

WESTPHALIA TOWN CENTER

Local and Minority Business Enterprise Plan Prince George's County, Maryland

October 5, 2018



WESTPHALIA TOWN CENTER
Local and Minority Business Enterprise Plan

EXECUTIVE SUMMARY

Westphalia Town Center (the “Project”) will consist of the development of retail, commercial, residential and office facilities and a hotel in Upper Marlboro, Prince George’s County, Maryland (the “County”), which is located near Interstate 495.

Walton Westphalia Development (USA), LLC, Walton Westphalia Europe, LP and WUSF 1 Westphalia, LLC (the “Owners”) are the owners of the property within the proposed Development District and Special Taxing District. As the Owners of the Project, Walton Westphalia Development (USA), LLC, Walton Westphalia Europe, LP and WUSF 1 Westphalia, LLC are committed to the principle that local, County-based businesses (“CBBs”), County-based small businesses (“CBSBs”) minority business enterprises (“MBEs”) and local, County-based minority business enterprises (“CMBEs”) must be afforded the opportunity to participate in the economic transformation of the County created by the Project.

Walton Development and Management (USA), Inc. (the “Developer”) will partner with The Proctor Group, LLC or an affiliate (the “Proctor Entity”), which will own or ground lease certain portions of the Project and satisfy the initial CMBE equity requirement for the Project. The Proctor Entity partnering with the Developer will be CMBE certified prior to the issuance of the Bonds (defined herein).

The Developer intends to institute projects designed to achieve contracting participation by CBBs, MBEs and CMBEs with the goal of:

- Providing equity ownership opportunities to CMBEs in aspects of the Project, including retail, dining, entertainment and residential;
- Hiring and promoting qualified County residents in private sector employment positions at the Project;
- Achieving contracting participation by CBBs/CBSBs/MBEs/CMBEs; and
- Providing opportunities for CBBs/CBSBs/MBEs/CMBEs to provide professional services for the Project.

On November 1, 2016, the County Council adopted Resolutions CR-076-2016 and CR-077-2016, creating the Westphalia Town Center Special Taxing District and Westphalia Town Center Development District, respectively, which will support the issuance of the Bonds (herein defined). On November 14, 2017, the County Council adopted Ordinance CB-108-2017, authorizing the issuance of the Bonds, which was amended by Ordinance CB-50-2018, adopted by the County Council on July 24, 2018.

I. Tax Increment Financing (TIF) Overview

Westphalia Town Center (which may also be referred to as the “Project”) will consist of over 11.57 million square feet of development, including retail, commercial, residential and office facilities, warehouse/distribution facilities and hotels in Upper Marlboro, Prince George’s County, Maryland, off of Interstate 495, along Maryland Route 4. The Project will support the community

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by providing high-quality residential units and hotels and creating jobs while also increasing commercial, warehouse/distribution, retail and restaurant opportunities.

Plan Prince George's 2035 Approved General Plan (the "General Plan"), the primary official public policy document guiding land development in the County, contemplates the development of "local centers" as focal points for development and civic activity based, in part, on their access to transit and major highways. Under the General Plan, at least 20% of new jobs will be directed to local centers, which amounts to 22,800 new jobs. The County has identified that "economic growth hinges on transit-oriented development" and adopted a policy to "create a diverse, innovative, and regionally competitive economy that generates a range of well-paying jobs and strategically grows the tax base."

The Developer plans to develop the improvements in accordance with the 2007 Approved Westphalia Sector Plan (the "Sector Plan"). The Sector Plan seeks to develop an "urban core with mixed commercial, retail, office, residential and public spaces that create an appealing place for people to live, work, shop and play" while preserving the character of existing neighborhoods. Specifically, the Sector Plan identifies the goals of "successful creation and sustainable growth of the Westphalia town center to include quality commercial development and upper income, high value-added employment opportunities," "attraction, development, and expansion of viable neighborhoods, community, and region-serving businesses throughout the Westphalia sector plan area" and promoting "the development and expansion of minority-owned business enterprises."

The Sector Plan lays out strategies to meet these goals, including use of "various financial incentives for real estate, business, cultural, and workforce development within the town center," "attract[ing] commercial development and businesses to the Westphalia town center," "increas[ing] coordination and build[ing] effective partnerships for economic development of the town center," "incentives for projects that meet or exceed the minority participation goals" and a "variety of methods to achieve targeted percentage ranges."

