

**WESTPHALIA TOWN CENTER
SPECIAL TAXING DISTRICT
PRINCE GEORGE'S COUNTY, MARYLAND
SPECIAL TAX REPORT**

Prepared By:

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Purpose of Report

The Westphalia Town Center Special Taxing District (the “District”) is being created to facilitate the financing of all or a portion of the costs of public improvements for the District, including costs related to the issuance of the bonds. Bonds are expected to be issued by Prince George’s County, Maryland (the “County”) to fund the costs of the public improvements for the benefit of property within the District. The bonds will include the cost of the improvements, issuance costs, capitalized interest, and a reserve fund.

The County will levy a special tax each year to provide funds for the payment of debt service on the bonds, to replenish reserves if needed, cover the cost of administration of the District, and fund other costs related to the bonds. The District is being created, special taxes levied, and bonds issued pursuant to Section 10-269 of the Prince George’s County Code, as amended and the Special Taxing District Act, Article 24, Section 9-1301, of the Annotated Code of Maryland (collectively the “Act”), as amended from time to time. The Act requires special taxes to be levied in a manner that is reasonable. This report explains the reasonable basis of the special taxes levied as described in the “Rate and Method of Apportionment of Special Taxes” for the District.

Description of the Special Taxing District

The District is located in central Prince George’s County, Maryland and is generally bound by Maryland Route 4 (Pennsylvania Avenue) to the south, Maryland Route 337 (Suitland Parkway) to the west, a wooded area to the north, and Maryland Route 223 (Woodyard Road) to the east. The District is comprised of approximately 452 acres within the 479-acre Westphalia Town Center Development District. The difference in acreage for the District and Westphalia Town Center Development District is solely attributable to the 82 tax parcels in which residential homes were either sold, under contract, or were anticipated to be under contract before the creation of the District. A list of the tax parcels comprising the District are attached hereto as Exhibit A. Maps illustrating the tax parcels comprising the District and corresponding boundary, the section of the Westphalia Town Center Development District excluded from the District, and the specific tax parcels and corresponding account identifiers excluded from the District are attached hereto as Exhibits B and C, respectively. A map of the Development District is attached hereto as Exhibit D.

Since the creation of the District, an additional 106 residential homes have been either sold, are under contract, or are anticipated to be under contract. The impact of the total 188 residential homes to District and the benefit received by the public improvements financed by the bonds is described subsequently in this report.

The property comprising the District was acquired by Walton Westphalia Development (USA), LLC, Walton Westphalia Europe, LP, and WUSF 1 Westphalia, LLC (collectively, the "Owners") in February 2012. At the time the property was acquired, the total acreage of the property was comprised of raw land.

In February 2007, the Sector Plan and Sectional Map Amendment for Westphalia were approved by the Maryland-National Capital Park and Planning Commission, as well as the Prince George's County Planning Department. At that time, the zoning was amended for the land comprising the District. Specifically, areas within the District were changed from R-A (Residential-Agriculture), R-R (Rural Residential), I-1 (Light Industrial), and I-3 (Planned Industrial/Employment Park) to M-X-T (Mixed Use-Transportation Oriented). The map attached hereto as Exhibit E illustrates the zoning for the District as published in the *Westphalia Approved Section Plan and Sectional Map Amendment*, February 2007.

According to the Prince George's County Zoning Code, one of the many purposes of the M-X-T Zone is "to promote orderly development and redevelopment of land in the vicinity of major interchanges, major intersections, major transit stops, and designated General Plan Centers so that these areas will enhance the economic status of the County and provide an expanding source of desirable employment and living opportunities for its citizens."

The land use mixture for M-X-T Zones as defined by Division 2, Subdivision 1, Section 27-544 of the Prince George's County Zoning Code is shown below in Table A. Furthermore, the land use percentages, based on the total gross floor area for residential, retail, and office combined are shown below in Table A.

Table A
MXT Zone Usage

| Total Gross Floor Area | Minimum | Maximum |
|--|---------|---------|
| Residential (at least two different types) | 50% | 70% |
| Retail | 10% | 20% |
| Office/employment | 20% | 40% |

A list of all permissible uses for the M-X-T Zone is shown in the Table of Uses found under Division 3, Section 27-547 of the Prince George's County Zoning Code. The development of the property in the District is shown by Table B on the following page. This development is consistent with the corresponding zoning guidelines and land use percentages described above.

Table B
Special Taxing District Proposed Development

| Property Type | Area | | |
|---|--------------|-------------------|------------|
| | Units | GSF | Rooms |
| Residential | | | |
| <i>Rental</i> | | | |
| Apartments | 1,856 | 1,909,618 | - |
| <i>For Sale Townhome < 2,000 GSF</i> | | | |
| Townhome (16') | 27 | 37,557 | - |
| Townhome (20') | 149 | 284,031 | - |
| Sub-total for sale townhome < 2,000 GSF | 176 | 321,588 | |
| <i>For Sale Townhome > 2,000 GSF</i> | | | |
| Townhome (24') | 63 | 185,850 | - |
| Townhome (32') | 24 | 84,000 | - |
| Townhome | 876 | 2,134,648 | - |
| Sub-total for sale townhome > 2,000 GSF | 963 | 2,404,498 | |
| <i>For Sale Single Family Detached</i> | 238 | 714,000 | - |
| <i>For Sale Duplex/Triplex</i> | 210 | 357,000 | - |
| <i>For Sale Condominiums</i> | 214 | 321,000 | - |
| Sub-total for sale | 1,801 | 4,118,086 | |
| Sub-total residential | 3,657 | 6,027,704 | |
| Commercial | | | |
| <i>Hotel</i> | | | |
| Limited service | - | 210,000 | 350 |
| Full service | - | 150,000 | 250 |
| Sub-total hotel | | 360,000 | 600 |
| <i>Retail > 25,000 GSF</i> | | | |
| Anchor | - | 79,474 | - |
| Food store | - | 126,412 | - |
| Junior anchor | - | 600,538 | - |
| Sub-total retail > 25,000 GSF | | 806,424 | |
| <i>Retail < 25,000 GSF</i> | - | 232,550 | - |
| <i>Retail Outparcel</i> | - | 13,400 | - |
| <i>Office</i> | - | 3,986,000 | - |
| Sub-total commercial | | 5,398,374 | 600 |
| Total | 3,657 | 11,426,078 | 600 |

A map showing the site plan for the proposed Westphalia Town Center development, inclusive of the 82 residential units excluded from the District, is attached hereto as Exhibit F.

Proposed Public Improvements

The purpose of the District, the special taxes to be levied in the District, and the special obligation bonds to be issued with respect to the District is to finance all or a part of the costs of the public improvements shown below in Table C.

Table C
Public Improvements

| Public Improvements | Total |
|--|---------------------|
| <i>On-Site Public Improvements</i> | |
| <i>Presidential Parkway</i> | \$13,000,000 |
| <i>Off-Site Public Improvements</i> | |
| <i>Woodyard Road interchange</i> | \$8,800,000 |
| <i>Melwood Road improvements</i> | \$2,600,000 |
| <i>Maryland Route 4 & Maryland Route 223 Interchange</i> | \$3,700,000 |
| Sub-total off-site public improvement costs | \$15,100,000 |
| Total public improvement costs | \$28,100,000 |
| Public improvement costs allocated to 188 residential homes | (\$1,130,985) |
| Total public improvement costs financed | \$26,969,015 |

Costs may vary from these estimates and the improvements built may be modified from those described herein. A description of these improvements follows:

Presidential Parkway

Presidential Parkway includes the cost to excavate, grade, pave, curb, and stripe a four lane arterial route that will run approximately 7,200 linear feet within the District from west to east beginning at the existing Presidential Parkway to a location in the eastern area of the District. This includes the cost to construct water and sewer lines within the newly constructed road bed, as well as any required storm water management system. Costs also include traffic study, design, architectural, engineering, construction management, and a contingency.

Woodyard Road Interchange

Woodyard Road interchange includes the cost to construct an interchange at the intersection of Melwood Road and Maryland Route 223 (Woodyard Road) located along the southeastern boundary of the District and north of Maryland Route 4 (Pennsylvania Avenue) to act as a primary entrance into the District and alleviate an existing failing intersection. This includes the cost to excavate, grade, pave, curb, and stripe the necessary

turning lanes, install traffic signals, construct a water line and relocate utilities within the newly constructed road bed, as well as any required storm water management system. Costs also include traffic and signal warrant studies, design, engineering, construction management, and a contingency.

Melwood Road Improvements

Melwood Road improvements include the cost to asphalt overlay the portion of Melwood Road comprising the eastern boundary of the District that feeds into the Woodyard Road interchange and entrance, as well as any other improvements required by the County, located along the eastern boundary of the District. Costs also include design, engineering, construction management, and a contingency.

Maryland Route 4 & Maryland Route 223 Intersection

Maryland Route 4 (Pennsylvania Avenue) and Maryland Route 223 (Woodyard Road) intersection includes the cost to construct intersection improvements at Maryland Route 4 (Pennsylvania Avenue) and Maryland Route 223 (Woodyard Road), located at the southeastern corner of the District, to alleviate traffic generated by residents, employees, patrons, and visitors of the District. This includes the cost to excavate, grade, pave, curb, and stripe additional necessary through and turn lanes, and install required traffic signals at MD 223 and MD 4 east and westbound off ramps and at other required intersections in the area. Costs also include relocation of utilities within the newly constructed road bed, as well as construction of any required storm water management system. Costs also include traffic and signal warrant studies, design, engineering, construction management, and a contingency.

The public improvements described above are all provided to meet the needs of the property in the District that results from the proposed development of the property. The public improvements provide road access to, from and within the property in the District, extend the water, sewer, and utilities throughout the District that will be necessary for the proposed development of the property.

A map showing the proposed public improvements is attached hereto as Exhibit G.

Allocation of Improvements to 188 Residential Homes

There currently exist 188 residential homes that have either been sold, are under contract, or are anticipated to be under contract prior to special taxes being levied. These 188 residential homes tax parcels are located within the Westphalia Town Center development. The property owner and the County do not intend to levy special taxes on these properties, to avoid any issues relating to disclosure of special taxes. These properties, however, do benefit from the proposed public improvements shown in Table C to be provided by the District. The benefit to be received by the 188 residential homes is calculated and subtracted from the costs of the public improvements to be financed with the proceeds of the bonds. That is, special taxing district bonds will not be issued to fund the costs of the public improvements to the extent they benefit the 188 residential homes,

since the 188 residential homes will not pay the special taxes that will repay the bonds. The 188-residential home's share of the public improvements will be funded by private sources.

A map illustrating the District versus the Westphalia Town Center Development District is shown in Exhibits B and D, attached hereto, respectively.

As explained in the section on the reasonable basis of the special taxes, special taxes have been allocated on the basis of projected assessed value. The benefit allocated to the 188 residential homes is based on the projected assessed value of the 188 residential homes compared to the total projected assessed value within the District. Table D illustrates how each of the 188 residential homes have been classified for purposes of applying the projected assessed value per unit, and therefore, the allocable benefit received by the public improvements financed.

Table D
Homes to be Excluded from Special Tax by Land Use Class

| Land Use Class | Residential Homes |
|-------------------------------|--------------------------|
| For Sale Townhome < 2,000 GSF | 146 |
| For Sale Townhome > 2,000 GSF | 42 |
| Total | 188 |

Table E shows the portion of the total projected assessed value within the Westphalia Town Center Development District represented by the 188 residential homes.

Table E
Projected Assessed Value by Land Use Class

| Land Use Class | Estimated Assessed Value Per Dwelling Unit/Room/1,000 BSF | Proposed Westphalia Town Center Development District Development | Measurement | Total Projected Assessed Value Per Land Use Class |
|---------------------------------|--|---|--------------------|--|
| <i>Proposed</i> | | | | |
| Rental | \$135,504 | 1,856 | Dwelling units | \$251,495,001 |
| For Sale Townhome < 2,000 GSF | \$356,696 | 100 | Dwelling units | \$35,669,647 |
| For Sale Townhome > 2,000 GSF | \$333,248 | 933 | Dwelling units | \$310,920,611 |
| For Sale Single Family Detached | \$417,698 | 238 | Dwelling units | \$99,412,196 |
| For Sale Duplex/Triplex | \$315,000 | 210 | Dwelling units | \$66,150,000 |
| For Sale Condominiums | \$191,508 | 214 | Dwelling units | \$40,982,727 |
| Hotel | \$142,541 | 600 | Room | \$85,524,329 |
| Retail > 25,000 GSF | \$171,231 | 806 | 1,000 SF | \$138,084,943 |
| Retail < 25,000 GSF | \$272,234 | 233 | 1,000 SF | \$63,308,058 |
| Retail - outparcel | \$402,205 | 13 | 1,000 SF | \$5,389,553 |
| Office | \$120,080 | 3,986 | 1,000 SF | \$478,640,143 |
| Sub-total proposed | | | | \$1,575,577,208 |
| <i>Existing</i> | | | | |
| For Sale Townhome < 2,000 GSF | \$356,696 | 146 | Dwelling units | \$52,077,685 |
| For Sale Townhome > 2,000 GSF | \$333,248 | 42 | Dwelling units | \$13,996,426 |
| Sub-total existing | | | | \$66,074,111 |
| Total | | | | \$1,641,651,319 |

The percent of improvements allocated to the 188 residential homes to be excluded from the levy of special taxes, as shown in Table D, is shown by Table F.

Table F
Percent of Public Improvements Allocated to 188 Residential Homes

| | |
|--|-----------------|
| Total existing 188 residential homes assessed value | \$66,074,111 |
| Total projected assessed value | \$1,641,651,319 |
| Percent allocated to existing 188 residential homes | 4.02% |

The percent of the remaining public improvement costs are shown in Table G on the following page.

Table G
Percent of Public Improvement Costs for Remaining Development

| | |
|---|---------------|
| Total District public improvement costs | 100.00% |
| Percent of public improvement costs allocated to existing 188 residential homes | 4.02% |
| Percent of public improvement costs for remaining development | 95.98% |

The total public improvement costs financed by the bonds must be adjusted for the portion of public improvements that are attributed to the 188 residential homes. Table H adjusts the total public improvement costs by multiplying the total public improvement costs by the percent of the public improvement costs for remaining development. The adjusted total public improvement costs represent the amount of total public improvements, excluding the public improvement costs attributed to the 188 residential homes.

Table H
Adjusted Public Improvement Costs

| | |
|---|---------------------|
| Total public improvement costs | \$28,100,000 |
| Percent of public improvement costs for remaining development | 95.98% |
| Adjusted total public improvement costs | \$26,969,015 |

The public improvement costs allocated to the 188 residential homes is determined by the difference of the total public improvement costs and the adjusted total public improvement costs financed as shown in Table I.

Table I
Public Improvement Costs Allocated to 188 Residential Homes

| | |
|--|--------------------|
| Total public improvement costs | \$28,100,000 |
| Adjusted total public improvement costs | (\$26,969,015) |
| Public improvement costs allocated to 188 residential homes | \$1,130,985 |

This amount is shown as being deducted from the costs of the public improvements shown on Table C. This portion of the costs will need to be funded from private sources.

Projected Issuance of Bonds

Bonds are proposed to be issued by the County to finance the costs of the public improvements described above. Bond proceeds will include the costs of constructing improvements, a reserve fund, issuance costs and capitalized interest. Table J on the following page shows the estimated sources and uses of funds for the issuance of bonds.

