ANNUAL DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

For the Period Ending December 31, 2014

$17,000,000
Howard County, Maryland
Special Obligation Bonds
(Annapolis Junction Town Center Project)
2014 Series

CUSIP Number
442599 AA4
442599 AB2
442599 AC0

Prepared by:

MUNICAP, INC.

February 27, 2015

Annual Development Activity and Disclosure Report

I. *UPDATED INFORMATION*

Information provided herein is as of December 31, 2014 unless otherwise stated:

- As of December 31, 2014 the Developer reports that the construction of Phase I of the public improvements is in process and $7,788,821 of funds has been expended for the construction the Commuter Parking Garage, representing 86 percent of the amount of Phase I public improvements to be funded with the 2014 Bonds, and 61 percent of all public improvements to be funded with the 2014 Bonds.

- As of December 31, 2014, the Developer reports that the Commuter Parking Garage and Public Improvements are a couple months behind schedule due to CSX and utility delays.

- As of June 30, 2014, the Developer reports that the Purchase and Sale Agreement with Turnberry Development, LLC. ("Turnberry"), under which Turnberry will acquire a builder-ready pad for the Hotel, has been terminated. The Developer is actively marketing the hotel site and is in discussions with another party for better terms.

- As of September 30, 2014, the Developer reports that it has entered into a Purchase and Sale Agreement with COPT Acquisitions, Inc. for the acquisition of a builder-ready pad for the Office.

- As of December 31, 2014, the outstanding balance on the $16,827,000 PNC Loan was $3,610,889 According to the Developer, the Loan carries an interest rate of LIBOR plus 2.00 percent per annum.

- According to the County, the aggregate assessed value of the taxable property within the District for fiscal year 2014-2015 was $7,830,600. The certified base year assessed value of the real property in the District is $1,608,000. Therefore, the incremental assessed value for fiscal year 2014-2015 is $6,222,600.

- According to the County, the real property tax rate for fiscal year 2014-2105 was $1.014 per $100 of assessed value.

- According to the County, tax increment revenues for fiscal year 2014-2015 were $63,097.16. The County reports that, as of December 31, 2014, $63,097.16 in tax increment revenues have been collected from the property owners within the District, representing 100.0 percent of the tax increment revenues due for fiscal year 2014-2015.

- Additionally, the County reports tax increment revenues of $6,109.99 for fiscal year 2013-2014 as a result of a reassessment.

- Bond proceeds in the Capitalized Interest Account and Administrative Expense Fund are sufficient to pay debt service and administrative expenses for fiscal year 2014-2015. As a result, special taxes were not collected. Accordingly, there are no special taxes outstanding at this time.

II. INTRODUCTION

Howard County, Maryland (the "County") issued the $17,000,000 Special Obligation Bonds (Annapolis Junction Town Project) Series 2014 Bonds (the "2014 Bonds") on March 11, 2014.

The 2014 Bonds were issued pursuant to the provisions of (i) Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "Tax Increment Financing Act"); (ii) Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland (formerly codified as Section 9-1301 of Article 24 of the Annotated Code of Maryland), as amended (the "Special Taxing District Act" and together with the Tax Increment Financing Act, the "Acts"); (iii) Resolution No. 14-2009 adopted by the County Council of Howard County, Maryland (the "County Council") on May 4, 2009, as amended by Resolution No. 40-2011 adopted on May 2, 2011 and as further amended by Resolution No. 10-2013 adopted on February 4, 2013 (the "Resolution"); (iv) Council Bill No. 21-2009 enacted by the County Council on May 4, 2009, as amended by Council Bill No. 14-2011 enacted on May 2, 2011, and as further amended by Council Bill No. 5-2013 enacted on February 4, 2013 (the "Ordinance," and together with the Resolution, the "Authorizing Legislation"); and (v) an Indenture of Trust dated as of March 1, 2014 (the "Indenture") by and between the County and Manufacturers and Traders Trust Company, a New York banking corporation, as trustee (the "Trustee").