In furtherance of these policies, the County Council has created the Westphalia Town Center Development District (the "TIF District") for the purpose of facilitating the issuance of revenue bonds, notes or other similar instruments by the County to provide funds to finance public infrastructure improvements that support commercial, retail and residential mixed-use development and ancillary facilities in the TIF District. The Developer plans to develop a mixed-use development and complementary public improvements in the TIF District pursuant to the Sector Plan. Accordingly, the County has adopted legislation authorizing the issuance of one or more series of bonds in an aggregate principal amount of \$42,000,000 (the "Bonds"), secured by the increase in tax revenues resulting from the Project, to fund infrastructure improvements in connection with the Project, the authorization of which will enable the Project to proceed.

The Developer will work closely with the County to confirm Local Minority Business Enterprise participation in the initial phase of the Project, pursuant to this Local and Minority Business Enterprise Plan (this "LMBE Plan") and the criteria set forth in Resolution CR-38-2011 of the County Council of the County ("CR-38-2011"). The Developer's obligations hereunder shall commence on the date of the issuance of the initial series of Bonds (the "Effective Date").

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II. Project Overview

Westphalia Town Center is a large-scale economic and community development project that will provide residential, commercial, warehouse/distribution and office space and hotels and improve the infrastructure within the TIF District. As currently proposed, the Project will encompass approximately 11.57 million square feet of land and be bounded by Maryland Route 4 to the south, Maryland Route 337 to the west, a wooded area to the north and Maryland Route 223 to the east. The Project will be located within 1 mile of Interstate 495; 12 miles of National Harbor, 15 miles of Washington, D.C.; 16 miles of Ronald Reagan Washington National Airport; 30 miles of Annapolis and 40 miles of Baltimore.

It is anticipated that the development will occur over 3 or more phases, and upon completion, the Project is expected to consist of approximately:

- 3,739 rental and for sale residential units;
- 600 hotel rooms; and
- 5,700,000 square feet of office, retail and warehouse/distribution facility space.

The Developer has nearly completed construction on the first portion of the planned 346 townhome lots and has cleared and graded the commercial parcels in the Phase 1 of the Project. The Owners have contracted with NVR (dba Ryan Homes), Haverford Homes and Mid-Atlantic Homebuilders to sell the townhome lots over a 4-year period. So far, the homebuilders have closed on 255 lots with the Owners and have reported 268 townhome sales. In addition to the agreements with the townhome builders, the Owners have entered into a purchase and sale agreement for the purchase of 58 acres of land within the TIF District to construct 650 for-sale units within the Project upon the Owners meeting certain entitlement requirements.

The Owners have a letter of intent to form a joint venture with Bonaventure Realty Group to build up to 400 units of apartments as a part of Phase 1 of the Project. The letter of intent requires the Owners to contribute land on which Bonaventure will construct the residential project.

Additionally, the Developer has entered into a partnership with Kimco, a large real estate investment trust, to develop a retail shopping center in the Project. Thus far, the Developer has received a letter of intent from a regional grocery chain to lease land within the Project and construct a supermarket.

With respect to the hotel space, the Owners have received a letter of intent from Naranda Hotels and is negotiating an agreement with Naranda Hotels to purchase land from the Owners to construct a 100-key hotel with the option to construct a second 100-key hotel.

The Owners have also received letters of intent to purchase land for commercial and warehouse/distribution development in Phase 2/3 and future phases of the Project, including the construction of a warehouse/distribution facility and the construction of a distribution center. The Owners intend to enter into a purchase and sale agreement with at least one of the prospective