Table J
Sources and Uses of Funds

| | Total |
|---|---------------------|
| <i>Sources of funds:</i> | |
| Total bond proceeds | \$40,033,000 |
| Interest earned in the improvement fund | \$0 |
| Total sources of funds | \$40,033,000 |
| <i>Uses of funds:</i> | |
| Public improvements | \$26,969,015 |
| Issuance costs | \$500,000 |
| Underwriter's discount | \$600,495 |
| Capitalized interest | \$7,959,455 |
| Reserve fund | \$4,003,300 |
| Rounding | \$735 |
| Total uses of funds | \$40,033,000 |

The actual par amount of the bonds may vary from these estimates depending on the interest rate on the bonds, the date the bonds are issued, the cost of issuing the bonds, reinvestment rates on bond proceeds, and other factors.

Bond issuance costs include legal fees, financial consulting fees, the cost of studies, the set-up and first year's fee of the trustee, trustee's counsel, County expenses, document printing costs and other miscellaneous costs related to the issuance of bonds.

Capitalized interest on the bonds fund the interest on the bonds for up to three years to allow time for the infrastructure improvements and other property in the District to be constructed, for the property to be added to the property tax roll, and property taxes to be collected from the property and applied to the payment of the debt service on the bonds.

The purpose of the reserve fund is to ensure there are sufficient funds to pay debt service should it be necessary to take action to collect delinquent property taxes. The proceeds in the reserve fund are invested and the income is applied to the annual debt service on the bonds. The reserve fund itself will eventually be applied to the repayment of the bonds.

Projected Debt Service and Administrative Expenses

A schedule showing projected debt service and administrative expenses is attached to this report as Exhibit H. Bonds are assumed to be issued and repaid over thirty years.

The principal payments on the bonds are structured such that debt service is increasing each year during the amortization period of the bonds. The bonds are assumed to be tax-exempt with an interest rate of six and one-half percent per year.

Estimated administrative expenses are included in Exhibit H, which represent County costs related to the administration of the District.

Determination of Special Taxes

Special taxes must be levied in a reasonable manner. The reasonable basis for the special taxes levied in the District is based on the following:

- (i) the public improvements to be provided by the District provide a special benefit to the property in the District and the special benefit to the property subject to the special taxes exceeds the cost of the special taxes;
- (ii) the amount of special taxes to be levied each year is equal to or less than the amount required to repay the bonds issued to finance the public improvements; and
- (iii) special taxes are allocated to parcels within the District in a manner that reasonably represents the benefit each parcel will receive from the improvements to be provided by the District.

Special Benefit

The property in the District will receive a special benefit from the public improvements to be provided as a result of the District. The public infrastructure will provide road access to, from and within the property in the District, extend water, sewer, and utilities through the property in the District. These improvements are required for the proposed use of the property as described above and are being provided specifically for this use for the property within the District. Accordingly, the public improvements to be provided as a result of the District provide a special benefit to the property in the District.

The special benefit of the public improvements to be provided as a result of the District will be equal to or greater than the cost of the special taxes levied on the property. The value of special benefit is confirmed by two means. First, the owner of the property to be subject to special taxes has requested that the County impose special taxes on the property for the purpose of providing the public improvements. It is reasonable to believe the owner is acting in its interest and making this request because the benefit it receives from the public infrastructure improvements exceeds the cost of the special taxes.

Second, the special taxes are being levied to provide improvements that are necessary for the highest and best use of the property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (*Dictionary of Real Estate Appraisal, Fourth Edition.*) The four criteria for highest and best use are (i) legal permissibility, (ii) physical possibility, (iii) financial feasibility, and (iv) maximum productivity.

The owner of the property to be subject to special taxes has analyzed various options for the use of the property, taking into consideration the legally permitted uses, the physical constraints of the site, financial parameters and market demand. The owner is understandably interested in maximizing its return on the property. Based on this analysis, the highest and best use of the property, including any costs required for that use, is the proposed uses for the property as described herein. This use of the property will require the public improvements as described herein to be provided as result of the District. Without these improvements, the proposed use of the property would not be physically possible or adequately supported and, as a result, the property could not be put to its highest and best use.

The financing provided by the special tax district is long-term financing and pays interest to the bond holders that is exempt from income taxes, resulting in a lower rate than other available financing on comparable terms. The special taxes also help to make available tax increment financing for the bonds (that is, the bonds will be repaid from the increase in property taxes as well as from special taxes). As a result of these advantages, the financing provided by the District is the most beneficial means of financing the public improvements.

In summary, the special taxes result in a special benefit to the property and this special benefit is greater than the special taxes for the following reasons:

1. The public improvements to be provided as a result of the District are required for the highest and best use of the property;
2. The highest and best use of the property is the use of the property that is most valuable (including any costs associated with the use of the property);
3. The financing provided by the District is the most beneficial means of financing the improvements;
4. As a result, the special benefits to the property from the public improvements to be provided as a result of the District will be equal to or greater than the special taxes to be imposed on the property in the District.

Special Taxes Required to Repay the Bonds

As shown on Exhibit H, maximum special taxes are levied in an amount of \$2,917,360 for fiscal year 2017-2018 to meet the County's obligation to provide for the payment of debt service on bonds issued to fund the improvements to be provided by the District, including appropriate debt service coverage. The maximum special taxes include debt service coverage of an additional ten percent, which may also be used to replenish the debt service reserve fund, if necessary. Special taxes also cover estimated administrative expenses of the district.

The annual debt service is scheduled to increase by two percent each year. As a result, the maximum special tax must also increase by two percent each year.

The actual debt service on the bonds may be less than estimated herein. The “Rate and Method of Apportionment of Special Taxes” provides for the maximum special tax to be reduced based on the actual debt service on the bonds, so that the special taxes actually collected do not exceed the amount necessary to repay the bonds and to pay related administrative expenses.

The maximum special tax on all of the property in the District is set in a manner consistent with the estimate of the annual debt service on the bonds to be issued to finance the public improvements that provide a special benefit plus the required debt service coverage and administrative expenses related to the bonds. Special taxes are therefore set in a reasonable manner.

Allocation of Special Taxes to Parcels

Developed Property

Special taxes are allocated to parcels in the District in a manner to reasonably reflect the benefit property will receive from the improvements to be provided by the District. The benefit received by each parcel of redeveloped property is estimated on the basis of the estimated future value of the property. The purpose of the improvements to be provided by the District is to allow for the redevelopment of the property. Estimating the benefit properties will receive from the improvements on the basis of future estimated value is particularly appropriate for improvements intended to provide for the redevelopment of the property, as one reason for the redevelopment is to increase the values of the property in the District.

For purposes of estimating future value (and therefore benefit), developed property is classified into one of eleven categories, defined as rental residential property, for sale A residential property, for sale B residential property, for sale C residential property, for sale D residential property, for sale E residential property, hotel property, retail A property, retail B property, retail C property, and office property. The average estimated value of property within each class is shown by Table K below.

Special taxes are allocated to property in each class based on the relative estimated future value of property within each class. This calculation is made using equivalent unit factors. The purpose of equivalent unit factors is to equate the benefit of one class to another class. Since benefit is based on estimated future values, the equivalent unit factors are based on the estimated future value of each class. These factors are shown in Table K on the following page.

Table K
Land Use Class and
Equivalent Unit Factors

| Property Type | Land Use Class | Assessed Value by Classification ¹ | Measurement | Equivalent Unit Factor |
|---------------------------------|---------------------------------|---|-------------------|------------------------|
| Rental | Rental Residential Property | \$135,504 | Per dwelling unit | 0.32 |
| For Sale Townhome < 2,000 GSF | For Sale A Residential Property | \$356,696 | Per dwelling unit | 0.85 |
| For Sale Townhome > 2,000 GSF | For Sale B Residential Property | \$333,248 | Per dwelling unit | 0.80 |
| For Sale Single Family Detached | For Sale C Residential Property | \$417,698 | Per dwelling unit | 1.00 |
| For Sale Duplex/Triplex | For Sale D Residential Property | \$315,000 | Per dwelling unit | 0.75 |
| For Sale Condominiums | For Sale E Residential Property | \$191,508 | Per dwelling unit | 0.46 |
| Hotel | Hotel Property | \$142,541 | Per room | 0.34 |
| Retail > 25,000 GSF | Retail A Property | \$171,231 | Per 1,000 BSF | 0.41 |
| Retail < 25,000 GSF | Retail B Property | \$272,234 | Per 1,000 BSF | 0.65 |
| Retail Outparcel | Retail C Property | \$402,205 | Per 1,000 BSF | 0.96 |
| Office | Office Property | \$120,080 | Per 1,000 BSF | 0.29 |

¹Based on assessed valuation research completed by MuniCap, Inc. See Exhibit I.

The total number of equivalent units within the project is shown by Table L below.

Table L
Total of Equivalent Units

| Land Use Class | Proposed Development | Equivalent Unit Factors | Equivalent Units |
|---------------------------------|-------------------------|----------------------------|------------------|
| | <i>(Dwelling Units)</i> | <i>(Per Dwelling Unit)</i> | |
| Rental Residential Property | 1,856 | 0.32 | 602 |
| For Sale A Residential Property | 176 | 0.85 | 150 |
| For Sale B Residential Property | 963 | 0.80 | 768 |
| For Sale C Residential Property | 238 | 1.00 | 238 |
| For Sale D Residential Property | 210 | 0.75 | 158 |
| For Sale E Residential Property | 214 | 0.46 | 98 |
| | <i>(Rooms)</i> | <i>(Per Room)</i> | |
| Hotel Property | 600 | 0.34 | 205 |
| | <i>(BSF)</i> | <i>(Per 1,000 BSF)</i> | |
| Retail A Property | 806 | 0.41 | 331 |
| Retail B Property | 233 | 0.65 | 152 |
| Retail C Property | 13 | 0.96 | 13 |
| Office Property | 3,986 | 0.29 | 1,146 |
| Total | | | 3,861 |

Table M on the following page shows the derivation of the special tax per equivalent unit based on the total obligations of the District, as shown in Exhibit H, and the number of equivalent units as shown in Table L.

Table M
Maximum Special Tax
Per Equivalent Units

| | |
|---|--------------|
| Maximum special tax (tax year beginning 2017-2018) | \$2,917,360 |
| Total equivalent unit factors | 3,861 |
| Maximum special tax per equivalent unit factor | \$756 |

Table N shows the maximum special tax within each land use class based on the special tax per equivalent unit factor shown in Table K and the equivalent unit.

Table N
Maximum Special Tax Per Land Use Class
Fiscal Year 2017-2018

| Land Use Class | Dwelling Units/BSF/Rooms | Allocation Equivalent Unit Factors | Maximum Special Tax Per Unit |
|---------------------------------|-------------------------------------|---|---|
| | <i>(Dwelling Units)</i> | <i>(Per Dwelling Unit)</i> | |
| Rental Residential Property | \$756 | 0.32 | \$245 |
| For Sale A Residential Property | \$756 | 0.85 | \$645 |
| For Sale B Residential Property | \$756 | 0.80 | \$603 |
| For Sale C Residential Property | \$756 | 1.00 | \$756 |
| For Sale D Residential Property | \$756 | 0.75 | \$570 |
| For Sale E Residential Property | \$756 | 0.46 | \$346 |
| | <i>(Rooms)</i> | <i>(Per Room)</i> | |
| Hotel Property | \$756 | 0.34 | \$258 |
| | <i>(BSF)</i> | <i>(Per 1,000 BSF)</i> | |
| Retail A Property | \$756 | 0.41 | \$310 |
| Retail B Property | \$756 | 0.65 | \$492 |
| Retail C Property | \$756 | 0.96 | \$728 |
| Office Property | \$756 | 0.29 | \$217 |

Undeveloped Property

The special taxes allocated to undeveloped property are equal to the maximum special taxes for the District less the maximum special taxes on developed property. As shown by the tables above, maximum special tax rates are set for developed property on the basis of the total projected development in the District. Accordingly, the maximum special taxes on undeveloped property are based on the remaining development, which is expected to occur on the undeveloped property. That is, the maximum special taxes on developed property are based on the development on the parcels of developed property. The balance of the development will occur on the parcels of undeveloped property. The balance of the maximum special taxes are also allocated to the parcels of undeveloped property. As a result, maximum special taxes are fairly allocated between developed property and undeveloped property on the basis of the development expected to occur on property within each class.

All of the property within the District is within the same zoning classification. The type of development that will occur on a parcel of undeveloped property may represent any of the classes of developed property. As a result, special taxes are not allocated by class to parcels of undeveloped property, and are instead, allocated on the basis of the area of each parcel. Since each parcel of undeveloped property may be developed with any of the land use classes, allocating special taxes to undeveloped property on the basis of area most fairly allocates the special taxes to parcels of undeveloped property.

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 less the tax increment revenues related to each parcel available to repay the bonds. The tax increment revenues represent the increase in property taxes that results from the development of the property. A portion of the real property tax increment will be applied to the repayment of the bonds issued to finance the public improvements to be provided by the District. To the extent property produces tax increment revenues and these revenues cover the debt service on the bonds, the property is contributing its share of the cost of the public improvements through these revenues. The special taxes effectively cover each property's share of the cost of the public improvements not otherwise covered by the property's tax increment revenues.

Summary of Reasonable Basis of the Special Taxes

Special taxes are levied on the taxable property in the District according to the provisions of the "Rate and Method of Apportionment of Special Taxes." The Act requires special taxes to be levied in a manner that is reasonable. This report explains the reasonable basis of the special taxes. The reasonable basis may be summarized as follows:

1. The property within the District will receive a special benefit from the public improvements to be provided as a result of the District and this special benefit exceeds the levy of the special taxes;
2. Special taxes levied on all of the property in the District each year are equal to the amount required to pay the debt service on the bonds issued to provide the public improvements, after taking into consideration any savings and other revenues available to repay the bonds; and,
3. Special taxes are allocated to each property within the District in a manner that reasonably reflects the relative benefit each property will receive from the improvements.

For these reasons, the special taxes are levied on the taxable property in the District in a reasonable manner.

