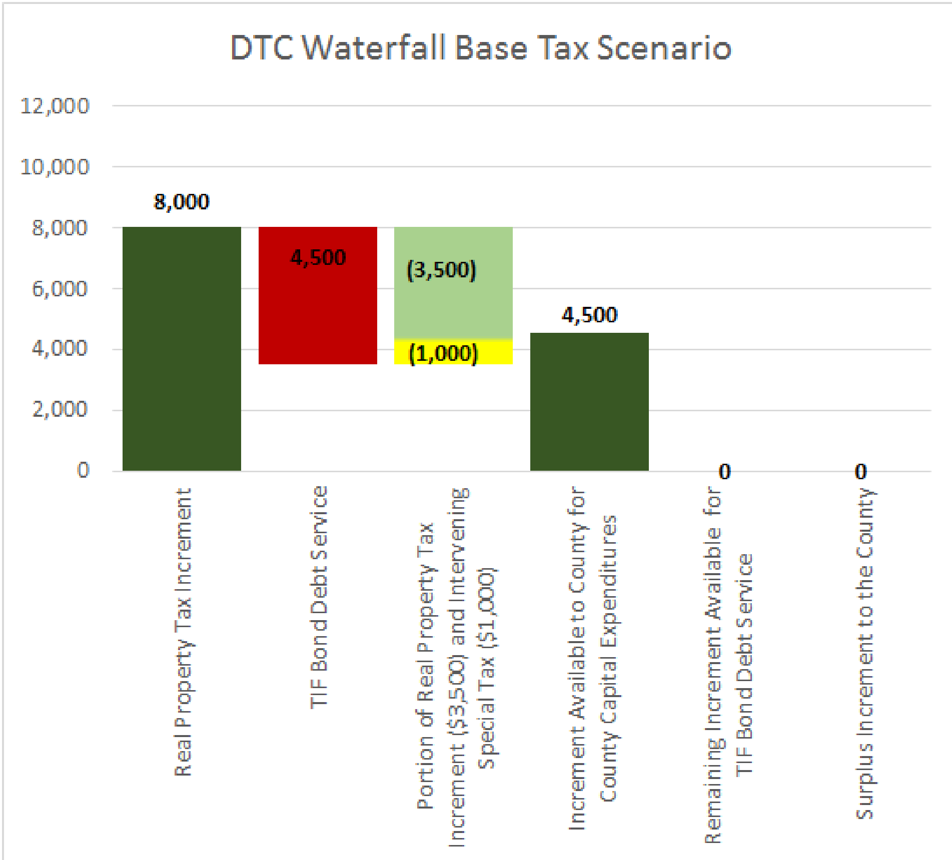
Downtown Columbia
Waterfall Materials – Base Case



**Numbers shown in the above chart are illustrative only. Numbers do not represent actual figures.*

The base case is intended to be illustrative of the projected property tax increment revenues for Phase I of the Crescent.

The property tax increment available to pay debt service on the TIF bonds is reduced for the cost of repaying $30 million in general obligation bonds issued by the County for a new elementary school as a result of an intervening special tax revenue stream paid by the property owner. This is the first set aside.

