Resolution No.: 20-1259
Introduced: October 6, 2026
Adopted: November 10, 2026

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the Request of the County Executive

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SUBJECT: Imposition of Special Tax in the Viva White Oak Development District

Background

1. Chapter 14 of the Montgomery County Code (the "Development District Law") authorizes the County to create a development district and levy special assessments, special taxes, fees or charges in any such development.

2. Title 12, Subtitle 2 of the Economic Development Article of the Maryland Code, as amended (the "Tax Increment Financing Act"), authorizes the County to designate a contiguous area within its jurisdiction as a "development district" under State law and create a special fund for the development district. A portion of the taxes on the "tax increment" that would normally be paid into the general fund of the County may be paid into the special fund.

3. Pursuant to the authority of the Tax Increment Financing Act and the Development District Law, the County adopted Resolution 20-1039 (the "Formation Resolution") on February 24, 2026. Through the Formation Resolution, the County: (A) created the VIVA White Oak Development District (the "TIF District"); (B) created the VIVA White Oak Development District TIF Special Fund (the "TIF Special Fund"); (C) provided that, beginning with the Tax Year following the effective date of the Formation Resolution and until the bonds and any refunding bonds secured by the TIF Special Fund have been fully paid and the indenture has been discharged, property tax on real property within the TIF District shall be divided as provided in the Tax Increment Financing Act (including making certain deposits into the TIF Special Fund); and (D) made other findings and determinations with respect to the TIF District.

4. Additionally, the County, by way of the Formation Resolution: (A) created the VIVA White Oak Development District Special Taxing District (the "Special Taxing District"), which is coterminous with the TIF District; (B) created the VIVA White Oak Development District Special Fund (the "Special Tax Fund"); (C) provided that any special assessments, special taxes, fees, or charges levied under the Development District Law must be paid into

the Special Tax Fund; and (D) made other findings and determinations with respect to the Special Taxing District.

5. The Development District Law also authorizes the County to issue bonds or other obligations payable from such special assessments, special taxes, fees or charges levied in any development district. The Development District Law further provides that all proceeds received from any bonds issued pursuant to such law must be applied solely towards: (A) the costs of the infrastructure improvements listed in the Formation Resolution; (B) the costs of issuing the bonds; and (C) the payment of principal and interest on loans, money advances or indebtedness incurred by the County for any purpose stated in the law.

6. The Tax Increment Financing Act also authorizes the County to issue bonds to finance the development of an industrial, commercial or residential area which are payable from the special fund established pursuant to the Tax Increment Financing Act. The Tax Increment Financing Act further provides that the County must adopt an ordinance to authorize the issuance of such bonds that: (A) describes the proposed undertaking; (B) states that the County has complied with certain provisions of the Tax Increment Financing Act, the maximum principal amount of the bonds and the maximum rate of interest on the bonds; and (C) provides for certain terms of the bonds or delegates to the chief executive of the County the authority to specify those items by executive order.

7. As required by the Tax Increment Financing Act and to serve as Council's adoption of both the bond resolution and bond ordinance required by Section G of the Formation Resolution, the County enacted Bill 31-26 (the "Viva White Oak Bond Bill") for purposes of issuing and financing the bonds intended to fund the development in the Viva White Oak Development District. The Viva White Oak Bond Bill further provides that, as maybe necessary to satisfy debt service and to pay administrative expenses on the Bonds, the County will impose a special tax (the "Special Tax") and will levy pursuant to the Development District Law a rate sufficient in each year when any bonds are outstanding to provide adequate revenues to (1) provide for the payment of the principal of and interest on the Bonds, and the redemption premium, if any on the Bonds, (2) replenish any debt service reserve fund, (3) pay the costs of the Project or reimburse the County for the cost of the Project paid from other County Funds, (4) pay directly the costs of the Project built or funded other than by the County and (5) pay the administrative expenses of the Special Taxing District. The County will enforce, as appropriate, the collection of all Special Taxes in the same manner as other County property taxes are levied and collected and as provided in Section 52-25 et seq. of the County Code and Section 14-808 et seq. of the Tax-Property Article of the Annotated Code of Maryland, or other applicable law. The projected Special Taxes together with money in the TIF Special Fund, will be sufficient to retire the Bonds, taking into account the value of land in the Special Taxing District.