Exhibit A

Tax Parcels Comprising the Westphalia Special Taxing District

Exhibit A

Tax Parcels Comprising the Special Taxing District¹

| Account Identifier | Owner | Property Address | Acres |
|--------------------|--|---------------------------|-------|
| 15 5513657 | Walton Westphalia Europe LP | Marlboro Pike | 5.37 |
| 15 5513646 | Walton Westphalia Europe LP | 4899 Melwood Road | 9.23 |
| 15 5513668 | Walton Westphalia Europe LP | Pennsylvania Avenue | 21.76 |
| 15 5513692 | Walton Maryland LLC ETAL WUSF 1 Westphalia LLC | 4500 Moores Way | 88.67 |
| 15 5513681 | Walton Westphalia Europe LP | Maryland 4 | 35.80 |
| 15 3716040 | Walton Westphalia Dev US LLC | 9051 Presidential Parkway | 7.27 |
| 15 5513704 | Walton Maryland LLC ETAL WUSF 1 Westphalia LLC | Pennsylvania Avenue | 39.55 |
| 15 5513715 | Walton Maryland LLC ETAL WUSF 1 Westphalia LLC | 4850 Pennsylvania Avenue | 40.24 |
| 15 5513670 | Walton Westphalia Europe LP | Maryland 4 | 43.81 |
| 15 5513635 | Walton Westphalia Europe LP | 4999 Melwood Road | 60.92 |
| 15 5513624 | Walton Westphalia Dev US LLC | 4901 Melwood Road | 91.81 |
| 15 5556031 | Walton Westphalia Dev US LLC | 10501 Observatory Place | 0.05 |
| 15 5556042 | Walton Westphalia Dev US LLC | 10503 Observatory Place | 0.03 |
| 15 5556053 | Walton Westphalia Dev US LLC | 10505 Observatory Place | 0.03 |
| 15 5556064 | Walton Westphalia Dev US LLC | 10507 Observatory Place | 0.03 |
| 15 5556075 | Walton Westphalia Dev US LLC | 10509 Observatory Place | 0.04 |
| 15 5556086 | Walton Westphalia Dev US LLC | 5501 Woodyard Road | 0.08 |
| 15 5556097 | Walton Westphalia Dev US LLC | 5503 Woodyard Road | 0.07 |
| 15 5556100 | Walton Westphalia Dev US LLC | 5505 Woodyard Road | 0.06 |
| 15 5556111 | Walton Westphalia Dev US LLC | 5507 Woodyard Road | 0.06 |
| 15 5556122 | Walton Westphalia Dev US LLC | 5509 Woodyard Road | 0.07 |
| 15 5556133 | Walton Westphalia Dev US LLC | 5511 Woodyard Road | 0.08 |
| 15 5556144 | Walton Westphalia Dev US LLC | 5601 Woodyard Road | 0.04 |
| 15 5556155 | Walton Westphalia Dev US LLC | 5603 Woodyard Road | 0.03 |
| 15 5556166 | Walton Westphalia Dev US LLC | 5605 Woodyard Road | 0.03 |
| 15 5556177 | Walton Westphalia Dev US LLC | 5607 Woodyard Road | 0.04 |
| 15 5556188 | Walton Westphalia Dev US LLC | 5609 Woodyard Road | 0.04 |

MuniCap, Inc.

¹The tax parcels shown above, comprising the proposed Westphalia Town Center Special Taxing District, are provided by Walton Global Holdings, Ltd.

Exhibit A

Tax Parcels Comprising the Special Taxing District¹

| Account Identifier | Owner | Property Address | Acres |
|--------------------|------------------------------|------------------------|-------|
| 15 5556190 | Walton Westphalia Dev US LLC | 5611 Woodyard Road | 0.03 |
| 15 5556202 | Walton Westphalia Dev US LLC | 5613 Woodyard Road | 0.03 |
| 15 5556213 | Walton Westphalia Dev US LLC | 5615 Woodyard Road | 0.03 |
| 15 5556224 | Walton Westphalia Dev US LLC | 5617 Woodyard Road | 0.04 |
| 15 5556474 | Walton Westphalia Dev US LLC | 5522 Glover Park Drive | 0.04 |
| 15 5556485 | Walton Westphalia Dev US LLC | 5520 Glover Park Drive | 0.02 |
| 15 5556496 | Walton Westphalia Dev US LLC | 5518 Glover Park Drive | 0.02 |
| 15 5556508 | Walton Westphalia Dev US LLC | 5516 Glover Park Drive | 0.02 |
| 15 5556510 | Walton Westphalia Dev US LLC | 5514 Glover Park Drive | 0.02 |
| 15 5556521 | Walton Westphalia Dev US LLC | 5512 Glover Park Drive | 0.05 |
| 15 5556532 | Walton Westphalia Dev US LLC | 5510 Glover Park Drive | 0.05 |
| 15 5556543 | Walton Westphalia Dev US LLC | 5508 Glover Park Drive | 0.02 |
| 15 5556554 | Walton Westphalia Dev US LLC | 5506 Glover Park Drive | 0.02 |
| 15 5556565 | Walton Westphalia Dev US LLC | 5504 Glover Park Drive | 0.02 |
| 15 5556576 | Walton Westphalia Dev US LLC | 5502 Glover Park Drive | 0.02 |
| 15 5556587 | Walton Westphalia Dev US LLC | 5500 Glover Park Drive | 0.04 |
| 15 5556598 | Walton Westphalia Dev US LLC | 10514 Galena Lane | 0.04 |
| 15 5556601 | Walton Westphalia Dev US LLC | 10516 Galena Lane | 0.02 |
| 15 5556612 | Walton Westphalia Dev US LLC | 10518 Galena Lane | 0.02 |
| 15 5556623 | Walton Westphalia Dev US LLC | 10520 Galena Lane | 0.02 |
| 15 5556634 | Walton Westphalia Dev US LLC | 10522 Galena Lane | 0.02 |
| 15 5556645 | Walton Westphalia Dev US LLC | 10524 Galena Lane | 0.04 |
| 15 5556862 | Westphalia Twn Ctr Res Assn | Observatory Place | 0.05 |
| 15 5556873 | Westphalia Twn Ctr Res Assn | Woodyard Road | 0.07 |
| 15 5556884 | Westphalia Twn Ctr Res Assn | Woodyard Road | 0.06 |
| 15 5556895 | Westphalia Twn Ctr Res Assn | Woodyard Road | 0.06 |
| 15 5556907 | Westphalia Twn Ctr Res Assn | Woodyard Road | 1.06 |

MuniCap, Inc.

¹The tax parcels shown above, comprising the proposed Westphalia Town Center Special Taxing District, are provided by Walton Global Holdings, Ltd.

Exhibit A
Tax Parcels Comprising the Special Taxing District¹

| Account Identifier | Owner | Property Address | Acres |
|--------------------|------------------------------|-----------------------|-------|
| 15 5557002 | Walton Westphalia Dev US LLC | 10801 Eastland Circle | 0.06 |
| 15 5557013 | Walton Westphalia Dev US LLC | 10803 Eastland Circle | 0.04 |
| 15 5557024 | Walton Westphalia Dev US LLC | 10805 Eastland Circle | 0.04 |
| 15 5557035 | Walton Westphalia Dev US LLC | 10807 Eastland Circle | 0.05 |
| 15 5557161 | Walton Westphalia Dev US LLC | 5601 Manor Park Drive | 0.04 |
| 15 5557172 | Walton Westphalia Dev US LLC | 5603 Manor Park Drive | 0.03 |
| 15 5557183 | Walton Westphalia Dev US LLC | 5605 Manor Park Drive | 0.03 |
| 15 5557194 | Walton Westphalia Dev US LLC | 5607 Manor Park Drive | 0.03 |
| 15 5557206 | Walton Westphalia Dev US LLC | 5609 Manor Park Drive | 0.03 |
| 15 5557217 | Walton Westphalia Dev US LLC | 5611 Manor Park Drive | 0.05 |
| 15 5557332 | Walton Westphalia Dev US LLC | 5634 Woodyard Road | 0.06 |
| 15 5557343 | Walton Westphalia Dev US LLC | 5632 Woodyard Road | 0.03 |
| 15 5557354 | Walton Westphalia Dev US LLC | 5630 Woodyard Road | 0.03 |
| 15 5557365 | Walton Westphalia Dev US LLC | 5628 Woodyard Road | 0.03 |
| 15 5557376 | Walton Westphalia Dev US LLC | 5626 Woodyard Road | 0.03 |
| 15 5557387 | Walton Westphalia Dev US LLC | 5624 Woodyard Road | 0.04 |
| 15 5557398 | Walton Westphalia Dev US LLC | 5622 Woodyard Road | 0.04 |
| 15 5557401 | Walton Westphalia Dev US LLC | 5620 Woodyard Road | 0.03 |
| 15 5557412 | Walton Westphalia Dev US LLC | 5618 Woodyard Road | 0.03 |
| 15 5557423 | Walton Westphalia Dev US LLC | Woodyard Road | 0.03 |
| 15 5557434 | Walton Westphalia Dev US LLC | 5616 Woodyard Road | 0.03 |
| 15 5557445 | Walton Westphalia Dev US LLC | 5612 Woodyard Road | 0.04 |
| 15 5557456 | Walton Westphalia Dev US LLC | 5610 Woodyard Road | 0.04 |
| 15 5557467 | Walton Westphalia Dev US LLC | 5608 Woodyard Road | 0.03 |
| 15 5557478 | Walton Westphalia Dev US LLC | 5606 Woodyard Road | 0.03 |
| 15 5557480 | Walton Westphalia Dev US LLC | 5604 Woodyard Road | 0.03 |
| 15 5557491 | Walton Westphalia Dev US LLC | 5602 Woodyard Road | 0.03 |

MuniCap, Inc.

¹The tax parcels shown above, comprising the proposed Westphalia Town Center Special Taxing District, are provided by Walton Global Holdings, Ltd.

Exhibit A
Tax Parcels Comprising the Special Taxing District¹

| Account Identifier | Owner | Property Address | Acres |
|--------------------|------------------------------|-------------------------|-------|
| 15 5557503 | Walton Westphalia Dev US LLC | 5600 Woodyard Road | 0.04 |
| 15 5557514 | Walton Westphalia Dev US LLC | 5510 Woodyard Road | 0.09 |
| 15 5557525 | Walton Westphalia Dev US LLC | 5508 Woodyard Road | 0.07 |
| 15 5557536 | Walton Westphalia Dev US LLC | 5506 Woodyard Road | 0.06 |
| 15 5557547 | Walton Westphalia Dev US LLC | 5504 Woodyard Road | 0.06 |
| 15 5557558 | Walton Westphalia Dev US LLC | 5502 Woodyard Road | 0.07 |
| 15 5557560 | Walton Westphalia Dev US LLC | 5500 Woodyard Road | 0.09 |
| 15 5557571 | Walton Westphalia Dev US LLC | 10601 Observatory Place | 0.05 |
| 15 5557582 | Walton Westphalia Dev US LLC | 10603 Observatory Place | 0.03 |
| 15 5557593 | Walton Westphalia Dev US LLC | 10605 Observatory Place | 0.03 |
| 15 5557605 | Walton Westphalia Dev US LLC | 10607 Observatory Place | 0.03 |
| 15 5557616 | Walton Westphalia Dev US LLC | 10609 Observatory Place | 0.03 |
| 15 5557627 | Walton Westphalia Dev US LLC | 10611 Observatory Place | 0.03 |
| 15 5557638 | Walton Westphalia Dev US LLC | 10613 Observatory Place | 0.03 |
| 15 5557640 | Walton Westphalia Dev US LLC | 10615 Observatory Place | 0.05 |
| 15 5557651 | Walton Westphalia Dev US LLC | 5501 Manor Park Drive | 0.04 |
| 15 5557662 | Walton Westphalia Dev US LLC | 5503 Manor Park Drive | 0.03 |
| 15 5557673 | Walton Westphalia Dev US LLC | 5505 Manor Park Drive | 0.03 |
| 15 5557684 | Walton Westphalia Dev US LLC | 5507 Manor Park Drive | 0.03 |
| 15 5557695 | Walton Westphalia Dev US LLC | 5509 Manor Park Drive | 0.03 |
| 15 5557707 | Walton Westphalia Dev US LLC | 5511 Manor Park Drive | 0.03 |
| 15 5557718 | Walton Westphalia Dev US LLC | 5513 Manor Park Drive | 0.05 |
| 15 5557720 | Walton Westphalia Dev US LLC | 10822 Eastland Circle | 0.04 |
| 15 5557731 | Walton Westphalia Dev US LLC | 10820 Eastland Circle | 0.03 |
| 15 5557742 | Walton Westphalia Dev US LLC | 10818 Eastland Circle | 0.03 |
| 15 5557753 | Walton Westphalia Dev US LLC | 10816 Eastland Circle | 0.05 |
| 15 5557764 | Walton Westphalia Dev US LLC | 10814 Eastland Circle | 0.04 |

ManiCap, Inc.

¹The tax parcels shown above, comprising the proposed Westphalia Town Center Special Taxing District, are provided by Walton Global Holdings, Ltd.

Exhibit A

Tax Parcels Comprising the Special Taxing District¹

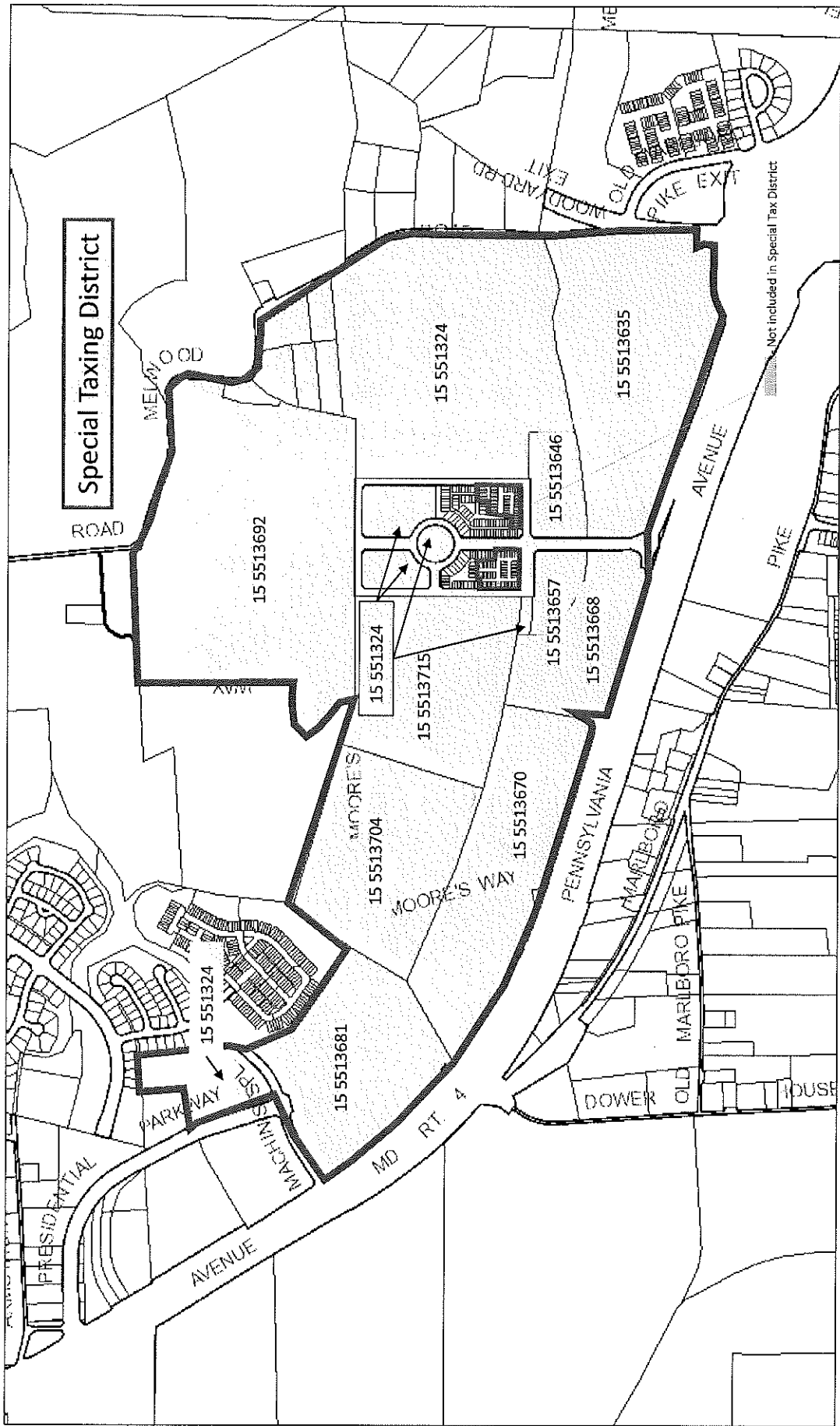
| Account Identifier | Owner | Property Address | Acres |
|--------------------|------------------------------|-----------------------|---------------|
| 15 5557775 | Walton Westphalia Dev US LLC | 10812 Eastland Circle | 0.03 |
| 15 5557786 | Walton Westphalia Dev US LLC | 10810 Eastland Circle | 0.03 |
| 15 5557797 | Walton Westphalia Dev US LLC | 10808 Eastland Circle | 0.05 |
| 15 5557800 | Walton Westphalia Dev US LLC | 10806 Eastland Circle | 0.05 |
| 15 5557811 | Walton Westphalia Dev US LLC | 10804 Eastland Circle | 0.03 |
| 15 5557822 | Walton Westphalia Dev US LLC | 10802 Eastland Circle | 0.03 |
| 15 5557833 | Walton Westphalia Dev US LLC | 10800 Eastland Circle | 0.05 |
| 15 5557844 | Walton Westphalia Dev US LLC | 10724 Eastland Circle | 0.03 |
| 15 5557855 | Walton Westphalia Dev US LLC | 10722 Eastland Circle | 0.03 |
| 15 5557866 | Walton Westphalia Dev US LLC | 10720 Eastland Circle | 0.03 |
| 15 5557877 | Walton Westphalia Dev US LLC | 10718 Eastland Circle | 0.03 |
| 15 5557888 | Walton Westphalia Dev US LLC | 10716 Eastland Circle | 0.03 |
| 15 5557890 | Walton Westphalia Dev US LLC | 10714 Eastland Circle | 0.03 |
| 15 5557902 | Walton Westphalia Dev US LLC | 10712 Eastland Circle | 0.03 |
| 15 5558052 | Westphalia Twn Ctr Res Assn | Eastland Circle | 0.07 |
| 15 5558063 | Westphalia Twn Ctr Res Assn | Eastland Circle | 0.03 |
| 15 5558074 | Westphalia Twn Ctr Res Assn | Eastland Circle | 0.21 |
| 15 5558085 | Westphalia Twn Ctr Res Assn | Eastland Circle | 0.08 |
| 15 5558096 | Westphalia Twn Ctr Res Assn | Eastland Circle | 0.32 |
| 15 5558108 | Westphalia Twn Ctr Res Assn | Eastland Circle | 1.38 |
| Total | | | 451.93 |