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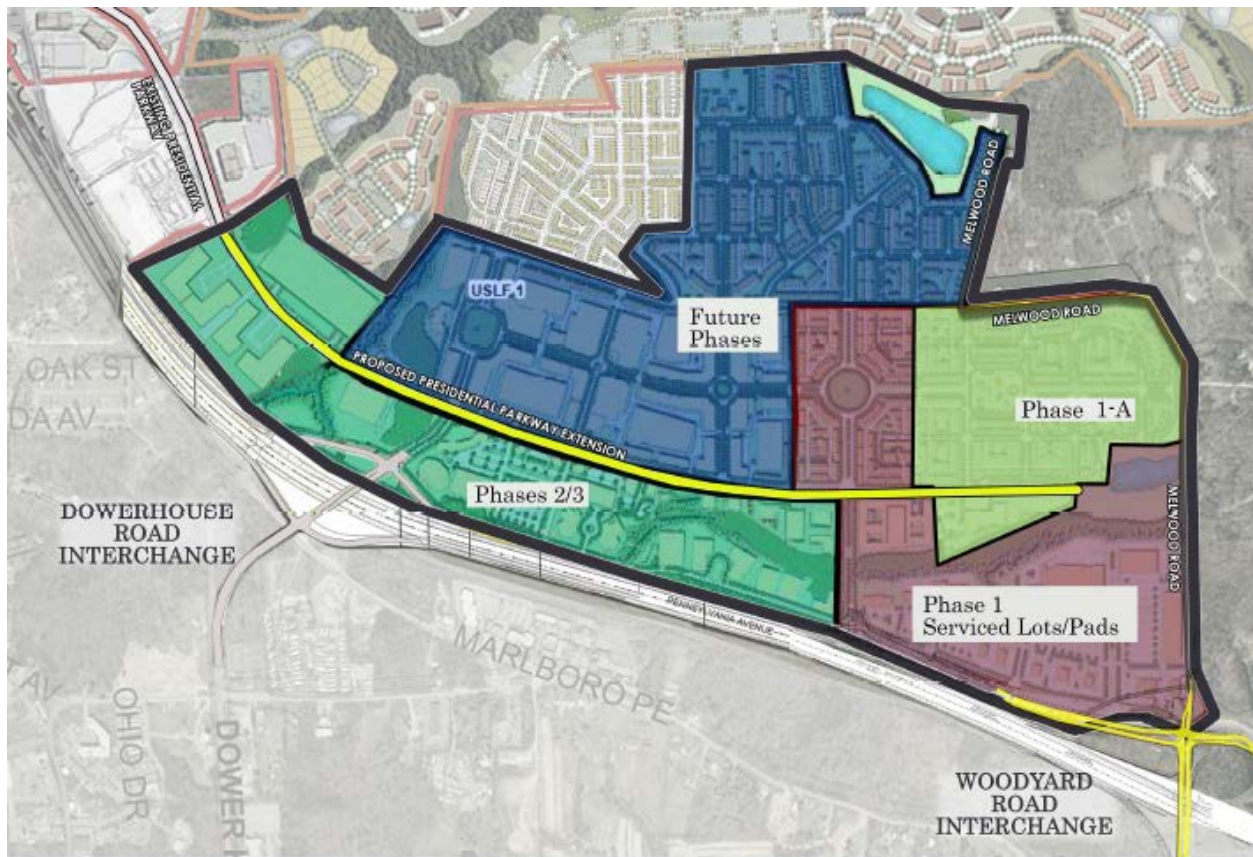
purchasers, and the Owners are actively negotiating with each of the proposed purchasers to best situate the Project for future use and to maximize the potential uses of the property.

III. Phase Overview

The Developer expects that the Project will occur over at least 3 phases, as follows:

- Phase 1 is expected to include 346 for-sale townhomes, 400 for-rent multi-family units, approximately 300,000 square feet of commercial/retail and two 100-key hotels with estimated completion in 2021;
- Phase 1A is expected to include approximately 650 for-sale residential units with expected commencement of vertical construction in 2019; and
- Phase 2/3 is anticipated to include 484 for-rent multifamily units, 500,000 square feet of retail development, 2,200,000 square feet of office space and a 450-key hotel and may include a warehouse/distribution facility. The Developer expects that Phase 2 will begin in 2021 and Phase 3 will begin in 2023.

The following map depicts the location of each phase of the Project within the TIF District.



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A. Phase 1

The Developer began construction of Phase 1 in 2013. The public improvements in Phase 1 are anticipated to include improvements to the Woodyard Road interchange, Melwood Road, Presidential Parkway, Maryland Route 4, Old Marlboro Pike and Maryland Route 223. The public improvements will support the construction of approximately 346 for-sale townhomes, 400 for-rent multi-family units and 300,000 square feet of the commercial/retail space, which would include completion of the two 100-room hotels.

