endorsements for flood and earth movement; shall include the County and all contractors, subcontractors, and sub-subcontractors as named insureds; shall include coverage for the peril of equipment breakdown during installation and testing and shall be maintained until final completion. The Developer shall provide notice to the County at least 30 days prior to "substantial completion" of the Public Improvements or any portion of the Public Improvements, as "substantial completion" is defined in the Builders' Risk Policy, so that the County has adequate notice that coverage under the Builders' Risk policy will cease to cover all or part of the Public Improvements. The automobile and general liability policies shall be accompanied by an umbrella policy with a combined limit of $10,000,000 per occurrence. The following insurance is also required to be provided by the Developer's general contractor(s): Professional Liability/Errors and Omissions coverage with limits of at least $2,000,000 per claim. The Developer shall continuously maintain or cause the general contractor(s) to continuously maintain such insurance, covering incidents occurring or claims made, for a period of three (3) years after final acceptance of the Public Improvements.

All of the Developer's insurance policies required by this Article VI shall contain an endorsement providing that written notice shall be given to the County at least 30 calendar days prior to termination, cancellation or reduction of coverage in the policy. The County, its elected and appointed officials, employees and agents, and the Trustee, shall be named as additional insureds on all insurance policies required by this Article, including umbrella/excess policies; provided that this requirement will not apply to a workers' compensation or a professional liability

insurance policy if the insurance company issuing such policy will not allow the County to be named as an additional insured.

The Commercial General Liability policies shall contain the following:

(i) An ISO endorsement in the form attached hereto as Exhibit D or its equivalent evidencing Additional Insured status for "Howard County, Maryland, its elected and appointed officials, employees and agents";

(ii) Cross Liability/Severability of Interest clauses;

(iii) Elimination of any exclusion regarding loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to by insurers as the XCU standards unless expressly waived by the County; and

(iv) There shall be no exclusion that applies to the liability assumed by the Developer under this Agreement.

(v) Products/Completed Operations aggregate equal to the General Aggregate.

(b) Prior to the commencement of construction of the Public Improvements, the Developer shall deliver to the Contracting Officer copies of all required policies and endorsements thereto on forms which are acceptable to the County.

(c) The Developer shall require that the same insurance is carried by the general contractor(s) for the Public Improvements and shall secure satisfactory evidence thereof.

(d) The foregoing requirements as to the types, limits and County approval of insurance coverage to be maintained by the Developer are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the Developer under this Agreement.

(e) Any policy or policies of insurance that the Developer or the general contractor(s) for the Public Improvements elect to carry as insurance against loss or damage to their construction equipment and tools or other personal property used in fulfillment of this Agreement or a contract related to the Public Improvements shall include a provision waiving the insurer's right of subrogation against the County.

(f) To the extent that any loss is caused by the Developer's negligence, the Developer's insurance coverage shall be the primary insurance and any self-insurance maintained by the County shall not contribute with the Developer's insurance or otherwise benefit the Developer in any way.

(g) All policies of insurance maintained by the Developer, the general contractor(s), or any other contractor or subcontractor in compliance with this Agreement shall be

primary and non-contributory with respect to any insurance or self-insurance maintained by the County.

Section 6.2 Standards Applicable.

(a) The Developer may effect such coverage under blanket insurance policies; *provided, however,* that (i) such policies are written on a per-occurrence basis, (ii) aggregate limits shall apply on a per-project basis; (iii) such policies comply in all other respects with the provisions of Section 6.1 and (iv) the protection afforded the County under any such policy shall be no less than that which would be available under a separate policy relating only to this Agreement. If any coverage required by this Agreement is provided under blanket insurance policies, the Developer shall provide the County with such information as the County may reasonably request to enable the County to evaluate whether the requirements of this paragraph have been met.

(b) All policies of insurance shall be with companies licensed or approved by the State of Maryland Insurance Commissioner and rated A-VII or better in the most recent edition of Best's Insurance Guide with respect to primary levels of coverage and shall be issued and delivered in accordance with State law and regulations.

Section 6.3 Evidence of Insurance. The Developer shall furnish to the Contracting Officer, from time to time upon request of the Contracting Officer, a certificate of insurance (or copies of redacted policies or other evidence of coverage satisfactory to the County if specifically requested by the County) regarding each insurance policy required to be maintained by the Developer hereunder.

ARTICLE VII
SAFETY REQUIREMENTS

Section 7.1 Safety Requirements.

(a) The Developer or its general contractor(s) shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the construction of the Public Improvements. The Developer or its general contractor(s) shall, with respect to the construction of the Public Improvements, comply, and shall secure compliance by its employees, agents, and lower tier subcontractors, with all applicable health and safety laws and regulations, including without limitation, federal Office of Safety and Health Administration regulations, Maryland Occupational Safety and Health ("*MOSH*") regulations, County ordinances and codes, uniform fire codes, Maryland Department of Transportation regulations and owner facility rules and regulations.

(b) The Developer or its general contractor(s) shall have in place, with respect to the construction of the Public Improvements, a comprehensive safety and health program, shall effectively execute the safety and health program elements and maintain the job site in a safe and healthful manner; shall appoint and maintain a qualified individual as the safety compliance officer and shall assure that such person or designee is on-site at all times when work is conducted. The County reserves the right to lawfully inspect the worksite, with respect to the construction of the Public Improvements, and audit all safety related records at any time.

(c) The Developer or its general contractor(s) shall, with respect to the construction of the Public Improvements, provide any and all "competent persons" as required by MOSH standards for the work and shall report to the County any governmental inspections or inquiries at the job site. The reason for the inspection and the results of the inspection shall be shared with the County as soon as possible but no later than the next business day.

(d) The Developer and its general contractor(s) shall, with respect to the construction of the Public Improvements, comply with all safety-related policies as requested by the County Safety & Loss Control Manager or designee. Safety violations shall be corrected immediately or operations terminated until compliance with the specific standards are met. Repeated violations of the same type may result in termination of the offending contractor's or subcontractors' work at the discretion of the County.

ARTICLE VIII
ADDITIONAL CONDITIONS

Section 8.1 Conditions to Issuance of Series 2017 A Bonds. The County and the Developer agree that the receipt by the County of each of the following shall be a condition precedent to the issuance of the Series 2017 A Bonds by the County (*provided that* notwithstanding the satisfaction of these conditions, the County shall not be obligated to issue the Series 2017 A Bonds):

(a) A general assignment to the County of the Plans and Specifications for all of the Public Improvements to be constructed pursuant to this Agreement;

(b) A market study for the Developer's proposed development of Downtown Columbia, including the 2017 Private Improvements, satisfactory to the County;

(c) An appraisal of the property located in the Special Taxing District assuming completion of the Public Improvements, One Merriweather and Two Merriweather providing a value-to-lien ratio of at least three to one;

(d) Certificates of insurance and evidence of payment of premiums, in each case relating to the insurance required by Section 6.1;

(e) The payment and performance financial securities required by Section 3.5;

(f) An executed Look-Back Agreement between the Developer and the County in accordance with the requirements set forth in the Memorandum of Understanding;

(g) Evidence of zoning for the 2017 Private Improvements;

(h) State and County approvals for the 2017 Private Improvements (except for Building 3OA and Building 3MFB), including copies of (i) the building permits for the 2017 Private Improvements other than the Completed 2017 Private Improvements, Building 3OA and Building 3MFB and (ii) the certificates of occupancy for the Completed 2017 Private Improvements;

(i) An executed commitment letter from a commercial lender to finance the construction costs of the 2017 Private Improvements (other than the Completed 2017 Private Improvements, Building 3OA and Building 3MFB);

(j) An executed guaranteed maximum price contract or contracts to construct (i) the portion of the Public Improvements consisting of Road Segments 1A and 1B and the Intersection Improvements and (ii) m.flats, TEN.M, and Two Merriweather;

(k) Evidence of compliance to the satisfaction of the County in its sole discretion with such of the Memorandum of Understanding requirements as are mutually determined by the County and the Developer to be appropriate at the time of issuance of the Series 2017 A Bonds;

(l) A guaranty by the Guarantor of Developer's obligations to complete the Public Improvements under Section 3.2 of this Agreement and to indemnify the County under Section 9.2 of this Agreement, including the Developer's indemnification obligations under the Letter of Intent; and

(m) An executed agreement meeting the requirements of Section 14 of the Bond Ordinance, together with an opinion of counsel to the Developer regarding the enforceability thereof.

To the extent the foregoing conditions require delivery of a document to the County, such document shall be in form and substance satisfactory to the County in its sole discretion.

ARTICLE IX
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 9.1 Representations, Covenants and Warranties of the Developer. The Developer represents, covenants and warrants for the benefit of the County as follows:

(a) *Organization*. The Developer is duly organized and validly existing under the laws of the State of Maryland, is authorized to do business in the State, is in compliance with the laws of the State, and has the power and authority to own its properties and assets and to carry on its business in the State as now being conducted and as hereby contemplated.

(b) *Authority*. The Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) *Binding Obligation*. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) *Compliance with Laws.* The Developer shall not with knowledge commit, suffer or permit any act to be done in, upon or to the lands of the Developer in the Districts or the Public Improvements in violation of any law, ordinance, rule, regulation or order of any

governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the Districts or the Public Improvements.

(e) *Requests for Payment.* The Developer represents and warrants that (i) it will not request payment from the County for (A) the costs of any improvements that are not part of the Public Improvements or (B) the costs that are not Actual Costs of a Public Improvement, and (ii) it will diligently follow all procedures set forth in this Agreement (including Exhibit C) with respect to Payment Requests.

(f) *Financial Records.* The Developer covenants to maintain proper books of record and account for the construction of the Public Improvements and all costs related thereto for at least three (3) years after final acceptance of the Public Improvements by the County. Such accounting books shall be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the County or its agent at any reasonable time during regular business hours on reasonable notice.

(g) *Plans and Specifications.* The Developer represents that it has or will obtain approval of the Plans and Specifications from all appropriate departments of the County, from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that the Public Improvements have been, or will be, constructed in substantial compliance with such approved Plans and Specifications and any supplemental agreements thereto (change orders) entered into in accordance with this Agreement.

(h) *Litigation.* There are no pending or, to the best of the Developer's knowledge, threatened actions, suits, or proceedings before any court, arbitrator or governmental or administrative body or agency, the adverse determination of which may materially adversely affect the properties, business or condition, financial or otherwise, of the Developer.

(i) *Disclosure to Purchasers.* The Developer agrees that when it sells any land or other interest in real property located within the boundaries of the Special Taxing District, the Developer will notify the purchaser(s) in writing of the existence of the Special Taxing District and the Special Taxes in connection therewith.

(j) *Tax Certificate.* The County expects to deliver on the date of issuance of the Series 2017 A Bonds a certificate (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the "*Tax Certificate*") containing covenants and agreements designed to satisfy the requirements of Sections 103 and 141 through 150, inclusive, of the Code and income tax regulations issued thereunder and that states the County's reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Series 2017 A Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Bond Ordinance or the Indenture or otherwise that may be deemed to be proceeds of the Series 2017 A Bonds within the meaning of Section 148 of the Code (collectively, the "*Bond Proceeds*").

The Developer covenants to provide, or cause to be provided, such facts and estimates as the County reasonably considers necessary to enable it to execute and deliver the Tax Certificate. The Developer further covenants that (i) such facts and estimates will be based on its reasonable

expectations on the date of issuance of the Series 2017 A Bonds and will be, to the best of the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of that date, and (ii) the Developer will make reasonable inquiries to ensure such truth, correctness and completeness.

The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds (including but not limited to, the use of the Public Improvements) that would cause any of the covenants or agreements of the County contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Series 2017 A Bonds for federal or Maryland income tax purposes.

(k) *No Priority Rights.* The Developer covenants that during any period it exercises control over the Public Improvements, to keep the Public Improvements open for access and available for use by members of the general public (subject to customary restrictions for safety purposes during construction) and that no priority rights or preferred benefit as to access or use will be given to any person or group of persons.