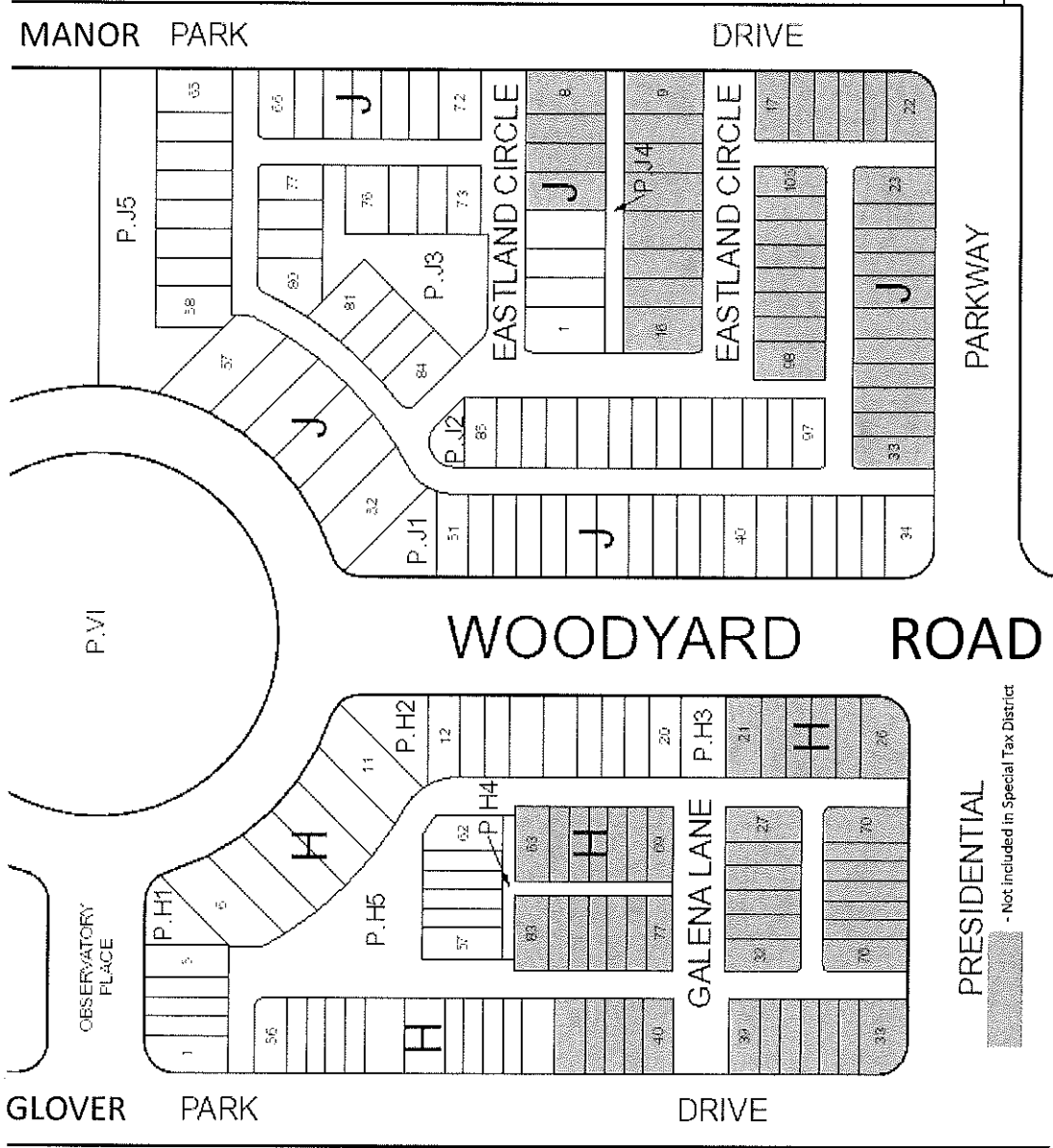
MuniCap, Inc.

¹The tax parcels shown above, comprising the proposed Westphalia Town Center Special Taxing District, are provided by Walton Global Holdings, Ltd.

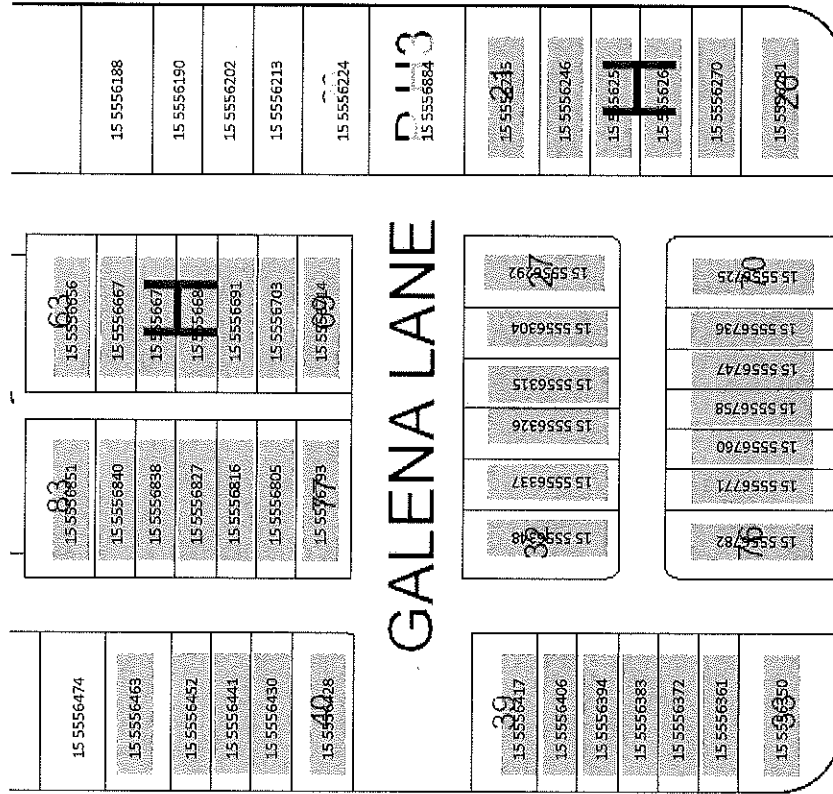
Exhibit B

Westphalia Town Center Special Taxing District Map





OODYARD



- Not included in Special Tax District

WOODYARD

| | | | | | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|----|
| 15 5556503 | 15 5557844 | 15 5557070 | 15 5557068 | 15 5557057 | 15 5557046 | 15 5557035 | 15 5557024 | 15 5557013 | 15 5557002 | 72 |
| 15 5556491 | 15 5557855 | 15 5557081 | 15 5557092 | 15 5557104 | 15 5557114 | 15 5557126 | 15 5557137 | 15 5557148 | 15 5557150 | 73 |
| 15 5556480 | 15 5557866 | 15 5557096 | 15 5557097 | 15 5557105 | 15 5557115 | 15 5557127 | 15 5557137 | 15 5557148 | 15 5557150 | |
| 15 5556478 | 15 5557877 | 15 5557063 | 15 5557064 | 15 5557065 | 15 5557066 | 15 5557067 | 15 5557068 | 15 5557069 | 15 5557070 | |
| 15 5556467 | 15 5557888 | 15 5557071 | 15 5557072 | 15 5557073 | 15 5557074 | 15 5557075 | 15 5557076 | 15 5557077 | 15 5557078 | |
| 15 5556456 | 15 5557890 | 15 5557079 | 15 5557080 | 15 5557081 | 15 5557082 | 15 5557083 | 15 5557084 | 15 5557085 | 15 5557086 | |
| 15 5556445 | 15 5557902 | 15 5557087 | 15 5557903 | 15 5557904 | 15 5557905 | 15 5557906 | 15 5557907 | 15 5557908 | 15 5557909 | |
| 15 5556434 | 15 5557913 | 15 5557090 | 15 5557914 | 15 5557915 | 15 5557916 | 15 5557917 | 15 5557918 | 15 5557919 | 15 5557920 | |
| 15 5556423 | 15 5557924 | 15 5557091 | 15 5557925 | 15 5557926 | 15 5557927 | 15 5557928 | 15 5557929 | 15 5557930 | 15 5557931 | |
| 15 5556412 | 15 5557935 | 15 5557092 | 15 5557936 | 15 5557937 | 15 5557938 | 15 5557939 | 15 5557940 | 15 5557941 | 15 5557942 | |
| 15 5556401 | 15 5557946 | 15 5557093 | 15 5557947 | 15 5557948 | 15 5557949 | 15 5557950 | 15 5557951 | 15 5557952 | 15 5557953 | |
| 15 5556398 | 15 5557957 | 15 5557094 | 15 5557958 | 15 5557959 | 15 5557960 | 15 5557961 | 15 5557962 | 15 5557963 | 15 5557964 | |
| 15 5556387 | 15 5557968 | 15 5557095 | 15 5557969 | 15 5557970 | 15 5557971 | 15 5557972 | 15 5557973 | 15 5557974 | 15 5557975 | |
| 15 5556376 | 15 5557992 | 15 5557096 | 15 5557993 | 15 5557994 | 15 5557995 | 15 5557996 | 15 5557997 | 15 5557998 | 15 5557999 | |
| 15 5556365 | 15 5557981 | 15 5557097 | 15 5557992 | 15 5557997 | 15 5558002 | 15 5558007 | 15 5558012 | 15 5558017 | 15 5558022 | |
| 15 5556354 | 15 5557981 | 15 5557098 | 15 5558006 | 15 5558011 | 15 5558016 | 15 5558021 | 15 5558026 | 15 5558031 | 15 5558036 | |
| 15 5556343 | 15 5557981 | 15 5557099 | 15 5558006 | 15 5558011 | 15 5558016 | 15 5558021 | 15 5558026 | 15 5558031 | 15 5558036 | |
| 15 5556332 | 15 5557981 | 15 5557100 | 15 5558006 | 15 5558011 | 15 5558016 | 15 5558021 | 15 5558026 | 15 5558031 | 15 5558036 | |

- Not included in Special Tax District

Exhibit C

Westphalia Town Center Map of Tax Parcels
Excluded from Special Taxing District

Exhibit C
Tax Parcels Excluded from the Special Taxing District¹

| Account Identifier | Owner | Property Address | Acres |
|--------------------|------------------------------|------------------------|-------|
| 15 5556292 | Walton Westphalia Dev US LLC | 10511 Galena Lane | 0.04 |
| 15 5556304 | Walton Westphalia Dev US LLC | 10509 Galena Lane | 0.03 |
| 15 5556315 | Walton Westphalia Dev US LLC | 10507 Galena Lane | 0.03 |
| 15 5556326 | Walton Westphalia Dev US LLC | 10505 Galena Lane | 0.03 |
| 15 5556337 | Walton Westphalia Dev US LLC | 10503 Galena Lane | 0.03 |
| 15 5556348 | Walton Westphalia Dev US LLC | 10501 Galena Lane | 0.04 |
| 15 5556350 | Walton Westphalia Dev US LLC | 5612 Glover Park Drive | 0.05 |
| 15 5556361 | Walton Westphalia Dev US LLC | 5610 Glover Park Drive | 0.02 |
| 15 5556372 | Walton Westphalia Dev US LLC | 5608 Glover Park Drive | 0.02 |
| 15 5556383 | Walton Westphalia Dev US LLC | 5606 Glover Park Drive | 0.02 |
| 15 5556394 | Walton Westphalia Dev US LLC | 5604 Glover Park Drive | 0.02 |
| 15 5556406 | Walton Westphalia Dev US LLC | 5602 Glover Park Drive | 0.02 |
| 15 5556417 | Walton Westphalia Dev US LLC | 5600 Glover Park Drive | 0.04 |
| 15 5556428 | Walton Westphalia Dev US LLC | 5532 Glover Park Drive | 0.04 |
| 15 5556430 | Walton Westphalia Dev US LLC | 5530 Glover Park Drive | 0.02 |
| 15 5556441 | Walton Westphalia Dev US LLC | 5528 Glover Park Drive | 0.02 |
| 15 5556452 | Walton Westphalia Dev US LLC | 5526 Glover Park Drive | 0.02 |
| 15 5556463 | Walton Westphalia Dev US LLC | 5524 Glover Park Drive | 0.04 |
| 15 5556235 | Walton Westphalia Dev US LLC | 5619 Woodyard Road | 0.05 |
| 15 5556246 | Walton Westphalia Dev US LLC | 5621 Woodyard Road | 0.03 |
| 15 5556257 | Walton Westphalia Dev US LLC | 5623 Woodyard Road | 0.03 |
| 15 5556268 | Walton Westphalia Dev US LLC | 5625 Woodyard Road | 0.03 |
| 15 5556270 | Walton Westphalia Dev US LLC | 5627 Woodyard Road | 0.03 |
| 15 5556281 | Walton Westphalia Dev US LLC | 5629 Woodyard Road | 0.06 |
| 15 5556656 | Walton Westphalia Dev US LLC | 10526 Galena Lane | 0.04 |
| 15 5556667 | Walton Westphalia Dev US LLC | 10528 Galena Lane | 0.02 |
| 15 5556678 | Walton Westphalia Dev US LLC | 10530 Galena Lane | 0.02 |

MuniCap, Inc.

