

AS AMENDED ON MARCH 13, 2006

Resolution No. 1369

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY DESIGNATING A CONTIGUOUS AREA OF CITY OF SALISBURY (THE "CITY") TO BE KNOWN AS THE "NORTHEAST COLLECTOR PHASE III DEVELOPMENT DISTRICT" (THE "DEVELOPMENT DISTRICT"), WHICH CONSTITUTES A DEVELOPMENT DISTRICT FOR PURPOSES OF SECTIONS 14-201 THROUGH 14-214, INCLUSIVE, OF ARTICLE 41 OF THE ANNOTATED CODE OF MARYLAND (THE "TIF ACT"), AND AS THE "NORTHEAST COLLECTOR PHASE III SPECIAL TAXING DISTRICT" (THE "SPECIAL TAXING DISTRICT" AND, TOGETHER WITH THE DEVELOPMENT DISTRICT, THE "DISTRICT"), WHICH CONSTITUTES A SPECIAL TAXING DISTRICT FOR PURPOSES OF SECTION 44A OF ARTICLE 23A OF THE ANNOTATED CODE OF MARYLAND (THE "STD ACT" AND, TOGETHER WITH THE TIF ACT, THE "ACTS"); MAKING CERTAIN LEGISLATIVE FINDINGS AND DETERMINATIONS CONCERNING THE PUBLIC BENEFIT AND PURPOSE OF THE DISTRICT AND ANY BONDS ISSUED PURSUANT TO THE ACTS WITH RESPECT TO THE DISTRICT; CREATING CERTAIN SPECIAL FUNDS PURSUANT THE ACTS; PROVIDING FOR THE DEPOSIT OF MONEYS TO AND THE USE OF MONEYS IN SUCH SPECIAL FUNDS; PLEDGING THAT THE CITY WILL ALLOCATE AND DIVIDE THE PROPERTY TAXES ON REAL PROPERTY WITHIN THE DEVELOPMENT DISTRICT SO THAT A CERTAIN PORTION OF THE REAL PROPERTY TAX WILL BE ALLOCATED AND PAID INTO ONE OF THE SPECIAL FUNDS, AND PROVIDING FOR THE LEVY AND COLLECTION OF SPECIAL TAXES OR AD VALOREM TAXES TO BE DEPOSITED TO THE OTHER SPECIAL FUND IN THE EVENT PROCEEDS OF THE REAL PROPERTY TAXES LEVIED ON THE TAX INCREMENT ARE OR WILL BE INSUFFICIENT TO PAY DEBT SERVICE ON BONDS ISSUED UNDER THE ACTS; PROVIDING THAT THIS RESOLUTION CONSTITUTES A DECLARATION OF OFFICIAL INTENT FOR PURPOSES OF THE TAX CODE; PROVIDING FOR THE REVOCATION OF THIS RESOLUTION UNDER CERTAIN CIRCUMSTANCES; AND GENERALLY PROVIDING FOR THE FINANCING OR REIMBURSING OF PUBLIC IMPROVEMENTS RELATING THE DISTRICT IN ACCORDANCE WITH THE ACTS.

RECITALS

WHEREAS, Sections 14-201 through 14-214, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Tax Increment Financing Act"), authorize a Maryland municipality to establish a "development district" (as such term is used in the Tax Increment Financing Act) and a "special fund" (as such term is used in the Tax Increment Financing Act) into which real property taxes levied by the municipality on the "tax increment" (as such term is used in the Tax Increment Financing Act) of properties located in the development district is deposited, and to borrow money for the purpose of financing the new development, redevelopment, revitalization and renovation of the development district by paying for (i) the cost of purchasing, leasing, condemning, or otherwise acquiring land or other property, or any interest therein, in the designated development district area or as necessary for a right-of-way or other easement to or from the development district area; (ii) site removal; (iii) surveys and studies; (iv) relocation of businesses or residents; (v) installation of utilities, construction of

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parks and playgrounds, and other necessary improvements, including streets and roads to, from or within the development district, parking, lighting and other facilities; (vi) construction or rehabilitation of buildings provided that such buildings are to be devoted to a governmental use or purpose; (vii) reserves or capitalized interest; (viii) necessary costs of issuing "bonds" (as such term is used in the Tax Increment Financing Act); and (ix) payment of principal and interest on loans, money advanced or indebtedness incurred by a county or municipality for any of the foregoing purposes; and

WHEREAS, the Tax Increment Financing Act provides that the bonds shall be payable from the special fund and the municipality may also establish sinking funds and debt service reserve funds, and pledge other assets and revenues toward the payment of the bonds; and

WHEREAS, Section 44A of Article 23A of the Annotated Code of Maryland, as amended (the "Special Taxing District Act"), authorizes any municipal corporation of the State of Maryland to create a "special taxing district" (as such term is used in the Special Taxing District Act), to levy ad valorem taxes or special taxes on all real and personal property within the special taxing district and to borrow money by issuing and selling its "bonds" (as such term is used in the Special Taxing District Act) for the purpose of financing, refinancing or reimbursing the "cost" (as such term is used in the Special Taxing District Act) of the design, construction, establishment, extension, alteration or acquisition of adequate storm drainage systems, sewers, water systems, roads, bridges, culverts, tunnels, streets, sidewalks, lighting, parking, parks and recreation facilities, libraries, schools, and other infrastructure improvements as necessary, whether situated within the special taxing district or the municipal corporation or outside of the municipal corporation if notification is given to the governmental unit having jurisdiction over the infrastructure improvement and if the infrastructure improvement is reasonably related to other infrastructure improvements within the special taxing district, for the development and utilization of land, each with respect to any defined geographic region within the municipal corporation; and

WHEREAS, the bonds authorized to be issued by the Special Taxing District Act are special obligations of a municipal corporation payable from a special fund created by the municipal corporation for the purpose of paying debt service on the bonds, from sinking funds and debt service reserve funds established therefor, and from other assets or revenues, if any, pledged by the municipal corporation for that purpose; and

WHEREAS, prior to issuing and selling bonds for the purposes allowed under the Special Taxing District Act, a request must be made to the municipal corporation by both (i) at least two-thirds of the owners of the real property located within the special taxing district, provided that: (A) multiple owners of a single parcel are treated as a single owner and (B) a single owner of multiple parcels is treated as one owner; and (ii) the owners of at least two-thirds of the assessed valuation of the real property located within the special taxing district; and

WHEREAS, before issuing bonds under the Special Taxing District Act, the governing body of a municipal corporation is required to designate by resolution an area or areas as a "special taxing district", to adopt a resolution creating a special fund with respect to the special taxing district, to provide for the levy of an ad valorem tax or special tax on all real and personal

property within the special taxing district, and to pledge that it will pay such ad valorem tax or special tax into the special fund; and

WHEREAS, East Fields Development, L.L.C., the owner (the "Owner") of approximately 159 acres of property located in the Parsons Election District of Wicomico County, Maryland, roughly south of Outten Road and Gordy Road, west of Parkhurst Drive, and north of Middleneck Drive, marked on its northern boundary by the Middle Neck Branch and on its western boundary by where the Middle Neck Branch and the Peggy Branch converge, and identified by reference to the two (2) tax parcels listed on Exhibit A to this Resolution, by the metes and bounds description set forth on Exhibit B to this Resolution and by the boundary survey set forth on Exhibit C to this Resolution, propose to develop such property; and

WHEREAS, the Owner intends to create or provide for the creation of a residential enclave to be called "The Villages of Aydelotte" or by a similar name, which is envisioned to include a total of approximately 676 residential units, including 76 single-family homes, 456 townhomes and 144 condominium units, together with two commercial lots expected to be developed for retail and convenience store usage (collectively, the "Project"); and

WHEREAS, the development of the Project will require the provision of various public improvements; and

WHEREAS, representatives of the Owner have held discussions with representatives of City of Salisbury (the "City") as to the scope of, and the initial financing or reimbursement for, a portion of such contemplated public improvements, pursuant to the creation of a development district and geographically coincident special taxing district as provided in the Tax Increment Financing Act and the Special Taxing District Act, respectively (collectively, the "Acts"), and the issuance of bonds pursuant to the combined authority of such Acts; provided that only costs authorized under both the Acts will be financed or reimbursed from the proceeds of bonds issued pursuant to the Acts; and

WHEREAS, portions of the two (2) tax parcels listed on Exhibit A hereto, and as described by metes and bounds on Exhibit B hereto and as detailed on the boundary survey set forth on Exhibit C hereto (collectively, the "Property"), form a contiguous area located entirely within the geographic boundaries of the City of Salisbury; and

WHEREAS, representatives of the Owner have represented that the proposed development of the Property and the provision of the related public improvements will (a) result in development of a currently vacant area, (b) create a destination for quality residential development, (c) spur development in surrounding areas, (d) provide complementary neighborhood retail and commercial venues, and (e) result in employment opportunities for local firms during the construction phase and job creation at the commercial sites, and thereby further residential and economic development within the City and thus meet the public purposes of the Tax Increment Financing Act and the Special Taxing District Act; and

WHEREAS, representatives of the Owner have proposed that the entire Property be designated as both a development district and a special taxing district pursuant to the Acts and that the bonds to be issued to finance or reimburse the costs of certain public improvements associated with the Project will be repaid in the first instance through real property tax revenues

allocable to the tax increment with respect to the Property pursuant to the Tax Increment Financing Act; however, should the assessed valuation of the Property in any year not be sufficient to generate tax increment revenues in an amount necessary to repay such bonds, it will be necessary for the City to impose special taxes or ad valorem taxes on the Property pursuant to the Special Taxing District Act to repay the bonds; and

WHEREAS, representatives of the Owner have submitted to the City (or will have submitted to the City prior to the adoption of this Resolution) pursuant to the Special Taxing District Act a request entitled "Application to Create the Northeast Collector Phase III Special Taxing District as a Special Taxing District and Provide for the Financing and Reimbursement of the Cost of Related Infrastructure Improvements" (the "Request"), which Request is or will be on file with the City Clerk; and

WHEREAS, the signatories to the Request represent that the Owner (i) constitutes 100% of the owners of the real property located within the geographic boundaries of the proposed special taxing district to be established in response to the Request and (ii) owns 100% of the assessed valuation of the real property located within the geographic boundaries of such proposed special taxing district, calculated in accordance with the Special Taxing District Act; and

WHEREAS, pursuant to the Request, the Owner has asked the City (i) to establish a special taxing district consisting of the entire Property to be known as the "Northeast Collector Phase III Special Taxing District" (the "Special Taxing District"), (ii) to undertake to issue its bonds as special obligations of the City under the combined authority of the Acts, in one or more series, from time to time, in order to finance or reimburse all or a portion (as applicable) of the cost of the public improvements described in the Request, to the extent such costs are permitted to be so financed or reimbursed by both the Tax Increment Financing Act and the Special Taxing District Act, which identified public improvements include a road to connect Kelly Road with Beaglin Park Drive, with related paving, curb and gutter features, a sidewalk/bike path, lighting and water and sewer improvements, including up to two sewer lift stations, within and outside (but reasonably related to public improvements within) the Special Taxing District, as applicable, and other expenses permitted by both the Tax Increment Financing Act and the Special Taxing District Act and applicable law, and (iii) to levy, impose and collect special taxes in accordance with Subsection (n) of the Special Taxing District Act on real and personal property located in the Special Taxing District to the extent the tax increment revenues received with respect to the Property in accordance with the Tax Increment Financing Act are or will be insufficient to pay debt service on the bonds; and

WHEREAS, the Request anticipates that any taxes to be imposed on real and personal property located within the Special Taxing District will be in the nature of special taxes, but that the City, after consultation with the Owner and other parties involved in the issuance of the bonds contemplated hereby, may determine that it is more appropriate to provide for the levy of ad valorem taxes within the Special Taxing District in accordance with the Special Taxing District Act; and

WHEREAS, although not required by the Tax Increment Financing Act, pursuant to the Request the Owner has asked the City to designate the entire Property as a development district

to be known as the "Northeast Collector Phase III Development District" (the "Development District") pursuant to the Tax Increment Financing Act and to pledge the real properties taxes collected with respect to the tax increment to payment of the bonds to be issued by the City under the combined authority of the Acts; and

WHEREAS, the Council of the City of Salisbury, following a public hearing held prior to the adoption of this Resolution pursuant to notice published in a newspaper of general circulation in the City not less than 10 days before such hearing, has determined that a need exists in the City for public improvements in connection with the proposed development of the Property and that the economy of the City will benefit from the development of the Property; and

WHEREAS, pursuant to the Acts, the City has determined to designate the Property as both a "development district" pursuant to the provisions of the Tax Increment Financing Act and a geographically coincident "special taxing district" pursuant to the provisions of the Special Taxing District Act; and

WHEREAS, the City has further determined to create the separate special funds required by the Acts and to take certain other actions pursuant to the authority of the Acts; and

WHEREAS, the Acts provide that no bonds may be issued by the City until an ordinance is enacted specifying and describing the proposed undertaking, specifying certain details of the bonds, among other matters, and making certain other findings and determinations with respect to the bonds; and

WHEREAS, the City shall enact such an ordinance prior to the issuance of any bonds pursuant to the combined authority of the Acts and shall take such other necessary steps to comply with all applicable provisions of the Acts; and

WHEREAS, pursuant to the Special Taxing District Act, this Resolution and the establishment and designation of the Special Taxing District as a special taxing district may not be subject to referendum by reason of any other State of Maryland or local law; and

WHEREAS, the City reasonably expects to make expenditures with respect to the public improvements to be financed from proceeds of the bonds contemplated hereby, and to reimburse such expenditures from proceeds of the bonds; and

WHEREAS, the City desires that this Resolution shall serve as a declaration of official intent within the meaning of, and for the purposes set forth in, U.S. Treasury Regulation Section 1.150-2 (the "Reimbursement Regulations").