(l) *Continuing Disclosure.* The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement.

(m) *Title.* The Developer, its Affiliates, Parcel C Property LLC or Parcel D Property LLC either own or at Closing will be the owner or owners of the fee simple legal title to, and is lawfully seized and possessed of, all of the real property in the Special Taxing District and approximately 127 acres of property in the Tax Increment District, and such real property encompasses all of the property necessary for the Public Improvements and the 2017 Private Improvements.

(n) *Completion of Public Improvements and 2017 Private Improvements.* The Developer covenants to work diligently to complete the Public Improvements and the 2017 Private Improvements in accordance the descriptions thereof set forth in the Limited Offering Memorandum.

(o) *Property Tax Credits.* The 2017 Private Improvements are eligible for property tax credits as follows (1) a portion of One Merriweather is eligible for the tax credit for commercial or industrial businesses pursuant to Section 9-315(a)(3) of the Tax-Property Article of the Annotated Code of Maryland and Section 20.123 of the Howard County Code as described in the Limited Offering Memorandum (the "EDA Credit") and (ii) The Metropolitan is eligible for the tax credit for high performance buildings pursuant to Section 9-242 of the Tax-Property Article of the Annotated Code of Maryland and Section 20.129B of the Howard County Code (the "LEED's Credits") as described in the Limited Offering Memorandum. The Developer expects that m.flats, TEN.M, One Merriweather, Two Merriweather, Building 3OA and Building 3MFB will achieve a LEED silver rating and be eligible for the LEED's Credits and a portion of Building 3OA will be eligible for the EDA Credit. Neither the Developer nor any Affiliate is aware of any other property tax credits with respect to the 2017 Private Improvements and shall not, except for the LEED's Credits, seek any property tax credits which may be available with respect to the 2017 Private Improvements so long as the Series 2017 A Bonds remain Outstanding.

(p) *Land Sales.* The Developer agrees that neither it nor any Affiliate will transfer title to the parcels of real property upon which One Merriweather and Two Merriweather are being constructed and Building 3OA and Building 3MFB will be constructed until a certificate of occupancy is issued with respect to such building, unless, on or before the date of transfer, the County has consented to the transfer which consent may be withheld in its sole discretion, *provided that*, consent shall not be required for the transfer of the Public Improvements to the County.

(q) *Confirmation Required by Bond Ordinance*. The Developer confirms to the County that (i) County Council Resolution 103-2016 and County Council Bill Nos. 55-2016, 54-2016, 53-2016 and 52-2016 are satisfactory and (ii) the Memorandum of Understanding has been approved by all parties and is binding.

Section 9.2 Indemnification and Hold Harmless. The Developer shall assume the defense of, indemnify and save harmless the County, the Contracting Officer, the County Executive, members of the County Council, officers, employees and agents of the County, and each of them (each an "*Indemnified Party*"), from and against all actions, damages, claims, losses or expense of every type and description to which they may be subjected or put, by reason of, or resulting from the breach of any provision of this Agreement by the Developer, the Indemnified Party's participation in the financing contemplated herein, the performance of the work hereunder, the Developer's or any other entity's negligent design, engineering and/or construction of any of the Public Improvements, the Developer's nonpayment under contracts between the Developer and its consultants, engineers, advisors, contractors, subcontractors and suppliers in the provision of the Public Improvements, or any claims of persons employed by the Developer or its agents to construct the Public Improvements. Additionally, the Developer acknowledges and continues to assume its indemnification obligations under the Letter of Intent. Notwithstanding the foregoing, no indemnification is given hereunder by the Developer with respect to any breach of any provision hereunder which is directly attributable to the intentional acts or gross negligence of any Indemnified Party.

No provision of this Agreement shall in any way limit the Developer's responsibility for payment of damages resulting from the operations of the Developer, its agents, employees or its contractors.

Section 9.3 Enforcement of Remedies. So long as it owns any property in the Districts, the Developer agrees as follows:

(a) The County may in its discretion provide in the Indenture for the collection of any Special Taxes on any properties owned, optioned or controlled by the Developer or any Affiliate in the Special Taxing District by direct billing by the County or an agent thereof to the Developer or such Affiliate, as owner of the property (or to the applicable owner with a copy to the Developer to the extent of parcels optioned or controlled, but not owned, by the Developer).

(b) The Developer acknowledges that the County shall commence proceedings for the collection of delinquent Special Taxes as provided in the Indenture.

(c) In order to reduce the likelihood of any prolonged collection actions, the Developer will provide for facilitated service of process with respect to any collection action in

respect of delinquent real property taxes or Special Taxes levied on properties owned by it or its Affiliates in the Districts, and will waive affirmative defenses to any such collection action pertaining to the formation of the Development District or the Special Taxing District and their financing structure, including the methodology for determining the Special Taxes as set forth in the Bond Ordinance, the validity of the Series 2017 A Bonds and the priority of the Special Taxing District liens to collect delinquent Special Taxes; provided, however, that the Developer may in a separate legal action (and not as an affirmative defense in any foreclosure action) challenge any levy not made in accordance with the terms of the Bond Ordinance or challenge the assessed value of any tax parcel in the Districts pursuant to the State's applicable tax assessment appeals procedure.

Section 9.4 No Termination of Memorandum of Understanding. The Memorandum of Understanding survives the execution and delivery of this Agreement, survives the issuance and sale of the Series 2017 A Bonds, and remains and will remain in full force and effect on and after the date hereof in accordance with its terms, except to the extent that this Agreement or any other subsequent agreement between the County and the Developer expressly provides that it supersedes the Memorandum of Understanding.

Section 9.5 No Approval by County. Nothing contained in this Agreement shall constitute, and may not be deemed to constitute or imply that the County Council, the County Executive, or any department, office or agency of the County has given or will give, any approval, authorization or consent to any action or activity within or required for the development of the Districts, including any land use approval, requirements for the provision of public utilities or services, or any other administrative, judicial, quasi-judicial, or legislative approval, authorization or consent.

Section 9.6 Representations, Covenants and Warranties of the County. The County represents, covenants and warrants that:

(a) it has the power and authority to enter into this Funding Agreement and the Indenture;

(b) it has duly adopted and enacted, as applicable, the Authorizing Legislation; and

(c) this Funding Agreement and the Indenture have been duly and properly authorized, executed and delivered by the County, and, assuming the enforceability thereof against the other parties thereto, constitute the valid and legally binding limited obligation of the County, enforceable against the County in accordance with their respective terms subject to (i) the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or a court of equity), including judicial limitations on rights to specific performance; (ii) the valid exercise of the constitutional powers of the United States of America and of the sovereign police and taxing powers of state or other governmental units having jurisdiction; and (iii) bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights, to the extent constitutionally applicable.

In delivering the representations, covenants and warranties set forth in this Section 9.6, the County has relied upon the "no merit" litigation opinion delivered by the City Solicitor dated October 5, 2017.

Section 9.7 Use of Moneys by County; Changes to Indenture. The County agrees not to take any action or direct the Trustee to take any action to expend, disburse, or encumber the monies held in the Improvement fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture and this Agreement. Prior to the acceptance of all Public Improvements, the County agrees not to modify or supplement the Indenture if as a result or as a consequence of such modification or supplement, the amount of monies that would otherwise have been available under the Indenture for disbursement for the Actual Costs of Public Improvements is materially reduced or significantly delayed or deferred.

ARTICLE X
TERMINATION

Section 10.1 No Bonds. If, for any reason, the County does not issue any of the Series 2017 A Bonds for the Districts by December 31, 2017, this Agreement shall terminate and be null and void and of no further effect, unless such date shall be extended by mutual consent of the parties to this Agreement.

Section 10.2 Mutual Consent. This Agreement may be terminated by the mutual, written consent of the County and the Developer, in which event the County may (but shall not be required to) either execute contracts for or perform any remaining work related to the Public Improvements not otherwise completed and use all or any portion of funds in the Improvement Fund or other amounts transferred to the Improvement Fund under the terms of the Indenture to pay for same or apply such amounts to any other purpose permitted by the Indenture, and the Developer shall have no claim or right to any further payments for the Actual Costs of Public Improvements hereunder, except as otherwise may be provided in such written consent, and the Developer's obligations (except for any of the Developer's obligations relating to work already completed with respect to the Public Improvements) under this Agreement shall terminate. The County's remedies under this Agreement for completion of the Public Improvements are not exclusive and do not limit the County's rights under any other agreement with the Developer or any payment bond or performance bond posted by the Developer. The County shall provide notice to the Trustee of any termination of this Agreement pursuant to this Section 10.2.

Section 10.3 County Election to Terminate for Cause. The following events shall constitute grounds for the County, at its option, to terminate this Agreement, without the consent of the Developer:

(a) The Developer or any Affiliate which owns any of the 2017 Private Improvements shall voluntarily file for reorganization or other relief under any federal or State bankruptcy or insolvency law.

(b) The Developer or any Affiliate which owns any of the 2017 Private Improvements shall have any involuntary bankruptcy or insolvency action filed against it, or shall suffer a trustee in bankruptcy or insolvency or receiver to take possession of its assets, or shall

suffer an attachment or levy of execution to be made against the property it owns within the Districts unless, in any of such cases, such circumstance shall have been terminated or released within 90 days thereafter.

(c) The Developer shall abandon or without reason substantially suspend construction of the Public Improvements, including without limitation abandonment or suspension of construction of the Public Improvements for a period of six consecutive months at a time when such construction is scheduled to occur, other than for a reason specified in Section 10.4 hereof and such abandonment or suspension is not cured or remedied within 90 days after written demand is made on the Developer.

(d) The Developer shall breach any material covenant or default in the performance of any material obligation hereunder or under the Continuing Disclosure Agreement and such breach or default is not cured as provided below.

(e) The Developer shall have made any material misrepresentation or omission in any written materials furnished in connection with the Limited Offering Memorandum or bond purchase contract used in connection with the sale of the Series 2017 A Bonds.

(f) The Developer or any Affiliate shall at any time challenge the validity of the Development District or the Special Taxing District or any of the Series 2017 A Bonds or the levy of any ad valorem property tax, including without limitation, the Special Taxes, within the Special Taxing District, other than on grounds that such levy was not made in accordance with the terms of the Bond Ordinance or that the assessed value upon which such levy was calculated was not correct as expressly permitted by Section 9.3.

If any such event occurs, the County shall give written notice of its knowledge thereof to the Developer (with a copy to the Trustee) and the Developer agrees to meet and confer with the Contracting Officer and other appropriate County staff as to options available to assure timely completion of the Public Improvements. Such options may include, but not be limited to, the termination of this Agreement by the County. If the County proposes to terminate this Agreement, the County shall first notify the Developer (with a copy to the Trustee) of the grounds for such termination and allow the Developer a minimum of 30 days to eliminate or mitigate to the satisfaction of the County the grounds for such termination. Such period may be extended, at the sole discretion of the County, if the Developer, to the satisfaction of the County, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined solely by the County, the Developer has not eliminated or completely mitigated such grounds to the satisfaction of the County, the County may then terminate this Agreement. The County agrees to provide notice of the termination of this Agreement to the Developer (with a copy to the Trustee); *provided, however,* that the giving of such notice or the receipt thereof shall not be a condition precedent to such termination.

Notwithstanding the foregoing, so long as any event listed in any of clauses (a) through and including (f) above has occurred, notice of which has been given by the County to the Developer, and such event has not been cured or otherwise eliminated by the Developer, the County may in its discretion cease making payments for the Actual Costs of Public Improvements under Article IV hereof; provided that the Developer may receive payment of the Actual Costs of

any of the Public Improvements that were completed at the time of the occurrence of an event listed in clause (d) or (e) above upon submission of a Payment Request and compliance with the other requirements of this Funding Agreement.