B. Phase 1A

A third party developer has agreed to purchase approximately 58 acres of the property within the TIF District. The developer intends to construct the infrastructure required for the construction of approximately 650 for-sale residential units on the Phase 1A property, including water and sewer improvements, stormwater management facilities, earthwork and road improvements. These Phase 1A improvements are not intended to be funded by the Bonds.

C. Phase 2/3

It is expected that Phase 2 will begin in 2021 and Phase 3 will begin in 2023. Phase 2/3 will include the construction of approximately 484 for-rent multifamily units, 500,000 square feet of retail development, 2,200,000 square feet of office space and a 450-key hotel. The Developer anticipates that Phase 2/3 may also include the construction of a warehouse/distribution facility.

D. Future Phases

The Developer anticipates that additional phases beyond Phase 2/3 may occur, and the Developer expects that future phases will include the construction of an approximately 645,000 square foot warehouse/distribution facility with an expected delivery date of the fourth quarter of 2020. The Developer commits to supplementing this phasing information pursuant to amendments to this Plan for any additional phases.

The construction of the Project will have a significant economic and fiscal impact to both the County and Upper Marlboro. The Project will represent a significant financial benefit to the County of \$542,172,622 over the 30-year life of the Bonds. As a result of the construction and development of the Project, the Developer anticipates the creation of approximately 7,422 new temporary jobs in Prince George's County with total annual earnings of \$476,253,277. In addition, the Developer anticipates the creation of approximately 17,855 permanent jobs as a result of the Project at full build out with aggregate annual compensation of \$889,326,375.

IV. The Development Team

Walton Development and Management (USA), Inc. (the "Developer") will be the developer of the residential and commercial portions of the Project through a project management agreement with the Owners. The Developer is an affiliate of The Walton Group of Companies,

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one of North America's premier land asset managers with [21] development projects in the United States and Canada and a portfolio of \$[4.2] billion of development and pre-development assets under its management.

There have been three general contractors on-site – Facchina, Allan Myers and Gaines and Company (“Gaines”). Facchina performed the majority of the site work, including clearing and grubbing of the entire Phase 1 site; earthwork; construction of a culvert; installation of water, sewer and stormwater utilities; construction of the stormwater pond that also serves Phase 1A; installation of curbs and gutters; and paving. Facchina's work on the Project has been completed. Allan Myers constructed the stormwater management pond located in the TIF District and some miscellaneous utility and earthwork. Allan Myers's work on the Project has been completed. Gaines constructed underground utilities, stormwater management conveyance facilities, earthwork and grading, as well as curb, gutter and paving. Gaines is currently completing miscellaneous finish work.

Facchina began its operations in 1987 and specializes in highway, bridge and specialty concrete construction, as well as commercial building and multi-family construction. Facchina has delivered projects along the East Coast, from the Washington, D.C. area to South Florida. In 2014, Facchina was acquired by Mexico's largest construction company, Empresas ICA.

Allan Myers is a vertically integrated civil contractor that has provided quality construction services for more than 75 years. Allan Myers employs approximately 2,000 construction professionals and craft workers throughout the mid-Atlantic region and is ranked 1st in Transportation by Engineering News-Record Mid-Atlantic. In Maryland, Allan Myers has constructed more than 30 major transportation projects in the last 10 years, with recent projects including the I-95 Express Toll Lanes, MD 404 Widening, and US 113 Dualization projects.

Gaines was founded in 1954 by W.L. Gaines Sr. Gaines began by doing small subdivision jobs in Baltimore County and expanded as the County grew in the 50's and 60's. Since 1997, Gaines has been the top producing utility contractor in the State of Maryland. The editors of the Engineering News-Record, a respected industry publication, recently rated Gaines as Maryland's number 1 underground utility contractor in their ranking of the top 600 Specialty Contractors in the U.S. Gaines has made Engineering News-Record's list of the Top 20 Utility Contractors in the nation for over 10 years and is now ranked in the top 10 in the country. In addition to its headquarters in Maryland, Gaines has an office in Raleigh, North Carolina and has steadily been expanding there as well.

The Developer is currently in the process of bidding the public infrastructure work to be financed by the Bonds through multiple general contractors, including Gaines and Allan Myers. The Developer will provide final contractor information to the MBE Compliance Officer.