The Authorizing Legislation established (i) the Development District as a "development district" pursuant to the Tax Increment Financing Act and (ii) the Annapolis Junction Town Center Special Taxing District (the "Special Taxing District") as a "special taxing district" pursuant to the Special Taxing District Act. The Development District and the Special Taxing District are coterminous and are collectively referred to herein as the "District."

The District encompasses approximately 18.83 acres of land located in Howard County, Maryland (the "Property"), adjacent to the Savage MARC commuter train station (the "Savage MARC Station"). The District is approximately 12 miles southwest of the Baltimore/Washington International Thurgood Marshall Airport, 20 miles southwest of downtown Baltimore City and 25 miles northeast of Washington, D.C. The District is generally bound by Henkels Lane to the north, Dorsey Run Road to the west and Brock Bridge Road and the CSX rail line to the south.

Annapolis Junction Town Center, LLC (the "Developer") is a Maryland limited liability company and has been approved by the State as the developer of the Annapolis Junction Town Center (the "Development") under a Transportation Public-Private Partnership Agreement effective as of June 27, 2008, and as amended by the First Amendment to the Transportation Public-Private Partnership Agreement made effective as of September 12, 2013 (the "Public-Private Partnership Agreement" or "PPP Agreement"). The Developer is controlled by the principals of the Somerset Construction Company, Neil A. Greenberg and Michael Caruthers.

According to the Limited Offering Memorandum, a portion of the proceeds of the 2014 Bonds will be used to finance or refinance: (i) the construction of a multi-level commuter parking garage containing approximately 704 spaces (the "Commuter Parking Garage"), (ii) the construction of roads, curbs and gutters, water, sewer, storm drains and stormwater management facilities, (iii) the construction of improvements to the Savage MARC Station, and (iv) related grading, engineering and stakeout, lighting, landscaping, signage, traffic signals and sidewalks (collectively, the "Public Improvements").

The information provided herein is not intended to supplement or otherwise relate to the information provided in the Limited Offering Memorandum and any such intent is expressly disavowed. Rather, this report responds to the specific requirements of the Developer and County Continuing Disclosure Agreements.

No representation is made as to the materiality or completeness of the information provided

herein or as to whether other relevant information exists with respect to the period covered by this report. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of December 31, 2014, unless otherwise stated, and no representation is made that the information contained in this report is indicative of information that may pertain since the end of the period covered by this report or in the future.

III. *DEVELOPMENT ACTIVITY*

A. OVERVIEW

As currently planned, the Developer is developing approximately 15.4 acres of land within the District as a mixed-use development (the "Private Development"). The Private Development is expected to be comprised of; (a) a residential apartment structure with approximately 416 apartment units and approximately 624 structured parking spaces (the "Residential Structure"); (b) approximately 100,000 square feet of Class A office space (the "Office Structure"); (c) approximately 14,000 square feet of in-line retail space (the "Retail Structure"); (d) a hotel with approximately 150 rooms (the "Hotel"); (e) a structured parking garage with approximately 400 spaces and other paved surface parking spaces (the "Commercial Garage Structure"); (f) approximately 3,200 square feet for a bank or restaurant-type use (the "Bank/Restaurant Space"); (g) an approximately 250 square foot kiosk for a coffee shop or similar use (the "Kiosk"); and (h) landscaping, hardscaping, and other miscellaneous improvements.

B. GOVERNMENTAL APPROVALS AND PERMITS

The Developer has acquired all land use and site development approvals for the Development including the principal approvals as follows were executed, issued and/or recorded, as the case may be, at or prior to closing on the 2014 Bonds:

(1) A final approved Site Development Plan;

(2) A revised, approved, and recorded Subdivision Plat which includes six separate subdivided lots for the development of the Commuter Parking Garage, the Residential Structure, the Retail Structure, the Bank/Restaurant Space, the Office Structure and Commercial Garage Structure, the Hotel and the Kiosk;

(3) Agreements for the Public Road Construction Plans, the Public Water and Sewer Plans, Storm Drains and Storm Water Management, and the Private Stormwater Management (the "Development Agreements");

(4) Record Plats for recordation; and

(5) Building Permits for the construction of the Commuter Parking Garage from the County Department of Licenses, Inspections and Permits, to be issued after closing in accordance with the County's standard administrative procedures.