8. The Viva White Oak Bond Bill includes the basis for imposition of the Special Tax in the district, providing that, in accordance with the Rate and Method of Apportionment, as set forth in the Formation Resolution, the special tax must be levied and collected in the same manner, for the same period or periods and with the same date or dates of finality as otherwise provided by law and end when (i) all bonds issued for the benefit of the Special

Taxing District have been paid in full or are otherwise no longer outstanding and (ii) the County has been fully paid for each infrastructure improvement built or funded by the County, if any. Moreover, the maximum Special Tax applicable to each individual property in the Special Taxing District must be as set forth in a Rate and Method of Apportionment adopted and approved by the Council, and such amount may not be increased or the term thereof extended with respect to any individual property because of any delinquency or default by any other taxpayer.

9. Subsequent to the adoption of the Formation Resolution, the Rate and Method of Apportionment as previously adopted and approved by Council was amended to include an additional category of property subject to the Special Tax and to adjust the maximum Special Tax rates accordingly.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

In accordance with Chapters 14 and 52 of the County Code, the Tax Property Article of the Maryland Code, the Tax Increment Financing Act, and the Viva White Oak Bond Bill, the Council approves and adopts the Amended and Restated Rate and Method of Apportionment of Special Taxes ("Amended and Restated RMA"), attached hereto as Exhibit A to this Resolution, for purposes of the imposition of any special assessments, special taxes, fees or charges levied under Section 14-10 of the Development District Act as provided for in the Viva White Oak Bond Bill.

This is a correct copy of Council action.

Sara R. Tenenbaum
Clerk of the Council

May 22, 2026

MONTGOMERY COUNTY, MARYLAND
VIVA WHITE OAK DEVELOPMENT DISTRICT

AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAXES

A Special Tax is hereby levied and shall be collected in the Viva White Oak Development District (the "Development 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 Development District, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner provided herein.

A. DEFINITIONS

The terms used herein shall have the following meanings:

"Act" means Sections 14-1 through 14-18, inclusive, of the Montgomery County Code, 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: fees and expenses of any fiscal agent, trustee, or administrator; costs incurred by the County and Conduit Issuer in performing their respective duties related to the Bonds, including, but not limited to, levying and collecting the Special Tax (whether collected by the County or otherwise), complying with arbitrage rebate and disclosure requirements under applicable federal and state securities laws; the costs of any employees and fees of any professionals retained to provide services for such purposes; and all other costs and expenses incurred in connection with the discharge of duties under and related to the Bonds, including legal expenses associated with such duties in any way related to the administration of the Development District.

"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 related to the Bonds.

"Authorized Officer" means the official of the County designated as an authorized officer under any Indenture of Trust.

"Bond Year" shall have the meaning given to such term in the Indenture of Trust.

"Bonds" means any bonds or other debt, including refunding bonds, whether in one or more series, issued for the Development District by the County or Conduit Issuer 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 day of 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.

"Commercial Hotel Property" means Commercial Property used or intended for use as hotel facilities, including any ancillary space thereto.

"Commercial In-Line Retail Property" means Commercial Property used or intended for use as primarily for retail sales consisting of tenants with a BSF of less than 15,000 and located within an in-line retail configuration and any other retail use not defined as Commercial Large Warehouse Retail Property, Commercial Retail Anchor Property, Commercial Standalone Retail Property, or Commercial Standalone Service-Oriented Property, including any ancillary uses thereof.

"Commercial Large Warehouse Retail Property" means Commercial Property used or intended for use as primarily for retail sales consisting of tenants with a BSF of 100,000 or more, including any ancillary space thereto.

"Commercial Life Science Property" means Commercial Property used or intended for use as primarily for life science and biotech purposes, including research and development, lab space, manufacturing, and related functions, and not defined as Commercial Office Property, including any ancillary space thereto.