In the event that this Agreement is terminated by the County for cause, in addition to other remedies available to it, including the redemption of the Series 2017 A Bonds under the Indenture, the County may (but shall not be required to) execute contracts for or perform any remaining work related to the Public Improvements not otherwise completed and use all or any portion of the funds in the Improvement Fund or other amounts transferred to the Improvement Fund for such purposes, and the Developer shall have no claim or right to any further payments for the Actual Costs of Public Improvements hereunder, except as otherwise may be provided upon the mutual written consent of the County and the Developer. The County agrees to consult with the Trustee regarding the County's selection of remedies hereunder and under the Indenture.

The Developer acknowledges and agrees that, upon the occurrence of an event described in Section 10.3(a) through (f) hereunder, notice of which has been given by the County to the Developer, which event has not been cured or otherwise eliminated by the Developer within the time permitted hereby, the County may withdraw funds from the Improvement Fund and use such funds to complete the Public Improvements.

Section 10.4 Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty, adverse weather conditions or by other cause beyond the reasonable control of the party (financial inability excepted), or by other cause constituting an excusable delay under any Construction Contract, then the specified time for performance shall be extended by the amount of the delay actually so caused. For purposes of determining whether "adverse weather conditions" constitute a force majeure event, construction time shall include normal weather conditions, such as rain, snow and freezing temperatures and extension of time will not be allowed for inclement weather as recorded by the National Weather Service. Claims for extensions of time due to delay attributed to unusually severe weather must be supported by climatological data covering the period for the five (5) preceding years. When the weather in question exceeds the intensity or frequency for the five (5) year average, the excess weather experienced shall be considered "unusually severe." Comparison shall be made on a monthly basis. Whether or not unusually severe weather in fact delays work will depend upon the effect of weather on the work being performed during the time under construction.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Limited Liability of County. The Developer agrees that any and all obligations of the County arising out of or related to this Agreement are special obligations of the County, and the County's obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Improvement Fund and from no other source. No member of the County Council, the County Executive, the Contracting Officer, or any other County employee, officer or

agent shall incur any liability hereunder to the Developer, its Affiliates or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 11.2 Audit. The Contracting Officer or its designee shall have the right, during normal business hours and upon the giving of prior written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Public Improvements and any bids taken or received for the construction thereof or materials therefor.

Section 11.3 Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to either party shall be deemed to have been received when personally delivered, with signed receipt, sent by commercial overnight courier which requires a signed receipt upon delivery, as follows:

County:	Howard County, Maryland George Howard Building 3430 Courthouse Drive Ellicott City, Maryland 21043 Attention: Director of Finance
With a copy to:	Howard County Office of Law Carroll Building 3450 Courthouse Drive Ellicott City, Maryland 21043 Attention: County Solicitor
Developer:	The Howard Research And Development Corporation One Galleria Tower, 22nd Floor 13355 Noel Road Dallas, Texas 75240 Attention: General Counsel
With a copy to:	The Howard Research And Development Corporation One Galleria Tower, 22nd Floor 13355 Noel Road Dallas, Texas 75240 Attention: President
With a copy to:	Miles & Stockbridge P.C. 1500 K Street NW Suite 800 Washington, DC 20005-1209 Attention: John Stalfort

Guarantor:	The Howard Hughes Corporation One Galleria Tower, 22nd Floor 13355 Noel Road Dallas, Texas 75240 Attention: President
COTR:	Mr. John Seefried Chief of Construction Inspection 9250 Bendix Road Columbia, Maryland 21045
Trustee:	Manufacturers and Traders Trust Company 25 South Charles Street, 11th Floor Mail Code MD2-CS58 Baltimore, Maryland 21201 Attention: Sarah Stokes, Assistant Vice President

Each party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

Section 11.4 Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 11.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto. Prior to the completion of the Public Improvements, this Agreement shall not be sold, assigned or otherwise transferred by the Developer, except in whole to an Affiliate or except pursuant to a collateral assignment to any person providing construction financing to the Developer for the Public Improvements, without the prior written consent of the County, which consent shall not be unreasonably withheld or delayed. In connection with any such consent of the County, the County may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee's express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the County deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned and shall not be effective until approved by the County. Neither an assignment of this Agreement nor any change in the ownership of the Developer shall relieve the Developer of its obligations hereunder, and the Developer shall remain liable for all of the Developer's obligations under this Agreement.

Section 11.6 Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the Districts. Nothing herein shall be construed as affecting the County's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations or subdivision requirements relating to the development of the lands in the Districts. This Agreement shall not confer any additional rights,

or waive any rights given, by either party hereto under any development or other agreement to which they are a party.

Section 11.7 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

Section 11.8 Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 11.9 Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the County and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the County or the Developer shall be for the sole and exclusive benefit of the County and the Developer.

Section 11.10 Amendment. This Agreement may be amended, from time to time as provided in the Indenture, in a manner consistent with the Acts and the Authorizing Legislation, by written Supplement hereto and executed by both the County and the Developer.

Section 11.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Section 11.12 Continuing Obligations. The obligations of the Developer under Sections 9.1(i), (k), (l), (n), (o) and (p), 9.2, 9.3, 9.4 and 11.2 herein shall survive the termination of this Agreement.

Section 11.13 Governing Law. This Agreement shall be governed by and enforced in accordance with the laws of the State applicable to contracts made and performed in the State without regard to principles of conflicts-of-laws.

Section 11.14 No Interpretation Against Drafter. The parties acknowledge and agree that this Funding Agreement has been jointly negotiated, reviewed, and prepared by the parties hereto and their respective counsel of choice, and the parties have agreed to all terms herein. Under these circumstances, the parties hereto agree that the rule of construction that a contract be construed against the drafter shall not be applied in interpreting this Agreement and that in the event of any ambiguity in any of the terms or conditions of this Agreement, including any Exhibits hereto, such ambiguity shall not be construed for or against any party hereto on the basis that such party did or did not author same.

Section 11.15 Consent to Jurisdiction; Venue. Each party hereto consents to venue in and the exclusive jurisdiction of the Circuit Court for Howard County if suit is filed to enforce, interpret, or construe this Agreement or any of the other Bond Documents, and waives any jurisdiction, venue or inconvenient forum objections to such court.

Section 11.16 Waiver of Jury Trial. Each party knowingly, voluntarily and intentionally waives its right to a trial by jury to the fullest extent permitted by law in all actions and other legal proceedings arising out of or relating to this Agreement and the transactions contemplated hereby. This waiver applies to all actions and other legal proceedings, whether sounding in contract, tort or otherwise.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ATTEST:

HOWARD COUNTY, MARYLAND

_____
Chief Administrative Officer

By: _____
County Executive

(SEAL)

APPROVED FOR SUFFICIENCY OF FUNDS:

_____
Director of Finance

APPROVED AS TO FORM AND LEGAL SUFFICIENCY THIS ____ DAY OF OCTOBER, 2017:

_____
Gary W. Kuc
County Solicitor

REVIEWING ATTORNEY:

_____
Kristen Perry
Assistant County Solicitor

WITNESS:

THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION

_____

By: _____
Name: _____
Title: _____

[THIS PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT A
DESCRIPTION OF PUBLIC IMPROVEMENTS

Category	Budgeted Cost
Roads Segment 1A:	
Merriweather Drive, Divided Sky Lane	$2,998,677
Road segment 1A SW piping, treatment & storage	$641,180
Road segment 1A water & sewer	$537,414
Sub-total segment 1A	$4,177,271
Developer's fee (5% of H&S costs)	$208,864
Total	$4,386,135
Roads Segment 1B:	
Merriweather Drive, Hickory Ridge Road	$6,098,243
Road segment 1B SW piping, treatment & storage	$2,341,851
Road segment 1B water & sewer	$842,144
Sub-total segment 1B	$9,282,238
Developer's fee (5% of H&S costs)	$464,112
Total	$9,746,350
At-grade intersection improvements (multiple intersections):	
Little Patuxent Parkway/Merriweather Drive	$339,348
Developer's fee (5% of H&S costs)	$16,967
Total	$356,315
Governor Warfield Parkway/Twin Rivers Road	$108,894
Developer's fee (5% of H&S costs)	$5,445
Total	$114,339
Little Patuxant Parkway/Swift Stream	$51,615
Developer's fee (5% of H&S costs)	$2,581
Total	$54,196
Broken Land Parkway/Twin Rivers Road	$67,162
Developer's fee (5% of H&S costs)	$3,358
Total	$70,520

Category	Budgeted Cost
Developer's fee (5% of H&S costs)	$38,685
Total	$812,388
Roads Segment 2A:	
Completion of Merriweather Drive, South section of North-South Connector	$4,208,440
Road segment 2A SW piping, treatment & storage	$863,285
Road segment 2A water & sewer	$240,631
Sub-total segment 2A	$5,312,356
Developer's fee (5% of H&S costs)	$265,618
Total	$5,577,974
Roads Segment 2B:	
North section of North-South Connector (Symphony Woods Rd.)	$6,263,125
Road segment 2B SW piping, treatment & storage	$1,416,981
Road segment 2B water & sewer	$252,575
Sub-total segment 2B	$7,932,681
Developer's fee (5% of H&S costs)	$396,634
Total	$8,329,315
Road segment 3 (Area 3 internal roads) – public roads only	$1,393,803
Developer's fee (5% of H&S costs)	$69,690
Total	$1,463,493
Road segment 4 (Jug Handle and N-S Connector)	
Design	$1,971,715
Sub-total road segment 4	$1,971,715
Developer's fee (5% of H&S costs)	$98,586
Total	$2,070,301

Category	Budgeted Cost
EMT Rapid Fire Station	$4,329,004
Developer's fee (5% of H&S costs)	$216,450
Total	$4,545,454
Total Budget	
Sub-total hard and soft costs	$35,739,790
Sub-total developer's fee (5% H&S costs)	$1,786,990
Sub-total contingency (5% H&S costs)	$973,221
Total costs	**$38,500,000**

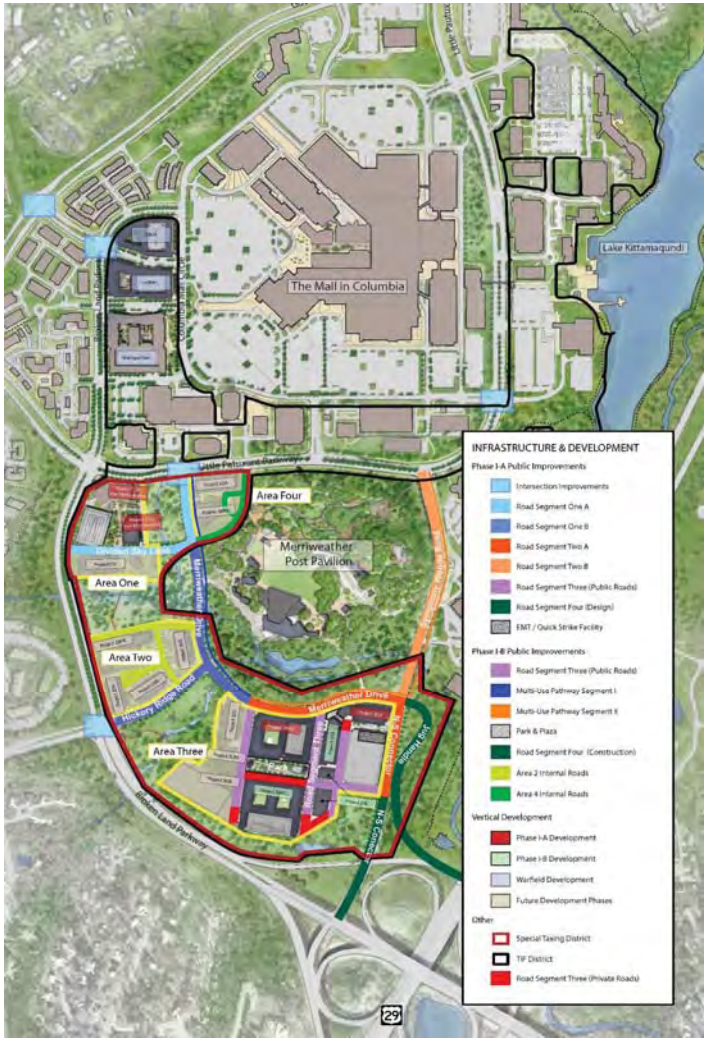


EXHIBIT B

FORM OF PAYMENT REQUEST

PAYMENT REQUEST NO. ____

THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION (the "Developer"), by its duly authorized representative, hereby certifies, in connection with this Payment Request (this "Payment Request") under the Funding Agreement dated as of October 18, 2017 (the "Funding Agreement") between Howard County, Maryland (the "County") and the Developer, that:

1. Terms used herein and not otherwise defined herein shall have the meanings given such terms in the Funding Agreement or the Indenture of Trust dated as of October 1, 2017 (the "Indenture") between the County and Manufacturers and Traders Trust Company.