¹The tax parcels shown above, excluded from the proposed Westphalia Town Center Special Taxing District and included in the Westphalia Town Center Development District, are provided by Walton Global Holdings, Ltd.

Exhibit C

Tax Parcels Excluded from the Special Taxing District¹

| Account Identifier | Owner | Property Address | Acres |
|--------------------|------------------------------|----------------------------|-------|
| 15 5556680 | Walton Westphalia Dev US LLC | 10532 Galena Lane | 0.02 |
| 15 5556691 | Walton Westphalia Dev US LLC | 10534 Galena Lane | 0.02 |
| 15 5556703 | Walton Westphalia Dev US LLC | 10536 Galena Lane | 0.02 |
| 15 5556714 | Walton Westphalia Dev US LLC | 10538 Galena Lane | 0.03 |
| 15 5556725 | Walton Westphalia Dev US LLC | 10512 Presidential Parkway | 0.05 |
| 15 5556736 | Walton Westphalia Dev US LLC | 10510 Presidential Parkway | 0.03 |
| 15 5556747 | Walton Westphalia Dev US LLC | 10508 Presidential Parkway | 0.03 |
| 15 5556793 | Walton Westphalia Dev US LLC | 10500 Galena Lane | 0.03 |
| 15 5556805 | Walton Westphalia Dev US LLC | 10502 Galena Lane | 0.02 |
| 15 5556816 | Walton Westphalia Dev US LLC | 10504 Galena Lane | 0.02 |
| 15 5556827 | Walton Westphalia Dev US LLC | 10506 Galena Lane | 0.02 |
| 15 5556838 | Walton Westphalia Dev US LLC | 10508 Galena Lane | 0.02 |
| 15 5556840 | Walton Westphalia Dev US LLC | Galena Lane | 0.02 |
| 15 5556851 | Walton Westphalia Dev US LLC | 10512 Galena Lane | 0.04 |
| 15 5556758 | Walton Westphalia Dev US LLC | 10506 Presidential Parkway | 0.03 |
| 15 5556760 | Walton Westphalia Dev US LLC | 10504 Presidential Parkway | 0.03 |
| 15 5556771 | Walton Westphalia Dev US LLC | 10502 Presidential Parkway | 0.03 |
| 15 5556782 | Walton Westphalia Dev US LLC | 10500 Presidential Parkway | 0.04 |
| 15 5557046 | Walton Westphalia Dev US LLC | 10809 Eastland Circle | 0.05 |
| 15 5557057 | Walton Westphalia Dev US LLC | 10811 Eastland Circle | 0.04 |
| 15 5557068 | Walton Westphalia Dev US LLC | 10813 Eastland Circle | 0.04 |
| 15 5557070 | Walton Westphalia Dev US LLC | 10815 Eastland Circle | 0.05 |
| 15 5557081 | Walton Westphalia Dev US LLC | 10601 Eastland Circle | 0.05 |
| 15 5557092 | Walton Westphalia Dev US LLC | 10603 Eastland Circle | 0.04 |
| 15 5557104 | Walton Westphalia Dev US LLC | 10605 Eastland Circle | 0.04 |
| 15 5557115 | Walton Westphalia Dev US LLC | 10607 Eastland Circle | 0.05 |
| 15 5557228 | Walton Westphalia Dev US LLC | 10620 Presidential Parkway | 0.05 |

MuniCap, Inc.

¹The tax parcels shown above, excluded from the proposed Westphalia Town Center Special Taxing District and included in the Westphalia Town Center Development District, are provided by Walton Global Holdings, Ltd.

Exhibit C
Tax Parcels Excluded from the Special Taxing District¹

| Account Identifier | Owner | Property Address | Acres |
|--------------------|------------------------------|----------------------------|-------|
| 15 5557230 | Walton Westphalia Dev US LLC | 10618 Presidential Parkway | 0.03 |
| 15 5557241 | Walton Westphalia Dev US LLC | 10616 Presidential Parkway | 0.03 |
| 15 5557252 | Walton Westphalia Dev US LLC | 10614 Presidential Parkway | 0.03 |
| 15 5557263 | Walton Westphalia Dev US LLC | 10612 Presidential Parkway | 0.04 |
| 15 5557274 | Walton Westphalia Dev US LLC | 10610 Presidential Parkway | 0.04 |
| 15 5557285 | Walton Westphalia Dev US LLC | 10608 Presidential Parkway | 0.03 |
| 15 5557296 | Walton Westphalia Dev US LLC | 10606 Presidential Parkway | 0.03 |
| 15 5557308 | Walton Westphalia Dev US LLC | 10604 Presidential Parkway | 0.03 |
| 15 5557310 | Walton Westphalia Dev US LLC | 10602 Presidential Parkway | 0.03 |
| 15 5557321 | Walton Westphalia Dev US LLC | 10600 Presidential Parkway | 0.04 |
| 15 5557126 | Walton Westphalia Dev US LLC | 10609 Eastland Circle | 0.05 |
| 15 5557137 | Walton Westphalia Dev US LLC | 10611 Eastland Circle | 0.04 |
| 15 5557148 | Walton Westphalia Dev US LLC | 10613 Eastland Circle | 0.04 |
| 15 5557150 | Walton Westphalia Dev US LLC | 10615 Eastland Circle | 0.06 |
| 15 5557913 | Walton Westphalia Dev US LLC | 10710 Eastland Circle | 0.03 |
| 15 5557924 | Walton Westphalia Dev US LLC | 10708 Eastland Circle | 0.03 |
| 15 5557935 | Walton Westphalia Dev US LLC | 10706 Eastland Circle | 0.03 |
| 15 5557946 | Walton Westphalia Dev US LLC | 10704 Eastland Circle | 0.03 |
| 15 5557957 | Walton Westphalia Dev US LLC | 10702 Eastland Circle | 0.03 |
| 15 5557970 | Walton Westphalia Dev US LLC | 10620 Eastland Circle | 0.04 |
| 15 5557981 | Walton Westphalia Dev US LLC | 10618 Eastland Circle | 0.03 |
| 15 5557992 | Walton Westphalia Dev US LLC | 10616 Eastland Circle | 0.03 |
| 15 5558006 | Walton Westphalia Dev US LLC | 10614 Eastland Circle | 0.03 |
| 15 5558017 | Walton Westphalia Dev US LLC | 10612 Eastland Circle | 0.03 |
| 15 5558028 | Walton Westphalia Dev US LLC | 10610 Eastland Circle | 0.03 |
| 15 5558030 | Walton Westphalia Dev US LLC | 10608 Eastland Circle | 0.03 |
| 15 5558041 | Walton Westphalia Dev US LLC | 10606 Eastland Circle | 0.03 |
| 15 5557968 | Walton Westphalia Dev US LLC | 10700 Eastland Circle | 0.04 |
| Total | | | 2.70 |

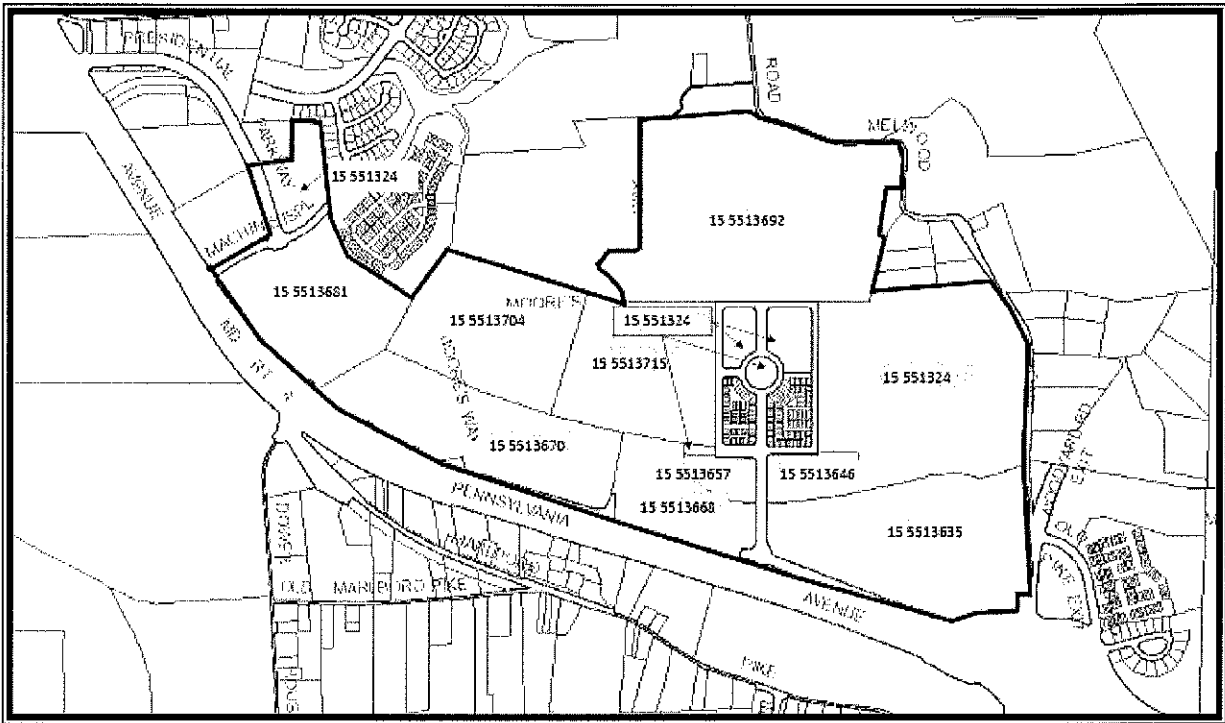
ManiCap, Inc.

¹The tax parcels shown above, excluded from the proposed Westphalia Town Center Special Taxing District and included in the Westphalia Town Center Development District, are provided by Walton Global Holdings, Ltd.

Exhibit D

Westphalia Town Center Development District Map

Westphalia Town Center Development District Tax Parcel & Boundary Map



Detailed Tax Parcel Map of Smaller Tax Parcels Shown Within Boundaries

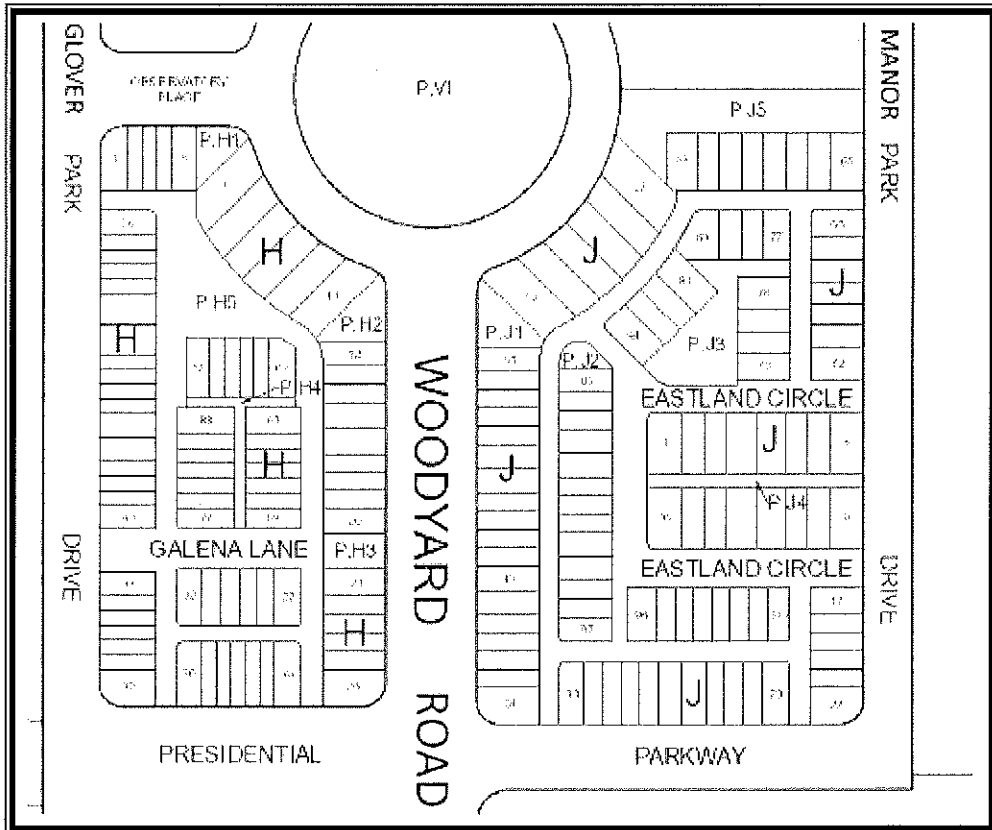


Exhibit E

Westphalia Town Center Zoning Map

Map 21: Approved SMA Zoning Pattern

LEGEND

| | | | |
|-------|-------|-------|-----|
| C-O | M-X-T | R-E | R-S |
| C-S-C | O-S | R-M | R-T |
| I-1 | R-18 | R-M-H | |
| I-2 | R-18C | R-O-S | |
| L-A-C | R-A | R-R | |

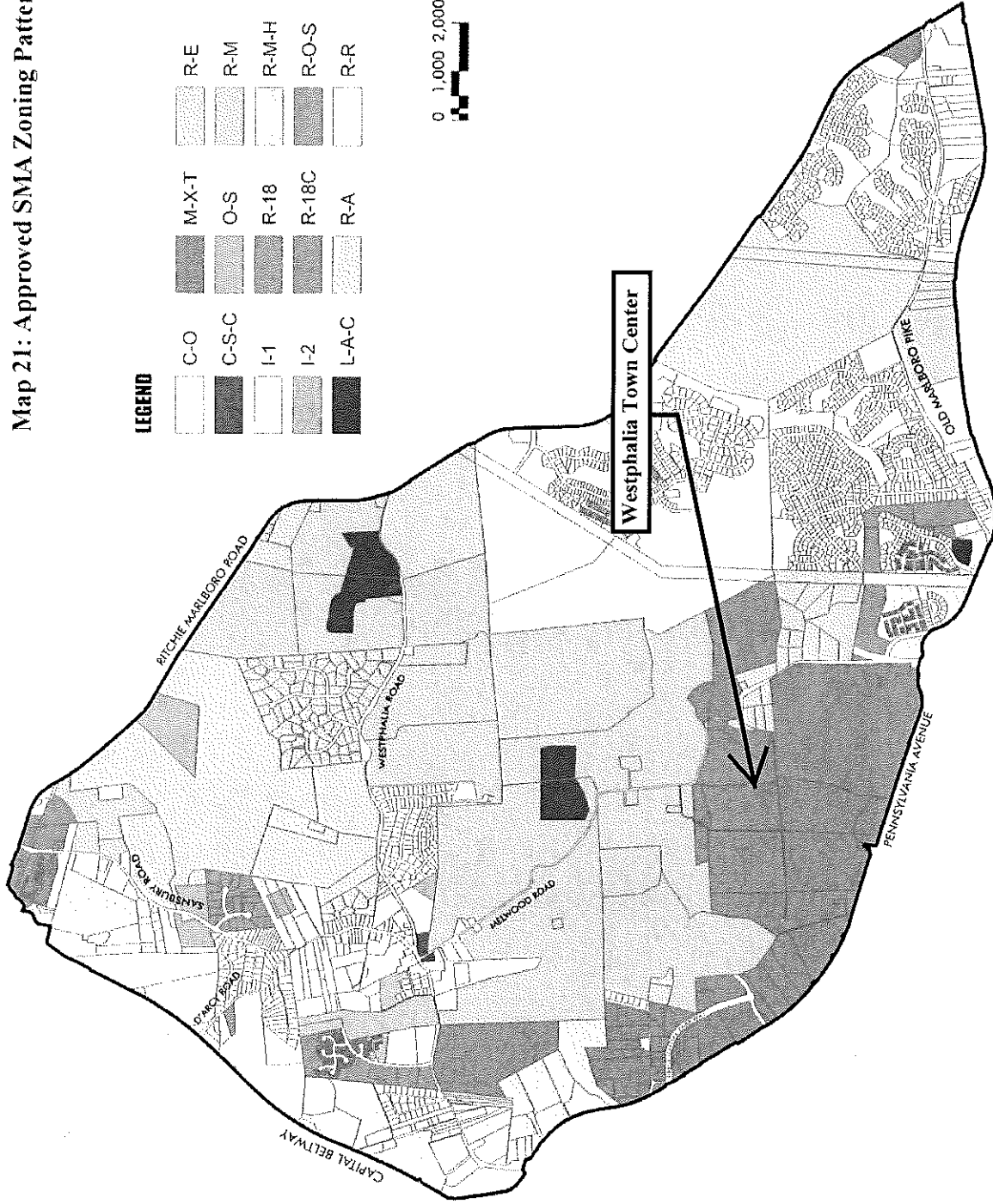
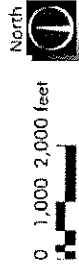