SECTION 1. DEFINITIONS; RULES OF CONSTRUCTION. NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Salisbury, Maryland, that, for the purposes of this Resolution:

(a) The terms defined in the Recitals hereto shall have the meanings therein set forth (unless also defined in this Section 1) and, in addition, the following terms shall have the meanings set forth below:

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(i) "Adjusted Assessable Base" means, for real property that qualifies for a farm or agricultural use under Section 8-209 of the Tax-Property Article of the Annotated Code of Maryland, the fair market value of the property without regard to its agricultural use assessment as of January 1 of that year preceding the effective date of this Resolution (meaning January 1, 2005).

(ii) "Assessable Base" means the total assessable base of all real property in the Development District subject to taxation as determined by the Supervisor of Assessments.

(iii) "Assessment Ratio" means any real property tax assessment ratio, however designated or calculated, which is used or applied under applicable general law in determining the Assessable Base. "Assessment Ratio" includes the assessment percentage as provided under Section 8-103(c) of the Tax-Property Article of the Annotated Code of Maryland.

(iv) "Bonds" means any revenue bonds or bond, notes or note, or other similar instruments or instrument issued in one or more series by the City from time to time to finance or reimburse the cost of public improvements in or reasonably related to the District and other costs permitted by both the Acts with respect to the District.

(v) "Development District" means the contiguous area in the City described on Exhibit A, Exhibit B and Exhibit C to this Resolution and designated in Section 3 of this Resolution by name as the "Northeast Collector Phase III Development District" and as a development district under the Tax Increment Financing Act.

(vi) "District" means the Development District and the Special Taxing District, collectively.

(vii) "Indenture" means the indenture of trust (howsoever named) entered into by the City and the Trustee in connection with the issuance of any of the Bonds or the Refunding Bonds, as amended, modified or supplemented from time to time.

(viii) "Original Assessable Base" means the Assessable Base as of January 1 of that year preceding the effective date of this Resolution (meaning January 1, 2005).

(ix) "Original Full Cash Value" means the dollar amount that is determined by dividing the Original Assessable Base by the Assessment Ratio used to determine the Original Assessable Base.

(x) "Original Taxable Value" means, for any Tax Year, the dollar amount that is the lesser of:

(A) the product of the Original Full Cash Value times the Assessment Ratio applicable to that Tax Year,

(B) the Original Assessable Base, or

(C) if an Adjusted Assessable Base applies, then the Original Taxable Value is

the Adjusted Assessable Base.

(xi) "Refunding Bonds" means any revenue bonds or bond, notes or note, or other similar instruments or instrument issued in one or more series by the City from time to time to refund any of the Bonds and to pay other costs permitted by both the Acts with respect to the District.

(xii) "Special Funds" means, collectively, the Tax Increment Fund and the Special Taxes Fund created pursuant to Sections 5 and 6 of this Resolution, respectively.

(xiii) "Special Taxes" means the ad valorem taxes or special taxes, if any, which shall be levied by the City on the properties located in the Special Taxing District pursuant to the Special Taxing District Act.

(xiv) "Special Taxes Fund" means the "Northeast Collector Phase III Special Taxes Fund" created pursuant to Section 6 of this Resolution as a special fund in accordance with the Special Taxing District Act.

(xv) "Special Taxing District" means the contiguous area in the City described on Exhibit A, Exhibit B and Exhibit C to this Resolution and designated in Section 3 of this Resolution by name as the "Northeast Collector Phase III Special Taxing District" and as a special taxing district under the Special Taxing District Act.

(xvi) "Tax Increment" means, for any Tax Year, the amount by which the Assessable Base as of January 1 preceding that Tax Year exceeds the Original Taxable Value divided by the Assessment Ratio used to determine the Original Taxable Value.

(xvii) "Tax Increment Fund" means the "Northeast Collector Phase III Tax Increment Fund" created pursuant to Section 5 of this Resolution in accordance with the Tax Increment Financing Act.

(xviii) "Tax Year" means the period from July 1 of a calendar year through June 30 of the next calendar year.

(xix) "Trustee" means the bank, trust company or other banking association appointed from time to time to serve as the Trustee under the Indenture.

(b) References in this Resolution (i) to certain provisions of the Annotated Code of Maryland shall be to such provisions, as replaced, supplemented or amended from time to time, and (ii) to terms also defined in the Tax Increment Financing Act or the Special Taxing District Act are to be construed in accordance with the provisions of such respective Acts, and in the event of any inconsistency between such terms as used in this Resolution and such Acts, or either one of the Acts, the provisions of the Acts shall control.

SECTION 2. FINDINGS AND DETERMINATIONS. BE IT FURTHER RESOLVED that, acting pursuant to the Acts, it is hereby found and determined that:

(a) The Recitals to this Resolution are deemed a substantive part of this Resolution and are incorporated by reference herein; and

(b) The creation of the District provided for herein, which is a contiguous area within the geographic boundaries of the City, as both a development district and a special taxing district within the meanings of the respective Acts, and the issuance by the City from time to time of one or more series of Bonds pursuant to both the Acts in order to finance or reimburse costs and activities permitted by both the Acts, will serve the public purposes of providing public improvements permitted by the Acts within the City, directly and indirectly enhancing the taxable base of the City, encouraging the development of residential areas, commerce and industry within the City, increasing the general health and welfare of the residents of the City and increasing employment within the City through the provision of the contemplated public improvements within or outside (but reasonably related to public improvements within) the District; and

(c) The Owner, which is a private, for-profit entity, has already undertaken or expressed a desire to undertake or provide for the undertaking of residential and some complementary commercial development within the District, and all of the Owner's property within the District will be subject to additional taxation in accordance with the Special Taxing District Act; and

(d) Any Bonds issued pursuant to the Acts to finance or reimburse the cost of public improvements within the District or outside the District but reasonably related to improvements within the District, to the extent permitted by both of the Acts, shall be a special obligation of the City and may not constitute a general obligation debt of the City or a pledge of the City's full faith and credit or taxing power, and the City shall not be obligated to pay debt service on such Bonds except from moneys deposited to the Special Funds identified herein; and

(e) The proposed District is located wholly within the geographic boundaries of the City; and

(f) References in this Resolution to "public improvements" are intended to include the activities and costs that proceeds of Bonds may be applied to in accordance with both of the Acts.

SECTION 3. DESIGNATION OF DISTRICT. BE IT FURTHER RESOLVED that a contiguous area of the City identified by reference to Exhibits A-C hereto is hereby designated as the "Northeast Collector Phase III Development District" pursuant to Section 14-206 of the Tax Increment Financing Act and as the "Northeast Collector Phase III Special Taxing District" pursuant to Subsection (e) of the Special Taxing District Act. Such contiguous area is also referred to as (i) the Development District for purposes of this Resolution and constitutes a "development district" within the meaning of and for all purposes of the Tax Increment Financing Act and (ii) the Special Taxing District for purposes of this Resolution and constitutes a "special taxing district" within the meaning of and for all purposes of the Special Taxing District Act. The Development District and the Special Taxing District shall each consist of the properties as currently designated by reference to portions of the tax parcels listed on Exhibit A to this Resolution, by the metes and bounds description set forth on Exhibit B to this Resolution,

and as shown on the boundary survey submitted to the City by the Owner and attached to this Resolution as Exhibit C. It is intended by this designation that any portion of such real property currently located in the District that is subsequently further subdivided or transferred to another party or combined with one or more additional parcels of real property, including parcels located outside the current boundaries of the District, shall continue to be within the Development District and the Special Taxing District and subject to the provisions of the respective Acts, notwithstanding such subdivision, transfer or combining.

SECTION 4. MODIFICATION OF DISTRICT. BE IT FURTHER RESOLVED that this Resolution may be amended by one or more administrative resolutions of the Council of the City (the "Council") approved by the Mayor, following a public hearing after published notice in accordance with the Special Taxing District Act, which resolutions may enlarge or reduce the District. No such resolution shall be effective to reduce the size of the District so long as there are any Bonds or Refunding Bonds outstanding with respect to the District pursuant to the Acts, unless the ordinance with respect to such Bonds or Refunding Bonds permits the City to reduce the area constituting the District or the applicable percentage of the holders of such Bonds or Refunding Bonds specified in the Indenture or a representative on their behalf consents to any such reduction.

SECTION 5. CREATION AND FUNDING OF TAX INCREMENT FUND. BE IT FURTHER RESOLVED that:

(a) Pursuant to Section 14-207 of the Tax Increment Financing Act, there is hereby created a "special fund" within the meaning of the Tax Increment Financing Act to be designated the "Northeast Collector Phase III Tax Increment Fund" (the "Tax Increment Fund").

(b) The Mayor of the City, the City Administrator or the Director of Finance (or other appropriate officers or employees working under the direction of any such named official), on behalf of the City, following the effective date of this Resolution, but before any Bonds are issued, is each hereby authorized and directed to obtain from the Supervisor of Assessments (i) a certification as to the amount of the Original Assessable Base and (ii) the Assessment Ratio used in determining the Original Assessable Base.

(c) The City hereby pledges that beginning with the Tax Year following the effective date of this Resolution and until the Bonds and any Refunding Bonds have been fully paid and the Indenture has been discharged in accordance with its terms, the property taxes on real property within the Development District shall be divided as follows:

(i) That portion of the taxes which would be produced by the rate at which taxes levied each year by the City or Wicomico County, Maryland (the "County") upon the Original Taxable Value shall be allocated to and when collected paid into the funds of the City and the County, respectively, in the same manner as taxes by or for the City and the County on all other property are paid, respectively; and

(ii) That portion of the taxes representing the levy on the Tax Increment that would normally be paid to the City shall be paid into the Tax Increment Fund to be applied in accordance with the provisions of Section 8 of this Resolution and Section 14-

208 of the Tax Increment Financing Act. This yield shall not be considered as municipal taxes for the purposes of any constant yield tax limitation or State of Maryland or local restriction. No State of Maryland real property taxes may be paid into the Tax Increment Fund.

(d) Any taxes that could have been allocated to the Tax Increment Fund authorized by Section 14-206(3)(ii) of the Tax Increment Financing Act and subsection (c)(ii) above and that have actually been set aside for that purpose, after July 1, 1980, by the City in its budget may be placed in the Tax Increment Fund.

(e) The Director of Finance of the City or other appropriate fiscal officers are hereby directed and authorized to deposit or cause to be deposited in the Tax Increment Fund all taxes received by the City for any Tax Year commencing after the effective date of this Resolution that represent the levy on the Tax Increment referred to in subsection (c)(ii) above.

(f) The Mayor, the Director of Finance and other appropriate officers and employees of the City, to the extent applicable, are hereby authorized to take all necessary steps in order to establish and manage the Tax Increment Fund to be held by the City. If the Indenture so provides, the Tax Increment Fund may be held and managed in accordance with the provisions of the Indenture.