Following the completion of the construction of the Commuter Parking Garage, the Developer will seek design approvals and County-issued building permits for each of the remaining Phases of the Development, each in sequence, in accordance with the approved Site Development Plan. For further information see "APPENDIX D – Engineer's Report" of the Limited Offering Memorandum dated March 11, 2014.

C. PUBLIC IMPROVEMENTS

In accordance with the Public-Private Partnership Agreement and the Memorandum of Understanding (the "MOU") between the Developer and the County, the Developer has agreed to construct certain public improvements in phases, which include the following (the "Public Improvements"):

(1) the approximately 704-car Commuter Parking Garage;

(2) improvements to the Savage MARC Station (the "MARC Station Improvements") which include, among other things, a new elevator, stairwell, a canopy, modifications to the existing station platform, pedestrian crossover bridge above the rail lines owned by CSX Transportation ("CSX");
(3) improvements to Dorsey Run Road;
(4) improvements to Henkels Lane;
(5) construction of a new public road through the site, which will be named "Junction Drive;" and
(6) installation of public utilities, storm drains and stormwater management facilities

Item (1) above is referred to herein as the "Commuter Parking Garage" and will be constructed on the State Reserved Property. Item (2) above is referred to herein as the "MARC Station Improvements" and will be constructed on the State Reserved Property and the adjacent CSX Property dedicated to public use under the control of the State. Items (3), (4), (5) and (6) are collectively referred to herein as the "County Public Improvements" and will be constructed on the Conveyance Property, the Boise Parcel, and the Right-of-Way Parcel.

The County DILP has approved the issuance of the building permit for the Commuter Parking Garage and, once the site development plan has been signed by the County, the building permit will be issued by the County in accordance with standard administrative processing. The final plans and specifications of the MARC Station Improvements are subject to the final approval of the State and CSX. The MARC Station Improvements may or may not be constructed at the same time as the construction of the Commuter Parking Garage but, if they are not constructed at the same time, there will not be an adverse impact on the overall development schedule. The start date of the construction of the MARC Station Improvements depends on the timing of the receipt of the final design approvals of the State, CSX, and the County.

The Public Improvements will be funded with proceeds from the 2014 Bonds and, to the extent that such proceeds are not sufficient to pay for all of the costs, the Developer is responsible for the remainder of any and all associated costs. The Commuter Parking Garage is planned to be constructed in Phase I of the Development. The MARC Station Improvements may be constructed in either Phase I or Phase II of the Development. The County Public Improvements will be constructed in Phase II of the Development.

The County Public Improvements are approved by Howard County with final Howard County development agreements issued. Execution of the development agreements and the processing of all other Howard County related development and construction documentation including the issuance of Howard County permits occurred prior to or at closing.

As of December 31, 2014, the Developer reports that $7,788,821 had been expended for the construction of the public improvements related to the Commuter Parking Garage, representing 86.36 percent of Phase I development costs and 61.27 percent of the total amount to be funded with the 2014 Bonds. Table III-1 on the following page shows the Public Improvements, original budget, amount spent to date by line item, and the percent complete as reported by the Developer as of December 31, 2014.