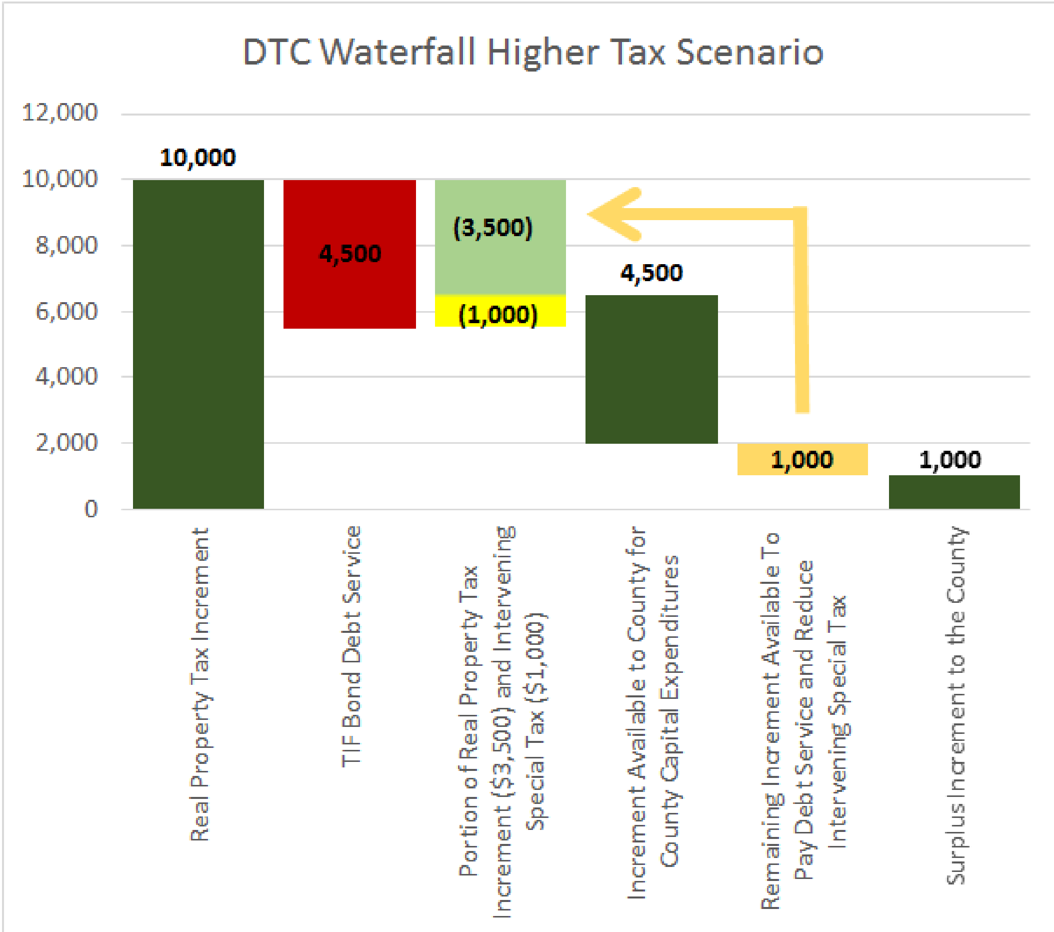
- The reduction for the school bonds is taken in three components of $10 million each from three separately proposed TIF bond issues.

- This first set aside means that the property owner will be obligated to pay special taxes each year to help repay the TIF bonds.

There is a second set aside up to a specific annual dollar amount, which, in the base case, is equal to all of the estimated excess property tax increment revenues after the first set aside. This second set aside is available to the County for the purposes of providing public facilities that are proposed to be built in Downtown Columbia, including the elementary school. The reduction in property tax increment revenues available for the TIF bonds, which are carved out for the elementary school, results in additional excess tax increment revenues to flow into the second set aside and to be available to the County.

In the base case, there are no additional property tax increment revenues made available to the TIF bonds. All remaining property tax increment revenues are available to the County, and the property owner is required to pay a special tax each year.

Downtown Columbia
Waterfall Materials – Increased Revenue Case



**Numbers shown in the above chart are illustrative only. Numbers do not represent actual figures.*

The increased revenue scenario is intended to represent a case in which property tax increment revenues exceed projections.

The first set aside for debt service on the TIF bonds is the same as in the base case and represents a reduction in the property tax increment, which is instead made available to pay debt service on general obligation bonds issued by the County to finance the new elementary school.