(g) If, during a time when no Bonds or Refunding Bonds are outstanding with respect to the District, the Assessment Ratio mandated by Maryland law is increased from that which applied in determining the Original Assessable Base, it is the intent and expectation of the City, to the extent permitted by law, that a supplemental resolution will be adopted for the purpose of assuring that additional funds are not deposited in the Tax Increment Fund as a result of the change in Assessment Ratio as compared to the amount of funds that would have been required to be deposited in the Tax Increment Fund if the Assessment Ratio had not been so increased.

SECTION 6. CREATION AND FUNDING OF SPECIAL TAXES FUND. BE IT FURTHER RESOLVED that:

(a) Pursuant to Subsection (e)(1)(ii) of the Special Taxing District Act, there is hereby created a "special fund" within the meaning of the Special Taxing District Act to be designated the "Northeast Collector Phase III Special Taxes Fund" (the "Special Taxes Fund").

(b) The taxes derived from the levy of the Special Taxes on real and personal property within the Special Taxing District, once such Special Taxes are levied and collected in accordance with the provisions of the Special Taxing District Act, shall be paid over to the Special Taxes Fund pursuant to Subsection (e)(2) of the Special Taxing District Act and subsection (c) of this Section 6.

(c) Until the Bonds and any Refunding Bonds have been fully paid and the Indenture has been discharged in accordance with its terms, the City hereby pledges that it will pay all amounts collected from the Special Taxes levied under the Special Taxing District Act on real and personal property within the Special Taxing District into the Special Taxes Fund established pursuant to this Section 6. This pledge to pay such Special Taxes derived from the Special

may be used as provided in subsection (a) of this Section 8 in any fiscal year of the City as determined by the governing body of the City, but only to the extent that:

- (i) the amount in the Tax Increment Fund exceeds the unpaid debt service payable on such Bonds or Refunding Bonds in such fiscal year and is not restricted so as to prohibit the use of such moneys; and
- (ii) such use is not prohibited by the ordinance authorizing the issuance of the applicable Bonds or Refunding Bonds or by the Indenture.

SECTION 9. USE OF SPECIAL TAXES FUND. BE IT FURTHER RESOLVED that when no Bonds or Refunding Bonds are outstanding with respect to the District, and the governing body of the City so determines, moneys in the Special Taxes Fund may be paid to the General Fund of the City; otherwise, moneys in the Special Taxes Fund shall be used and applied solely as permitted under the Special Taxing District Act.

SECTION 10. DECLARATION OF OFFICIAL INTENT. BE IT FURTHER RESOLVED that the City reasonably expects to pay costs permitted by both the Acts with respect to the public improvements described in the Recitals to this Resolution prior to the issuance of the Bonds and to use proceeds of the Bonds to reimburse all or a portion of such prior expenditures. The maximum principal amount of the Bonds expected to be issued by the City for the purpose of financing or reimbursing the costs of such public improvements and related costs permitted by the Acts is Six Million Dollars (\$6,000,000.00). The City intends that this Resolution shall constitute a declaration of official intent within the meaning of, and for the purposes set forth in, the Reimbursement Regulations.

SECTION 11. FURTHER AUTHORIZATIONS. BE IT FURTHER RESOLVED that the Mayor, the City Administrator, the Director of Finance and all other appropriate officers and employees of the City are further authorized to do all such acts and things and approve and execute such other documents and certificates as shall be deemed necessary or desirable by them or upon the advice of counsel, to the extent such activities are within the scope of their authority, in order to facilitate the issuance of any Bonds, the development of the District, the use and application of moneys in the Special Funds and the financing or reimbursement of costs of public improvements permitted under the Acts and applicable law, and the transactions contemplated by this Resolution.

SECTION 12. EXHIBITS. BE IT FURTHER RESOLVED that any one or more of the Exhibits referenced in this Resolution may be attached to this Resolution by amendment prior to adoption of this Resolution by the Council.

SECTION 13. SEVERABILITY. BE IT FURTHER RESOLVED that the provisions of this Resolution are severable, and if any provision, sentence, clause or section hereof is held or determined to be illegal, invalid, unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses or sections of this Resolution or their application to other persons or circumstances, and it is hereby declared to be the legislative intent that this Resolution would have passed if such illegal, invalid, unconstitutional or inapplicable provision,

Taxing District is intended to be in complete fulfillment of the condition precedent to the issuance of the Bonds and any Refunding Bonds contained in Subsection (e)(2) of the Special Taxing District Act. The pledge to so pay those collected Special Taxes shall be continuous and irrevocable so long as any Bonds or Refunding Bonds are outstanding.

(d) The Director of Finance of the City or other appropriate fiscal officers are hereby directed and authorized to deposit or cause to be deposited in such Special Taxes Fund all Special Taxes received by the City in accordance with the provisions of this Resolution and the Special Taxing District Act.

(e) The Mayor, the Director of Finance and other appropriate officers and employees of the City, to the extent applicable, are hereby authorized to take all necessary steps in order to establish and manage the Special Taxes Fund to be held by the City. If the Indenture so provides, the Special Taxes Fund may be held and managed in accordance with the provisions of the Indenture.

SECTION 7. ISSUANCE OF BONDS. BE IT FURTHER RESOLVED that pursuant to a future ordinance to be enacted by the Council in accordance with the Acts for the purpose of providing funds for the activities related to the District as authorized by the Acts, the City may issue the Bonds from time to time. The ordinance shall specify, in general detail, the proposed undertakings to be financed or reimbursed with the proceeds of the Bonds; the maximum principal amount of the Bonds to be issued; and the maximum rate or rates of interest the Bonds may bear; and shall otherwise conform to the requirements of the Acts.

SECTION 8. USE OF MONEYS IN TAX INCREMENT FUND. BE IT FURTHER RESOLVED that:

(a) If no Bonds or Refunding Bonds are outstanding with respect to the District and the governing body of the City so determines, moneys in the Tax Increment Fund may be:

(i) used for any other purposes described in Section 14-205 of the Tax Increment Financing Act;

(ii) accumulated for payment of debt service on Bonds to be subsequently issued under the Tax Increment Financing Act;

(iii) used to pay or reimburse the City for debt service which the City is obligated to pay or has paid (whether such obligation is a general or limited obligation of the City) on bonds issued by the State of Maryland or any agency, department or political subdivision thereof, the proceeds of which have been used for any of the purposes specified in Section 14-205 of the Tax Increment Financing Act; or

(iv) paid to the City to provide funds to be used for any legal purposes as may be determined by the City.

(b) As long as any Bonds or Refunding Bonds are outstanding with respect to the District and the governing body of the City so determines, moneys in the Tax Increment Fund

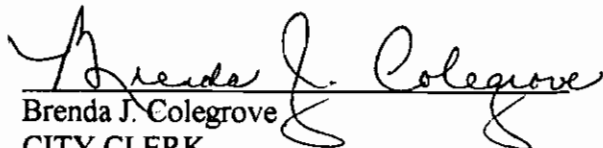
sentence, clause or section had not been included herein, and as if the person or circumstances to which this Resolution or any part hereof are inapplicable had been specifically exempted herefrom.

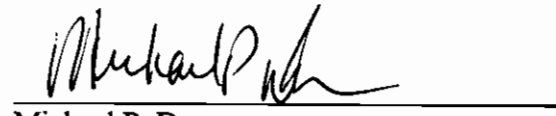
SECTION 14. SUNSET DATE. BE IT FURTHER RESOLVED that this Resolution shall become effective upon adoption by the Council and approval by the Mayor. In the event no Bonds are issued pursuant to the Acts to finance or reimburse the costs of public improvements with respect to the District and other costs permitted under the Acts by June 30, 2008, this Resolution shall be automatically revoked without further action by the Mayor and Council and shall be considered terminated, null and void; provided that the Mayor and Council may take such actions as may be necessary in accordance with the Acts to provide for the expenditure or transfer of any moneys then on deposit in the Special Funds subsequent to such date.

SECTION 15. LIBERAL CONSTRUCTION. It is the intention of the Council that the provisions of this Resolution shall be liberally construed in order to effectuate the transactions contemplated hereby and by the Acts.

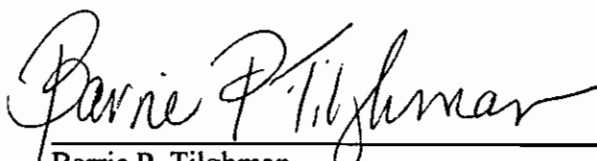
THIS RESOLUTION was introduced and read at a meeting of the Council of the City of Salisbury held on the 27th day of February, 2006, and was read and adopted at a meeting of the Council of the City of Salisbury held on the 13th day of March, 2006.

ATTEST:


Brenda J. Colegrove
CITY CLERK


Michael P. Dunn
PRESIDENT, City Council

Approved by me this 15th day of
March, 2006.


Barrie P. Tilghman
MAYOR, City of Salisbury

#91716;58111.005

EXHIBIT A TO RESOLUTION NO. 1369

**IDENTIFICATION OF PROPERTIES LOCATED
IN THE DISTRICT BY TAX PARCEL INFORMATION**

<u>Approx. Acreage</u>	<u>Tax Map</u>	<u>Grid</u>	<u>Parcel No.</u>	<u>Tax Account</u>
44.3 acres	38	6	219	05-096111
115 acres*	29	24	312	05-028906

References to Tax Map, Grid, Parcel No. and Tax Account No. identifiers are to records of the City. All parcels are currently zoned PRD—Planned Residential Development.

* A total of approximately 140.29 acres of land is included in this parcel, but only approximately 115 acres of such total is included within the District. See Exhibits B and C hereto for detailed metes and bounds information regarding the District.

EXHIBIT B TO RESOLUTION NO. 1369

METES AND BOUNDS DESCRIPTION OF THE DISTRICT

[SEE ATTACHED]



Exhibit B to Resolution No. 1369

528 RIVERSIDE DRIVE
SALISBURY, MD 21801
PHONE: 410-749-1023
FAX: 410-749-1012
WWW.PARKERANDASSOCIATES.ORG

LAND SURVEYING

CIVIL ENGINEERING

• LAND PLANNING

FORESTRY SERVICES

LEGAL DESCRIPTION

MAP 29 & 38
PARCEL 312 & 219

All that tract or parcel of land situate, lying and being in the City of Salisbury, Parsons Election District, Wicomico County, State of Maryland, located on the Northerly side of and binding upon "Raintree Village, Section Two" and on the Westerly side of "Parkhurst Manor", and more particularly described as follows:

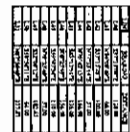
Beginning for the same at a point on the most Southwesterly corner of the property herein described and on the East side of Aydelotte Road, thence along the East side of "East Village, Block 'B', Section Two", North 04 degrees 19 minutes 33 seconds West a distance of 248.00 feet, thence along the Northerly side of "East Village, Block 'B', Section Two", North 75 degrees 24 minutes 33 seconds West a distance of 497.00 feet, thence North 86 degrees 12 minutes 12 seconds West a distance of 440.00 feet, thence by and with the centerline of Peggy Branch the following courses and distances; (1) North 55 degrees 42 minutes 12 seconds West a distance of 129.00 feet, thence (2) North 26 degrees 12 minutes 12 seconds West a distance of 155.00 feet, thence (3) North 31 degrees 22 minutes 12 seconds West a distance of 52.00 feet, thence (4) South 88 degrees 17 minutes 48 seconds West a distance of 46.00 feet, thence (5) North 27 degrees 12 minutes 12 seconds West a distance of 40.00 feet, thence (6) North 41 degrees 42 minutes 12 seconds West a distance of 170.00 feet, thence (7) North 62 degrees 42 minutes 12 seconds West a distance of 68.00 feet, thence (8) South 86 degrees 47 minutes 48 seconds West a distance of 165.00 feet, thence (9) South 64 degrees 17 minutes 48 seconds West a distance of 225.00 feet, thence (10) North 80 degrees 42 minutes 12 seconds West a distance of 132.00 feet, thence (11) North 36 degrees 42 minutes 12 seconds West a distance of 59.00 feet, thence (12) North 73 degrees 42 minutes 12 seconds West a distance of 91.00 feet, thence (13) North 81 degrees 42 minutes 12 seconds West a distance of 214.00 feet thence (14) South 79 degrees 02 minutes 48 seconds West a distance of 100.00 feet, thence (15) South 49 degrees 47 minutes 48 seconds West a distance of 86.00 feet, thence (16) North 55 degrees 42 minutes 12 seconds West a distance of 134.00 feet, thence (17) North 29 degrees 12 minutes 12 seconds West a distance of 80.00 feet, thence (18) North 33 degrees 42 minutes 12 seconds West a distance of 91.00 feet, thence (19) North 21 degrees 42 minutes 12 seconds West a distance of 274.00 feet to the intersection of Middle Neck Branch, thence by and with the centerline of Middle Neck Branch the following courses and distances; (1) North 66 degrees 47 minutes 48 seconds East a distance of 182.00 feet,

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EXHIBIT C TO RESOLUTION NO. 1369

BOUNDARY SURVEY

[SEE ATTACHED]



Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	

[illegible]

GENERAL NOTES

[illegible]

LOCATION		CITY OF SALISBURY PARSONS ELECTION DISTRICT, WICOMICO COUNTY, MARYLAND	
SCALE	1" = 700'	DATE	05/10/06
JOB NO.	S581	TAX MAP	29
		DRAWN BY	KMD
		PARCEL	219 & 312

SURVEYING FORESTRY

PARKER

ESTABLISHED 1977

SALISBURY, MARYLAND
410-749-1023

& ASSOCIATES

CIVIL ENGINEERING SITE PLANNING
INC.