Table III-1
Public Improvement Budget

Public Improvements	Original Budget	Changes to Budget	Revised Budget	Spent to Date	Percent Complete
Phase I					
Commuter Parking Garage	***$9,019,130***	***$0***	***$9,019,130***	***$7,788,821***	***86.36%***
Garage Structure					
Site work					
Hardscaping and Landscaping					
Contingency					
Subtotal	***$9,019,130***	***$0***	***$9,019,130***	***$7,788,821***	***86.36%***
Phase II					
County Public Improvements	***$3,293,309***	***$0***	***$3,293,309***	***$0***	***0.00%***
Dorsey Run Road Widening and Improvements					
Henkels Lane Improvements					
Junction Drive Construction					
Public Water					
Public Sewer					
Public Stormwater Management					
Public Storm Drainage					
Erosion and Sediment Controls and Grading					
Relocation and/or Demolition Costs					
Contingency					
Subtotal	***$3,293,309***	***$0***	***$3,293,309***	***$0***	***0.00%***
Phase II					
MARC Station Improvements[1]	***$400,000***	***$0***	***$400,000***		***0.00%***
Pedestrian Bridge					
Elevator					
Stairwell					
Canopy					
Platform Modifications					
Public Water					
Public Sewer					
Public Stormwater Management					
Public Storm Drainage					
Erosion and Sediment Controls and Grading					
Contingency					
Subtotal	***$400,000***	***$0***	***$400,000***	***$0***	***0.00%***
Total	***$12,712,439***	***$0***	***$12,712,439***	***$7,788,821***	***61.27%***

[1]*In accordance with the Master Development Agreement the Developer is responsible for the first $400,000 of the Pedestrian Bridge. The State of Maryland is responsible to fund all additional costs in excess of $400,000. Total Budget is $906,343.*

D. STATUS OF DEVELOPMENT

According to the Developer as of December 31, 2014, the Developer reports that there have been no changes to the Development.

Table III-2 on the following page shows the projected Development at full build-out, the status of construction, and the status of occupancy as of December 31, 2014.

Table III-2
Planned Development

Development Type	Anticipated Square Footage at Build Out	Anticipated Number of Units	Status of Construction	Status of Occupancy Certificate
Retail Development *(Please list)*				
In-line retail space	14,000	N/A	Not started	TBD
Kiosk	250	N/A	Not started	TBD
Bank/Restaurant Space	3,200	N/A	Not started	TBD
Subtotal – Retail	**17,450**			
Office Development *(Please list)*				
Class A Office Space	100,000	N/A	Not started	TBD
Parking Garage	N/A	400	Not started	TBD
Subtotal – Office	**100,000**			
Hotel Development *(rooms)*		150	Not started	TBD
Residential Development				
Apartments Units	N/A	416	Not started	TBD
Parking Spaces	N/A	624	Not started	TBD
Total	**117,450**	**1,590**		

E. STATUS OF FINANCING

Per the Limited Offering Memorandum, the Developer will fund a portion of the cost of the Private Improvements through a combination of debt and equity. PNC Bank made an Acquisition and Development Loan (the "PNC Loan") to the Developer in the maximum amount of $16,827,000. The initial term of the PNC Loan is 36 months from closing, but if closing does not occur on the Anticipated Construction Loans (discussed below), within 12 months of closing on the 2014 Bonds, PNC Bank may call the PNC Loan.

The PNC Loan is secured by a first lien on the Apartment Parcel and the Residual Parcels. The PNC Loan will be guaranteed by David Hillman and an SMC affiliate (the "Guarantors") with a covenant that the Guarantors maintain aggregate liquidity of $15,000,000 and maintain a net worth of at least $200,000,000 during the life of the PNC Loan.

As of December 31, 2014, the Developer reports that the outstanding balance on the $16,287,000 PNC Loan is $3,610,889. The initial term of the PNC is 36 months from closing. The interest rate on the PNC Loan is LIBOR + 200 basis points.

IV. TRUSTEE ACCOUNTS

The Trustee for the 2014 Bonds is Manufacturers and Traders Trust Company. The account balances as of March 11, 2014, interest paid, additional proceeds, transfers, and disbursements and account balances as of December 31, 2014, are shown in the following table.