Dewberry Engineers, Inc. (the “Engineer”) is a nationally recognized architecture and engineering firm headquartered in Fairfax, Virginia. The Engineer has recently been ranked in the top 50 of the Top 500 Design Firms in the Engineering News-Record. The Engineer has significant experience on projects in Maryland, including Greenbelt Station and Largo Town Center in Prince

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George's County and Walter Reed National Military Medical Center, Fairland Park and TPC Potomac Avenel Farm in Montgomery County.

LandDesign was founded in 1978 and is a collaborative group of landscape architects, civil engineers, planners and urban designers that approach projects with a goal of creating places that matter. LandDesign has offices throughout the nation, including an office in Washington, D.C. LandDesign's experience as a landscape architect includes the Tysons Technology Center, Westpark Plaza and the Boro projects in Fairfax, Virginia.

The Developer has agreed to not less than 5% LMBE equity participation through the commitment of an amount equal to 5% of the original principal amount of the Bonds towards the acquisition of one or more retail pad sites at the Project site by its LMBE investor, The Proctor Group, LLC or an affiliate. The Developer is also actively discussing the possibility of an equity investment by a LMBE investor who has provided equity to another development project in the County.

The Developer represents that it will not enter into an arrangement with its LMBE equity partner that would allow the retail pad sites to be sold or returned to the Developer or any of its affiliates within three years. In the event that the LMBE equity partner desires to sell any pad site to an entity which is not a LMBE within three years of its purchase, 30 days' prior written notice must be provided and the consent of the County's MBE Compliance Manager will be obtained, which consent shall not be unreasonably withheld. The transfer shall be deemed approved in the event that the County's MBE Compliance Manager fails to take action within 45 days of the date of the notice.

V. CBE, MBE and CMBE Goals and Objectives

As the developer of the Project, Walton Development and Management (USA), LLC is committed to the principle that local, County-based businesses, County-based small businesses, minority business enterprises and local, County-based minority business enterprises (respectively, and as further defined in Part IX of this LMBE Plan, "CBBs," "CBSBs," "MBEs" and "CMBEs") should be afforded the opportunity to participate in the economic transformation of the County created by the Project. The Developer plans to implement programs that will be designed to achieve contracting participation by CBBs, CBSBs, MBEs and CMBES.

The Developer will use Best Efforts (as defined in Part IX of this LMBE Plan) to cause 35% of available costs in connection with the construction of the Project (subject to exclusions as discussed below) to be incurred pursuant to contracts with CBBs, CBSBs, MBEs and CMBEs. At a minimum, the Developer will cause 25% of such available Project dollars to be incurred pursuant to contracts with CBBs, CBSBs, MBEs and CMBEs and 20% of the CBB/CBSB/MBE/CMBE-applicable construction costs (as described below) to be expressly directed to contracts with CMBEs.

Total CMBE/MBE/CBSB/CBB-applicable construction costs relating to the construction of Phase 1 and Phase 1A of the Project and certain other costs incurred during the construction of

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Phase 1 and Phase 1A are expected to be approximately \$117,200,000, as set forth in Exhibit 1. Additionally, the CMBE/MBE/CBSB/CBB-applicable construction costs relating to the construction of Phase 2/3 is expected to be in the range of \$50,000,000 to \$75,000,000 as set forth in Exhibit 1. The total project cost for the Project for the purpose of this LMBE Plan is expected to fall in the range of \$167,200,000 to \$192,200,000. The Developer will have the flexibility to meet the above-referenced goals and requirements on a component-by-component basis or on the Project as a whole. Compliance with and progress toward the goals and requirements set forth in this LMBE Plan will be reviewed by the MBE Compliance Manager on a semi-annual basis.

Opportunities for CBBs, CBSBs, MBEs and CMBEs may include: accounting and legal; engineering; bonding and insurance; permit expediting and construction management; site work, including excavating and hauling, concrete and foundations; welding, electrical, plumbing, window and door installation, drywall, painting, carpeting, tiling and interior design; asphalt and landscaping; property and program management; and signage, marketing, maintenance and cleaning. Exclusions of certain trades and Project costs from the total CMBE/MBE/CBSB/CBB-applicable Project dollars are shown in Exhibit 2, which may be amended by the County's MBE Compliance Manager and the Developer from time to time.