2. The amount requested to be disbursed by this Payment Request: (a) is a portion of an item or a category of the Actual Costs of Public Improvements authorized for funding under the Funding Agreement, (b) is either (i) the lesser of (A) the Actual Cost of such item or category, and (B) the amount that, when added to the total payments previously requested by Developer with respect to such item or category, is equal to the Budgeted Costs for such item or category as set forth in Exhibit A of the Funding Agreement, or (ii) if such amount, when added to the total payments previously requested by Developer with respect to such category, exceeds the Budgeted Costs for such item or category as set forth in Exhibit A to the Funding Agreement, either (check one): _____ such amount may be paid from amounts described in Section 4.3(a)(i) of the Funding Agreement, _____ savings have resulted from the aggregate Actual Costs of a completed item or category being less than the Budgeted Costs of such item or category, ____ there are sufficient funds available to fund the remaining aggregate costs of such Public Improvement (see attached supporting documentation), or _____ approval of the Contracting Officer is hereby requested in accordance with Section 4.3(a)(iii) of the Funding Agreement, and (c) includes only payments for work, materials, equipment and other property that have been incorporated into the Public Improvements.

3. The total amount requested to be disbursed pursuant to this Payment Request is $_____. As set forth in Schedule I attached hereto, of the total amount of such disbursement:

(a) $_____ is to be paid on a joint basis to the Developer and a contractor or supplier of materials with respect to an expense previously incurred;

(b) $_____ is to be paid directly to a contractor or supplier of materials with respect to an expense previously incurred; and/or

(c) $_____ is to be paid directly to the Developer as reimbursement for an expense previously incurred and paid by the Developer.

In each case, the amounts set forth herein and in Schedule I attached hereto are supported by the attached copies of invoices.

4. Attached to this Payment Request is an appropriately completed and executed AIA form of requisition.

5. The item or category of the Actual Costs of Public Improvements for which funding is being requested by this Payment Request and a cumulative summary of payments by category to date by reference to the categories or itemization provided in Exhibit A of the Funding Agreement are set forth in Schedule II attached hereto.

6. The Developer is not in default under (a) the Funding Agreement, (b) the Continuing Disclosure Agreement or (c) the Construction Contract pertaining to the Public Improvements for which the Developer is seeking payment of Actual Costs with this Payment Request.

7. All governmental approvals, permits and inspections required in connection with the construction of the Public Improvements which has been completed to the date of this Payment Request have been received or approved, as applicable.

8. None of the items for which funds are being requisitioned hereunder has formed the basis for any disbursement heretofore made from the Improvement Fund or was included in any prior Payment Request submitted pursuant to the Funding Agreement.

9. Accompanying this Payment Request are:

(a) lien waivers from any contractor or supplier of materials which received payment pursuant to Payment Request No. ____ submitted to the County immediately prior to this Payment Request in the form set forth in Exhibit E or Exhibit F, as applicable, of the Funding Agreement; and

(b) if this Payment Request is for Actual Costs of a Public Improvement attributable to costs under a Construction Contract, the approval of the Engineer and COTR.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Payment Request has been duly executed by the Developer by its duly authorized representative this ____ day of _____, 20__.

THE HOWARD RESEARCH AND
DEVELOPMENT CORPORATION

By: _____
Name:
Title:

APPROVAL OF ENGINEER

This Developer's Payment Request is for the Actual Costs of the Public Improvements through __*date*_____, arising under a Construction Contract.

The undersigned hereby certifies that the Engineer has (i) made a site observation of the construction site where the relevant Public Improvements are being constructed, (ii) reviewed reports from the Robert B. Balter Company (testing engineering firm), Wallace Montgomery (structural engineer for bridges), and any other applicable reports, and (iii) coordinated with the HCDPW Bureau of Engineering Construction Inspection Division, to evaluate the construction progress to date.

The undersigned further certifies to the best of his knowledge, information and belief, that through the above referenced date, (i) the Public Improvements (or portion thereof) with respect to which payment is requested hereby were completed in accordance with the Plans and Specifications, with the terms of the Funding Agreement, and with all applicable governmental permits provided to the Engineer by the Developer, (ii) the payment requested hereby is for Actual Costs of the Public Improvements attributable to costs under a Construction Contract and the Engineer verified such Actual Costs of the Public Improvements specified herein, and (iii) the Public Improvements with respect to which payment is requested hereby are correctly described in Schedule II attached hereto.

Gutschick, Little & Weber, PA

By:_____ Date:_____

Printed Name:_____

Schedule I
To Payment Request

REIMBURSEMENT AND THIRD-PARTY PAYMENTS

(1) Total amount of disbursement: $_____

(2) Joint Payments to Developer and Vendor(s): $_____

Vendor	Description of Expense	Date of Payment	Amount
1.			$
2.			
3.			
TOTAL			$

(3) Payments to Vendor(s): $_____

Vendor	Description of Expense	Date of Payment	Amount
1.			$
2.			
3.			
TOTAL			$

(4) Payments to Developer: $_____

Vendor	Description of Expense	Date of Payment	Amount
1.			$
2.			
3.			
TOTAL			$

All costs listed above are supported by attached copies of invoices.

Schedule II
To Payment Request

PUBLIC IMPROVEMENT COSTS

Item or Category of Actual Cost	(A) Amount Budgeted	(B) Amount previously spent from Improvement Fund	(C) Amount to be spent pursuant to this Payment Request	(D) Total Amount Spent to Date (B) + (C)	Remaining Unspent Balance (A) – (D)
	$	$	$		$
TOTAL	$	$	$		$

G-23

Schedule III
To Payment Request

LIST OF INVOICES

CERTIFICATE AND APPROVAL OF COTR

I, _____, hereby certify that I hold the position designated beneath my signature and that I have all authority necessary to execute this certificate on behalf of the Howard County Department of Public Works, as COTR under the Funding Agreement dated as of October __, 2017 (the "*Funding Agreement*") between Howard County, Maryland (the "*County*") and The Howard Research and Development Corporation (the "*Developer*"), and I hereby certify for and on behalf of the COTR:

Terms used herein and not otherwise defined herein shall have the meaning given such terms in the Funding Agreement.

1. I have conducted a site visit on _____, 20__ or have reviewed a report from the Inspector who has conducted a site visit on _____, 20__, to ascertain the portion of the work completed on the Public Improvement identified in Payment Request No. ___ and such site visit or review, together with a review of the Payment Request and such supporting materials as I deem appropriate to make the certifications herein set forth, is the basis as to the certifications set forth herein.

2. The portion of the work with respect to the Public Improvement identified in the foregoing Payment Request No. ___ has been completed.

3. All governmental approvals, permits and inspections required in connection with the construction of such Public Improvement which has been completed to the date of such Payment Request have been received or approved, as applicable.

4. In reliance upon quality control testing conducted by the Engineer and certifications provided by the Engineer, such work was completed in accordance with (i) the Plans and Specifications, (ii) the terms of the Funding Agreement and (iii) all applicable governmental permits.

5. The costs of the Public Improvement being requested for payment are the Actual Costs of such work specified in such Payment Request.

6. Payment Request No. ___ is hereby approved.

IN WITNESS WHEREOF, I have executed this Certificate and Approval of COTR on behalf of the COTR this ____ day of _____, 20__.

HOWARD COUNTY, MARYLAND,
By the Department of Public Works

By:_____
Name:
Title:

CERTIFICATE AND APPROVAL OF ADMINISTRATOR

I,_____, hereby certify that I hold the position designated beneath my signature and that I have all authority necessary to execute this certificate on behalf of MuniCap, Inc., as Administrator, pursuant to the Funding Agreement, dated as of October __, 2017 (the "Funding Agreement") between Howard County, Maryland and The Howard Research and Development Corporation, and I hereby certify for and on behalf of the Administrator:

1. Terms used herein and not otherwise defined herein shall have the meaning given such terms in the Funding Agreement.

2. I have reviewed Payment Request No. ___, together with such supporting materials presented with such request, and the foregoing are the bases as to the certifications set forth herein.

3. Based on the material supplied with the Payment Request, the costs of the Public Improvements being requested for payment are the Actual Costs of such work specified in such payment request.

4. Payment Request No.___ is hereby approved.

MUNICAP, INC., as Administrator

By: _____
Name:
Title:

EXHIBIT C

ADDITIONAL PROCEDURES REGARDING PAYMENT REQUESTS

I. PROGRESS PAYMENTS OR PROCESSING PAYMENTS

(a) Within 10 calendar days after the issuance of the Series 2017 A Bonds and prior to commencing work, the Developer shall submit a breakdown of all lump sum items (a "*Schedule of Values*") within the Public Improvements for review and approval by the COTR. Any off-site construction costs shall be included in the Schedule of Values, including out-of-state off-site construction costs. Payment for stored materials will be made when they are delivered to an onsite storage area without any deficiencies and minimum rehandling efforts are required for their installation. No partial payments will be made for lump sum items if the Developer fails to provide a Schedule of Values. If the COTR does not approve the Schedule of Values submitted by the Developer, within 10 days of receipt of written notice of disapproval, the Developer shall submit a revised breakdown for review and approval. The Developer will submit three copies of the payment requests to John Seefried, Chief of Construction Inspection, 9250 Bendix Road, Columbia, Maryland 21045. The Developer will also submit two copies of the payment request to the Howard County Director of Finance, 3450 Court House Drive, Ellicott City, Maryland 21043. Field review and payment preparation will occur simultaneously.

(b) A Type B or C Field Office shall be provided which meets the SHA Standard Specifications for Construction and Materials, with such modifications as the COTR shall approve.

(c) **Monthly Estimates.** Unless otherwise reduced in the discretion of the COTR, any final retainage required pursuant to Section 4.3(d) of the Funding Agreement will not be released until final payment has been made for a Public Improvement and such Public Improvement has been accepted by the County. Current estimates will be based upon the COTR's estimate of quantity (including materials and equipment complete in place) satisfactorily performed for each item contained in the Developer's approved Schedule of Values. In the instance of lump sum items, the COTR's estimate shall be the proper fraction of the lump sum items satisfactorily performed during the preceding month. All quantities, estimates and fractions will be reasonably accurate approximations and are subject to correction (i) in subsequent current estimates, (ii) in any semi-final estimate and (iii) in final payment. Should either the COTR or the Developer be of the opinion that any estimates, quantities and/or fractions (either as to an individual current estimate or accumulations thereof) do not represent a reasonably accurate approximation of actual work, then details questioned shall be reviewed and then any corrections adjusted for in the next current estimate.

(d) The COTR may decline to approve a Payment Request and may withhold its semi-final approval in whole or in part, to the extent reasonably necessary to protect the County from loss because of: (i) defective work not remedied; (ii) third party claims filed or reasonable evidence indicating the probability of filing of such claims; (iii) failure of the Developer to make payments properly to subcontractors or for labor, materials or equipment; (iv) damage to another contractor; (v) reasonable indication that the work will not be completed within three years from the date of

issuance of the Series 2017 A Bonds; or (vi) unsatisfactory prosecution of the work by the Developer.