Table IV-1
Fund Balances

Account/Fund	Balance 03/11/14	Interest Earnings	Additional Proceeds	Transfers	Disburse-ments	Balance 12/31/2014
Improvement Fund	$11,586,875	$587	$0	$0	$8,094,278	$3,493,185
Reserve Fund	$1,678,465	$2,919	$0	$0	$133	$1,681,250
Debt Service Fund	$0	$0	$0	$0	$0	$0
Capitalized Interest Account	$2,731,856	$2,659	$0	$0	$433,153	$2,301,362
Pledged BRAC Revenue Account[1]	$0	$0	$0	$0	$0	$0
Tax Increment Revenues Account[1]	$0	$0	$63,097	$0	$0	$63,097
Special Taxes Account[1]	$0	$0	$0	$0	$0	$0
Costs of Issuance Fund[1,2]	$628,794	$0	$0	$0	$628,289	$505
Administrative Expense Fund[1]	$76,510	$0	$0	$0	$0	$76,510
	$16,702,500	**$6,165**	**$63,097**	**$0**	**$9,155,852**	**$7,615,910**

1These accounts are held by the County.
[2]Under the Trust Indenture, after payment of Costs of Issuance, excess funds may be used to pay County Expenses.

- Disbursements from the Improvement Fund represent payments for the construction costs of the public improvements.
- Disbursements from the Reserve Fund represent payment of fees related to investment of Reserve Funds.
- Disbursements from the Capitalized Interest Fund represent payment of debt service.
- Additional proceeds to the Tax Increment Revenue Account represent tax increment revenues for fiscal year 2014-2015 collected by the County.
- Disbursements from the Costs of Issuance Fund represent payment of costs of issuance and County Expenses.

Table IV-2 below shows the rate of return on the investments as of December 31, 2014. Funds in the Improvement Fund and Administrative Expense Fund are invested in money market funds earning 0.00 to 0.01 percent. Funds in the Capitalized Interest Account are invested in money market funds and U.S. Government Treasury Obligations earning an average of 0.40 percent per annum. Funds in the Reserve Fund are invested in U.S Treasury Security State and Local Government Series (SLGS) at a rate of 0.71 percent per annum, maturing on February 15, 2017.

Table IV-2
Rate of Return

Account	Rate of Return
Improvement Fund	0.0100%
Reserve Fund	0.7100%
Capitalized Interest Account	0.4000%
Administrative Expense Fund	0.0100%

Investment income in the Improvement Fund will be retained in the Improvement Fund and used for the purposes of the fund. According to the Indenture, if the amount in the Reserve Fund exceeds the Reserve Requirement, the Trustee shall provide written notice to the County of the amount of excess and shall transfer, in the following order of priority, such excess from the Reserve Fund to the: (i) Capitalized Interest Account during the Capitalized Interest Period and (ii) thereafter, (a) to the County an amount equal to the County Expenses due for the next Fiscal Year, plus any County Expenses then due and payable, and (b) to the Debt Service Fund or the Improvement Fund, as directed in writing by an Authorized Officer. Investment income earned in the Capitalized Interest Account will be retained in the Capitalized Interest Account and used for the purposes of the account. Investment income earned in the Administrative Expense Fund will be retained in the Administrative Expense Fund and used for the purposes of the fund.

V. *DISTRICT FINANCIAL INFORMATION*

The information provided in this section is to meet the requirements for the annual report as provided for in Section 3 of the County Continuing Disclosure Agreement. The items listed below are in the same format and order as the items required for the annual report as listed in the County Continuing Disclosure Agreement.

All information in this section is provided as of December 31, 2014, unless otherwise stated.

A. BALANCE OF FUNDS AND ACCOUNTS

This information is provided for in ***Section IV Trustee Accounts*** of this report.

B. CHANGES TO THE RATE AND METHOD OF APPORTIONMENT

As of December 31, 2014 there have been no changes to the Rate and Method of Apportionment of Special Taxes by the County since the 2014 Bonds were issued.

C. CHANGES IN THE TAX RATE OR ASSESSMENT METHODOLOGY FOR THE LEVY OF AD VALOREM REAL PROPERTY TAXES FOR THE COUNTY

As of December 31, 2014 there have been no changes to the tax rate or assessment methodology for the levy of ad valorem real property taxes for the County.