In addition to the requirements set forth above in this Section V and Exhibit 1, the Developer shall use commercially reasonable efforts to persuade any third party who contracts with a general contractor for (1) vertical construction of rental residential units and for sale residential units, and (2) vertical commercial construction, including warehouse/distribution facility construction (a "Third Party Builder") to use commercially reasonable efforts to cause 25% to 35%, with 35% being the target, utilization of CBBs, CBSB, MBEs and CMBEs to the extent practical. Further, the Developer will use commercially reasonable efforts to persuade each Third Party Builder to use commercially reasonable efforts to cause a minimum of 20% of the applicable vertical residential unit and commercial construction costs to be expressly directed to contracts with CMBEs. The Developer will use commercially reasonable efforts to persuade each Third Party Builder or its general contractor, prior to the commencement of construction, to meet with the MBE Compliance Officer and develop a plan to facilitate the accomplishment of the goals set forth in this paragraph. The plan will include (a) the identification of a contact person to represent the Third Party Builder or its general contract, (b) the project costs which are subject to the commercially reasonable efforts goals, and (c) reporting requirements to track the progress of the Third Party Builder or its general contractor in meeting the commercially reasonable efforts goals. The Developer and the County expressly intend that this paragraph is applicable to the Third Party Builder who acquires the distribution/warehouse facility site from the Owners. This paragraph is not intended in any way to limit the goals and requirements set forth in the previous paragraphs of this Section V.

The Developer will also use commercially reasonable efforts to encourage local, regional and national retail/restaurant chains to bring franchise opportunities to Westphalia Town Center by outreaching directly to such chains and their brokers to promote the franchise opportunities available at Westphalia Town Center.

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Notwithstanding anything to the contrary in the foregoing, Developer shall have no obligation to (i) ensure the satisfaction of the commercially reasonable efforts goals by any Third Party Builder or general contractor, (ii) secure any franchise opportunities to Westphalia Town Center, or (iii) condition any sale or contract on the satisfaction of the goals set forth above. Furthermore, to the extent any agreements currently exist, or are contemplated by existing agreements, Developer shall have no obligation to address the above goals as a part of, or in connection with, such existing and contemplated agreements. To the extent that MBE Compliance Officer believes that the Developer has not made “commercially reasonable efforts” with respect to Developer’s obligations herein, the MBE Compliance Officer shall give notice of same and a thirty (30) day opportunity to cure prior to taking any further action. Developer shall have no liability to any party in the event the above goals are not met by any Third Party Builder for any reason.

The Developer has been advised by the MBE Compliance Officer that an indicia of commercially reasonable efforts will be written communication to any Third Party Builder.

Certification of all CMBEs, MBEs and CBBs is required, and the selection of qualified CBBs, CBSBs, MBEs and CMBEs shall be made by the Developer in its sole discretion. Any CMBE certified by the County, the Maryland Department of Transportation, the Washington Metropolitan Area Transit Authority, the Capital Region Minority Supplier Development Council (or any other organization with similar certification authority), the National Minority Development Council, the Department of Veterans Affairs, the Women Presidents’ Education Organization, the U.S. Pan Asian American Chamber of Commerce or any federal agency shall be deemed certified for purposes of this LMBE Plan.

VI. Administration of the LMBE Plan

Mike Miller, General Manager at Walton Development and Management, will serve as Program Manager and ensure consistent use of the best available contractors to meet the CBB/CBSB/MBE/CMBE participation goals. The Program Manager will assist in identifying qualified contractors through the County and State of Maryland MBE offices, the Prince George’s County Center for Entrepreneurial Development (and/or other County stakeholders involved in economic development), community briefings and contractor job fairs. The Program Manager will track the use of the selected qualified contractors, make available to the public information about possible subcontract opportunities and market contract opportunities for CBB/CBSB/MBE/CMBE companies through the internet, local newspapers and the Prince George’s County Center for Entrepreneurial Development (and/or other County stakeholders involved in economic development). In addition, the Program Manager will be responsible for communicating with and generating reports for the oversight board.