(e) The Developer shall, within seven days of the receipt of a payment, make payment to all subcontractors in the amount for which payment has been received by the Developer for the portion of the Public Improvements performed by the subcontractor as reflected on the Payment Request. The Developer shall require all subcontractors to make payment to any further subcontractors within seven days of the subcontractor's receipt of payment from the Developer for the portion of the Public Improvements performed by the lower tier subcontractor. The parties expressly intend for all subcontractors to be third party beneficiaries of this provision and all subcontractors can enforce this provision in any appropriate proceedings.

II. SUBSTANTIAL COMPLETION AND FINAL PAYMENT

(a) Verification of Final Quantities

(1) When the Developer has completed a Public Improvement, and it has been accepted as substantially complete, the COTR will proceed to:

(A) make any necessary final inspections;

(B) complete any necessary computation of quantities or costs; and

(C) submit to the Developer, within 30 days after final completion and acceptance of a Public Improvement by the COTR for maintenance, for its consideration, a tabulation of the proposed final quantities or costs.

(2) All prior partial estimates and payments shall be subject to correction at the time of acceptance and final payment and if the Developer has been previously overpaid, the amount of such overpayment shall be set forth in the final payment forms and the Developer hereby agrees that it will reimburse the County for such overpayment within 30 days of receipt of such advice.

(3) Payment for the final Actual Costs of a Public Improvement shall become due and payable to the Developer within ninety (90) days after determination of final quantities or costs under this Section. As a condition precedent to final payment, the Developer shall be required to execute a general release of all claims against the County arising out of, or in any way connected with, this Agreement.

(b) Substantial Completion

(1) Substantial completion is the stage in the progress of a Public Improvement when the Public Improvement or designated portion thereof is sufficiently complete in accordance with this Agreement so the County or public can occupy or utilize the Public Improvement for its intended use.

(2) When the Developer considers that a Public Improvement, or a portion thereof which the County agrees to accept separately, is substantially complete, the COTR shall prepare and submit to the Developer a comprehensive list of items to be completed or corrected and the Developer shall acknowledge receipt of such list in writing within three (3) Business Days of receipt. The

Developer shall proceed promptly to complete and correct items on the list. Failure to include an item on such list does not alter the responsibility of the Developer to complete the Public Improvement in accordance with the Plans and Specifications. Upon receipt of the Developer's list, the COTR will make an inspection to determine whether the Public Improvement or designated portion thereof is substantially complete. If the inspection discloses any item, whether or not included on the Developer's list, which is not in accordance with the requirements of the Plans and Specifications, the Developer shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the COTR. The Developer shall then submit a request for another inspection by the COTR to determine Substantial Completion. When the Public Improvement or designated portion thereof is substantially complete, the COTR will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the County and Developer for security, maintenance, heat, utilities, damage to the Public Improvements and insurance, and shall fix the time within which the Developer shall finish all items on the list accompanying the Certificate.

(3) Upon issuance of the Certificate of Substantial Completion, the COTR shall determine a reasonable sum of money for completion of the items on the list accompanying the Certificate. Upon application by the Developer for a substantial completion payment for the apparent estimated final value of the Public Improvements, deducting the total of all amounts previously paid to the Developer as current estimates and sums deemed chargeable against the Developer properly deductible, including liquidated damages and the amount determined by the COTR as a reasonable cost of completing the items on the list accompanying the Certificate of Substantial Completion, the County may reduce as a retained percentage a sum not less than 2.5% of the total Actual Costs of the Public Improvements.

(c) Final Completion, Final Acceptance and Final Payment

(1) Upon receipt of written notice that a Public Improvement is ready for final inspection and acceptance and upon receipt of a final Payment Request, the COTR will promptly make such inspection and, when the COTR finds the Public Improvement acceptable under the Plans and Specifications, the COTR will promptly issue a Certificate of Final Completion stating that to the best of the COTR's knowledge, information and belief, the Public Improvement has been completed in accordance with the Plans and Specifications. After the Certificate of Final Completion has been issued by the COTR, the County will assume responsibility for maintenance of the County Public Improvements except as expressly provided elsewhere in this Agreement. The Developer shall then submit a final Payment Request to the COTR, along with the items set forth in subparagraph (c)(2) below.

(2) Neither final payment nor any remaining retained percentage shall become due until the Developer submits to the COTR (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Public Improvements have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by this Agreement to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the County, (3) a written statement that the Developer knows of no substantial reason that the insurance will not be renewable to cover the period required by this Agreement, (4) consent of surety, if any, to final payment and (5) if required

by the County, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of this Agreement, to the extent and in such form as may be designated by the County.

(3) If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Developer or by issuance of Change Orders affecting final completion, and the COTR so confirms, the County shall, upon application by the Developer and certification by the COTR, and without terminating this Agreement, make payment of the balance due for that portion of the Public Improvements fully completed and accepted. If the remaining balance for the Public Improvements not fully completed or corrected is less than retained percentage stipulated in this Agreement, and if bonds have been furnished, the written consent of any surety to payment of the balance due for that portion of the Public Improvements fully completed and accepted shall be submitted by the Developer to the COTR prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

(d) The making of final payment shall constitute a waiver of all claims by the County except those arising from:

(1) any indemnity obligations of the Developer and/or its Affiliates;
(2) faulty or defective Public Improvements appearing after Substantial Completion;
(3) failure of the Public Improvements to comply with the requirements of this Agreement;
(4) terms of any special guarantees required by this Agreement; or
(5) failure of the Developer to procure or maintain any insurance required by this Agreement.

(e) The requisition for and acceptance of final payment shall constitute a waiver of all claims by the Developer.

EXHIBIT D

FORM OF ISO ENDORSEMENT

POLICY NUMBER: COMMERCIAL GENERAL LIABILITY
CG 20 10 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "person and advertising injury" caused, in whole or in part by:

1. Your acts or omissions; or

2. The acts or omissions of those acting on your behalf:

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to Section III — Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

[THIS PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT E

FORM OF PARTIAL LIEN WAIVER

AFFIDAVIT, PARTIAL WAIVER OF LIEN AND RELEASE

Project Description:

Contract Description:

The undersigned, for and in consideration of the progress payment sum of _____ dollars ($_____) to be paid to it upon return of this executed document made to it by _____ (the "_____") or to a subcontractor, materialman or supplier of the undersigned, for labor employed in and/or materials furnished for the construction of the above-referenced project pursuant to the above-referenced contract, hereby certifies as follows:

1. The undersigned has received payment in full for all deliveries of material to and/or for all work performed in connection with the construction of the project through the date of Payment Request No.___ and hereby represents and warrants that there are no outstanding claims by the company in connection with the project through the date of Payment Request No.___, except for any retention, pending modifications and changes, or disputed claims for extra work as stated herein:

2. In consideration of the above-mentioned payment in full, the undersigned does hereby waive, release and quit claim in favor of the development manager, owner of the project, each and every party acquiring title to and/or making a loan on the project, the title company or companies examining and/or insuring title to the project, any surety or guarantor, the general contractor, _____ and any other party having an interest in the project and any and all of their successors and assigns (hereafter collectively referred to as the "Released Entities"), all rights that presently exist or hereafter may accrue to the undersigned to assert a lien upon the land and improvements comprising the project by virtue of any law regarding the rights of a contractor, subcontractor, laborer, supplier, or materialman to assert a lien or claim against the project for deliveries of material to and/or work performed in connection with the construction of the project through the date of Payment Request No.___.

3. The undersigned has not and will not assign any claim for payment or right to perfect a lien against the project and the undersigned has the right, power and authority to execute this Affidavit, Partial Waiver of Lien and Release.

4. The undersigned warrants that all laborers and subcontractors employed by it and all suppliers employed by it and all suppliers or materialmen from which it has acquired materials in furtherance of the project and any lien or bond claimant relating to the undersigned's contract have been paid in full and that none of such laborers, subcontractors, suppliers or materialmen or claimants have any claim, demand, or lien against the project.

5. No security interest has been given or executed by the undersigned for or in connection with any materials, appliances, machinery, fixtures or furnishings placed upon or installed in the project.

6. The undersigned does hereby forever release, waive, and discharge the Released Entities from any and all causes of action, suits, debts, accounts, damages, encumbrances, judgments, claims and demands whatsoever, in law or equity or otherwise, and whether known or unknown and whether presently ascertainable or not, which the undersigned and/or its successors and/or its assignees ever had, now have, or ever will have against the Released Entities, by reason of delivery of material and/or the performance of work relating to the project through Payment Request No.___. The undersigned hereby agrees to indemnify and hold harmless from any and all damages, costs, expenses, demands, suits, and legal fees, directly or indirectly, relating to any claim or lien by any party which relates to that which was performed or should have been performed by or for the undersigned.

IN WITNESS WHEREOF, this Affidavit, Partial Waiver of Lien and Release has been executed on this _____ day of _____ 201__.

_____

By:_____
Name:
Title:

State of _____
County of _____

Subscribed and sworn to before me this____day of_____, 201__.

_____

Notary Public:
My Commission Expires:_____

EXHIBIT F

FORM OF FINAL LIEN WAIVER

AFFIDAVIT, FINAL WAIVER OF LIEN AND RELEASE

Project Description:

Contract Description:

The undersigned, for and in consideration of the final payment sum of _____ dollars ($_____) for Release of Retainage, to be paid to it upon return of this executed document made to it by _____ (the "_____") or to a subcontractor, materialman or supplier of the undersigned, for labor employed in and/or materials furnished for the construction of the above-referenced project pursuant to the above-referenced contract, hereby certifies as follows:

1. The undersigned has received payment in full for all deliveries of material to and/or for all work performed in connection with the construction of the project through this date and hereby represents and warrants that there are no outstanding claims by the company in connection with the project through Final Payment and Release of Retainage.

2. In consideration of the above-mentioned payment in full, the undersigned does hereby waive, release and quit claim in favor of the development manager, owner of the project, each and every party acquiring title to and/or making a loan on the project, the title company or companies examining and/or insuring title to the project, any surety or guarantor, the general contractor, _____ and any other party having an interest in the project and any and all of their successors and assigns, (hereafter collectively referred to as the "Released Entities"), all rights that presently exist or hereafter may accrue to the undersigned to assert a lien upon the land and improvements comprising the project by virtue of any law regarding the rights of a contractor, subcontractor, laborer, supplier, or materialman to assert a lien or claim against the project for deliveries of material to and/or work performed in connection with the construction of the project through Final Payment and Release of Retainage.

3. The undersigned has not and will not assign any claim for payment or right to perfect a lien against the project and the undersigned has the right, power and authority to execute this Affidavit, Final Waiver of Lien and Release.

4. The undersigned warrants that all laborers and subcontractors employed by it and all suppliers employed by it and all suppliers or materialmen from which it has acquired materials in furtherance of the project and any lien or bond claimant relating to the undersigned's contract have been paid in full and that none of such laborers, subcontractors, suppliers or materialmen or claimants have any claim, demand, or lien against the project.

5. No security interest has been given or executed by the undersigned for or in connection with any materials, appliances, machinery, fixtures or furnishings placed upon or installed in the project.

6. The undersigned does hereby forever release, waive, and discharge the Released Entities from any and all causes of action, suits, debts, accounts, damages, encumbrances, judgments, claims and demands whatsoever, in law or equity or otherwise, and whether known or unknown and whether presently ascertainable or not, which the undersigned and/or its successors and/or its assignees ever had, now have, or ever will have against the Released Entities, by reason of delivery of material and/or the performance of work relating to the project through Final Payment and Release of Retainage. The undersigned hereby agrees to indemnify and hold harmless from any and all damages, costs, expenses, demands, suits, and legal fees, directly or indirectly, relating to any claim or lien by any party which relates to that which was performed or should have been performed by or for the undersigned.

IN WITNESS WHEREOF, this Affidavit, Partial Waiver of Lien and Release has been executed on this _____ day of _____ 201__.