APPLICATION

To Create the Northeast Collector Phase III Special Taxing District
As a Special Taxing District
And Provide for the Financing or Reimbursing of
the Cost of Related Infrastructure Improvements

Mayor and Council of City of Salisbury
125 North Division Street
Salisbury, Maryland 21801

Dear Mayor and Council Members:

This application requests, among other matters, the creation of the "Northeast Collector Phase III Special Taxing District" as a special taxing district pursuant to Section 44A of Article 23A of the Annotated Code of Maryland (the "Special Taxing District Act").

1. Applicant. This application is submitted by the entity identified below as the sole owner of the parcels of real property described in Attachments 1-3 attached hereto. By submitting this application, the applicant represents and warrants to the Mayor and Council of City of Salisbury (the "City") that it is authorized to execute this application.

2. Ownership of Property. The applicant represents and warrants to the City that the applicant is (A) the sole owner of 100 percent of the assessed valuation of the real property located within the proposed geographic boundaries of the Northeast Collector Phase III Special Taxing District and (B) 100 percent of the owners of the real property located within the proposed geographic boundaries of the Northeast Collector Phase III Special Taxing District, determined as prescribed by Subsection (c)(1) of the Special Taxing District Act. The applicant further represents and warrants to the City that all of such property is located wholly within the geographic boundaries of the City and forms a contiguous area as required by the Tax Increment Financing Act identified in paragraph 3 below.

3. Proceedings Requested. The applicant intends to provide for the further subdivision of the parcels described on Attachments 1-3 and the development of a residential enclave to be known as "The Villages of Aydelotte" (or by a similar name) consisting of approximately 76 single-family homes, 456 townhouses and 144 condominium units, together with two commercial lots intended for complementary retail and convenience store uses. The applicant represents that the proposed development of such property will (i) result in development of a currently vacant area, (ii) create a destination for quality residential development, (iii) spur development in surrounding areas, (iv) provide complementary neighborhood retail and commercial venues and (v) result in employment opportunities for local firms during the construction phase and job creation at the commercial sites. The applicant further represents that such development will (i) result in a substantial increase in the assessed

valuation of such property, (ii) directly and indirectly enhance the taxable base of the City, (iii) encourage the development of commerce and industry within the City, (iv) increase the general health and welfare of the residents of the City, and (v) increase employment within the City through the provision of the contemplated development and the contemplated public improvements identified in this application within or outside (but reasonably related to public improvements within) the Northeast Collector Phase III Special Taxing District.

The applicant has requested that the City participate in the contemplated project by financing (including by reimbursing prior project expenditures) all or a portion of the costs of certain public improvements identified on Attachment 4 hereto, which public improvements are in the nature of infrastructure improvements, to the extent such public improvements are permitted by the terms of both the Special Taxing District Act and the Tax Increment Financing Act identified herein. Representatives of the applicant have held discussions with representatives of the City as to the scope of, and the initial financing or reimbursement for, such contemplated public improvements, pursuant to the designation of the property described on Attachments 1-3 hereto as a "development district" pursuant to Sections 14-201 through 14-214, inclusive, of Article 41 of the Annotated Code of Maryland (the "Tax Increment Financing Act" and, together with the Special Taxing District Act, the "Acts") and a geographically coincident "special taxing district" pursuant to the Special Taxing District Act, and the issuance of revenue bonds, notes or other similar instruments (the "bonds") pursuant to the combined authority of both such Acts; provided that, only costs authorized under both the Acts will be financed or reimbursed from the proceeds of bonds issued pursuant to the Acts. The applicant requests that the special taxing district and the development district contemplated in this application be designated as the "Northeast Collector Phase III Special Taxing District" and the "Northeast Collector Phase III Development District", respectively (collectively, the "District"). The applicant currently anticipates that bonds will need to be issued in the aggregate principal amount of \$6,000,000 (or such greater or lesser amount as the City may agree to at the request of the applicant) in order to finance or reimburse the cost of the contemplated public improvements and other costs authorized under the Acts.

It is contemplated that the bonds to be issued to finance the public improvements associated with the District and related costs permitted by the Acts will be repaid in the first instance through real property taxes levied by the City on the tax increment with respect to the properties located in the District pursuant to the Tax Increment Financing Act; however, should the assessed valuation of such properties in any year not be sufficient to generate tax increment revenues in an amount necessary to repay such bonds, it will be necessary to levy, impose and collect special taxes or ad valorem taxes on properties located in the District pursuant to the Special Taxing District Act to repay the bonds and any other expenses permitted by the Acts. The applicant anticipates that any taxes to be imposed on real and personal property located within the District pursuant to the Special Taxing District Act will be in the nature of special taxes, but that the City, after consultation with the applicant and other parties involved in the issuance of the bonds contemplated hereby, may determine that it is more appropriate to provide for the levy of ad valorem taxes upon the properties located in the District in accordance with the Special Taxing District Act.

In order to facilitate the development and financing contemplated in this application, the applicant requests that the City take the steps necessary under the Tax Increment Financing Act to designate the District as a "development district" pursuant to such Act, to create and fund the special fund required by such Act and to provide for the issuance of bonds pursuant thereto. The applicant further requests that the City, with respect to the requirements of the Special Taxing District Act, (i) set a date for one or more public hearings, as applicable, for (A) the creation of the District as a special taxing district for all purposes of the Special Taxing District Act described above, (B) the authorization of special taxes or ad valorem taxes to be levied, imposed and collected in the District and (C) the issuance of bonds to finance or reimburse the cost of public improvements relating to the District, (ii) publish notice of each public hearing as required by the Special Taxing District Act, (iii) retain any professionals necessary to assist the City with the proceedings, such as bond counsel, a financial advisor and one or more bond underwriters, a trustee or fiscal agent, and any other professionals necessary in connection with the levying or collecting of special taxes or ad valorem taxes pursuant to the Special Taxing District Act and (iv) authorize City staff to work with the applicant to prepare the necessary documents for the activities described in this application.

It is the intention of the applicant that this application constitutes the request of the property owners required by Subsection (c)(1) and Subsection (g)(3)(ii) of the Special Taxing District Act with respect to the subject matter of this paragraph 3.

4. Boundaries of the District. The territory to be included in the geographic boundaries of the District consists of that area (i) identified by the tax account information set forth on Attachment 1 hereto, (ii) described by the metes and bounds description set forth on Attachment 2 hereto, and (iii) shown on the boundary survey attached hereto as Attachment 3.

5. Request Regarding Refinancing. The applicant also requests that the City from time to time undertake to refinance all or a portion of the bonds issued by the City pursuant to this application to originally finance or reimburse public improvements and other costs as contemplated by the Acts with respect to the District when and if market conditions favor any such refinancing or when a refinancing would be appropriate for any purpose permitted by applicable law. To the extent permitted by applicable law, the request contained in this paragraph 5 is intended to be the request of the property owners required by Subsection (c)(1) of the Special Taxing District Act, and constitutes full authority for the issuance of any such bonds for refinancing purposes relating to the District, including the issuance of refunding bonds in an aggregate principal amount in excess of the original aggregate principal amount of the refunded bonds, provided that (i) in connection with any such refinancing, there is no increase in the maximum special taxes or ad valorem taxes authorized to be levied on any class of property within the District over the applicable maximum authorized in the rate and method of taxation adopted in connection with the original financing bonds and (ii) such refinancing bonds do not mature later than the original financing bonds.

6. Notice to Subsequent Owners. By submitting this application, the applicant, at its sole cost and expense, agrees to take all reasonable actions requested by the City to inform subsequent owners of any portion of the property included in the District of the potential levy

and imposition of special taxes or ad valorem taxes on such property pursuant to the provisions of the Special Taxing District Act.

7. Address. The address of the applicant for purposes of receiving notices and correspondence relating to the matters of this request is set forth on the signature page hereto.

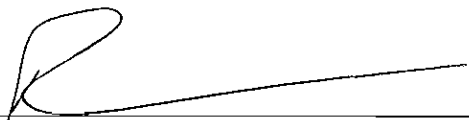
SIGNATURE PAGE TO APPLICATION

By executing this application, the signatory hereto agrees to all of the foregoing.

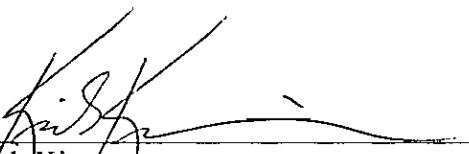
Dated: 2/24/04

APPLICANT:

EAST FIELDS DEVELOPMENT, L.L.C.

By: 
Bryan Lloyd
Member
(Authorized Signatory)

and

By: 
Kirk Kinnamon
Member
(Authorized Signatory)

The address of the applicant is:

32221 Beaver Run Drive
Salisbury, Maryland 21804
Phone: 410/742-9800
Fax: 410/742-3681

ATTACHMENT 1 TO APPLICATION

IDENTIFICATION OF PROPERTIES LOCATED
IN THE DISTRICT AND OWNED BY THE SIGNATORY TO THE APPLICATION

<u>Approx. Acreage</u>	<u>Tax Map</u>	<u>Grid</u>	<u>Parcel No.</u>	<u>Tax Account</u>
44.3 acres	38	6	219	05-096111
115 acres*	29	24	312	05-028906

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* A total of approximately 140.29 acres of land is included in this parcel, but only approximately 115 acres of such total is included within the District. See Attachments 2-3 hereto for detailed metes and bounds information regarding the District.