Exhibit F

Westphalia Town Center Development District
Site Plan

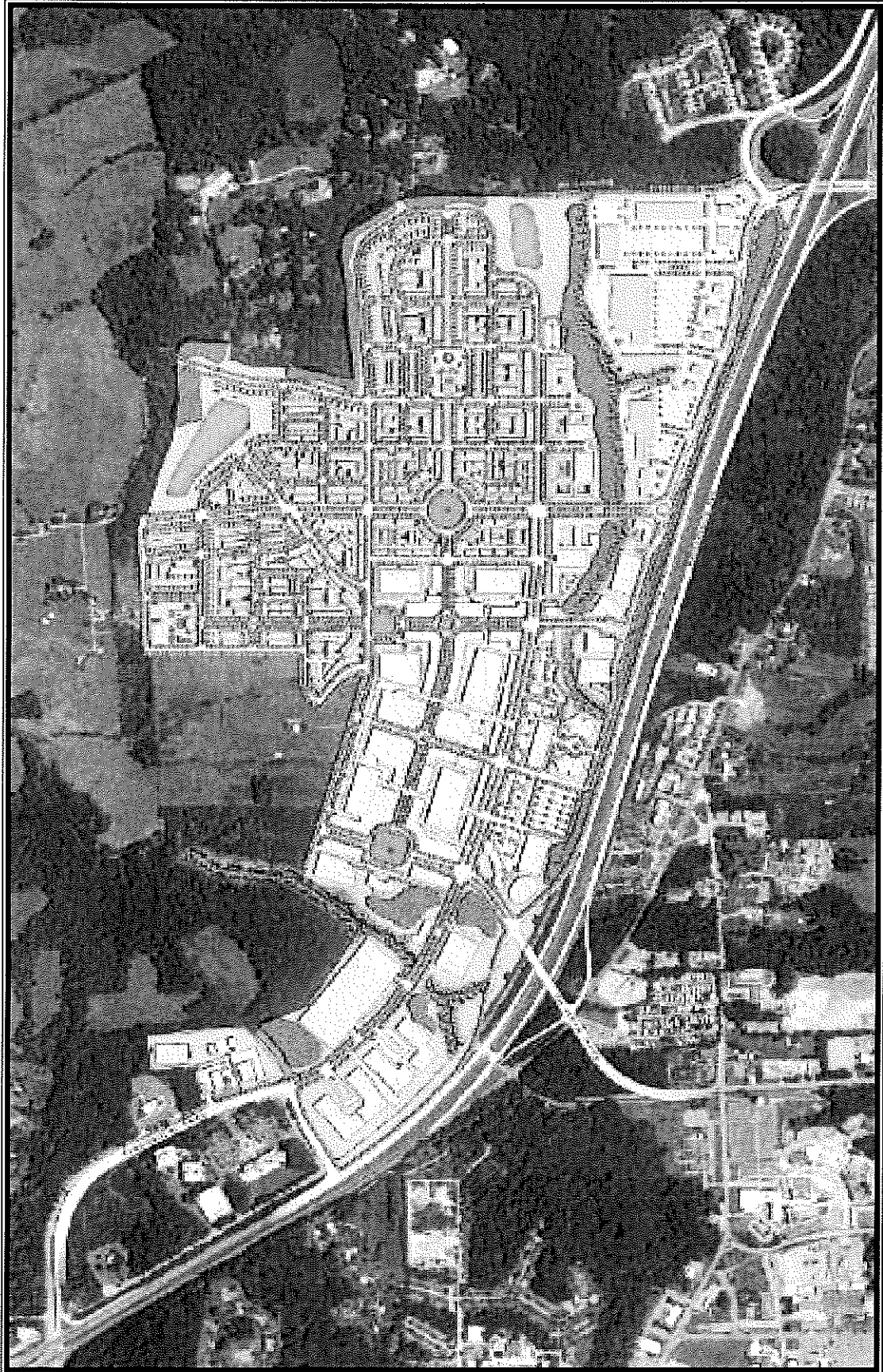
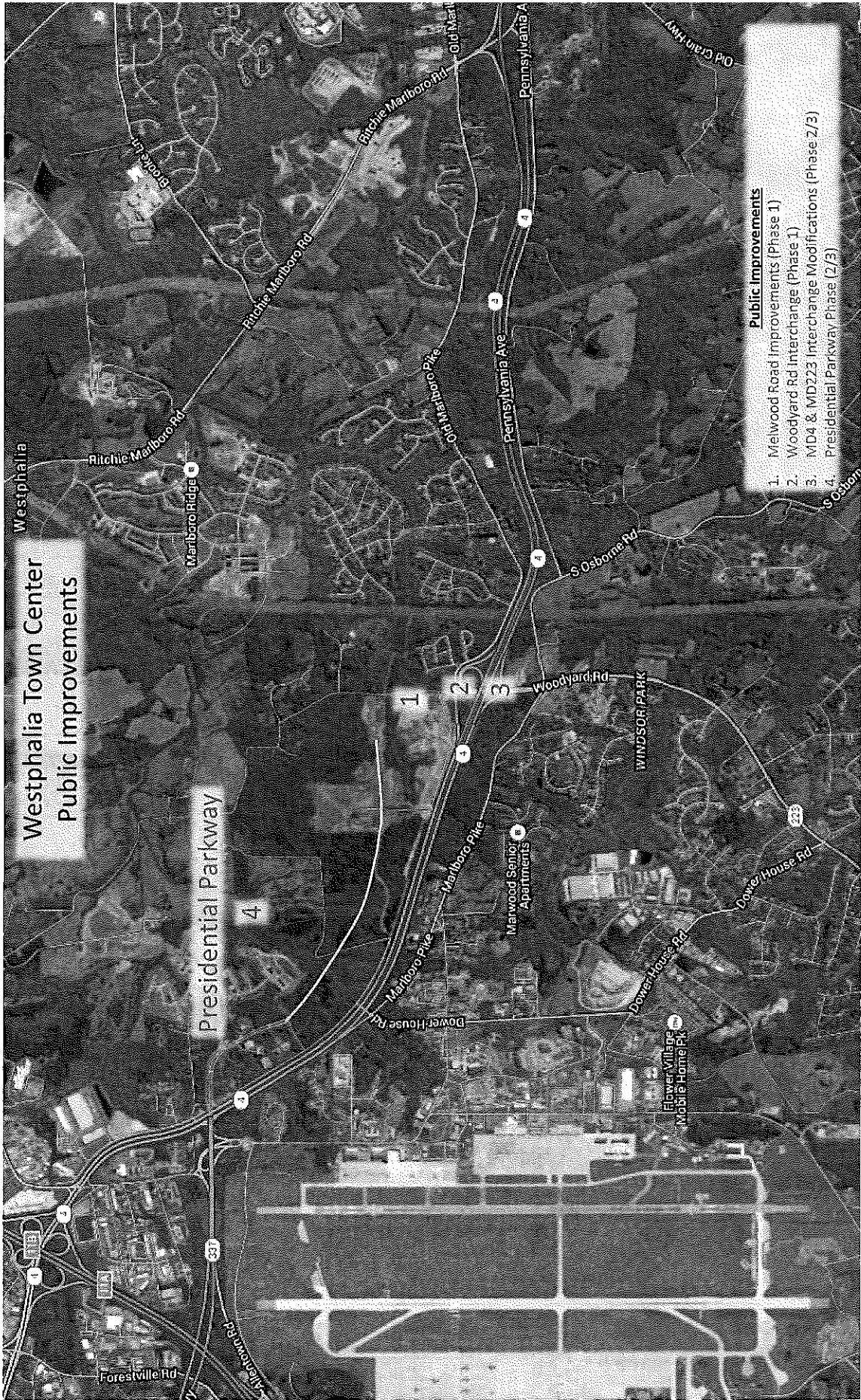


Exhibit G

Westphalia Town Center Special Taxing District
Public Improvement Map



Westphalia Town Center Public Improvements

Presidential Parkway

- Public Improvements**
1. Melwood Road Improvements (Phase 1)
 2. Woodward Rd Interchange (Phase 1)
 3. MD4 & MD223 Interchange Modifications (Phase 2/3)
 4. Presidential Parkway Phase (2/3)

1

2

3

4

Westphalia

Ritchie Mariboro Rd

Mariboro Bridge

Ritchie Mariboro Rd

Birch Mariboro Rd

Old Mariboro Pike

Pennsylvania Ave

S Osborne Rd

Woodward Rd

WINDSOR PARK

Marwood Senior Apartments

Lower House Rd

Flower Village Mobile Home Park

Forestville Rd

531

533

535

Exhibit H

Calculation of Maximum Special Tax

Exhibit H
Calculation of Maximum Special Tax

Maximum annual obligations
Coverage factor
Maximum special tax 2017-2018

\$2,652,145
110%
\$2,917,360

| Tax Year | Bond Year | Total Obligation | | Increase Factor | Adjusted Gross Annual Debt Service | Maximum Special Taxes | Gross Debt Service Coverage |
|----------|-----------|-------------------------|-------------|-----------------|------------------------------------|-----------------------|-----------------------------|
| | | Administrative Expenses | Total | | | | |
| 1-Jul-17 | 1-Jul-18 | \$50,000 | \$2,652,145 | 1.00 | \$2,652,145 | \$2,917,360 | 110% |
| 1-Jul-18 | 1-Jul-19 | \$51,000 | \$2,653,145 | 1.02 | \$2,601,123 | \$2,975,707 | 112% |
| 1-Jul-19 | 1-Jul-20 | \$52,020 | \$2,654,165 | 1.04 | \$2,551,101 | \$3,035,221 | 114% |
| 1-Jul-20 | 1-Jul-21 | \$53,060 | \$2,670,205 | 1.06 | \$2,516,194 | \$3,095,925 | 116% |
| 1-Jul-21 | 1-Jul-22 | \$54,122 | \$2,724,292 | 1.08 | \$2,516,824 | \$3,157,844 | 116% |
| 1-Jul-22 | 1-Jul-23 | \$55,204 | \$2,777,889 | 1.10 | \$2,516,020 | \$3,221,001 | 116% |
| 1-Jul-23 | 1-Jul-24 | \$56,308 | \$2,833,803 | 1.13 | \$2,516,336 | \$3,285,421 | 116% |
| 1-Jul-24 | 1-Jul-25 | \$57,434 | \$2,890,644 | 1.15 | \$2,516,480 | \$3,351,129 | 116% |
| 1-Jul-25 | 1-Jul-26 | \$58,583 | \$2,948,088 | 1.17 | \$2,516,165 | \$3,418,152 | 116% |
| 1-Jul-26 | 1-Jul-27 | \$59,755 | \$3,007,810 | 1.20 | \$2,516,801 | \$3,486,515 | 116% |
| 1-Jul-27 | 1-Jul-28 | \$60,950 | \$3,067,355 | 1.22 | \$2,516,299 | \$3,556,245 | 116% |
| 1-Jul-28 | 1-Jul-29 | \$62,169 | \$3,128,399 | 1.24 | \$2,516,055 | \$3,627,370 | 116% |
| 1-Jul-29 | 1-Jul-30 | \$63,412 | \$3,191,487 | 1.27 | \$2,516,466 | \$3,699,917 | 116% |
| 1-Jul-30 | 1-Jul-31 | \$64,680 | \$3,255,100 | 1.29 | \$2,516,298 | \$3,773,916 | 116% |
| 1-Jul-31 | 1-Jul-32 | \$65,974 | \$3,320,784 | 1.32 | \$2,516,739 | \$3,849,394 | 116% |
| 1-Jul-32 | 1-Jul-33 | \$67,293 | \$3,386,953 | 1.35 | \$2,516,556 | \$3,926,382 | 116% |
| 1-Jul-33 | 1-Jul-34 | \$68,639 | \$3,454,089 | 1.37 | \$2,516,117 | \$4,004,909 | 116% |
| 1-Jul-34 | 1-Jul-35 | \$70,012 | \$3,523,607 | 1.40 | \$2,516,428 | \$4,085,008 | 116% |
| 1-Jul-35 | 1-Jul-36 | \$71,412 | \$3,593,792 | 1.43 | \$2,516,227 | \$4,166,708 | 116% |
| 1-Jul-36 | 1-Jul-37 | \$72,841 | \$3,665,996 | 1.46 | \$2,516,452 | \$4,250,042 | 116% |
| 1-Jul-37 | 1-Jul-38 | \$74,297 | \$3,739,437 | 1.49 | \$2,516,534 | \$4,335,043 | 116% |
| 1-Jul-38 | 1-Jul-39 | \$75,783 | \$3,814,338 | 1.52 | \$2,516,608 | \$4,421,744 | 116% |
| 1-Jul-39 | 1-Jul-40 | \$77,299 | \$3,890,854 | 1.55 | \$2,516,756 | \$4,510,178 | 116% |
| 1-Jul-40 | 1-Jul-41 | \$78,845 | \$3,968,075 | 1.58 | \$2,516,378 | \$4,600,382 | 116% |
| 1-Jul-41 | 1-Jul-42 | \$80,422 | \$4,047,092 | 1.61 | \$2,516,164 | \$4,692,390 | 116% |
| 1-Jul-42 | 1-Jul-43 | \$82,030 | \$4,128,865 | 1.64 | \$2,516,671 | \$4,786,237 | 116% |
| 1-Jul-43 | 1-Jul-44 | \$83,671 | \$4,211,226 | 1.67 | \$2,516,541 | \$4,881,962 | 116% |
| 1-Jul-44 | 1-Jul-45 | \$85,344 | \$4,295,069 | 1.71 | \$2,516,318 | \$4,979,601 | 116% |
| 1-Jul-45 | 1-Jul-46 | \$87,051 | \$4,381,161 | 1.74 | \$2,516,428 | \$5,079,194 | 116% |
| 1-Jul-46 | 1-Jul-47 | \$88,792 | \$4,469,137 | 1.78 | \$2,516,626 | \$5,180,777 | 116% |

Total \$100,316,600 \$2,028,404 \$102,345,004

MuniCap, Inc.