_____

State of _____
County of _____

Subscribed and sworn to before me this____day of_____, 201__.

_____

Notary Public:
My Commission Expires:_____

APPENDIX H

Proposed Form of Bond Counsel Opinion

(Letterhead of McGuireWoods LLP)

[Closing Date]

County Executive and County Council
of Howard County, Maryland
Ellicott City, Maryland

$48,225,000
Howard County, Maryland
Special Obligation Bonds
(Downtown Columbia Project)
Series 2017 A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Howard County, Maryland (the "County") of its $48,225,000 Howard County, Maryland Special Obligation Bonds (Downtown Columbia Project) Series 2017 A (the "Bonds"). The Bonds are being issued under and pursuant to (i) Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "Tax Increment Financing Act"); (ii) Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland (the "Special Taxing District Act," and together with the Tax Increment Financing Act, the "Acts"); (iii) Resolution No. 105-2016 adopted by the County Council of Howard County, Maryland (the "County Council") on November 9, 2016 (the "Resolution"); (iv) Council Bill No. 56-2016 enacted by the County Council on November 9, 2016 (the "Ordinance," and together with the Resolution, the "Authorizing Legislation"); and (v) an Indenture of Trust dated as of October 1, 2017 (the "Indenture") by and between the County and Manufacturers and Traders Trust Company, as trustee (the "Trustee"). The Bonds mature, bear interest and contain such other terms and conditions as set forth in the Bonds.

Capitalized terms not otherwise defined herein shall have the meanings given such terms in the Indenture.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this bond counsel opinion.

We have examined and relied upon the "no-merit" opinion of the County Solicitor dated October 5, 2017 with respect to pending litigation in the Circuit Court of Anne Arundel County regarding the Acts and the Authorizing Legislation in rendering the opinions specifically expressed herein.

As to questions of fact material to our opinion, we have relied upon (i) representations of the County and the Developer contained in the Indenture and the Tax Compliance Certificate dated the date hereof and the Certificate of the Developer attached thereto delivered by the County and the Developer in connection with the issuance and sale of the Bonds (the "Tax Compliance Agreement"); and (ii) the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities, and we have not independently verified the accuracy or truthfulness thereof. We

have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the conformity to original documents of all documents submitted to us as certified or photo static copies and the authenticity of the originals of such latter documents.

The scope of our engagement as bond counsel extends solely to an examination of the facts and law incident to rendering the opinions specifically expressed herein.

We are qualified to practice law in the State of Maryland, and we do not purport to be experts on, or to express any opinion herein concerning, any law other than the law of the State of Maryland and the federal law of the United States of America.

We have not examined, and express no opinion as to, the existence of or title to real or personal property and, except as expressly stated herein, we express no opinion as to the creation, validity or priority of any lien upon, assignment of, pledge of or security interest in real or personal property.

Based on our examination and subject to the foregoing, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The County as a validly existing body politic and corporate and a political subdivision of the State of Maryland possesses the authority under the Acts and the Authorizing Legislation to issue the Bonds.

2. The County has full power and authority under the Acts to adopt the Authorizing Legislation and to perform its obligations thereunder. The Authorizing Legislation has been duly adopted, has not been modified, amended or rescinded and is in full force and effect.

3. The Indenture has been duly authorized, executed and delivered by the County and, assuming the due authorization, execution and delivery thereof by the Trustee, constitutes the valid and binding obligation of the County, enforceable against the County in accordance with its terms.

4. The Bonds have been duly authorized and legally issued in accordance with the Acts and the Authorizing Legislation. The Bonds have been duly executed and delivered by the County and, assuming their due and proper authentication by the Trustee, are valid and binding special obligations of the County, payable solely from the Tax Increment Revenues and Special Tax Revenues (collectively, the "Revenues") and certain other assets and revenues of the Districts pledged by the County under the Indenture, to the extent provided in the Indenture, including amounts deposited in certain funds and accounts held by the Trustee and the County under the Indenture.

5. As provided in the Acts, the Bonds do not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power. The Bonds are not an indebtedness of the County within the meaning of the County's Charter. Except for the Revenues, no other taxes or assessments are pledged to the payment of the Bonds.

6. Under existing laws, regulations, rulings and judicial decisions, the interest on the Bonds, (a) is excludable from gross income of the owners thereof for federal income tax purposes, and (b) is not an enumerated item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations, and may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States.

7. Under existing law of the State of Maryland, the principal amount of the Bonds, the interest payable on the Bonds, their transfer, and any income from the Bonds, including any profit made in the sale or transfer thereof, are exempt from state and local taxes in the State of Maryland; however, the law of the State of

Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Bonds or the interest thereon.

The opinions set forth in the paragraph numbered 7 above assume, and are subject to, continuing compliance by the County and the Developer with the covenants regarding federal tax law set forth in the Indenture and the Tax Compliance Agreement. Failure to comply with such covenants could cause interest on the Bonds to be included in the gross income of the holders of the Bonds retroactive to the date of issue of the Bonds.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular status or other items of income or deduction. We express no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S Corporations and foreign corporations operating branches in the United States), property and casualty insurance companies, banks, thrifts or other financial institutions, recipients of Social Security or Railroad Retirement Benefits or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations such as the Bonds, should consult their tax advisors concerning their tax consequences of purchasing and holding the Bonds.

It is to be understood that the rights of any holder of the Bonds and the enforceability of the Indenture and the Bonds may be subject to (a) bankruptcy, insolvency, reorganization, moratorium and other similar laws heretofore or hereafter in effect affecting creditors' rights, to the extent constitutionally applicable, (b) the valid exercise of the constitutional powers of the United States of America and of the sovereign police and taxing powers of state or other governmental units having jurisdiction, and (c) the exercise of judicial discretion in accordance with general principles of equity (whether applied in a court of law or a court of equity).

Very truly yours,

McGuireWoods LLP

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX I

County Solicitor's No-Merit Opinion

[THIS PAGE INTENTIONALLY LEFT BLANK]

October 5, 2017

Howard County, Maryland
Ellicott City, Maryland

McGuireWoods LLP
Baltimore, Maryland

Stifel, Nicolaus & Company, Incorporated
Annapolis, Maryland

Manufacturers and Traders Trust Company
Baltimore, Maryland

Re: Howard County, Maryland
Special Obligation Bonds (Downtown Columbia Project),
Series 2017 A (the "Bonds")

Ladies and Gentlemen:

I am the County Solicitor for Howard County, Maryland (the "County") and my office represents the County in connection with *Corporate Office Trust Properties, et al. v. Howard County, Maryland*, No. C-02-CV-17-001419B (the "Litigation"), currently pending in the Circuit Court for Anne Arundel County, Maryland (the "Court"). I am delivering this opinion to you regarding the Litigation in connection with the authorization and issuance of the Bonds.

The Litigation asserts constitutional and statutory challenges to County Council Bill No. 56-2016 (the "Ordinance"), which provides for the issuance of the Bonds to finance public improvements in the Downtown Columbia Development District referred to in the Ordinance. Plaintiffs in the Litigation, four commercial real estate developers who own commercial property in the County (the "Plaintiffs"), generally assert that the Ordinance is unconstitutional and contravenes the Tax Increment Financing Act, Section 12-201, *et seq.* of the Economic Development Article of the Annotated Code of Maryland (the "Act"), in that it allows the County to issue bonds to finance certain public improvements allegedly for the benefit of a private developer without proper authorization.

In the Litigation, the Plaintiffs assert three counts. In Count I, they allege that the Ordinance is a "special law" in violation of Article III, section 33 of the Maryland Constitution,

arguing that the Ordinance conveys an improper private benefit to the developer of Downtown Columbia by providing financing for certain projects contemplated in the Ordinance. Counts II and III assert claims of violation of the Act. Count II contends that the Ordinance violates the Act because the public improvements will not be within a sustainable community and the County is not a municipal corporation. Count III asserts that the Ordinance exceeds the authority given to the County under the Act because the development of Downtown Columbia does not meet the "but for" requirement of the Act and the County's internal guidelines. The Plaintiffs seek a declaratory judgment that select portions of the Ordinance related to funding for a public parking garage are unconstitutional and are an *ultra vires* act by the County Council in violation of the Act.

As part of my office's representation of the County in the Litigation, we have conducted an evaluation of the factual and legal validity of each of the Plaintiffs' claims in the Litigation, including an assessment of the Plaintiffs' standing under Maryland law, identification of legal insufficiencies in the facts alleged in the Plaintiffs' complaints and a review of the substantive legal merits of the Plaintiffs' claims. As part of such activities, we have examined the Maryland Constitution, the County Code, the Act and such other statutes and state judicial decisions and other matters of law as we have deemed necessary in order to diligently and zealously represent the County in the Litigation.

The County has filed pleadings with the Court seeking to dismiss the Complaint because the Plaintiffs lack standing to challenge the Ordinance or, in the alternative, seeking judgment as a matter of law as to each of the three counts asserted by the Plaintiffs. In addition to the lack of standing necessary to bring the suit, the County also takes the position that the Ordinance is a legitimate exercise of the County's legislative authority and discretion. Specifically, the County argues that the Ordinance: (1) is not a "special law" prohibited by the Maryland Constitution because it was enacted under the authority of the Act and the Special Taxing District Act, Section 21-501, *et seq.* of the Local Government Article of the Annotated Code of Maryland which specifically permit financings authorized by the Ordinance; (2) complies with Section 12-207(a) of the Act because bond proceeds may be used for public improvements by counties, in addition to municipal corporations, and such improvements are not limited to only the boundaries of sustainable communities; and (3) comports with the Act because the "but for" test is not a statutory requirement but, instead, is merely a non-binding guideline provided by the County's Director of Finance as an aid to the County Executive's consideration of proposed projects.

Further, as a result of the County Executive's final determination that no proceeds of the Bonds will be used to fund the construction of a public parking garage, the County has filed a Motion to Dismiss Declaratory Judgment Action as Moot. The Plaintiffs' arguments are premised on the use of TIF funds for the construction of a parking garage and they have expressly asserted that they do not challenge the County's use of TIF bonds to finance improvements other than the public parking garage. Because the existence of a justiciable controversy is a pre-requisite to a declaratory judgment action, the County asserts that dismissal is appropriate. A hearing on the Litigation was held on October 2, 2017. Following arguments,

the judge scheduled another hearing on October 13, 2017 and indicated that she will deliver her ruling related to the County's motions during that hearing.

It is the County's position that the Act, the Special Taxing District Act and the applicable case law warrant dismissal of the Litigation or judgment as a matter of law, even assuming the truth of all of Plaintiffs' factual allegations. Should the Court deny the County's pending motion, however, the County would conduct discovery to demonstrate that there is no dispute of material fact and that the County is entitled to judgment in its favor as a matter of law.

While one cannot predict with certainty how a court will rule on any particular claim, and subject to the foregoing, I am of the opinion that there are significant substantive defenses to the Plaintiffs' claims, that there is a sound basis to believe that the Litigation should be dismissed at the early stages of the litigation and that, in any event, based on State of Maryland law, the County should ultimately prevail on the merits.

This opinion represents my informed legal judgment as to the merits of the Litigation based upon my review of the law and the preliminary facts that I deem relevant to render such opinion, and is not a guarantee of a result. This opinion is given as of the date hereof, and I assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to my attention or any changes in law that may hereafter occur.

This opinion is furnished by me exclusively in my role as County Solicitor and attorney of record in the Litigation. This opinion is not intended to be relied upon by any person or entity to whom it is not specifically addressed without my prior written consent.