ATTACHMENT 2 TO APPLICATION

METES AND BOUNDS DESCRIPTION OF THE DISTRICT

[SEE ATTACHED]



Attachment 2 to Application

528 RIVERSIDE DRIVE
SALISBURY, MD 21801
PHONE: 410-749-1023
FAX: 410-749-1012
WWW.PARKERANDASSOCIATES.ORG

LAND SURVEYING

CIVIL ENGINEERING

LAND PLANNING

FORESTRY SERVICES

LEGAL DESCRIPTION

MAP 29 & 38
PARCEL 312 & 219

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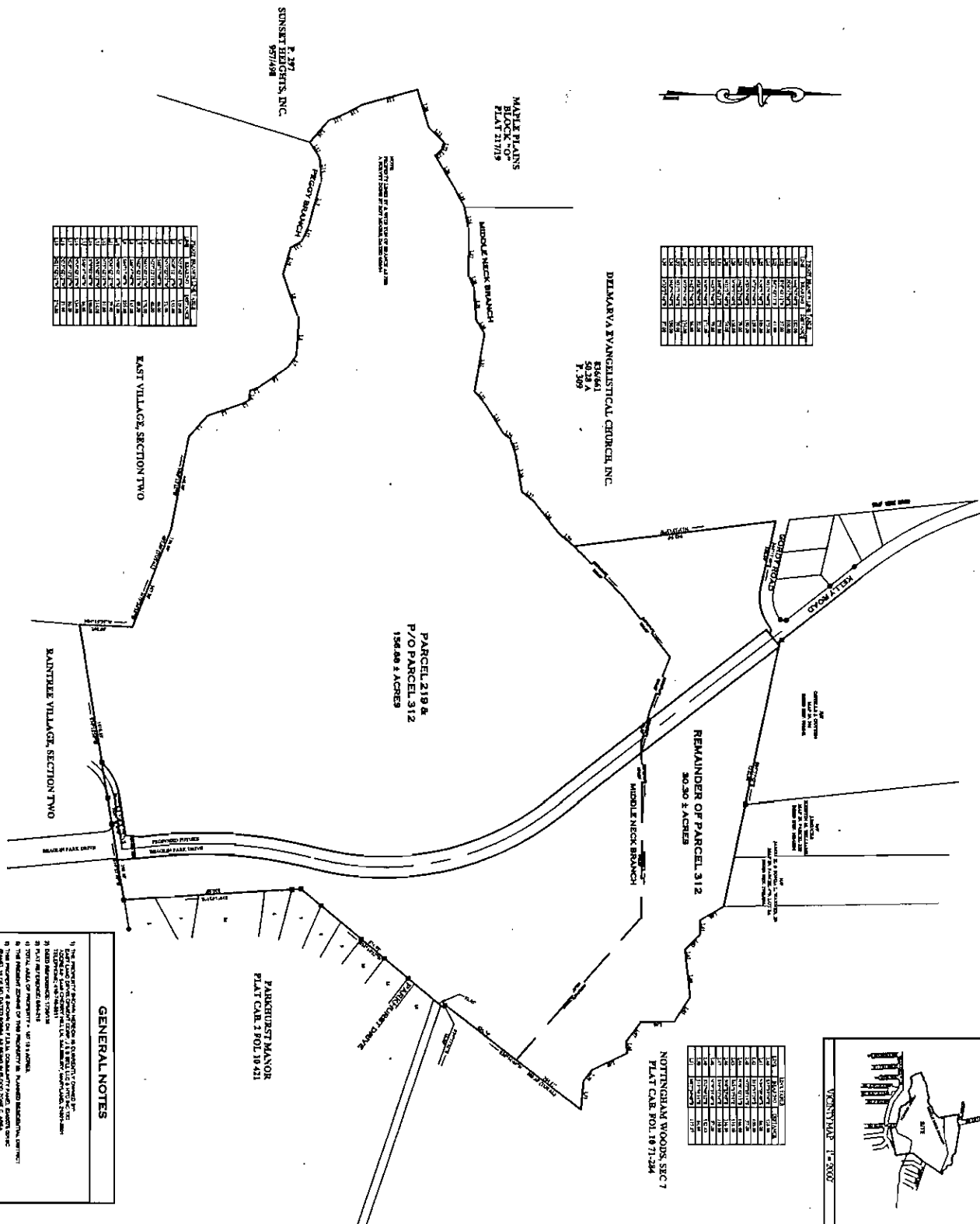
Beginning for the same at a point on the most Southwesterly corner of the property herein described and on the East side of Aydelotte Road, thence along the East side of "East Village, Block 'B', Section Two", North 04 degrees 19 minutes 33 seconds West a distance of 248.00 feet, thence along the Northerly side of "East Village, Block 'B', Section Two", North 75 degrees 24 minutes 33 seconds West a distance of 497.00 feet, thence North 86 degrees 12 minutes 12 seconds West a distance of 440.00 feet, thence by and with the centerline of Peggy Branch the following courses and distances; (1) North 55 degrees 42 minutes 12 seconds West a distance of 129.00 feet, thence (2) North 26 degrees 12 minutes 12 seconds West a distance of 155.00 feet, thence (3) North 31 degrees 22 minutes 12 seconds West a distance of 52.00 feet, thence (4) South 88 degrees 17 minutes 48 seconds West a distance of 46.00 feet, thence (5) North 27 degrees 12 minutes 12 seconds West a distance of 40.00 feet, thence (6) North 41 degrees 42 minutes 12 seconds West a distance of 170.00 feet, thence (7) North 62 degrees 42 minutes 12 seconds West a distance of 68.00 feet, thence (8) South 86 degrees 47 minutes 48 seconds West a distance of 165.00 feet, thence (9) South 64 degrees 17 minutes 48 seconds West a distance of 225.00 feet, thence (10) North 80 degrees 42 minutes 12 seconds West a distance of 132.00 feet, thence (11) North 36 degrees 42 minutes 12 seconds West a distance of 59.00 feet, thence (12) North 73 degrees 42 minutes 12 seconds West a distance of 91.00 feet, thence (13) North 81 degrees 42 minutes 12 seconds West a distance of 214.00 feet thence (14) South 79 degrees 02 minutes 48 seconds West a distance of 100.00 feet, thence (15) South 49 degrees 47 minutes 48 seconds West a distance of 86.00 feet, thence (16) North 55 degrees 42 minutes 12 seconds West a distance of 134.00 feet, thence (17) North 29 degrees 12 minutes 12 seconds West a distance of 80.00 feet, thence (18) North 33 degrees 42 minutes 12 seconds West a distance of 91.00 feet, thence (19) North 21 degrees 42 minutes 12 seconds West a distance of 274.00 feet to the intersection of Middle Neck Branch, thence by and with the centerline of Middle Neck Branch the following courses and distances; (1) North 66 degrees 47 minutes 48 seconds East a distance of 182.00 feet,

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ATTACHMENT 3 TO APPLICATION

BOUNDARY SURVEY

[SEE ATTACHED]



TAX DISTRICT IDENTIFICATION PLAT

FOR THE LANDS OF
EAST FIELDS DEVELOPMENT, LLC

LOCATION CITY OF SALISBURY
PARSONS ELECTION DISTRICT, WICOMICO COUNTY, MARYLAND

SCALE $1" = 700'$

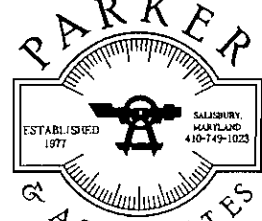
DATE 03/10/06

TAX MAP 29

JOB NO. S581

DRAWN BY KMD

PARCEL	219 & 312
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SURVEYING *D. L.* FORESTRYCIVIL
ENGINEERING

SITE PLANNING

[illegible]

ATTACHMENT 4 TO APPLICATION

DESCRIPTION OF INFRASTRUCTURE IMPROVEMENTS WITHIN OR OUTSIDE (AND REASONABLY RELATED TO) THE DISTRICT

- (1) the design and construction of a public access road connecting Kelly Road with Beaglin Park Drive and related paving, curb and gutter features; and
- (2) the design and construction of a sidewalk/bike path; and
- (3) the design, construction, establishment, extension and alteration, as applicable, of water and sewer system improvements, including (without limitation) up to two sewer lift stations; and
- (4) such other infrastructure improvements within or outside the District as authorized by both the Acts and as may be provided for in an agreement or agreements between the City and the property owner(s) or its/or their contractors, developers or agents.


#91695;58111.005

INTER

OFFICE

MEMO

Office of the Mayor

To: City Council
From: John R. Pick 
Subject: Northeast Collector Road, Phase III Tax Increment Financing
Date: February 23, 2006

Attached is a resolution which would have the effect of creating both a tax increment financing district and a special taxing district to fund the construction of the third, and final, phase of the Northeast Collector Road. The tax increment financing district and the special tax district would include the Aydelotte Farm and would facilitate the development of this area. Under the tax increment financing arrangement, tax revenues generated from the development of this area would be "captured" and used to pay off the bonds that would be issued to fund the construction of the road. If tax revenues from the development are not sufficient to pay off the bonds, the special tax district authority would be used to levy additional taxes within the district to pay off the bonds. Through this mechanism, the general tax payers of the City would not be responsible for paying off these bonds. This resolution is being introduced at the February 27, 2006 meeting of the Council. A public hearing on this resolution is scheduled for the March 13, 2006 meeting, at which time the Council would be asked to vote on the resolution.

A financial analysis has been conducted on this project, and reviewed by an independent financial analyst. The financial analysis has concluded that the Aydelotte Farm development, as proposed, would yield more than enough tax revenue to pay off the bonds for this project. Attached is a copy of the financial analysis.

The Aydelotte Farm contains 159 acres. The developers propose to create a residential community of approximately 676 units. These units would be a mixture of single-family detached homes, condominiums, and town homes. There are two commercial sites located on the property as well.

If you have any questions, please feel free to call.

cc: Mayor Tilghman
Brenda Colegrove

AYDELOTTE FARM
Salisbury, Maryland

TIF BOND PROJECTIONS
Projection No. 4

Assumptions:
Public Improvements Equal to \$6 million

Prepared By:

MuniCap, Inc.
Public Finance

January 20, 2006

AYDELOTTE FARM
Salisbury, Maryland

TIF BOND PROJECTIONS
Projection No. 4

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Aydelotte Farm
Salisbury, Maryland

Schedule I: Sources and Uses of Funds and Bond Issuance Assumptions

		Percent
Sources of funds:		
Total bond proceeds	\$8,446,000	98.5%
Interest earned in the improvement fund (see Schedule IV)	\$128,003	1.5%
Total sources of funds	\$8,574,003	100.0%
Total uses of funds:		
Public improvements	\$6,000,000	70.0%
Issuance costs	\$250,000	2.9%
Underwriter's discount	\$168,920	2.0%
Capitalized interest (see Schedule III)	\$1,310,253	15.3%
Reserve fund	\$844,600	10.0%
Rounding	\$229	0.0%
Total uses of funds	\$8,574,003	100.0%

Assumptions:

Maturity	29.0 years
Interest only	4.0 years
Amortization	25.0 years
Average life	22.48
Bond coupon rate	5.75%
Reinvestment rates:	
Reserve fund	4.50%
Improvement fund	4.00%
Capitalized interest account	4.00%
Date bonds issued	1-Jul-06
Dates payments due:	
Interest	January 1 and July 1
Principal	July 1
Capitalized interest:	
Interest funded through	1-Jul-09
Months interest funded	36

MuniCap, Inc.