"Commercial Office Property" means property used or intended for use as primarily for office space, medical office space, diagnostic and outpatient care centers, and other healthcare-related administrative or clinical uses, including any ancillary space thereto.

"Commercial Property" means Parcels of Taxable Property not classified as Residential Property.

"Commercial Retail Anchor Property" means Commercial Property used or intended for use as primarily for retail sales consisting of tenants with a BSF between 15,000 to 99,999 and not defined as Commercial Standalone Service-Oriented Property, including any ancillary uses thereof.

"Commercial Standalone Retail Property" means Commercial Property used or intended for use as primarily for retail sales with a BSF of less than 15,000 and located within an outparcel or freestanding building not physically connected to other retail units, not defined as Commercial In-Line Retail Property or Commercial Standalone Service-Oriented Property, including any ancillary uses thereof.

"Commercial Standalone Service-Oriented Property" means Commercial Property used as a daycare or intended for use as primarily for service-oriented activities that are accessible to the public and involve regular customer interaction located within an outparcel or freestanding building not physically connected to other retail units, not defined as Commercial In-Line Retail Property, Commercial Office Property, and Commercial Life Science Property, including any ancillary uses thereof.

"Conduit Issuer" means any entity or organization authorized by the Act or Maryland law that may issue the Bonds on behalf of the County.

"County" means Montgomery County, Maryland.

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

"Developed Property" means Parcels of Taxable Property for which (i) a building permit has been issued that allows the construction of a structure or (ii) has been added to an owner association by the filing of a supplemental declaration or similar document in the land records of Montgomery County. A supplemental declaration or similar document shall not include a master owners association declaration that merely puts future owners on notice that such property will be annexed into the owner association at a later date.

"Development District" means the Viva White Oak Development District created by the County pursuant to Resolution No. 20-1039.

"District Maximum Special Tax" means $27,996,144 for the 2027-2028 Fiscal Year. On each July 1, commencing July 1, 2028, the District Maximum Special Tax shall be increased to 102% 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:

Property Type	Equivalent Unit Factor	
Residential For-Sale Market Property	2.67	Per Dwelling Unit
Residential For-Sale MPDU Property	0.77	Per Dwelling Unit
Residential Multifamily Rental Property	1.00	Per Dwelling Unit
Residential Single-Family Rental Property	1.94	Per Dwelling Unit
Residential Age-Restricted Property	1.04	Per Dwelling Unit
Residential Affordable Housing PILOT Property	0.00	Per Dwelling Unit
Commercial Hotel Property	0.48	Per Room
Commercial In-Line Retail Property	1.14	Per 1,000 BSF
Commercial Large Warehouse Retail Property	0.62	Per 1,000 BSF
Commercial Life Science Property	2.04	Per 1,000 BSF
Commercial Office Property	1.08	Per 1,000 BSF
Commercial Retail Anchor Property	1.16	Per 1,000 BSF
Commercial Standalone Retail Property	2.20	Per 1,000 BSF
Commercial Standalone Service-Oriented Property	1.12	Per 1,000 BSF

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

"Indenture of Trust" means the indenture of trust relating to the Bonds, as modified, amended 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.

"Maximum Special Tax Rates" means the rates as shown in Table A 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.

"Owner Association Property" means, for any Fiscal Year, any real property within the boundaries of the Development 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 Development District with a parcel number 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 Development District and funded by the Bonds.

"Public Property" means property within the boundaries of the Development District owned by, or irrevocably offered for dedication (in a plat map approved by the County or otherwise) to the federal government, the State of Maryland, the County, any Conduit Issuer or other public agency, or easements for the exclusive use of a public utility provider and that is exempt from taxes; provided, however, that exclusive use utility easements and real property that has been irrevocably dedicated includes only those parcels for which a copy of the easement or offer has been provided to the Administrator.

"Required Maximum Special Tax" means the required Maximum Special Tax, if any, as provided for in the Indenture of Trust.