Exhibit I

Summary of Valuation

Exhibit I-1
Summary of Valuation

| Property Type | Projected Special Taxing District Development ¹ | | | | Assessed Value ² | |
|--|--|-------------------|------------|-------|-----------------------------|-----------|
| | Units | GSF Per Room/Unit | GSF | Rooms | Per GSF | Per Room |
| Residential | | | | | | |
| <i>Rental</i> | | | | | | |
| Apartments <i>For Sale < 2,000 GSF</i> | 1,856 | 1,029 | 1,909,618 | - | \$135,504 | - |
| Townhome (16') | 27 | 1,391 | 37,557 | - | \$271,543 | - |
| Townhome (20') | 149 | 1,906 | 284,031 | - | \$372,127 | - |
| Sub-total for sale < 2,000 GSF | 176 | 1,827 | 321,588 | | \$356,696 | |
| <i>For Sale > 2,000 GSF</i> | | | | | | |
| Townhome (24') | 63 | 2,950 | 185,850 | - | \$351,000 | - |
| Townhome (32') | 24 | 3,500 | 84,000 | - | \$378,000 | - |
| Townhome | 876 | 2,437 | 2,134,648 | - | \$330,746 | - |
| Sub-total for sale > 2,000 GSF | 963 | 2,497 | 2,404,498 | | \$333,248 | |
| <i>For Sale Single Family Detached</i> | 238 | 3,000 | 714,000 | - | \$417,698 | - |
| <i>For Sale Duplex/Triplex</i> | 210 | 1,700 | 357,000 | - | \$315,000 | - |
| <i>For Sale Condominiums</i> | 214 | 1,500 | 321,000 | - | \$191,508 | - |
| Sub-total for sale | 1,801 | | 4,118,086 | | | |
| Sub-total residential | 3,657 | | 6,027,704 | | | |
| Commercial | | | | | | |
| <i>Hotel</i> | | | | | | |
| Limited service | - | 600 | 210,000 | 350 | - | \$134,738 |
| Full service | - | 600 | 150,000 | 250 | - | \$153,464 |
| Sub-total hotel | | | 360,000 | 600 | | \$142,541 |
| <i>Retail > 25,000 GSF</i> | | | | | | |
| Anchor | - | - | 79,474 | - | \$112 | \$112,467 |
| Food store | - | - | 126,412 | - | \$137 | \$137,198 |
| Junior anchor | - | - | 600,538 | - | \$186 | \$186,172 |
| Sub-total retail > 25,000 GSF | | | 806,424 | | \$171 | \$171,231 |
| <i>Retail < 25,000 GSF</i> | | | | | | |
| Retail Outparcel | - | - | 232,550 | - | \$272 | \$272,234 |
| Office | - | - | 13,400 | - | \$402 | \$402,205 |
| Sub-total commercial | - | - | 3,986,000 | - | \$120 | \$120,080 |
| Total | 3,657 | | 5,398,374 | 600 | | |
| | | | 11,426,078 | 600 | | |

MuniCap, Inc.

¹Provided by Walton Global Holdings, Ltd.

²See Exhibit I-2. Valuation approach chosen for each type special tax land use class is underlined and shown in bold and italics.

Exhibit I-2
Comparison of Valuation Methods¹

| Property Type | Income Capitalization ² | Comparables ³ | Sales Prices ⁴ |
|------------------------|---------------------------------------|--------------------------|---------------------------|
| Residential | | | |
| <i>Apartments</i> | | | |
| Per Unit | \$200,308.45 | \$172,302.91 | - |
| Per SF | \$194.68 | <u>\$131.70</u> | - |
| <i>For Sale</i> | | | |
| Townhome (16') | | | |
| Per Unit | - | \$271,542.89 | \$269,991.00 |
| Per SF | - | <u>\$195.21</u> | \$194.10 |
| Townhome (20') | | | |
| Per Unit | - | \$372,126.99 | \$323,991.00 |
| Per SF | - | <u>\$195.21</u> | \$169.96 |
| Townhome (24') | | | |
| Per Unit | - | \$446,092.82 | \$351,000.00 |
| Per SF | - | \$151.22 | <u>\$118.98</u> |
| Townhome (32') | | | |
| Per Unit | - | \$529,262.66 | \$378,000.00 |
| Per SF | - | \$151.22 | <u>\$108.00</u> |
| Townhomes ⁵ | | | |
| Per Unit | - | \$404,756.34 | \$330,745.50 |
| Per SF | - | \$166.10 | <u>\$135.73</u> |
| Single Family | | | |
| Per Unit | - | \$417,698.30 | \$450,000.00 |
| Per SF | - | <u>\$139.23</u> | \$150.00 |
| Duplex/Triplex | | | |
| Per Unit | - | \$186,017.17 | \$315,000.00 |
| Per SF | - | \$109.42 | <u>\$185.29</u> |
| Condominiums | | | |
| Per Unit | - | \$191,508.07 | \$180,000.00 |
| Per SF | - | <u>\$127.67</u> | \$120.00 |

MuniCap, Inc.

¹Valuation approach chosen for each type of development is underlined and shown in bold and italics.

²See Exhibit I-3(a).

³See Exhibit I-4(a).

⁴Provided by Walton Global Holdings, Ltd. Represents 90% of sales price.

⁵Townhome value per square feet represents the average assessed value per square feet of all townhome units.

Exhibit I-2
Comparison of Valuation Methods, continued¹

| Property Type | Income Capitalization ² | Comparables ³ |
|-------------------------|---------------------------------------|----------------------------|
| <i>Commercial</i> | | |
| <i>Retail</i> | | |
| Anchor Per SF | \$293.51 | <u><i>\$112.47</i></u> |
| Food Store Per SF | <u><i>\$137.20</i></u> | \$181.73 |
| Junior Anchor Per SF | <u><i>\$186.17</i></u> | \$221.31 |
| Small Retail Per SF | \$356.89 | <u><i>\$272.23</i></u> |
| Outparcel Per SF | <u><i>\$402.21</i></u> | \$552.16 |
| <i>Office</i> | | |
| Per SF | \$242.02 | <u><i>\$120.08</i></u> |
| <i>Hotel</i> | | |
| Limited Service | | |
| Per Room | \$149,014.90 | <u><i>\$134,737.98</i></u> |
| Per SF | \$248.36 | \$244.72 |
| Full Service | | |
| Per Room | \$178,326.64 | <u><i>\$153,464.14</i></u> |
| Per SF | \$297.21 | \$204.92 |

MuniCap, Inc.

¹Valuation approach chosen for each type of development is underlined and shown in bold and italics.

²See Exhibits I-3(b) and I-3(c).

³See Exhibit I-4(b).

Exhibit I-3(c)
Calculation of Market Value - Income Capitalization (Hotel)

| | Limited Service | Full Service |
|--|-----------------|---------------|
| <i>Income Capitalization</i> | | |
| Average daily rate per room ¹ | \$133.65 | \$141.22 |
| Gross annual income | \$48,782.25 | \$51,545.30 |
| Assumed occupancy rate ² | 65.0% | 73.3% |
| Effective gross income per room | \$31,708.46 | \$37,782.70 |
| Assumed expense ratio ³ | 50.4% | 55.7% |
| Less: assumed expenses ⁴ | (\$15,993.35) | (\$21,044.97) |
| Net operating income per room | \$15,715.11 | \$16,737.74 |
| Capitalization rate ⁵ | 10.55% | 9.39% |
| Total estimated value per room | \$149,014.90 | \$178,326.64 |
| Total estimated value per GSF | \$248.36 | \$297.21 |

MuniCap, Inc.

¹Limited service average daily rate per room is provided by Walton Global Holdings, Ltd. Full service average daily rate per room represents the average ADR for the upscale national full service lodging segment, as reported in the *First Quarter 2017 PriceWaterhouseCoopers Real Estate Investment Survey*.

²Limited service assumed occupancy rate is provided by Walton Global Holdings, Ltd. Full service occupancy rate represents the average occupancy rate for the upscale national full service lodging segment, as reported in the *First Quarter 2017 PriceWaterhouseCoopers Real Estate Investment Survey*.

³Full service expense ratio represents the expense ratio for full service hotels, excluding property taxes, as reported in the *STR IHOST 2012 U.S. Hotel Operating Statistics Study Report for the Year 2011*.

⁴Limited service average expense per room is provided by Walton Global Holdings, Ltd.

⁵The Maryland Department of Assessments and Taxation uses a fully-loaded capitalization rate, which is reflected by adding the real property tax rate to the market capitalization rate. As a result, real property taxes are netted out of the assumed expenses shown above. The cap rate assumes a 9.06% limited service midscale and 7.90% full service market rate plus real property tax rates of \$0.960 (Prince George's County), \$0.040 (Board of Education), \$0.112 (State of Maryland), \$0.294 (National Capital Park and Planning Commission), \$0.054 (Stormwater/Chesapeake Bay Water Quality) and \$0.026 (Washington Suburban Transit Commission) per \$100. Market cap rate represents the national limited service midscale & economy and national full service lodging segment market cap rate for first quarter 2017 as reported in the *First Quarter 2017 PriceWaterhouseCoopers Real Estate Investor Survey*. Real property tax rates used represent the rate for fiscal year 2017-2018 as reported by Prince George's County Office of Finance.

Exhibit I-3(a)
Calculation of Market Value - Income Capitalization (Apartments)

| | Apartments |
|----------------------------------|------------|
| Rent per net SF ¹ | \$1.69 |
| Net square feet ¹ | 926 |
| Monthly rent per unit | \$1,568 |
| Annual rent per unit | \$18,816 |
| Vacancy rate ¹ | 4.20% |
| Less: vacancy | (\$790) |
| Effective rent per unit | \$18,026 |
| Expense ratio | 26.82% |
| Less: expenses ¹ | (\$4,834) |
| Net operating income per unit | \$13,192 |
| Capitalization rate ² | 6.59% |
| Market value per unit | \$200,308 |
| Market value per net SF | \$216.32 |
| Market value per gross SF | \$194.68 |

MuniCap, Inc.

¹Source: *National Apartment Association 2016 Survey of Operating Income & Expenses in Rental Apartment Communities*. Based on mid & hi rise individual and recovery system apartment units. Expenses exclude property taxes.

²The Maryland Department of Assessments and Taxation uses a fully-loaded capitalization rate, which is reflected by adding the real property tax rate to the market capitalization rate. As a result, real property taxes are netted out of the assumed expenses shown above. The cap rate assumes a 5.10% market rate plus real property tax rates of \$0.960 (Prince George's County), \$0.040 (Board of Education), \$0.112 (State of Maryland), \$0.294 (National Capital Park and Planning Commission), \$0.054 (Stormwater/Chesapeake Bay Water Quality) and \$0.026 (Washington Suburban Transit Commission) per \$100. Market rate represents the national apartment market average overall cap rate for second quarter 2017 as reported in the *Second Quarter 2017 PriceWaterhouseCoopers Real Estate Investor Survey*. Real property tax rates used represent the rate for fiscal year 2017-2018 as reported by Prince George's County Office of Finance.

Exhibit I-3(b)
Calculation of Market Value - Income Capitalization (Commercial)

| | Anchor | Retail | | | Office |
|---------------------------------------|----------|------------|---------------|--------------|----------|
| | | Food Store | Junior Anchor | Small Retail | |
| <i>Income Capitalization Approach</i> | | | | | |
| Annual rent per GSF ¹ | \$25.00 | \$12.00 | \$15.86 | \$30.55 | \$37.19 |
| Assumed vacancy rate ¹ | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Less: assumed vacancy | (\$1.25) | (\$0.60) | (\$0.79) | (\$1.53) | (\$1.86) |
| Effective gross income | \$23.75 | \$11.40 | \$15.06 | \$29.02 | \$35.33 |
| Assumed expense ratio ¹ | 5.01% | 7.50% | 5.01% | 5.48% | 12.50% |
| Less: assumed expenses | (\$1.19) | (\$0.86) | (\$0.76) | (\$1.59) | (\$4.42) |
| Net operating income | \$22.56 | \$10.55 | \$14.31 | \$27.43 | \$30.91 |
| Capitalization rate ² | 7.69% | 7.69% | 7.69% | 7.69% | 7.69% |
| Estimated market value PSF | \$293.51 | \$137.20 | \$186.17 | \$356.89 | \$402.21 |
| <i>MiniCap, Inc.</i> | | | | | |
| | | | | | \$242.02 |

¹ Provided by Walton Global Holdings, Ltd.

² The Maryland State Department of Assessments and Taxation uses a fully-loaded capitalization rate, which is reflected by adding the real property tax rate to the market capitalization rate. As a result, real property taxes are netted out of the assumed expenses shown above. The cap rate assumes a 6.20% retail market rate and a 7.48% office market rate plus real property tax rates of \$0.960 (Prince George's County), \$0.040 (Board of Education), \$0.112 (State of Maryland), \$0.294 (National Capital Park and Planning Commission), \$0.054 (Stormwater/Chesapeake Bay Water Quality) and \$0.026 (Washington Suburban Transit Commission) per \$100. Market rate represents the national regional mall market cap rate for second quarter 2017 as reported in the *Second Quarter 2017 Price/WaterhouseCoopers Real Estate Investor Survey*. Market rate represents the suburban Maryland office market cap rate for second quarter 2017 as reported in the *Second Quarter 2017 Price/WaterhouseCoopers Real Estate Investor Survey*. Real property tax rates used represent the rate for fiscal year 2017-2018 as reported by Prince George's County Office of Finance.

