

**COUNTY EXECUTIVE CERTIFICATION OF COMPLIANCE  
Prince George's County Policy for Tax Increment Financing**

**South Lake  
(formerly known as Karington)**

May 6, 2019

Prince George's County Council Resolution CR-21-2019 (the "**Resolution**") requires that:

A. A proposed tax increment financing project meet each of the following criteria:

1. Be consistent with the County's General Plan and Sector Plans, as well as other economic and community development policies, strategies and tools;

2. Generate additional significant revenue for the County;

3. Meet both a short-term and long-term "But-For Test," which demonstrates that the proposed project or initiative is not feasible without the County's participation and assistance;

4. Be subject to a "Trigger Mechanism/Look Back Provision," which, on an ongoing basis, examines a project's proposed and projected cash flows, profits and other financial information to determine whether and when repayment of the County's investment is or may be necessary;

5. Where appropriate, be used to help fund the revitalization of an area or community in the County;

6. Provide documentation, prior to any issuance of TIF bonds, showing not less than 5% of the value of the TIF bonds issued to the development through either (i) County-based Minority Business Enterprises (CMBE) equity ownership in the entity receiving TIF funds, (ii) CMBE ownership or participation equal to 5% of the TIF bonds issued or (iii) County minority resident equity ownership or participation equal to 5%, cumulative, of the TIF bonds issued;

7. A Minority Business Enterprise Plan (the "MBE Plan") must be submitted to include a goal of 35% for County-based Business Enterprises, (CBB) Minority Business Enterprises (MBE), and CMBE; however, at no time shall the CMBE participation be less than 20% of the available project dollars and the cumulative CBB, CMBE, County-based Small Businesses, and MBE participation be less than 25%;

8. Not have an adverse impact on the County's credit/bond rating;

9. Expand and strengthen employment opportunities with a minimum employment goal of 40% for County residents;

10. Expand the County's commercial base;
11. Use best efforts to afford opportunities for public and private partnerships;
12. Use best efforts to offer creative and unique opportunities for economic and community development projects and initiatives;
13. Certify to the Compliance Manager, as a condition of receive assistance, verifying that all construction contractors and subcontractors, of whatever tier, performing work on the assisted project, shall meet the apprenticeship requirements, or submit to the Compliance Manager a request for a partial waiver of such requirement;
14. Participate in a Class A Apprenticeship Program for each separate trade or classification in which it employs craft employees and shall continue to participate in such program or programs for the duration of the project, or submit to the Compliance Manager a request for a partial waiver of such requirement; and
15. Provide to the Compliance Manager with the certification required by (12) a list of all trades or classifications of craft employees it will employ on the project and documentation verifying it participates in a Class A Apprenticeship Program for each trade or classification listed, or submit to the Compliance Manager a request of a partial waiver of such requirement.

B. The County Executive and Bond Counsel must certify that the provisions of the Resolution have been complied with and the MBE Plan has been approved by the Compliance Manager in conformance with the MBE Plan Guidelines promulgated by the Compliance Manager; and

C. The County Council must review the TIF proposal and certification and approve the same by resolution.

This certificate is given to fulfill the requirement of the County Executive certification.

Pursuant to Resolution CR-73-2016, the Karington Development District was designated and the Karington Tax Increment Fund was established, and pursuant to Resolution CR-57-2018, the Karington Special Taxing District was designated and the Karington Special Taxing District Fund was established, all for the purpose of financing certain infrastructure to support certain residential, retail, hotel, commercial and office facility development by NAI The Michael Companies, Inc. and Chesapeake Realty Partners, or one of its affiliates, on behalf of Karington, LLC through the issuance of special obligation bonds under Section 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotate Code of Maryland, as amended, Section 10-269 of the Prince George's County Code, as amended, and Section 21-501 through 21-518, inclusive, and Section 21-253 of the Local Government Article of the Annotate Code of Maryland, as amended.

Pursuant to Council Bill CB-74-2018, special obligation bonds in an aggregate principal amount not to exceed \$33,000,000, payable solely from amounts levied, collected and deposited in the Tax Increment Fund and the Special Taxing District Fund, were authorized to finance said infrastructure.

As the basis for this certificate, I have reviewed, and relied without independent verification or judgement upon:

- A. The legal opinion of the Law Offices of Shipley & Horne, P.A. dated October 17, 2018, regarding compliance with Prince George's County land use plans;
- B. Karington Tax Increment Financing Application dated August 30, 2016, as supplemented and amended by materials provided to the County from the Developer;
- C. South Lake Minority Business Enterprise Plan dated May, 2019, approved by the Compliance Manager;
- D. The TIF Proposal and Developer's Certificate dated April 11, 2019; and
- E. The Bond Counsel Certification of Compliance dated May 6, 2019.

Based on the foregoing, I hereby certify that the provisions of the Resolution have been complied with in connection with the proposed tax increment financing and the MBE Plan has been approved by the Compliance Manager in conformance with the MBE Plan Guidelines promulgated by the Compliance Manager.

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Angela D. Alsobrooks  
County Executive