Respectfully submitted,

Gary W. Kuc
County Solicitor

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX J

PROPOSED FORM OF DEVELOPER CONTINUING DISCLOSURE AGREEMENT

This Developer Continuing Disclosure Agreement (this "Agreement") by and between The Howard Research And Development Corporation, a Maryland corporation (the "Developer") and MuniCap, Inc. (the "Administrator"), dated as of October 1, 2017, is being entered into in connection with the issuance of $48,225,000 aggregate principal amount of Howard County, Maryland Special Obligation Bonds (Downtown Columbia Project) Series 2017 A (the "Bonds"). The Bonds were issued pursuant to an Indenture of Trust dated as of October 1, 2017 (the "Indenture") between Manufacturers and Traders Trust Company, as Trustee (the "Trustee") and Howard County, Maryland (the "County").

The Developer and the Administrator hereby covenant and agree as follows:

Section 1. ***Purpose of the Developer Continuing Disclosure Agreement***. This Agreement is being executed and delivered by the Developer and the Administrator for the benefit of the Bondholders and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

Section 2. ***Definitions***. Terms not otherwise defined herein shall have the meanings set forth in the Limited Offering Memorandum (defined below).

"Affiliate" means any Person directly or indirectly controlling, controlled by, or under common control with, the Developer. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, partnership interests, membership interests or by contract or otherwise.

"Credit Facility" means any financing arrangement entered into (other than the Bonds) to finance the construction of the Development.

"County's Continuing Disclosure Agreement" shall mean the County Continuing Disclosure Agreement of an even date herewith by and among the Trustee, the Administrator and the County.

"Development" means the Phase I-A Development, the Phase I-B Development, the Warfield Development and any future development in the Special Taxing District.

"Limited Offering Memorandum" means the Limited Offering Memorandum with respect to the Bonds dated October 5, 2017, as amended or supplemented from time to time.

"Participating Underwriter" means Stifel, Nicolaus & Company, Incorporated.

"Person" means an individual, estate, trust, corporation, partnership, limited liability company or any other organization or entity (whether governmental or private).

"Public Improvements" means the public improvements to be financed with the proceeds of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effect date of this Agreement which are applicable to this Agreement.

Section 3. ***Provision of Information***. The Developer shall, within thirty (30) days of the end of each calendar quarter, commencing with the calendar quarter ending December 31, 2017, provide the Administrator and the County with the following information.

(i) A statement as to the status of the completion of the Development and the Public Improvements described in the following section of the Limited Offering Memorandum: "THE PROPOSED DEVELOPMENT OF DOWNTOWN COLUMBIA", including, but not limited to, the following with respect to the Development (a) percentage of completion of the Public Improvements; (b) percentage of completion for the residential, retail, office, and hotel components of the Development; (c) the amount of square footage by building type for which an occupancy certificate has been issued; (d) material changes by the Developer in the make-up or composition of the residential, retail, office and hotel components of the Development; (e) general construction contracts entered into for construction of the Public Improvements, retail, residential, office and hotel components of the Development; and (f) any expected material delays in the construction or absorption schedule for the Development;

(ii) (A) the percentage of the retail and office space owned by the Developer or an Affiliate under lease in the Special Taxing District and the percentage of revenues represented by the Developer's retail and office leases expiring by year in the Special Taxing District, (B) the occupancy rate for rental apartments owned by the Developer or an Affiliate in the Special Taxing District, and (C) sales of any property by the Developer or an Affiliate within the Special Taxing District by development type;

(iii) Information regarding changes to the Development necessary, as determined by the Administrator, to calculate changes to the Required Maximum Special Tax (as defined in the Indenture) as shall be required by the County;

(iv) (a) A statement as to the status of obtaining a Credit Facility, if any, for the construction of the remainder of the vertical improvements of the Development not in place as of the date of the Limited Offering Memorandum, (b) any increase or decrease in the loan amount under any such Credit Facility, (c) a report of current loan balances under any Credit Facility, (d) any material delay in meeting funding thresholds under any such Credit Facility or rejection or refusal by the lender thereunder to fund draws other than for administrative reasons, and (e) any failure or refusal by the lender under any such Credit Facility to extend the term of such Credit Facility beyond the maturity date as permitted under the terms of such Credit Facility;

(v) A statement as to material changes, if any, in the form, organization or ownership of the Developer;

(vi) A statement as to the existence of any legislative, administrative or judicial challenges to the construction of a material portion of the Public Improvements or the Development or the validity of any public approvals for a material portion of the Development;

(vii) A statement as to any default under the Funding Agreement;

(viii) A statement or statements as to the status of any adverse litigation (A) against the Developer or any Affiliate that owns property within the Districts which would materially adversely affect such party's ability to perform its obligations under the Funding Agreement or (B) against the Developer or any Affiliate that owns property within the Districts with claim for damages in excess of $1,000,000 and which may materially adversely affect the completion of the Development;

(ix) Any tax assessment appeals by the Developer or any Affiliate that owns property within the Districts; and

(x) Any material reclassification of the property within the Special Taxing District from the existing New Town (NT) Zoning District.

Section 4. ***Reporting of Significant Events***. Whenever the Developer obtains actual knowledge of the occurrence of one or more of the following events, the Developer shall immediately report such event to the County as set forth herein:

(i) failure to pay any real property taxes or Special Taxes levied on a parcel in the Districts owned by the Developer or any Affiliate that owns property within the Districts;

(ii) any appeal by the Developer or an Affiliate thereof of any real property taxes or Special Taxes levied on a parcel in the Districts owned by the Developer or any Affiliate that owns property within the Districts;

(iii) material damage to or destruction of any development or improvements within the Districts;

(iv) an Event of Default (as defined therein) under any Credit Facility;

(v) the filing by or against the Developer or any Affiliate that owns property within the Districts of a bankruptcy petition or any determination that the Developer or any Affiliate that owns property within the District, is unable to pay its debts as they become due;

(vi) the filing of any lawsuit against either the Developer or any Affiliate that owns property within the Districts with claim for damages in excess of $1,000,000 and which may materially adversely affect the completion of the Development; and

(vii) any Transfer as set forth in Section 14 hereof.

Section 5. ***Termination of Reporting Obligation***. The obligations of the Developer under this Agreement (subject to Section 14), or any transferee under this Agreement assumed pursuant to Section 14 hereof, shall terminate at such time as the Developer's annual real property tax obligations (including Special Tax obligations) are less than 10% of the annual debt service on the Bonds.

Section 6. ***Rights of Bondholders to Enforce Agreement***. In the event of a failure by the Administrator or the Developer to comply with any provision contained herein, any holder of Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause compliance with the obligations hereunder.

Section 7. ***Limited Liability of Developer and the Administrator***. No person shall have any claim against the Developer, the Administrator, or any of their officers, officials, agent or employees for damages suffered as a result of the failure of the Developer or the Administrator to perform in any respect any covenant, undertaking, or obligation under this Agreement provided, however, that nothing contained herein shall be construed to preclude any action or proceeding in any court against the Developer, the Administrator or any of their officers, officials, agent or employees to specifically enforce the provisions of this Agreement pursuant to Section 6 of this Agreement.

Section 8. ***Notices***. Any notice or communications to or among any of the beneficiaries to this Agreement must be given as follows:

If to the Trustee:	Manufacturers and Traders Trust Company 25 South Charles Street, 11th Floor Mail Code MD2-CS58 Baltimore, Maryland 21201 Attention: Sarah Stokes, Assistant Vice President
If to Developer:	The Howard Research And Development Corporation One Galleria Tower, 22nd Floor 13355 Noel Road Dallas, Texas 75240 Attention: General Counsel
With a copy to:	The Howard Research And Development Corporation One Galleria Tower, 22nd Floor 13355 Noel Road Dallas, Texas 75240 Attention: President
With a copy to:	Miles & Stockbridge, P.C. 1500 K Street NW, Suite 800 Washington, DC 20005-1209 Attention: John Stalfort Email: jstalfort@milesstockbridge.com
If to the County:	Howard County Department of Finance George Howard Building 3430 Courthouse Drive Ellicott City, Maryland 21043 Attention: Director of Finance Email: smilesky@howardcountymd.gov
With a copy to:	Howard County Office of Law Carroll Building 3450 Courthouse Drive Ellicott City, Maryland 21043 Attention: Assistant County Solicitor Email: kperry@howardcountymd.gov
If to the Administrator:	MuniCap, Inc. 8965 Guilford Road Suite 210 Columbia, MD 21046 Attention: Keenan Rice

Section 9. ***Limitation on Forum***. Any suit or other proceeding seeking redress with regard to any claimed failure by the Developer or the Administrator to perform their obligations under this Agreement must be filed in the State of Maryland.

Section 10. ***Amendment; Waiver***. Notwithstanding any other provision of this Agreement, the Administrator and the Developer may amend this Agreement and any provision of this Agreement may be waived, provided that the following conditions are satisfied:

(a) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds (assuming the Rule applied), after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Agreement, the Administrator shall describe such amendment in the next report provided pursuant to Section 3 of this Agreement, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of information being presented by Developer.

Section 11. ***Beneficiaries***. This Agreement shall inure solely to the benefit of the Developer, the County, the Administrator and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 12. ***Governing Law***. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

Section 13. ***Counterparts***. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. ***Reporting Obligations Upon a Transfer***. If property within the Development District is conveyed by the Developer to a person or entity other than an Affiliate of the Developer that will result in the transferee and such transferee's affiliates becoming responsible for the payment of more than 15% of the annual real property tax obligations (including Special Tax obligations) in the Development in the Fiscal Year following such transfer, then the Developer may cause the transferee to assume its obligations hereunder with respect to such transferred property. In order to effectuate such assumption, the Developer may require such transferee to enter into an agreement containing terms substantially similar to the terms of this Agreement, whereby such transferee agrees, without limitation, to provide quarterly reports and notices of significant events with respect to the property within the Development District owned by such transferee and its affiliates, and, if so assumed, the Developer's obligations under this Agreement shall terminate solely with respect to such property transferred.

Section 15. ***Administrator***. Initially, MuniCap, Inc. has been hired to perform the duties and obligations of the Administrator.

[Signature Page Follows]

THE HOWARD RESEARCH AND DEVELOPMENT CORPORATION, a Maryland corporation

By: _____
Grant Herlitz
President

MUNICAP, INC., as Administrator

By: _____
Keenan Rice
President

ACKNOWLEDGED:

HOWARD COUNTY, MARYLAND

By: _____
County Executive

FOR SUFFICIENCY OF FUNDS:

[SEAL]

By: _____
Stanley J. Milesky
Director of Finance

Attest:

_____
Lonnie R. Robbins
Chief Administrative Officer

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY
THIS ____ DAY OF _____, 2017:

_____
Gary W. Kuc
County Solicitor

REVIEWING ATTORNEY:

_____
Kristen Perry
Assistant County Solicitor

APPENDIX K

PROPOSED FORM OF COUNTY CONTINUING DISCLOSURE AGREEMENT

This County Continuing Disclosure Agreement (this "Agreement") by and among Howard County, Maryland, a body corporate and politic and a political subdivision of the State of Maryland (the "County"), MuniCap, Inc. (the "Administrator") and Manufacturers and Traders Trust Company, as Trustee (the "Trustee") on behalf of the owners of the Bonds (defined below), dated as of October 1, 2017, is being entered into in connection with the issuance of $48,225,000 aggregate principal amount of Howard County, Maryland Special Obligation Bonds (Downtown Columbia Project) Series 2017 A (the "Bonds"). The Bonds were issued pursuant to an Indenture of Trust dated as of October 1, 2017 (the "Indenture") between the Trustee and the County.

The Trustee, the Administrator and the County hereby covenant and agree as follows:

Section 1. ***Purpose of the County Continuing Disclosure Agreement***. This Agreement is being executed and delivered by the County, the Administrator and the Trustee for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

Section 2. ***Definitions***. Terms not otherwise defined herein shall have the meanings set forth in the Limited Offering Memorandum (defined below).

"Administrator" shall mean MuniCap, Inc., or any successor appointed by the County hereunder.

"Annual Report" shall mean the annual report prepared and disseminated to the MSRB containing the information set forth in Section 3(a) of this Agreement.

"Developer" shall mean The Howard Research And Development Corporation.