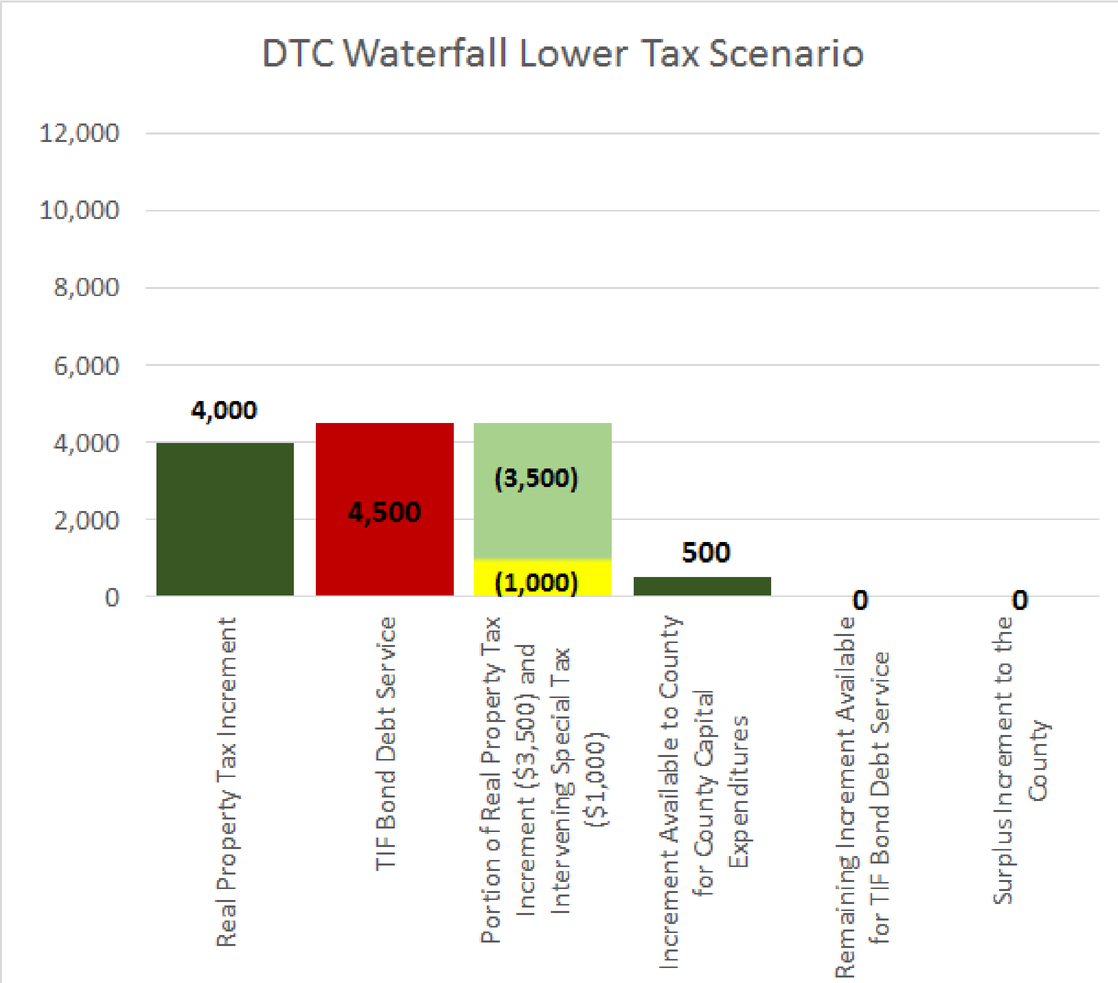
The second set aside is also the same. The County receives all property tax increment revenues each year above the first set aside for debt service up to an amount equal to that shown in the base scenario.

Once the County has received its expected revenues each year, additional property tax increment revenues are made available to pay debt service on the TIF bonds, potentially eliminating the special tax that would otherwise have to be paid by the property owner.

Excess tax increment revenues not required to cover the special tax are made available to the County.

This approach provides an incentive to the property owner to exceed projections; as otherwise, it is required to pay a special tax each year.

Downtown Columbia
Waterfall Materials – Reduced Revenue Case



**Numbers shown in the above chart are illustrative only. Numbers do not represent actual figures.*

The reduced revenue scenario is intended to represent a case in which the projected property tax increment revenues do not meet projections.

The first set aside for debt service on the TIF bonds is the same as in the first two cases and represents a reduction in the property tax increment, which is instead made available to pay debt service on general obligation bonds issued by the County to finance the new elementary school.

The second set aside is also the same, although in this case there would not be sufficient property tax increment revenues to fully fund the second set aside for the County. The County should receive the funds for the school bonds, but would not receive the full amount of the second set aside.

The property owner would pay a penalty for not exceeding projections in that it would be required to pay a special tax each year in the amount of the debt service on general obligation bonds issued by the County for the new elementary school.