Exhibit I-4(a)
Calculation of Market Value - Comparables (Residential)¹

| Property Type | Account Identifier | Year Built | Address | Municipality | Unit | Land | Improvement | Total | Assessed Value | | Per Unit |
|--|--------------------|------------|-------------------------|----------------|------|--------------|--------------|--------------|----------------|------|-----------|
| | | | | | | | | | GSF | Area | |
| Apartments | | | | | | | | | | | |
| Camden Summerfield | 18 3713401 | - | Warfield Drive | Landover | - | \$2,744,200 | \$46,053,800 | \$46,053,800 | - | 291 | \$158,260 |
| Camden Largo Town Center | 13 3097490 | - | Zachary Street | Upper Marlboro | - | \$2,056,000 | \$33,641,000 | \$33,641,000 | 228,198 | 219 | \$156 |
| Emerson at Cherry Lane | 10 1064120 | 2007 | 14700 4th Street | Laurel | - | \$12,876,300 | \$78,191,400 | \$78,191,400 | 605,800 | 445 | \$175,711 |
| Wachester at Contee Road | 10 3742210 | 2008 | 7800 Contee Road | Laurel | - | \$13,969,600 | \$86,700,300 | \$86,700,300 | 791,089 | 451 | \$192,240 |
| Average value per GSF/Unit | | | | | | | | | | | \$172,303 |
| For Sale - Single Family Attached < 2,000 SF | | | | | | | | | | | |
| Westphalia Row | 15 5515276 | 2015 | 9610 Westdale Drive | Upper Marlboro | - | \$100,000 | \$230,600 | \$230,600 | 1,446 | - | \$229 |
| Westphalia Row | 15 5515257 | 2014 | 9524 Westdale Drive | Upper Marlboro | - | \$100,000 | \$222,700 | \$222,700 | 1,452 | - | \$222 |
| Westphalia Row | 15 5515656 | 2015 | 9626 Westdale Drive | Upper Marlboro | - | \$100,000 | \$247,600 | \$247,600 | 1,526 | - | \$228 |
| Westphalia Row | 15 5515133 | 2013 | 9500 Westdale Drive | Upper Marlboro | - | \$100,000 | \$252,300 | \$252,300 | 1,532 | - | \$230 |
| Westphalia Row | 15 5515246 | 2014 | 9522 Westdale Drive | Upper Marlboro | - | \$100,000 | \$246,600 | \$246,600 | 1,600 | - | \$217 |
| Westphalia Row | 15 5515417 | 2013 | 9503 Westdale Drive | Upper Marlboro | - | \$100,000 | \$256,900 | \$256,900 | 1,718 | - | \$208 |
| Parkside | 06 5548235 | 2015 | 4823 Forest Pines Drive | Upper Marlboro | - | \$75,000 | \$233,500 | \$233,500 | 1,870 | - | \$165 |
| Parkside | 06 5548257 | 2015 | 4819 Forest Pines Drive | Upper Marlboro | - | \$75,000 | \$233,700 | \$233,700 | 1,870 | - | \$165 |
| Parkside | 06 5548417 | 2015 | 4820 Forest Pines Drive | Upper Marlboro | - | \$75,000 | \$234,000 | \$234,000 | 1,870 | - | \$165 |
| Parkside | 06 5548372 | 2014 | 4812 Forest Pines Drive | Upper Marlboro | - | \$75,000 | \$239,100 | \$239,100 | 1,870 | - | \$168 |
| Beechtree | 03 3869062 | 2012 | 15301 Tewkesbury Place | Upper Marlboro | - | \$100,000 | \$353,000 | \$353,000 | 1,920 | - | \$184 |
| Beechtree | 03 3869047 | 2012 | 15305 Tewkesbury Place | Upper Marlboro | - | \$100,000 | \$344,100 | \$344,100 | 1,920 | - | \$179 |
| Beechtree | 03 3869278 | 2011 | 15330 Tewkesbury Place | Upper Marlboro | - | \$100,000 | \$245,500 | \$245,500 | 1,936 | - | \$178 |
| Average value per GSF/Unit | | | | | | | | | | | \$165 |
| For Sale - Single Family Attached > 2,000 SF | | | | | | | | | | | |
| Beechtree | 03 3867421 | 2009 | 2101 Turleygreen Place | Upper Marlboro | - | \$100,000 | \$301,800 | \$401,800 | 2,304 | - | \$174 |
| Beechtree | 03 3867231 | 2011 | 2132 Turleygreen Place | Upper Marlboro | - | \$100,000 | \$294,000 | \$394,000 | 2,304 | - | \$171 |
| Beechtree | 03 3867199 | 2011 | 2124 Turleygreen Place | Upper Marlboro | - | \$100,000 | \$303,400 | \$403,400 | 2,304 | - | \$175 |
| Parkside | 06 5548270 | 2014 | 4815 Forest Pines Drive | Upper Marlboro | - | \$75,000 | \$225,100 | \$300,100 | 2,285 | - | \$131 |
| Parkside | 06 5548350 | 2015 | 4808 Forest Pines Drive | Upper Marlboro | - | \$75,000 | \$228,100 | \$303,100 | 2,295 | - | \$132 |
| Parkside | 06 5548304 | 2014 | 4809 Forest Pines Drive | Upper Marlboro | - | \$75,000 | \$240,000 | \$315,000 | 2,295 | - | \$137 |
| Parkside | 06 5548383 | 2014 | 4814 Forest Pines Drive | Upper Marlboro | - | \$75,000 | \$241,600 | \$316,600 | 2,295 | - | \$138 |
| Average value per GSF/Unit | | | | | | | | | | | \$151 |

Municap, Inc.

¹Information illustrated for each property based on information provided by Maryland State Department of Assessments and Taxation. Value chosen for each type of development is underlined and shown in bold and italics.

Exhibit I-4(a)
Calculation of Market Value - Comparables (Residential), continued¹

| Property Type | Account Identifier | Year Built | Address | Municipality | Unit | Land | Assessed Value | | Area | Units | Assessed Value | |
|---|--------------------|------------|-------------------------------|----------------|------|-----------|----------------|-----------|-------|-------|----------------|-----------|
| | | | | | | | Improvement | Total | | | GSF | Per GSF |
| <i>Single Family</i> | | | | | | | | | | | | |
| Beechtree | 03 5502331 | 2012 | 1803 Fiddleworth Terrace | Upper Marlboro | - | \$100,400 | \$342,800 | \$443,200 | 2,994 | - | \$148 | \$443,200 |
| Beechtree | 03 5501630 | 2013 | 1910 Turkeygreen Place | Upper Marlboro | - | \$100,400 | \$466,400 | \$566,800 | 4,121 | - | \$138 | \$566,800 |
| Beechtree | 03 5501689 | 2013 | 1901 Turkeygreen Place | Upper Marlboro | - | \$100,700 | \$399,600 | \$500,300 | 3,466 | - | \$144 | \$500,300 |
| Beechtree | 03 5501739 | 2014 | 1917 Turkeygreen Place | Upper Marlboro | - | \$100,500 | \$387,700 | \$488,200 | 3,440 | - | \$142 | \$488,200 |
| Beechtree | 03 5501705 | 2011 | 1907 Turkeygreen Place | Upper Marlboro | - | \$100,500 | \$468,100 | \$568,600 | 4,161 | - | \$137 | \$568,600 |
| Beechtree | 03 5501671 | 2012 | 1900 Turkeygreen Place | Upper Marlboro | - | \$100,600 | \$497,800 | \$598,400 | 4,494 | - | \$133 | \$598,400 |
| Beechtree | 03 5501697 | 2013 | 1903 Turkeygreen Place | Upper Marlboro | - | \$100,500 | \$509,400 | \$609,900 | 4,586 | - | \$133 | \$609,900 |
| Average value per GSF/Unit <u>\$139</u> | | | | | | | | | | | | |
| <i>Duplex/Triplex</i> | | | | | | | | | | | | |
| Watkins Place | 07 3793163 | 2006 | 1010 Treeland Way | Upper Marlboro | 705 | \$54,000 | \$126,000 | \$180,000 | 1,570 | - | \$115 | \$180,000 |
| Watkins Place | 07 3793205 | 2006 | 1018 Treeland Way | Upper Marlboro | 709 | \$54,000 | \$126,000 | \$180,000 | 1,772 | - | \$102 | \$180,000 |
| Watkins Place | 07 3736766 | 2006 | 1019 Treeland Way | Upper Marlboro | 509 | \$54,000 | \$126,000 | \$180,000 | 1,570 | - | \$115 | \$180,000 |
| Watkins Place | 07 3793221 | 2006 | 1022 Treeland Way | Upper Marlboro | 711 | \$54,000 | \$126,000 | \$180,000 | 1,772 | - | \$102 | \$180,000 |
| Watkins Place | 07 3736782 | 2006 | 1023 Treeland Way | Upper Marlboro | 511 | \$54,000 | \$126,000 | \$180,000 | 1,570 | - | \$115 | \$180,000 |
| Average value per GSF/Unit <u>\$109</u> | | | | | | | | | | | | |
| <i>Condominiums</i> | | | | | | | | | | | | |
| Condo | 07 5552421 | 2014 | 12905 Midnights Delight Drive | Bowie | 106B | \$96,000 | \$224,000 | \$320,000 | 2,782 | - | \$115 | \$320,000 |
| Condo | 07 3884756 | 2008 | 12819 Midnights Delight Drive | Bowie | 112B | \$96,000 | \$224,000 | \$320,000 | 2,314 | - | \$138 | \$320,000 |
| Condo | 07 5523774 | 2014 | 12915 Midnights Delight Drive | Bowie | 101B | \$96,000 | \$224,000 | \$320,000 | 2,748 | - | \$116 | \$320,000 |
| Condo | 07 5558212 | 2014 | 12919 Midnights Delight Drive | Bowie | 95B | \$113,500 | \$265,000 | \$378,500 | 2,782 | - | \$136 | \$378,500 |
| Condo | 07 5558198 | 2014 | 2923 Midnights Delight Drive | Bowie | 93B | \$113,500 | \$265,000 | \$378,500 | 2,782 | - | \$136 | \$378,500 |
| Condo | 07 3884798 | 2008 | 12811 Midnights Delight Drive | Bowie | 116B | \$96,000 | \$224,000 | \$320,000 | 2,339 | - | \$137 | \$320,000 |
| Condo | 07 5552410 | 2014 | 12907 Midnights Delight Drive | Bowie | 105B | \$96,000 | \$224,000 | \$320,000 | 2,782 | - | \$115 | \$320,000 |
| Average value per GSF/Unit <u>\$128</u> | | | | | | | | | | | | |

¹Information illustrated for each property based on information provided by Maryland State Department of Assessments and Taxation. Value chosen for each type of development is underlined and shown in bold and italics.

**Exhibit I-4(b)
Calculation of Market Value - Comparables (Commercial)¹**

| Property Type | Account Identifier | Year Built | Address | Municipality | Assessed Value | | | Per Room | | |
|--------------------------------------|--------------------|------------|--------------------------------|-----------------|----------------|--------------|--------------|----------------|-----|--------------|
| | | | | | Land | Improvement | Total | | | |
| | | | | | Area | Rooms | Per GSF | Assessed Value | | |
| | | | | | GSF | | | | | |
| <i>Retail - Anchor</i> | | | | | | | | | | |
| Kohls Department Store | 07 0669606 | 1997 | 4200 Mitchellville Road | Bowie | \$4,744,500 | \$6,304,000 | \$11,048,500 | 93,000 | - | \$119 |
| Target | 13 3672308 | 2006 | 10401 MLK Jr. Highway | Bowie | \$6,128,300 | \$7,471,700 | \$13,600,000 | 122,948 | - | \$111 |
| Home Depot | 13 3672316 | 2006 | 10301 MLK Jr. Highway | Bowie | \$5,269,900 | \$7,958,900 | \$13,228,800 | 105,758 | - | \$125 |
| Seas Roebuck | 07 3324324 | 2001 | 15700 Emerald Way | Bowie | \$4,803,000 | \$7,916,400 | \$12,719,400 | 133,373 | - | \$95 |
| Average value per GSF | | | | | | | | | | <u>\$112</u> |
| <i>Retail - Food Store</i> | | | | | | | | | | |
| Safeway | 07 3324282 | 2002 | 4101 Northview Drive | Bowie | \$5,317,400 | \$5,837,300 | \$11,154,700 | 65,928 | - | \$169 |
| Wegmans | 13 4018099 | 2010 | 9001 McHugh Drive | Lanham | \$7,100,200 | \$18,273,800 | \$25,374,000 | 130,610 | - | \$194 |
| Average value per GSF | | | | | | | | | | <u>\$182</u> |
| <i>Retail - Junior Anchor</i> | | | | | | | | | | |
| Michaels | 07 3138716 | 2002 | 4511 Mitchellville Road | Bowie | \$3,598,000 | \$2,086,000 | \$5,684,000 | 24,585 | - | \$231 |
| JCPenny/Old Navy/Men's Warehouse | 13 4018172 | 2011 | 2250 Petrie Lane | Lanham | \$5,218,400 | \$7,482,300 | \$12,700,700 | 57,629 | - | \$220 |
| Best Buy/Petco | 13 4018156 | 2010 | 2300 Petrie Lane | Lanham | \$4,643,400 | \$7,639,400 | \$12,282,800 | 57,844 | - | \$212 |
| Average value per GSF | | | | | | | | | | <u>\$221</u> |
| <i>Retail - Small Retail</i> | | | | | | | | | | |
| In-line retail ² | 21 2290427 | 2003 | 5506 Cherrywood Lane | Greenbelt | \$359,900 | \$3,202,000 | \$3,561,900 | 13,260 | - | \$269 |
| In-line retail ³ | 21 3861978 | 2004 | 6040 Greenbelt Road | Greenbelt | \$1,049,400 | \$1,529,500 | \$2,578,900 | 11,944 | - | \$216 |
| In-line retail ¹ | 14 1675446 | 2001 | 9900 Greenbelt Road | Lanham | \$1,430,900 | \$7,082,200 | \$8,513,100 | 25,629 | - | \$332 |
| Average value per GSF | | | | | | | | | | <u>\$272</u> |
| <i>Retail - Outparcel</i> | | | | | | | | | | |
| Olive Garden | 07 3324266 | 2001 | 4101 Town Center Boulevard | Bowie | \$2,318,100 | \$1,283,000 | \$3,601,100 | 8,067 | - | \$446 |
| On the Border | 07 3267119 | 2000 | 16403 Heritage Boulevard | Bowie | \$2,797,800 | \$991,900 | \$3,789,700 | 7,746 | - | \$489 |
| Long Horn Steakhouse | 07 3324316 | 2001 | 4100 Town Center Boulevard | Bowie | \$2,021,600 | \$792,000 | \$2,813,600 | 5,099 | - | \$552 |
| TDD Bank | 10 1012574 | 2008 | 14401 Baltimore Avenue | Bowie | \$1,050,000 | \$1,378,500 | \$2,428,500 | 3,653 | - | \$665 |
| Capital One Bank | 13 3672482 | 2006 | 10651 MLK Jr. Highway | Bowie | \$1,030,800 | \$1,208,700 | \$2,239,500 | 3,680 | - | \$609 |
| Average value per GSF | | | | | | | | | | <u>\$552</u> |
| <i>Office</i> | | | | | | | | | | |
| Patriot Business Park | 21 3649316 | 2004 | 7850 Walker Drive | Greenbelt | \$2,678,900 | \$6,551,300 | \$9,230,200 | 88,400 | - | \$104 |
| Patriot Business Park | 21 3649324 | 2005 | 7852 Walker Drive | Greenbelt | \$3,404,200 | \$8,595,800 | \$12,000,000 | 88,400 | - | \$136 |
| Average value per GSF | | | | | | | | | | <u>\$120</u> |
| <i>Hotel - Limited Service</i> | | | | | | | | | | |
| Hampton Inn Bowie | 07 3131729 | 1999 | 15202 Major Lansdale Boulevard | Bowie | \$2,752,900 | \$8,153,700 | \$10,906,600 | 46,896 | 103 | \$233 |
| Residence Inn | 21 3258738 | 2002 | 6320 Golden Triangle | Greenbelt | \$700 | \$22,243,700 | \$22,244,400 | 86,340 | 120 | \$258 |
| TownePlace Suite Bowie Town Center | 07 3507308 | 2005 | 3700 Town Center Boulevard | Bowie | \$5,206,600 | \$8,235,000 | \$13,441,600 | 55,102 | 119 | \$244 |
| Average value per GSF/room | | | | | | | | | | <u>\$245</u> |
| <i>Hotel - Full-Service</i> | | | | | | | | | | |
| AC Hotel National Harbor by Marriott | 12 3884533 | 2009 | 156 Waterfront Street | National Harbor | \$4,261,600 | \$15,931,400 | \$20,193,000 | 152,340 | 192 | \$133 |
| Westin National Harbor | 12 3755782 | 2008 | 171 Waterfront Street | National Harbor | \$9,321,800 | \$30,020,700 | \$39,342,500 | 141,885 | 195 | \$277 |
| Average value per GSF/room | | | | | | | | | | <u>\$205</u> |

MuniCap, Inc.

¹Information illustrated for each property based on information provided by Maryland State Department of Assessments and Taxation. Value chosen for each type of development is underlined and shown in bold and italics.

²Includes, but is not limited to the following shops: Chipotle Mexican Grill, Mattress Warehouse and FedEx Kinkos.

³Includes, but is not limited to the following shops: Mattress Discount and FedEx Kinkos.

⁴Includes, but is not limited to the following shops: UPS Store, Merchants Tire, Draks Place, Nail Love, and Subway.