"Developer's Continuing Disclosure Agreement" shall mean the Developer Continuing Disclosure Agreement of even date herewith by and among the Administrator and the Developer.

"Listed Events" shall mean any of the events listed in Section 4 of this Agreement.

"Limited Offering Memorandum" means the Limited Offering Memorandum with respect to the Bonds dated October 5, 2017, as amended or supplemented from time to time.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

"Participating Underwriter" means Stifel, Nicolaus & Company, Incorporated.

"Person" means an individual, estate, trust, corporation, partnership, limited liability company or any other organization or entity (whether governmental or private).

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

Section 3. ***Provision of Information***. (a) The Administrator shall not later than February 15 of each year, commencing February 15, 2018, provide an Annual Report to the County containing or incorporating by reference the information set forth below (as of January 1 of such year) and the County shall not later than March 1 of such year, commencing March 1, 2018, provide such Annual Report to the MSRB:

(i) The balance of the funds and accounts created under the Indenture, including funds held by the County;

(ii) Any changes to the Rate and Method since the report of the previous year;

(iii) Any changes in the tax rates or the assessment methodology utilized for the levy of ad valorem real property taxes for the County;

(iv) Special Tax roll for all taxable parcels within the Special Taxing District, including a breakdown showing: (i) the current taxable parcels in the Special Taxing District; (ii) the Special Tax levied and assessed for each taxable parcel, including any adjustments to the Special Taxes as provided for in the Rate and Method; (iii) any prepayments of the Special Tax as provided for in the Rate and Method; and (iv) any termination of the Special Tax as provided for in the Rate and Method;

(v) Any reclassification of property within the Special Taxing District from Undeveloped Property to Developed Property;

(vi) The total assessed valuations of land by Undeveloped Property and Developed Property classification (each as defined in the Rate and Method);

(vii) The amount of any pending appeals of assessed valuations of land within the Development;

(viii) The current ad valorem real property tax rate applicable to property within the Development;

(ix) The amount of the tax increment for property within the Development District;

(x) Update on all tax bill delinquencies and collections of past due tax bills with respect to property in the Districts;

(xi) Any tax certificate sales of property in the Districts by affected tax parcel, building type, square footage and delinquency amount;

(xii) Calculation of debt service coverage with respect to the Bonds;

(xiii) Whether there are any defaults under the Indenture or the Funding Agreement which have resulted in mediation or litigation of which the Administrator has actual knowledge;

(xiv) Any significant legal challenges to the construction of the public improvements or the development within the Special Taxing District not disclosed in the Limited Offering Memorandum of which the Administrator has actual knowledge;

(xv) Any changes in the types of infrastructure that comprise the Project from those stated in the Limited Offering Memorandum, the status of the completion of the public improvements which constitute the Project constructed with the proceeds of the Bonds and the overall status of the Development since the report of the previous year of which the Administrator has actual knowledge; and

(xvi) Appointment of a successor or additional trustee or the change of name of the trustee, if material.

(b) If the County is not able to provide the Annual Report to the MSRB within such time prescribed in subsection (a) of this section, then the County in a timely manner will provide notice of the late submission of annual financial information to the MSRB.

(c) The County shall provide documentation to the Administrator and the Trustee certifying that the Annual Report has been provided to the MSRB pursuant to this Agreement and stating the date it was provided.

(d) In addition to the Annual Report, the County shall promptly provide to the MSRB such continuing disclosure information provided to the County by the Trustee or the Administrator pursuant to Section 4 below and by the Developer as more particularly set forth in the Developer's Continuing Disclosure Agreement.

(e) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Market Access (EMMA) system, the current Internet Web address of which is www.emma.msrb.org. All notices, documents and information provided to the MSRB shall be in an electronic format as prescribed by the MSRB.

Section 4. ***Reporting of Significant Events***. The County shall promptly file with the MSRB a notice of the occurrence of any of the following Listed Events within 10 business days of the occurrence of any of such Listed Events:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on any credit enhancement, if any, reflecting financial difficulties;

(v) Any change or substitution in any credit or liquidity providers, if any, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of Bondholders, if material, as well notice of dismissal of litigation described in the Limited Offering Memorandum including termination of all rights to further appeals by plaintiffs;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) The release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) Any change in the rating, if any, on the Bonds;

(xii) Bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to paragraph (xii): For the purposes of the event identified in paragraph (xii), the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

(xiii) The consummation of a merger, consolidation or acquisition involving the County or sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Any failure of the County to transfer the Tax Increment Revenues or the Special Tax Revenues to the Trustee as required by the Indenture; and

(xvi) The notices provided to the Administrator by the Developer as more particularly set forth in Sections 3 and 4 of the Developer's Continuing Disclosure Agreement.

The Administrator and the Trustee shall promptly provide the County with notice of the occurrence of any of the Listed Events of which the Administrator or the Trustee, as applicable, has actual knowledge. For purposes of this section, "actual knowledge" of the Administrator or the Trustee of the occurrence of such Listed Events shall mean actual knowledge by an officer of the Administrator or the Trustee with responsibility for matters regarding the Districts or the Indenture, as applicable, or actual knowledge by an authorized representative of the Administrator or the Trustee with responsibilities for matters contained herein. Actual knowledge of the Listed Events specified by clause (vi) of this Section, shall mean receipt by an officer of the Trustee or the Administrator with responsibility for matters regarding the Districts or the Indenture or for the matters contained herein of a letter of Bond Counsel addressed to the Trustee and/or the Administrator, as applicable, explicitly pertaining to the Bonds, and providing such opinion or specifying such event and its effect on such tax status.

Section 5. ***Limitation on Remedies***. The County and the Administrator shall be given written notice at the addresses set forth in Section 10 below of any claimed failure by the County or the Administrator (as the case may be) to perform its obligations under this Agreement, and the County or the Administrator (as the case may be) shall be given 15 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the County or the Administrator (as the case may be) shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. If the Developer fails to provide the County with the continuing disclosure event notices required under the Developer's Continuing Disclosure Agreement, then the County shall pursue any remedies available under such agreement. Services and payment will be provided to the Administrator pursuant to the Administration Services Agreement.

Section 6. ***Limitation on Forum***. Any suit or other proceeding seeking redress with regard to any claimed failure by the County to perform its obligations under this Agreement must be filed in the State of Maryland.

Section 7. ***Limited Liability of County***. Any and all obligations of the County arising out of, or related to, this Agreement are special obligations of the County and may not constitute a general obligation debt of the County or a pledge of the County's full faith and credit, and the County's obligations to make any payments hereunder, including any and all payments to the Administrator, are restricted entirely to the Tax Increment Revenues and Special Tax Revenues or from the proceeds of the Bonds and from no other source. No person, including any holder of a Bond, shall have any claim against the County or any of its officers, officials, agents or employees for damages suffered as a result of the County's failure to perform in any respect any covenant, undertaking, or obligation under this Agreement, the Bonds or any other agreement, document, instrument or certificate executed, delivered or approved in connection with the issuance, sale and delivery of the Bonds (collectively, the "Bond Documents") or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim is properly payable from the Tax Increment Revenues and the Special Tax Revenues pursuant to the Bond Documents, provided however, that, subject to Sections 5 and 6 above, nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the County or any of its officers, officials, agents or employees to enforce the provisions of this Agreement or any of the Bond Documents, and, provided, further, that the limitation on liability of the County set forth in this Section 7 shall in no way supersede the limitations on remedies in Section 5 above.

Section 8. ***Nature and Obligation of County***. (a) The County agrees (i) to use commercially reasonable efforts to hire and retain the Administrator or another competent individual or entity to perform the duties and obligations of the Administrator relating to the continuing disclosure as set forth in Sections 3 and 4 and (ii) to require the Administrator, or such other competent individual or entity, to perform its obligations hereunder.

(b) If, despite commercially reasonable efforts, the County is unable to hire or retain the Administrator or another competent individual or entity to perform the duties and obligations of the Administrator as described in paragraph (a) above, the County agrees it will still provide or cause to be provided the information described in clauses (i), (ii) and (iii) of Section 3 and in Section 4 to the MSRB as required by such Sections.

(c) If the County is performing the duties and obligations of the Administrator as described in paragraph (b) above, the County shall be entitled to be reimbursed for any and all reasonable costs and expenditures associated with its performance of such duties and obligations.

(d) It is hereby acknowledged by the parties to this Agreement that any and all (i) fees or costs necessary to hire and retain the services of the Administrator or (ii) costs and expenditures of the County associated with its performance of the duties and obligations of the Administrator constitute Administrative Expenses as provided in the Indenture.

Section 9. ***Termination of Reporting Obligation***. The Administrator's and the County's obligations under this Agreement shall terminate at such time that the Bonds are no longer Outstanding under the Indenture.

Section 10. ***Notices***. Any notice or communications to or among any of the beneficiaries to this Agreement must be given as follows:

If to the Trustee:	Manufacturers and Traders Trust Company 25 South Charles Street, 11th Floor Mail Code MD2-CS58 Baltimore, Maryland 21201 Attention: Sarah Stokes, Assistant Vice President
If to Developer:	The Howard Research And Development Corporation One Galleria Tower, 22nd Floor 13355 Noel Road Dallas, Texas 75240 Attention: General Counsel
With a copy to:	The Howard Research And Development Corporation One Galleria Tower, 22nd Floor 13355 Noel Road Dallas, Texas 75240 Attention: President
With a copy to:	Miles & Stockbridge, P.C. 1500 K Street NW Washington, DC 20005-1209 Attention: John Stalfort
If to the County:	Howard County Department of Finance George Howard Building 3430 Courthouse Drive Ellicott City, Maryland 21043 Attention: Director of Finance
With a copy to:	Howard County Office of Law Carroll Building 3450 Courthouse Drive

Ellicott City, Maryland 21043
Attention: Assistant County Solicitor

If to the Administrator: MuniCap, Inc.
8965 Guilford Road
Suite 210
Columbia, MD 21046
Attention: Keenan Rice

Section 11. ***Amendment; Waiver***. Notwithstanding any other provision of this Agreement, the County, the Administrator and the Trustee may amend this Agreement (and the Administrator and the Trustee shall each agree to any amendment so requested by the County which does not impose any greater duties, nor greater risk of liability, on the Administrator and Trustee, respectively) and any provision of this Agreement may be waived, provided that the following conditions are satisfied:

(a) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds (assuming the Rule applied), after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Holders, or (ii) does not, in the opinion of nationally recognized bond counsel satisfactory to the County, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Agreement, the Administrator shall describe any such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of information being presented by the County.

Section 12. ***Default***. In the event of a failure of the County or the Administrator to comply with any provision of this Agreement, (i) the Trustee shall, at the written request of Holders of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds (but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or if it has been otherwise indemnified to its satisfaction from and against any cost, liability, expense or additional charges and fees of the Trustee whatsoever, including, without limitation, fees and expenses of its attorneys), or (ii) any Owner or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County or the Administrator, as the case may be, to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an event of default under the Indenture, and the sole remedy under this Agreement in the event of any failure of the County or the Administrator to comply with this Agreement shall be an action to compel performance.

Section 13. ***Beneficiaries***. This Agreement shall inure solely to the benefit of the County, the Administrator, the Trustee and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. ***Governing Law***. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

Section 15. ***Counterparts***. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature Page Follows]

HOWARD COUNTY, MARYLAND

By: _____
County Executive

FOR SUFFICIENCY OF FUNDS:

[SEAL]

By: _____
Stanley J. Milesky
Director of Finance

Attest:

_____
Lonnie R. Robbins
Chief Administrative Officer

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY
THIS ____ DAY OF _____, 2017:

_____
Gary W. Kuc
County Solicitor

REVIEWING ATTORNEY:

_____
Kristen Perry
Assistant County Solicitor

MUNICAP, INC., as Administrator

By: _____
Keenan Rice
President

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By: _____
Name:
Title:

Printed By
www.MuniDeals.com