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The Program Manager's contact information is as follows:

Name: J. Mike Miller
Title: General Manager
Walton Development and Management
Address: 8000 Westpark Drive, Suite 430
McLean, Virginia 22102
Email: mike.miller@walton.com
Telephone: 703.639.6918

VII. Reporting and Compliance

The Developer will establish and maintain records to prepare and submit a report to the County's MBE Compliance Manager, which will identify and assess progress in achieving the goals of this LMBE Plan. To commence upon the first to occur of January 1, April 1, July 1 or October 1 after the commencement of construction of the Project and to continue every January 1, April 1, July 1 and October 1 thereafter during construction of the Project, the Developer shall prepare a report detailing the utilization of CBBs/CBSBs/MBEs/CMBEs (the "Report"). The Report shall include the dollar amount of all contracts awarded by the Developer to CBBs/CBSBs/MBEs/CMBEs on the Project and a description of the development team's plans to improve performance if necessary. The Report shall also include (i) the name of each CBBs/CBSBs/MBEs/CMBEs and its address, telephone number and individual contact; (ii) the amount of the subject contract; (iii) a description of the scope of work covered by the subject contract; (iv) the year-to-date amount paid to CBBs/CBSBs/MBEs/CMBEs; and (v) such other information reasonably determined by the County's MBE Compliance Manager as necessary to achieve the goals set forth herein.

The Developer will meet with the County's MBE Compliance Manager at least quarterly to discuss the activities reported and identify future activities that will help achieve the objectives set forth in this LMBE Plan. The Developer will establish and maintain the records pertaining to procedures which have been adopted to comply with the policies set forth in this LMBE Plan, including the establishment of a source list of CBBs, CBSBs, MBEs and CMBEs; awards to businesses in the various categories set forth in this LMBE Plan; and specific efforts undertaken to identify and award contracts to CBBs, CBSBs, MBEs and CMBEs. The Developer will make all records pertaining to this LMBE Plan available to the County upon request.

Failure to submit the Report on a timely basis may, at the discretion of the County's MBE Compliance Manager, result in a penalty not to exceed \$1,000 each day such Report is late. Prior to any assessment of fees, the County's MBE Compliance Manager shall provide written notice of such failure to the Program Manager. The Developer shall be provided a thirty (30)-day period to cure such default.

The Developer shall cooperate with the County in studies and surveys of the Developer's CBB, MBE and CMBE procedures and practices that the County may from time to time conduct.

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VIII. Defaults, Fines and Appeals

The Developer shall use Best Efforts to meet the goal of 35% participation set forth herein. In the event the Developer fails to meet the minimum 25% CBB/CBSB/MBE/CMBE or 20% CMBE participation requirements set forth in this LMBE Plan, as determined by the County's MBE Compliance Manager in a written notice pursuant to the County's MBE Compliance Manager's review of the Report, and such failure shall not be cured by the Developer within sixty (60) days after receipt of such notice from the County's MBE Compliance Manager, then such failure shall be deemed an "Event of Default." In evaluating the Developer's compliance with the goals set forth herein, the County's MBE Compliance Manager will review the Developer's progress toward the overall Project goals on a semi-annual basis. To the extent that the Developer is behind in any one year, the Developer will demonstrate its ability to meet the Project's goal requirements upon completion of the Project.

Upon the occurrence of an Event of Default, from the Effective Date until one (1) year after the completion of the Project, in which the Developer fails to meet the minimum requirements of this LMBE Plan, the Developer shall be subject to a maximum fine of \$200,000. Such amount represents compensation for the failure to meet a goal freely approved by the Developer, is a material consideration for the County in issuing the Bonds and is not to be construed as a penalty.

Notwithstanding the foregoing, in the event the Developer disputes a determination by the County's MBE Compliance Manager of an Event of Default, the Developer shall have the right to appeal such determination to a panel of neutral mediators. The County shall appoint one member to the panel, and the Developer shall appoint one member of the panel. The third member of the panel shall be jointly agreed upon by the County and the Developer. No penalty may be assessed against the Developer until the Developer has exhausted such appeal. The Developer agrees to pay all reasonable expenses incurred by a panel of neutral mediators, but only if the Developer is found by the panel to be in default.

IX. Payments

Payment to CBBs, MBEs and CMBEs will be made in accordance with the lawful terms of a fully negotiated and executed contract between the Developer (or, if appropriate, the Contractor or another general contractor), and the applicable CBB, MBE or CMBE firm, with payment due under said contract no more than sixty (60) days after satisfactory completion of the entire scope of work under the contract, unless other written special arrangements are made.