ast Fields Development LLC\Aydelotte Farms\Proj. No. 4.xls\I
20-Jan-06

Aydelotte Farm
Salisbury, Maryland

Schedule II: Debt Service Projections

Date	Principal	Interest Rate	Interest	Gross Debt Service Payments	Gross Annual Debt Service Payments	Capitalized Interest	Reserve Fund Income	District Operations	Net Annual Debt Service
1-Jul-06				\$0					
1-Jan-07			\$242,823	\$242,823		(\$223,819)	(\$19,004)		
1-Jul-07	\$0	5.75%	\$242,823	\$242,823	\$485,645	(\$243,819)	(\$19,004)	\$20,000	\$0
1-Jan-08			\$242,823	\$242,823		(\$223,819)	(\$19,004)		
1-Jul-08	\$0	5.75%	\$242,823	\$242,823	\$485,645	(\$244,219)	(\$19,004)	\$20,400	\$0
1-Jan-09			\$242,823	\$242,823		(\$223,819)	(\$19,004)		
1-Jul-09	\$0	5.75%	\$242,823	\$242,823	\$485,645	(\$244,627)	(\$19,004)	\$20,808	\$0
1-Jan-10			\$242,823	\$242,823			(\$19,004)		
1-Jul-10	\$0	5.75%	\$242,823	\$242,823	\$485,645		(\$19,004)	\$21,224	\$468,862
1-Jan-11			\$242,823	\$242,823			(\$19,004)		
1-Jul-11	\$47,000	5.75%	\$242,823	\$289,823	\$532,645		(\$19,004)	\$21,649	\$516,287
1-Jan-12			\$241,471	\$241,471			(\$19,004)		
1-Jul-12	\$60,000	5.75%	\$241,471	\$301,471	\$542,943		(\$19,004)	\$22,082	\$527,017
1-Jan-13			\$239,746	\$239,746			(\$19,004)		
1-Jul-13	\$75,000	5.75%	\$239,746	\$314,746	\$554,493		(\$19,004)	\$22,523	\$539,009
1-Jan-14			\$237,590	\$237,590			(\$19,004)		
1-Jul-14	\$90,000	5.75%	\$237,590	\$327,590	\$565,180		(\$19,004)	\$22,974	\$550,147
1-Jan-15			\$235,003	\$235,003			(\$19,004)		
1-Jul-15	\$107,000	5.75%	\$235,003	\$342,003	\$577,005		(\$19,004)	\$23,433	\$562,431
1-Jan-16			\$231,926	\$231,926			(\$19,004)		
1-Jul-16	\$124,000	5.75%	\$231,926	\$355,926	\$587,853		(\$19,004)	\$23,902	\$573,747
1-Jan-17			\$228,361	\$228,361			(\$19,004)		
1-Jul-17	\$143,000	5.75%	\$228,361	\$371,361	\$599,723		(\$19,004)	\$24,380	\$586,095
1-Jan-18			\$224,250	\$224,250			(\$19,004)		
1-Jul-18	\$164,000	5.75%	\$224,250	\$388,250	\$612,500		(\$19,004)	\$24,867	\$599,360
1-Jan-19			\$219,535	\$219,535			(\$19,004)		
1-Jul-19	\$185,000	5.75%	\$219,535	\$404,535	\$624,070		(\$19,004)	\$25,365	\$611,428
1-Jan-20			\$214,216	\$214,216			(\$19,004)		
1-Jul-20	\$208,000	5.75%	\$214,216	\$422,216	\$636,433		(\$19,004)	\$25,872	\$624,298
1-Jan-21			\$208,236	\$208,236			(\$19,004)		
1-Jul-21	\$233,000	5.75%	\$208,236	\$441,236	\$649,473		(\$19,004)	\$26,390	\$637,855
1-Jan-22			\$201,538	\$201,538			(\$19,004)		
1-Jul-22	\$259,000	5.75%	\$201,538	\$460,538	\$662,075		(\$19,004)	\$26,917	\$650,985
1-Jan-23			\$194,091	\$194,091			(\$19,004)		
1-Jul-23	\$288,000	5.75%	\$194,091	\$482,091	\$676,183		(\$19,004)	\$27,456	\$665,631
1-Jan-24			\$185,811	\$185,811			(\$19,004)		
1-Jul-24	\$318,000	5.75%	\$185,811	\$503,811	\$689,623		(\$19,004)	\$28,005	\$679,620
1-Jan-25			\$176,669	\$176,669			(\$19,004)		
1-Jul-25	\$350,000	5.75%	\$176,669	\$526,669	\$703,338		(\$19,004)	\$28,565	\$693,895
1-Jan-26			\$166,606	\$166,606			(\$19,004)		
1-Jul-26	\$384,000	5.75%	\$166,606	\$550,606	\$717,213		(\$19,004)	\$29,136	\$708,342
1-Jan-27			\$155,566	\$155,566			(\$19,004)		
1-Jul-27	\$420,000	5.75%	\$155,566	\$575,566	\$731,133		(\$19,004)	\$29,719	\$722,844
1-Jan-28			\$143,491	\$143,491			(\$19,004)		
1-Jul-28	\$459,000	5.75%	\$143,491	\$602,491	\$745,983		(\$19,004)	\$30,313	\$738,289
1-Jan-29			\$130,295	\$130,295			(\$19,004)		
1-Jul-29	\$500,000	5.75%	\$130,295	\$630,295	\$760,590		(\$19,004)	\$30,920	\$753,503
1-Jan-30			\$115,920	\$115,920			(\$19,004)		
1-Jul-30	\$544,000	5.75%	\$115,920	\$659,920	\$775,840		(\$19,004)	\$31,538	\$769,371
1-Jan-31			\$100,280	\$100,280			(\$19,004)		
1-Jul-31	\$591,000	5.75%	\$100,280	\$691,280	\$791,560		(\$19,004)	\$32,169	\$785,722
1-Jan-32			\$83,289	\$83,289			(\$19,004)		
1-Jul-32	\$641,000	5.75%	\$83,289	\$724,289	\$807,578		(\$19,004)	\$32,812	\$802,383
1-Jan-33			\$64,860	\$64,860			(\$19,004)		
1-Jul-33	\$694,000	5.75%	\$64,860	\$758,860	\$823,720		(\$19,004)	\$33,468	\$819,181
1-Jan-34			\$44,908	\$44,908			(\$19,004)		
1-Jul-34	\$750,000	5.75%	\$44,908	\$794,908	\$839,815		(\$19,004)	\$34,138	\$835,946
1-Jan-35			\$23,345	\$23,345			(\$19,004)		
1-Jul-35	\$812,000	5.75%	\$23,345	\$835,345	\$858,690		(\$863,604)	\$34,820	\$10,903

Total: \$8,446,000 \$10,562,233 \$19,008,233 \$19,008,233 (\$1,404,122) (\$1,946,803) \$775,845 \$16,433,152

AtmCap, Inc.

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20-Jan-06

Aydelotte Farm
Salisbury, Maryland

Schedule III: Details of the Capitalized Interest Account

	Beginning Balance	Deposit from Bond Proceeds	Disbursement for Debt Service	Reserve Fund Income	District Operations	Net Withdrawal From Capitalized Interest Account	Interest Earnings	Reinvestment Rate	Ending Balance
1-Jul-06	\$0	\$1,310,253					\$0	4.00%	\$1,310,253
1-Jan-07	\$1,310,253		(\$242,823)	\$19,004		\$223,819	\$26,205	4.00%	\$1,112,639
1-Jul-07	\$1,112,639		(\$242,823)	\$19,004	(\$20,000)	\$243,819	\$22,253	4.00%	\$891,073
1-Jan-08	\$891,073		(\$242,823)	\$19,004		\$223,819	\$17,821	4.00%	\$685,076
1-Jul-08	\$685,076		(\$242,823)	\$19,004	(\$20,400)	\$244,219	\$13,702	4.00%	\$454,558
1-Jan-09	\$454,558		(\$242,823)	\$19,004		\$223,819	\$9,091	4.00%	\$239,830
1-Jul-09	\$239,830		(\$242,823)	\$19,004	(\$20,808)	\$244,627	\$4,797	4.00%	\$0
Total		\$1,310,253	(\$1,456,935)	\$114,021	(\$61,208)	\$1,404,122	\$93,869		

MuniCap, Inc.

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20-Jan-06

Aydelotte Farm
Salisbury, Maryland

Schedule V: Projected Absorption

Bond Year	Tax Year	Development Year	Astoria		Fairfield		Melrose		Griffin		Hampton		Windsor		Single Family	
Ending	Beginning	Ending	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
1-Jul-08	1-Jul-07	31-Dec-06	6	6	0	0	0	0	0	0	0	0	0	0	0	0
1-Jul-09	1-Jul-08	31-Dec-07	16	22	0	0	0	0	0	0	12	12	0	0	5	5
1-Jul-10	1-Jul-09	31-Dec-08	27	49	12	12	10	10	8	8	12	24	12	12	20	25
1-Jul-11	1-Jul-10	31-Dec-09	32	81	20	32	16	26	12	20	12	36	12	24	20	45
1-Jul-12	1-Jul-11	31-Dec-10	23	104	20	52	16	42	12	32	12	48	12	36	20	65
1-Jul-13	1-Jul-12	31-Dec-11	16	120	20	72	16	58	12	44	12	60	12	48	11	76
1-Jul-14	1-Jul-13	31-Dec-12	16	136	20	92	0	58	12	56	12	72	12	60	0	76
1-Jul-15	1-Jul-14	31-Dec-13	16	152	20	112	0	58	6	62	0	72	12	72	0	76
1-Jul-16	1-Jul-15	31-Dec-14	16	168	20	132	0	58	0	62	0	72	0	72	0	76
1-Jul-17	1-Jul-16	31-Dec-15	16	184	0	132	0	58	0	62	0	72	0	72	0	76
1-Jul-18	1-Jul-17	31-Dec-16	11	195	0	132	0	58	0	62	0	72	0	72	0	76
1-Jul-19	1-Jul-18	31-Dec-17		195		132		58		62		72		72		76
1-Jul-20	1-Jul-19	31-Dec-18		195		132		58		62		72		72		76
1-Jul-21	1-Jul-20	31-Dec-19		195		132		58		62		72		72		76
1-Jul-22	1-Jul-21	31-Dec-20		195		132		58		62		72		72		76
1-Jul-23	1-Jul-22	31-Dec-21		195		132		58		62		72		72		76
1-Jul-24	1-Jul-23	31-Dec-22		195		132		58		62		72		72		76
1-Jul-25	1-Jul-24	31-Dec-23		195		132		58		62		72		72		76
1-Jul-26	1-Jul-25	31-Dec-24		195		132		58		62		72		72		76
1-Jul-27	1-Jul-26	31-Dec-25		195		132		58		62		72		72		76
1-Jul-28	1-Jul-27	31-Dec-26		195		132		58		62		72		72		76
1-Jul-29	1-Jul-28	31-Dec-27		195		132		58		62		72		72		76
1-Jul-30	1-Jul-29	31-Dec-28		195		132		58		62		72		72		76
1-Jul-31	1-Jul-30	31-Dec-29		195		132		58		62		72		72		76
1-Jul-32	1-Jul-31	31-Dec-30		195		132		58		62		72		72		76
1-Jul-33	1-Jul-32	31-Dec-31		195		132		58		62		72		72		76
1-Jul-34	1-Jul-33	31-Dec-32		195		132		58		62		72		72		76
1-Jul-35	1-Jul-34	31-Dec-33		195		132		58		62		72		72		76
Total			195		132		58		62		72		72		76	

MuniCap, Inc.

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20-Jan-06

Aydelotte Farm
Salisbury, Maryland

Schedule IV: Details of the Improvement Fund

Date	Beginning Balance	Deposit from Bond Proceeds	Disbursement for Construction	Interest Earnings	Reinvestment Rate	Ending Balance
1-Jul-06	\$0	\$5,871,997			4.00%	\$5,871,997
1-Aug-06	\$5,871,997	\$0	(\$500,000)	\$19,573	4.00%	\$5,391,571
1-Sep-06	\$5,391,571	\$0	(\$500,000)	\$17,972	4.00%	\$4,909,542
1-Oct-06	\$4,909,542	\$0	(\$500,000)	\$16,365	4.00%	\$4,425,908
1-Nov-06	\$4,425,908	\$0	(\$500,000)	\$14,753	4.00%	\$3,940,661
1-Dec-06	\$3,940,661	\$0	(\$500,000)	\$13,136	4.00%	\$3,453,796
1-Jan-07	\$3,453,796	\$0	(\$500,000)	\$11,513	4.00%	\$2,965,309
1-Feb-07	\$2,965,309	\$0	(\$500,000)	\$9,884	4.00%	\$2,475,193
1-Mar-07	\$2,475,193	\$0	(\$500,000)	\$8,251	4.00%	\$1,983,444
1-Apr-07	\$1,983,444	\$0	(\$500,000)	\$6,611	4.00%	\$1,490,055
1-May-07	\$1,490,055	\$0	(\$500,000)	\$4,967	4.00%	\$995,022
1-Jun-07	\$995,022	\$0	(\$500,000)	\$3,317	4.00%	\$498,339
1-Jul-07	\$498,339	\$0	(\$500,000)	\$1,661	4.00%	(\$0)
1-Aug-07	(\$0)	\$0	\$0	(\$0)	4.00%	\$0
1-Sep-07	\$0	\$0	\$0	\$0	4.00%	\$0
1-Oct-07	\$0	\$0	\$0	\$0	4.00%	\$0
1-Nov-07	\$0	\$0	\$0	\$0	4.00%	\$0
1-Dec-07	\$0	\$0	\$0	\$0	4.00%	\$0
1-Jan-08	\$0	\$0	\$0	\$0	4.00%	\$0
1-Feb-08	\$0	\$0	\$0	\$0	4.00%	\$0
1-Mar-08	\$0	\$0	\$0	\$0	4.00%	\$0
1-Apr-08	\$0	\$0	\$0	\$0	4.00%	\$0
1-May-08	\$0	\$0	\$0	\$0	4.00%	\$0
1-Jun-08	\$0	\$0	\$0	\$0	4.00%	\$0
1-Jul-08	\$0	\$0	\$0	\$0	4.00%	\$0
1-Aug-08	\$0	\$0	\$0	\$0	4.00%	\$0
1-Sep-08	\$0	\$0	\$0	\$0	4.00%	\$0
1-Oct-08	\$0	\$0	\$0	\$0	4.00%	\$0
1-Nov-08	\$0	\$0	\$0	\$0	4.00%	\$0
1-Dec-08	\$0	\$0	\$0	\$0	4.00%	\$0
1-Jan-09	\$0	\$0	\$0	\$0	4.00%	\$0
1-Feb-09	\$0	\$0	\$0	\$0	4.00%	\$0
1-Mar-09	\$0	\$0	\$0	\$0	4.00%	\$0
1-Apr-09	\$0	\$0	\$0	\$0	4.00%	\$0
1-May-09	\$0	\$0	\$0	\$0	4.00%	\$0
1-Jun-09	\$0	\$0	\$0	\$0	4.00%	\$0
Total		\$5,871,997	(\$6,000,000)	\$128,003		

MuniCap, Inc.