D. SPECIAL TAX ROLL

Parcel	Parcel Name	Class of Property	Exempt/ Non-Exempt	Incremental Taxes (A)	Maximum Special Tax (B)	Adjusted Maximum Special Tax (B-A)	Special Tax to be Collected
06-583784	Parcel A	N/A	Exempt	$0	$0	$0	$0
06-403344	Parcel B	Residential	Non-Exempt	$32,241	$768,996	$736,755	$0
06-403085	Parcel C	Office	Non-Exempt	$18,770	$310,556	$291,786	$0
06-595980	Parcel D	Retail	Non-Exempt	$3,327	$27,728	$24,401	$0
06-595981	Parcel E	Retail Pad	Non-Exempt	$2,190	$18,485	$16,295	$0
06-595982	Parcel F	Hotel	Non-Exempt	$6,275	$208,886	$202,611	$0
06-595983	Parcel G	Kiosk	Non-Exempt	$294	$1,849	$1,554	$0
Total				**$63,097**	**$1,336,500**	**$1,273,403**	**$0**

E. RECLASSIFICATION OF PARCELS WITHIN THE DISTRICT FROM UNDEVELOPED TO DEVELOPED

As of December 31, 2014 there has been no reclassification of parcels within the District from Undeveloped to Developed.

F. ASSESSED VALUATION FOR ALL PARCELS IN THE DISTRICT

According to Howard County, the July 1, 2014 phased-in assessed value of the property within the District was $7,830,600. Table VI-I below shows the phased-in assessed value of the taxable property within the District as of July 1, 2014.

Table V-2
Assessed Valuation and Taxes Levied

Parcel	Parcel Name	Developed/ Undeveloped	Exempt/ Non-Exempt	Taxable Assessed Value as of July 1, 2014
06-583784	Parcel A	Undeveloped	Exempt	$0
06-403344	Parcel B	Undeveloped	Non-Exempt	$4,001,200
06-403085	Parcel C	Undeveloped	Non-Exempt	$2,329,400
06-595980	Parcel D	Undeveloped	Non-Exempt	$412,900
06-595981	Parcel E	Undeveloped	Non-Exempt	$271,800
06-595982	Parcel F	Undeveloped	Non-Exempt	$778,800
06-595983	Parcel G	Undeveloped	Non-Exempt	$36,500
Total				**$7,830,600**

G. PENDING APPEALS OF PARCELS IN THE DISTRICT

As of December 31, 2014 there are no parcels under appeal in the District.

H. CURRENT AD VALOREM REAL PROPERTY TAX RATE APPLICABLE TO PROPERTY WITHIN THE DISTRICT

For fiscal year 2014-2015 the ad valorem real property tax rate applicable to property within the District was $1.014 per $100 of assessed value.

I. AMOUNT OF TAX INCREMENT FOR PROPERTY WITHIN THE DISTRICT

For fiscal year 2014-2015 tax increment revenues for property within the District total $63,097.16. As of December 31, 2014 the County reports it has received $63,097.16 in tax revenues representing 100.0 percent of incremental tax revenues due in fiscal year 2014-2015.

J. STATUS OF COLLECTIONS AND DELINQUENCIES INCLUDING TAX CERTIFICATE SALES

Special Taxes

Special taxes were not levied on parcels within the District for fiscal year 2014-2015. As a result, there are no delinquent special taxes outstanding on parcels within the District.

Ad Valorem Property Taxes – Tax Increment Revenues

As of December 31, 2014, the County reports that of the $6,109.99 of tax increment revenues due for calendar year 2013-2014 remain outstanding related to one parcel owner. The County expects to receive payment on the amount that remains outstanding prior to tax sale

K. CALCULATION OF DEBT SERVICE COVERAGE

As of December 31, 2014 funds available in the Capitalized Interest Account are sufficient to pay for debt service through February 15, 2015.