"Residential Affordable Housing PILOT Property" means Residential Property that qualifies for a by-right Payment In Lieu of Taxes (PILOT) exemption under one of the following circumstances: 1) if the project is owned or controlled by the Housing Opportunities Commission of Montgomery County or 2) if the property is owned or controlled by a non-profit developer and at least 50% of the units are reserved for households earning 60% or less of AMI for a period of 15 years.

"Residential Age-Restricted Property" means Residential Property for sale or rental restricted by age primarily to older users.

"Residential For-Sale Market Property" means Residential Property intended for sale to the general public consisting of dwelling units sold at market rates, not defined as Residential For-Sale MPDU Property, Residential Multifamily Rental Property, Residential Single-Family Rental Property, or Residential Age-Restricted Property, including any ancillary uses thereof.

"Residential For-Sale MPDU Property" means Residential Property consisting of dwelling units sold as part of the County's Moderately Priced Dwelling Units ("MPDU") program, which aims to

provide affordable housing opportunities in accordance with County housing policy, including any ancillary uses thereof.

"Residential Multifamily Rental Property" means Residential Property consisting of market rate and MPDU rental apartment dwelling units, which are part of a residential planned and managed development for rent under common management, having an average unit size of less than 1,500 BSF, not defined as Residential Age-Restricted Property, including any ancillary space thereto.

"Residential Single-Family Rental Property" means Residential Property consisting of market rate and MPDU rental single-family dwelling units, which are part of a residential planned and managed development for rent under common management, having an average unit size of 1,500 BSF or more, not defined as Residential Age-Restricted Property or Residential Multifamily Rental Property, including any ancillary space thereto.

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

"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 or Tax Agreement Revenues related to a Parcel available pursuant to the Indenture of Trust to apply to reduce the Special Taxes to be collected and included in the Special Tax Requirement for that Fiscal Year. (The Special Tax Credit shall not include any Tax Increment Revenues or Tax Agreement Revenues set aside for the County and not available to be applied to the Special Tax Requirement.) For purposes of calculating the Tax Increment Revenues for each Parcel, the base year value shall be allocated to each Parcel on the basis of the assessed value of the land of each Parcel.

"Special Tax Requirement" has the meaning given to it in Section D.1.

"Tax Agreement Revenues" means payments in-lieu of property taxes or similar payments paid for any Parcel and available to apply to the Special Tax Requirement.

"Tax Increment Revenues" means the amounts paid or to be paid into the TIF Special 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 Affordable Housing PILOT Property, Owner Association Property, or Public 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.

"TIF Special Fund" means the account of such name established for the Development District pursuant to Resolution No. 20-1039 enacted by the County.

"Trustee" means the trustee appointed by the County for the Development 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 2027-2028 Fiscal Year for each Parcel of Developed Property shall be equal to the product of the number of residential dwelling units, Building Square Footage, or rooms to be built on such Parcel and the Maximum Special Tax Rate for each applicable class of property shown in Table A below.

TABLE A
Developed Property
Maximum Special Tax Rates
2027-2028 Fiscal Year

Property Class	*Maximum Special Tax Rates per Dwelling Unit/1,000 BSF/Room*	
Residential For-Sale Market Property	$7,562	Per Dwelling Unit
Residential For-Sale MPDU Property	$2,181	Per Dwelling Unit
Residential Multifamily Rental Property	$2,832	Per Dwelling Unit
Residential Single-Family Rental Property	$5,495	Per Dwelling Unit
Residential Age-Restricted Property	$2,946	Per Dwelling Unit
Residential Affordable Housing PILOT Property	$0	Per Dwelling Unit
Commercial Hotel Property	$1,360	Per Room
Commercial In-Line Retail Property	$3,229	Per 1,000 BSF
Commercial Large Warehouse Retail Property	$1,756	Per 1,000 BSF
Commercial Life Science Property	$5,778	Per 1,000 BSF
Commercial Office Property	$3,059	Per 1,000 BSF
Commercial Retail Anchor Property	$3,286	Per 1,000 BSF
Commercial Standalone Retail Property	$6,231	Per 1,000 BSF
Commercial Standalone Service-Oriented Property	$3,172	Per 1,000 BSF

On each July 1, commencing July 1, 2028, the Maximum Special Tax Rates shown in Table A shall be increased to 102 percent of the respective Maximum Special Tax Rate in effect in the previous Fiscal Year.