X. Definitions

"County-Based Business (CBB)" means a business whose principal place of operation, as determined by Prince George's County, Office of Central Services, is located within the County (including, without limitation, any CMBE).

"County-Based Small Business (CBSB)" means a business that meets the requirements of Section 10A-161(b) of the Prince George's County Code and whose application for certification as a County-based small business is approved by the County's Purchasing Agent.

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“**County-Based Minority Business Enterprise (CMBE)**” means a MBE whose principal place of operation, as determined by the Prince George’s County Office of Central Services, is located within the County.

“**County-Located Business (CLB)**” means a business (subject to verification by the Prince George’s County Office of Central Services), that:

- (a) has a County Office or pays applicable County property taxes; and
- (b) either has at least:
 - (1) five (5) FTE employees in the County Office for full duration of the County Office’s lease,
 - (2) three (3) FTE employees in the County Office, with at least two (2) of the FTE employees being County Residents, for the minimum required duration of the County Office’s lease (as specified in the definition for County Office), or
 - (3) three (3) FTE employees in the County Office, if such business has an ownership interest in the building.

“**Disadvantaged Business Enterprise (DBE)**” means a for profit small business concern that is:

- (a) 51% owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51% of the stock is owned by one or more such individuals; and
- (b) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

“**Minority Business Enterprise (MBE)**” means:

- (a) any entity or business that is at least fifty-one (51%) percentage owned and controlled by one (1) or more Minority Individuals (or, in the case of any publicly-owned corporation, at least fifty one percent (51%) of the stock of which is owned by one (1) or more Minority Individuals) and is managed or operated on a daily basis by one of such individuals; and
 - (b) either is certified by:
 - (1) one of the following authorized third party organizations: (A) MDOT, (B) Washington Metropolitan Area Transit Authority, (C) Business Enterprise National Council, (D) Women Business Enterprise National Council, (E) Pan Asian Chamber of Commerce (or any other organization with similar certification authority),
 - (2) any Federal agency shall be deemed certified for purpose of the MBE Plan,
- or

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(3) the Prince George's County Office of Central Services as a Minority Business Enterprise.

“**Minority Individuals**” means only individuals who are members of the following groups:

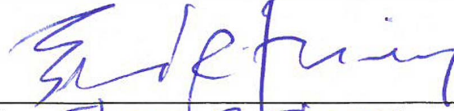
- African Americans (Black Americans) which includes persons having origin in any of the Black racial groups of Africa;
- Asian-Pacific Americans, which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunel, Samoa, Guam, the US Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Tuvalu, Nauru, Federated States of Micronesia, or Hong Kong;
- Subcontinent Asian Americans, which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal, or Sri Lanka;
- Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin regardless of race;
- Native American which includes persons who are American Indian, Eskimos and Aleuts, or Native Hawaiians;
- Females, regardless of race, ethnicity or origin; and
- Veterans and Service-Disabled Veterans.

[Signature on Following Page]

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DELIVERED to Prince George's County, Maryland this 5th day of October, 2018.

**WALTON DEVELOPMENT AND
MANAGEMENT (USA), LLC**



By: Edward P. Fleming
Title: Vice President

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Exhibit 1

Budget

<u>Item</u>	<u>Estimated Cost</u>
Public Infrastructure Improvements	\$32,700,000
Private Infrastructure Improvements	\$34,000,000
Retail Vertical Improvements	\$26,500,000
Hotel Vertical Improvements	\$24,000,000
Phase 2/3 Commercial	\$50,000,000 - \$75,000,000
<hr/> Total	<hr/> \$167,200,000 – 192,200,000

WESTPHALIA TOWN CENTER
Local and Minority Business Enterprise Plan

Exhibit 2

Exclusions

The following categories are excluded from the total costs of the Project:

1. Vertical construction of rental residential units and for-sale residential units.
2. Vertical commercial and warehouse/distribution facility construction, not otherwise addressed in the LMBE Plan and Exhibit 1.

Although these categories are excluded from the total costs of the Project, these categories of excluded costs shall be subject to the requirements of Section V with respect to Third Party Builders.