Table V-3
Debt Service Coverage

Funds Available to pay debt service:	
Funds available from the Capitalized Interest Account:	$2,731,856
Tax Increment Revenues collected in FY 2014-2015	$63,097
Total Funds Available	***$2,794,953***
Debt Service:	
Interest on August 15, 2014	$433,153
Interest on February 15, 2015	$506,283
Total Debt Service	***$939,435***
-	
Debt Service Coverage	***298%***

L. DEFAULTS UNDER THE INDENTURE, THE FUNDING AGREEMENT OR THE PUBLIC PRIVATE PARTNERSHIP AGREEEMENT WHICH HAS RESULTED IN MEDIATION OR LITIGATION

As of December 31, 2014 the Developer reports there have been no defaults under the agreements listed above.

M. SIGNIFICANT LEGAL CHALLENGES

As of December 31, 2014 the Developer reports there have been no significant legal challenges.

N. CHANGES IN THE TYPES OF INFRASTRUCTURE

As of December 31, 2014 the Developer reports there have been no changes in the type of infrastructure from those stated in the Limited Offering Memorandum.

O. APPOINTMENT OF SUCCESSOR OR ADDITIONAL TRUSTEE

As of December 31, 2014 there has been no appointment of a successor or additional Trustee.

VI. *SIGNIFICANT EVENTS*

A. DEVELOPER SIGNIFICANT EVENTS

According to the Developer Continuing Disclosure Agreement, developer significant events include the following:

(i) failure to pay any real property taxes or Special Taxes levied on a parcel in the District owned by the Developer, the Owners or any Affiliate thereof;

(ii) any appeal the Developer, the Owners or an Affiliate thereof of any real property taxes or Special Taxes levied on a parcel in the District owned by the Developer, the Owners or any Affiliate thereof;

(iii) material damage to or destruction of any development or improvements within the District;

(iv) an Event of Default on any loan (as defined thereunder) by the Developer or the Owners with respect to the construction or permanent financing of the Development or which is otherwise secured by property within the Development;

(v) the filing by or against the Developer, the Owners or any Affiliate of a bankruptcy petition or any determination that the Developer, the Owners or any Affiliate thereof that owns property within the District, is unable to pay its debts as they become due;

(vi) the filing of any lawsuit against either the Developer, the Owners or any other Affiliate with claim for damages in excess of $500,000 and which may materially adversely affect the completion of the Development; and

(vii) any Transfer as set forth in Section 14 of the Developer Continuing Disclosure Agreement.

Inquiries have been made with the Developer regarding the occurrence of any significant events and they have reported that no significant events have occurred as of December 31, 2014.

B. ADMINISTRATOR SIGNIFICANT EVENTS

The County shall promptly file with the MSRB a notice of the occurrence of any of the following Listed Events (i) of which the County has received notice from the Administrator or the Trustee or (ii) of which the County has actual knowledge. Pursuant to the County Continuing Disclosure Agreement, listed events include the following:

(i) Delinquency in payment when due of any principal of or interest on the Bonds;

(ii) Occurrence of any default under the Indenture;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Any unscheduled draws on any credit enhancement reflecting financial difficulties;

(v) Any change or substitution in any credit or liquidity providers, if any, or their failure to perform;

(vi) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;

(vii) Amendment to the Indenture modifying the rights of the Holders of the Bonds in any material respect;

(viii) Optional or unscheduled redemption of the Bonds, or any portion thereof;

(ix) Defeasance of Bonds or any portion thereof;

(x) The release, substitution or sale of property securing repayment of the Bonds that results in a reduction of security for the Bonds;

(xi) Any change in the rating, if any, on the Bonds;

(xii) Any failure of the County to transfer the Tax Increment Revenues or the Special Tax Revenues to the Trustee as required by the Indenture;

(xiii) The issuance of by the County with respect to any Transferred Property (as defined in the Developer's Continuing Disclosure Agreement) of construction permits and approvals and the final certificate of occupancy; and

(xiv) The continuing disclosure event notices provided to the Administrator by the Developer as more particularly set forth in the Developer's Continuing Disclosure Agreement.

The Administrator is not aware of the occurrence of any significant event as of the date of this report.