The computation of the number of dwelling units, 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, Affordable Housing PILOT Property, or Taxable Property. Each Parcel of Taxable Property shall be further classified as Developed Property or Undeveloped Property. Developed Property shall be classified as Commercial Property or Residential Property. Commercial Property shall be classified as Hotel Property, In-Line Retail Property, Large Warehouse Retail Property, Life Science Property, Office Property, Retail Anchor Property, Standalone Retail Property, or Standalone Service-Oriented Property. Residential Property shall be classified as For-Sale Market Property, For-Sale MPDU Property, Multifamily Rental Property, Single-Family Rental Property, or Age-Restricted 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 2027-2028 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 Authorized Officer and shall be an amount equal to (A) the amount required in any Fiscal Year to pay: (1) debt service and other periodic costs (including deposits to any sinking funds) on the Bonds to be paid from the Special Taxes collected in such Fiscal Year, (2) Administrative Expenses to be incurred in the Fiscal Year or incurred in any previous Fiscal Year and not paid by the Development 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 or other contingencies as deemed appropriate, (5) the costs of remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of cash), (6) applicable fees to be paid to any issuer of Bonds less (B) (1) Tax Increment Revenues and Tax Agreement 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 2027-2028 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 Authorized Officer 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

The Maximum Special Tax levied on any Parcel may not be increased regardless of the default in the collection of the Special Tax from any other Parcel. 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 as

provided for by 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, Owner Association Property, Affordable Housing PILOT Property, or easements for the exclusive use of a public utility provider.

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 and related penalties and interest, Special Taxes shall not be collected from any Parcel after the earlier of (i) the repayment or defeasance of all Bonds issued or to be issued 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 Authorized Officer once all of the Bonds are issued or, for property already developed, at the time additional 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 Development District is equal to the minimum debt service coverage requirement provided for in the Indenture of Trust. The Maximum Special Tax Rates on property already developed at the time additional bonds are issued may be reduced to equal the expected Tax Increment Revenues from the Parcels divided by the required debt service coverage from those revenues. The Authorized Officer 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 Authorized Officer not later than one calendar year after the due date (i.e., December 31) for the Special Tax that is disputed. Such appeal may not affect the due date of the payment of the Special Tax. The Authorized Officer, or the designee of the Authorized Officer, 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 Authorized Officer 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 Authorized Officer may be appealed to the County's Chief Administrative Officer or their designee, who shall 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 Development District upon full development of the Development 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 corresponding reduction in funds required to be on deposit in the reserve fund resulting from the redemption of Bonds, as provided for in the Indenture of Trust.

The sum of the amounts calculated herein shall be paid to the County or the Trustee in accordance with the Indenture of Trust and shall be used to pay and redeem the Bonds in accordance with the Indenture of Trust and to pay the Administrative Expenses associated with the prepayment. Upon the payment of such prepayment amount to the County or the Trustee, the obligation to pay the Special Tax 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 Development 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 Development District upon full development of the Development 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 herein

D = the Maximum Special Tax for all Taxable Property in the Development District upon full development of the Development 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. ELIMINATION OF THE MANDATORY PREPAYMENT OF SPECIAL TAXES

The Mandatory Prepayment of Special Taxes may be terminated by the Authorized Officer provided that at the time of such termination there are no Bonds outstanding that are subject to mandatory prepayment upon a change in a Parcel pursuant to the Indenture of Trust. The Authorized Officer shall make such termination in writing and a copy of any such termination shall be provided to the Conduit Issuer, the Administrator and the Trustee.

N. AMENDMENTS

Immaterial amendments may be made to this Rate and Method of Apportionment of Special Taxes 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 Development 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.

O. INTERPRETATION OF PROVISIONS

The Authorized Officer 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.

P. 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.