M:\CONSULTING\East Fields Development LLC\Aydelotte Farms\Proj. No. 4.xls\IV

20-Jan-06

Aydelotte Farm
Salisbury, Maryland

Schedule VI-A: Projection of Assessed Value Per Unit

Bond Year Ending	Tax Year Beginning	Inflation Factor	Astoria		Fairfield		McIrose		Griffin		Hampton		Windsor		Single Family	
			Market Value	Phase-In Value	Market Value	Phase-In Value	Market Value	Phase-In Value	Market Value	Phase-In Value	Market Value	Phase-In Value	Market Value	Phase-In Value	Market Value	Phase-In Value
1-Jul-07	1-Jul-06	100.0%	\$210,000	\$210,000	\$200,000	\$200,000	\$240,000	\$240,000	\$230,000	\$230,000	\$165,000	\$165,000	\$180,000	\$180,000	\$270,000	\$270,000
1-Jul-08	1-Jul-07	102.0%	\$214,200	\$211,400	\$204,000	\$201,333	\$244,800	\$241,600	\$234,600	\$231,533	\$168,300	\$166,100	\$183,600	\$181,200	\$275,400	\$271,800
1-Jul-09	1-Jul-08	104.0%	\$214,200	\$212,800	\$208,080	\$202,667	\$249,696	\$243,200	\$239,292	\$233,067	\$171,666	\$167,200	\$187,272	\$182,400	\$280,908	\$273,600
1-Jul-10	1-Jul-09	106.1%	\$214,200	\$214,200	\$212,242	\$204,000	\$254,690	\$244,800	\$244,078	\$234,600	\$175,099	\$168,300	\$191,017	\$183,600	\$286,526	\$275,400
1-Jul-11	1-Jul-10	108.2%	\$227,311	\$218,570	\$216,486	\$208,162	\$259,784	\$249,795	\$248,959	\$239,386	\$178,601	\$171,734	\$194,838	\$187,346	\$292,257	\$281,019
1-Jul-12	1-Jul-11	110.4%	\$227,311	\$222,941	\$220,816	\$212,324	\$264,979	\$254,789	\$253,939	\$244,173	\$182,173	\$175,168	\$198,735	\$191,092	\$298,102	\$286,638
1-Jul-13	1-Jul-12	112.6%	\$227,311	\$227,311	\$225,232	\$216,486	\$270,279	\$259,784	\$259,017	\$248,959	\$185,817	\$178,601	\$202,709	\$194,838	\$304,064	\$292,257
1-Jul-14	1-Jul-13	114.9%	\$241,224	\$231,948	\$229,737	\$220,903	\$275,685	\$265,084	\$264,198	\$254,039	\$189,533	\$182,245	\$206,763	\$198,813	\$310,145	\$298,219
1-Jul-15	1-Jul-14	117.2%	\$241,224	\$236,586	\$234,332	\$225,320	\$281,198	\$270,384	\$269,482	\$259,118	\$193,324	\$185,889	\$210,899	\$202,788	\$316,348	\$304,182
1-Jul-16	1-Jul-15	119.5%	\$241,224	\$241,224	\$239,019	\$229,737	\$286,822	\$275,685	\$274,871	\$264,198	\$197,190	\$189,533	\$215,117	\$206,763	\$322,675	\$310,145
1-Jul-17	1-Jul-16	121.9%	\$255,989	\$246,146	\$243,799	\$234,424	\$292,559	\$281,309	\$280,369	\$269,588	\$201,134	\$193,400	\$219,419	\$210,982	\$329,128	\$316,473
1-Jul-18	1-Jul-17	124.3%	\$255,989	\$251,067	\$248,675	\$239,112	\$298,410	\$286,934	\$285,976	\$274,978	\$205,157	\$197,267	\$223,807	\$215,200	\$335,711	\$322,801
1-Jul-19	1-Jul-18	126.8%	\$255,989	\$255,989	\$253,648	\$243,799	\$304,378	\$292,559	\$291,696	\$280,369	\$209,260	\$201,134	\$228,284	\$219,419	\$342,425	\$329,128
1-Jul-20	1-Jul-19	129.4%	\$271,657	\$261,212	\$258,721	\$248,773	\$310,466	\$298,528	\$297,530	\$286,089	\$213,445	\$205,238	\$232,849	\$223,896	\$349,274	\$335,844
1-Jul-21	1-Jul-20	131.9%	\$271,657	\$266,435	\$263,896	\$253,747	\$316,675	\$304,497	\$303,480	\$291,809	\$217,714	\$209,341	\$237,506	\$228,372	\$356,259	\$342,559
1-Jul-22	1-Jul-21	134.6%	\$271,657	\$271,657	\$269,174	\$258,721	\$323,008	\$310,466	\$309,550	\$297,530	\$222,068	\$213,445	\$242,256	\$232,849	\$363,384	\$349,274
1-Jul-23	1-Jul-22	137.3%	\$288,285	\$277,200	\$274,557	\$264,000	\$329,469	\$316,800	\$315,741	\$303,600	\$226,510	\$217,800	\$247,101	\$237,600	\$370,652	\$356,400
1-Jul-24	1-Jul-23	140.0%	\$288,285	\$282,742	\$280,048	\$269,279	\$336,058	\$323,134	\$322,056	\$309,670	\$231,040	\$222,155	\$252,043	\$242,351	\$378,065	\$363,526
1-Jul-25	1-Jul-24	142.8%	\$288,285	\$288,285	\$285,649	\$274,557	\$342,779	\$329,469	\$328,497	\$315,741	\$235,661	\$226,510	\$257,084	\$247,101	\$385,626	\$370,652
1-Jul-26	1-Jul-25	145.7%	\$305,930	\$294,167	\$291,362	\$280,159	\$349,635	\$336,191	\$335,067	\$322,183	\$240,374	\$231,131	\$262,226	\$252,143	\$393,339	\$378,214
1-Jul-27	1-Jul-26	148.6%	\$305,930	\$300,049	\$297,189	\$285,761	\$356,627	\$342,913	\$341,768	\$328,625	\$245,181	\$235,752	\$267,471	\$257,184	\$401,206	\$385,777
1-Jul-28	1-Jul-27	151.6%	\$305,930	\$305,930	\$303,133	\$291,362	\$363,760	\$349,635	\$348,603	\$335,067	\$250,085	\$240,374	\$272,820	\$262,226	\$409,230	\$393,339
1-Jul-29	1-Jul-28	154.6%	\$324,656	\$312,172	\$309,196	\$297,307	\$371,035	\$356,768	\$355,575	\$341,903	\$255,087	\$245,278	\$278,276	\$267,576	\$417,415	\$401,364
1-Jul-30	1-Jul-29	157.7%	\$324,656	\$318,414	\$315,380	\$303,251	\$378,456	\$363,902	\$362,687	\$348,739	\$260,188	\$250,182	\$283,842	\$272,926	\$425,763	\$409,389
1-Jul-31	1-Jul-30	160.8%	\$324,656	\$324,656	\$321,687	\$309,196	\$386,025	\$371,035	\$369,941	\$355,575	\$265,392	\$255,087	\$289,519	\$278,276	\$434,278	\$417,415
1-Jul-32	1-Jul-31	164.1%	\$344,527	\$331,280	\$328,121	\$315,504	\$393,745	\$378,605	\$377,339	\$362,830	\$270,700	\$260,291	\$295,309	\$283,954	\$442,964	\$425,931
1-Jul-33	1-Jul-32	167.3%	\$344,527	\$337,903	\$334,684	\$321,813	\$401,620	\$386,175	\$384,886	\$370,085	\$276,114	\$265,496	\$301,215	\$289,631	\$451,823	\$434,447
1-Jul-34	1-Jul-33	170.7%	\$344,527	\$344,527	\$341,377	\$328,121	\$409,653	\$393,745	\$392,584	\$377,339	\$281,636	\$270,700	\$307,240	\$295,309	\$460,859	\$442,964
1-Jul-35	1-Jul-34	174.1%	\$365,615	\$351,557	\$348,205	\$334,816	\$417,846	\$401,779	\$400,436	\$385,038	\$287,269	\$276,223	\$313,384	\$301,334	\$470,077	\$452,001

Aydelotte Farm
Salisbury, Maryland

Schedule VI-B: Projection of Developed Property Assessed Value

Bond Year Ending	Tax Year Beginning	Inflation Factor	Astoria Total Assessed Value	Fairfield Total Assessed Value	Melrose Total Assessed Value	Griffin Total Assessed Value	Hampton Total Assessed Value	Windsor Total Assessed Value	Single Family Total Assessed Value	Developed Property Assessed Value
1-Jul-07	1-Jul-06	100.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1-Jul-08	1-Jul-07	100.0%	\$1,268,400	\$0	\$0	\$0	\$0	\$0	\$0	\$1,268,400
1-Jul-09	1-Jul-08	102.0%	\$4,681,600	\$0	\$0	\$0	\$2,006,400	\$0	\$1,368,000	\$8,056,000
1-Jul-10	1-Jul-09	104.0%	\$10,495,800	\$2,448,000	\$2,448,000	\$1,876,800	\$4,039,200	\$2,203,200	\$6,885,000	\$30,396,000
1-Jul-11	1-Jul-10	106.1%	\$17,704,190	\$6,661,189	\$6,494,659	\$4,787,729	\$6,182,416	\$4,496,302	\$12,645,350	\$58,972,335
1-Jul-12	1-Jul-11	108.2%	\$23,185,812	\$11,040,863	\$10,701,144	\$7,813,534	\$8,408,042	\$6,879,307	\$18,631,456	\$86,660,158
1-Jul-13	1-Jul-12	110.4%	\$27,277,290	\$15,587,023	\$15,067,456	\$10,954,213	\$10,716,078	\$9,352,214	\$22,211,508	\$111,165,783
1-Jul-14	1-Jul-13	112.6%	\$31,544,996	\$20,323,107	\$15,374,872	\$14,226,175	\$13,121,658	\$11,928,780	\$22,664,682	\$129,184,269
1-Jul-15	1-Jul-14	114.9%	\$35,961,109	\$25,235,866	\$15,682,288	\$16,065,333	\$13,384,022	\$14,600,751	\$23,117,856	\$144,047,225
1-Jul-16	1-Jul-15	117.2%	\$40,525,630	\$30,325,302	\$15,989,704	\$16,380,258	\$13,646,386	\$14,886,966	\$23,571,030	\$155,325,276
1-Jul-17	1-Jul-16	119.5%	\$45,290,791	\$30,944,019	\$16,315,937	\$16,714,459	\$13,924,808	\$15,190,700	\$24,051,942	\$162,432,655
1-Jul-18	1-Jul-17	121.9%	\$48,958,107	\$31,562,736	\$16,642,170	\$17,048,659	\$14,203,231	\$15,494,434	\$24,532,854	\$168,442,190
1-Jul-19	1-Jul-18	124.3%	\$49,917,821	\$32,181,453	\$16,968,402	\$17,382,860	\$14,481,654	\$15,798,168	\$25,013,765	\$171,744,124
1-Jul-20	1-Jul-19	126.8%	\$50,936,278	\$32,838,040	\$17,314,603	\$17,737,517	\$14,777,118	\$16,120,492	\$25,524,113	\$175,248,162
1-Jul-21	1-Jul-20	129.4%	\$51,954,735	\$33,494,628	\$17,660,804	\$18,092,174	\$15,072,582	\$16,442,817	\$26,034,461	\$178,752,200
1-Jul-22	1-Jul-21	131.9%	\$52,973,192	\$34,151,215	\$18,007,004	\$18,446,831	\$15,368,047	\$16,765,142	\$26,544,808	\$182,256,238
1-Jul-23	1-Jul-22	134.6%	\$54,053,986	\$34,847,991	\$18,374,395	\$18,823,195	\$15,681,596	\$17,107,196	\$27,086,393	\$185,974,751
1-Jul-24	1-Jul-23	137.3%	\$55,134,780	\$35,544,767	\$18,741,786	\$19,199,560	\$15,995,145	\$17,449,249	\$27,627,978	\$189,693,265
1-Jul-25	1-Jul-24	140.0%	\$56,215,575	\$36,241,543	\$19,109,177	\$19,575,924	\$16,308,694	\$17,791,303	\$28,169,563	\$193,411,778
1-Jul-26	1-Jul-25	142.8%	\$57,362,522	\$36,980,967	\$19,499,055	\$19,975,325	\$16,641,435	\$18,154,293	\$28,744,297	\$197,357,894
1-Jul-27	1-Jul-26	145.7%	\$58,509,470	\$37,720,391	\$19,888,933	\$20,374,726	\$16,974,176	\$18,517,283	\$29,319,031	\$201,304,010
1-Jul-28	1-Jul-27	148.6%	\$59,656,418	\$38,459,815	\$20,278,812	\$20,774,127	\$17,306,917	\$18,880,273	\$29,893,765	\$205,250,126
1-Jul-29	1-Jul-28	151.6%	\$60,873,568	\$39,244,498	\$20,692,553	\$21,197,975	\$17,660,024	\$19,265,481	\$30,503,678	\$209,437,776
1-Jul-30	1-Jul-29	154.6%	\$62,090,718	\$40,029,181	\$21,106,295	\$21,621,823	\$18,013,131	\$19,650,689	\$31,113,590	\$213,625,426
1-Jul-31	1-Jul-30	157.7%	\$63,307,868	\$40,813,863	\$21,520,037	\$22,045,670	\$18,366,238	\$20,035,897	\$31,723,503	\$217,813,076
1-Jul-32	1-Jul-31	160.8%	\$64,599,517	\$41,646,575	\$21,959,103	\$22,495,461	\$18,740,959	\$20,444,682	\$32,370,747	\$222,257,043
1-Jul-33	1-Jul-32	164.1%	\$65,891,166	\$42,479,287	\$22,398,169	\$22,945,251	\$19,115,679	\$20,853,468	\$33,017,991	\$226,701,011
1-Jul-34	1-Jul-33	167.3%	\$67,182,815	\$43,311,998	\$22,837,235	\$23,395,041	\$19,490,399	\$21,262,254	\$33,665,235	\$231,144,979
1-Jul-35	1-Jul-34	170.7%	\$68,553,524	\$44,195,679	\$23,303,176	\$23,872,363	\$19,888,055	\$21,696,060	\$34,352,096	\$235,860,953

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Aydelotte Farm
Salisbury, Maryland

Schedule VII: Projected Net Incremental Real Property Taxes

Bond Year Ending	Tax Year Beginning	Developed Property Value	Residual Land Value	Total Projected Property Value	Base Value	Incremental Value	Tax Rate	Tax Increment
1-Jul-07	1-Jul-06	\$0	\$4,000,000	\$4,000,000	(\$4,000,000)	\$0	0.729%	\$0
1-Jul-08	1-Jul-07	\$1,268,400	\$3,963,283	\$5,231,683	(\$4,000,000)	\$1,231,683	0.729%	\$8,979
1-Jul-09	1-Jul-08	\$8,056,000	\$3,771,373	\$11,827,373	(\$4,000,000)	\$7,827,373	0.729%	\$57,062
1-Jul-10	1-Jul-09	\$30,396,000	\$3,154,284	\$33,550,284	(\$4,000,000)	\$29,550,284	0.729%	\$215,422
1-Jul-11	1-Jul-10	\$58,972,335	\$2,391,369	\$61,363,705	(\$4,000,000)	\$57,363,705	0.729%	\$418,181
1-Jul-12	1-Jul-11	\$86,660,158	\$1,682,459	\$88,342,617	(\$4,000,000)	\$84,342,617	0.729%	\$614,858
1-Jul-13	1-Jul-12	\$111,165,783	\$1,085,401	\$112,251,184	(\$4,000,000)	\$108,251,184	0.729%	\$789,151
1-Jul-14	1-Jul-13	\$129,184,269	\$679,395	\$129,863,664	(\$4,000,000)	\$125,863,664	0.729%	\$917,546
1-Jul-15	1-Jul-14	\$144,047,225	\$369,953	\$144,417,178	(\$4,000,000)	\$140,417,178	0.729%	\$1,023,641
1-Jul-16	1-Jul-15	\$155,325,276	\$162,492	\$155,487,768	(\$4,000,000)	\$151,487,768	0.729%	\$1,104,346
1-Jul-17	1-Jul-16	\$162,432,655	\$65,583	\$162,498,239	(\$4,000,000)	\$158,498,239	0.729%	\$1,155,452
1-Jul-18	1-Jul-17	\$168,442,190	\$0	\$168,442,190	(\$4,000,000)	\$164,442,190	0.729%	\$1,198,784
1-Jul-19	1-Jul-18	\$171,744,124	\$0	\$171,744,124	(\$4,000,000)	\$167,744,124	0.729%	\$1,222,855
1-Jul-20	1-Jul-19	\$175,248,162	\$0	\$175,248,162	(\$4,000,000)	\$171,248,162	0.729%	\$1,248,399
1-Jul-21	1-Jul-20	\$178,752,200	\$0	\$178,752,200	(\$4,000,000)	\$174,752,200	0.729%	\$1,273,944
1-Jul-22	1-Jul-21	\$182,256,238	\$0	\$182,256,238	(\$4,000,000)	\$178,256,238	0.729%	\$1,299,488
1-Jul-23	1-Jul-22	\$185,974,751	\$0	\$185,974,751	(\$4,000,000)	\$181,974,751	0.729%	\$1,326,596
1-Jul-24	1-Jul-23	\$189,693,265	\$0	\$189,693,265	(\$4,000,000)	\$185,693,265	0.729%	\$1,353,704
1-Jul-25	1-Jul-24	\$193,411,778	\$0	\$193,411,778	(\$4,000,000)	\$189,411,778	0.729%	\$1,380,812
1-Jul-26	1-Jul-25	\$197,357,894	\$0	\$197,357,894	(\$4,000,000)	\$193,357,894	0.729%	\$1,409,579
1-Jul-27	1-Jul-26	\$201,304,010	\$0	\$201,304,010	(\$4,000,000)	\$197,304,010	0.729%	\$1,438,346
1-Jul-28	1-Jul-27	\$205,250,126	\$0	\$205,250,126	(\$4,000,000)	\$201,250,126	0.729%	\$1,467,113
1-Jul-29	1-Jul-28	\$209,437,776	\$0	\$209,437,776	(\$4,000,000)	\$205,437,776	0.729%	\$1,497,641
1-Jul-30	1-Jul-29	\$213,625,426	\$0	\$213,625,426	(\$4,000,000)	\$209,625,426	0.729%	\$1,528,169
1-Jul-31	1-Jul-30	\$217,813,076	\$0	\$217,813,076	(\$4,000,000)	\$213,813,076	0.729%	\$1,558,697
1-Jul-32	1-Jul-31	\$222,257,043	\$0	\$222,257,043	(\$4,000,000)	\$218,257,043	0.729%	\$1,591,094
1-Jul-33	1-Jul-32	\$226,701,011	\$0	\$226,701,011	(\$4,000,000)	\$222,701,011	0.729%	\$1,623,490
1-Jul-34	1-Jul-33	\$231,144,979	\$0	\$231,144,979	(\$4,000,000)	\$227,144,979	0.729%	\$1,655,887
1-Jul-35	1-Jul-34	\$235,860,953	\$0	\$235,860,953	(\$4,000,000)	\$231,860,953	0.729%	\$1,690,266
Total								\$32,069,502

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Salisbury, Maryland

Schedule VIII: Projected Debt Service Coverage

Bond Year Ending	Tax Year Beginning	Net Annual Debt Service	Net Incremental Property Tax Revenues	Application of Surplus Taxes	Surplus/Deficit	Special Taxes	Net Surplus/Deficit	Cumulative Net Surplus/Deficit	Debt Service Coverage
1-Jul-07	1-Jul-06	\$0			(\$0)	\$0			NA
1-Jul-08	1-Jul-07		\$8,979		\$8,979	\$0	\$8,979	\$8,979	NA
1-Jul-09	1-Jul-08		\$57,062		\$57,062	\$0	\$57,062	\$66,041	NA
1-Jul-10	1-Jul-09	\$468,862	\$215,422	\$66,041	(\$187,400)	\$187,400	\$0	\$0	85.9%
1-Jul-11	1-Jul-10	\$516,287	\$418,181		(\$98,105)	\$98,105	\$0	\$0	100.0%
1-Jul-12	1-Jul-11	\$527,017	\$614,858		\$87,841	\$0	\$87,841	\$87,841	116.7%
1-Jul-13	1-Jul-12	\$539,009	\$789,151		\$250,142	\$0	\$250,142	\$337,983	146.4%
1-Jul-14	1-Jul-13	\$550,147	\$917,546		\$367,399	\$0	\$367,399	\$705,382	166.8%
1-Jul-15	1-Jul-14	\$562,431	\$1,023,641		\$461,210	\$0	\$461,210	\$1,166,592	182.0%
1-Jul-16	1-Jul-15	\$573,747	\$1,104,346		\$530,598	\$0	\$530,598	\$1,697,191	192.5%
1-Jul-17	1-Jul-16	\$586,095	\$1,155,452		\$569,357	\$0	\$569,357	\$2,266,548	197.1%
1-Jul-18	1-Jul-17	\$599,360	\$1,198,784		\$599,423	\$0	\$599,423	\$2,865,971	200.0%
1-Jul-19	1-Jul-18	\$611,428	\$1,222,855		\$611,427	\$0	\$611,427	\$3,477,398	200.0%
1-Jul-20	1-Jul-19	\$624,298	\$1,248,399		\$624,101	\$0	\$624,101	\$4,101,499	200.0%
1-Jul-21	1-Jul-20	\$637,855	\$1,273,944		\$636,088	\$0	\$636,088	\$4,737,587	199.7%
1-Jul-22	1-Jul-21	\$650,985	\$1,299,488		\$648,503	\$0	\$648,503	\$5,386,090	199.6%
1-Jul-23	1-Jul-22	\$665,631	\$1,326,596		\$660,965	\$0	\$660,965	\$6,047,055	199.3%
1-Jul-24	1-Jul-23	\$679,620	\$1,353,704		\$674,084	\$0	\$674,084	\$6,721,138	199.2%
1-Jul-25	1-Jul-24	\$693,895	\$1,380,812		\$686,916	\$0	\$686,916	\$7,408,055	199.0%
1-Jul-26	1-Jul-25	\$708,342	\$1,409,579		\$701,237	\$0	\$701,237	\$8,109,292	199.0%
1-Jul-27	1-Jul-26	\$722,844	\$1,438,346		\$715,502	\$0	\$715,502	\$8,824,794	199.0%
1-Jul-28	1-Jul-27	\$738,289	\$1,467,113		\$728,825	\$0	\$728,825	\$9,553,619	198.7%
1-Jul-29	1-Jul-28	\$753,503	\$1,497,641		\$744,139	\$0	\$744,139	\$10,297,757	198.8%
1-Jul-30	1-Jul-29	\$769,371	\$1,528,169		\$758,798	\$0	\$758,798	\$11,056,556	198.6%
1-Jul-31	1-Jul-30	\$785,722	\$1,558,697		\$772,976	\$0	\$772,976	\$11,829,531	198.4%
1-Jul-32	1-Jul-31	\$802,383	\$1,591,094		\$788,711	\$0	\$788,711	\$12,618,243	198.3%
1-Jul-33	1-Jul-32	\$819,181	\$1,623,490		\$804,309	\$0	\$804,309	\$13,422,552	198.2%
1-Jul-34	1-Jul-33	\$835,946	\$1,655,887		\$819,941	\$0	\$819,941	\$14,242,493	198.1%
1-Jul-35	1-Jul-34	\$10,903	\$1,690,266		\$1,679,363	\$0	\$1,679,363	\$15,921,856	15502.1%
Total		\$16,433,152	\$30,379,236		\$14,023,028	\$285,505	\$14,308,533		

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