

COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND
Legislative Session 2009, Legislative Day No. 9

RESOLUTION NO. 27-09

Mr. Joseph Bartenfelder, Chairman
(By Request of the County Executive)

By the County Council, May 4, 2009

A RESOLUTION adopted pursuant to the Maryland Economic Revenue Bond Act authorizing Baltimore County, Maryland, to issue and sell its bonds as its limited obligations and not upon its faith and credit or pledge of its taxing power, in one or more series, up to the aggregate amount of \$45,000,000, at the request of PRG – Towson Place Properties L.L.C., a Maryland limited liability company, the sole member of which is Provident Resources Group Inc., a Georgia non-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, for the purpose of financing the costs of the acquisition by PRG – Towson Place Properties L.L.C. of certain facilities consisting of an approximately 15.5 acre parcel of land located at 7700 – 7736 Greenview Terrace in Towson, Baltimore County, Maryland and adjacent to the campus of Towson University improved by thirty-three (33) brick buildings containing 220 apartments, with an aggregate of approximately 184,225 gross square feet and approximately 160,196 rentable square feet, to be rented exclusively to students, faculty and staff of Towson University; together with certain fixtures, equipment and other facilities functionally related and subordinate thereto, and such other interests in land, improvements, furnishings and equipment as may be necessary or suitable for the foregoing; specifying and describing the facilities to be financed; describing generally the public purposes to be served and the financing transaction to be accomplished; specifying the maximum aggregate principal amount of bonds that may be issued; authorizing the County Executive or the County Administrative Officer, by executive order or otherwise, to specify, prescribe, determine, provide for or approve certain matters, details, forms, documents, or procedures appropriate to the authorization, sale, security, issuance, delivery or payment of or for such bonds; and specifying and describing various matters in connection therewith, as required or permitted by such Act.

RECITALS

The Maryland Economic Development Revenue Bond Act, as amended (the "Act"), provides that in order to accomplish the legislative policy of the Act, any public body (as defined in the Act) may issue and sell its bonds (as defined in the Act), as its limited obligations and not upon its faith and credit or pledge of its taxing power, at any time or from time to time, for the purposes of financing or refinancing any costs of the acquisition (as defined in the Act) of one or more facilities (as defined in the Act) for one or more facility users (as defined in the Act) or of refunding outstanding bonds,

including the necessary expenses of preparing, printing, selling and issuing those bonds, the funding of reserves, and the payment of interest with respect to financing such acquisition in such amounts, or for such period, as the public body deems reasonable.

Baltimore County, Maryland, a body corporate and politic, and a political subdivision of the State of Maryland (the "State") and a public body (as defined in the Act) (the "County"), has received a letter of intent dated March 30, 2009 (the "Letter of Intent"), and a Revenue Bond Application dated March 30, 2009 from PRG – Towson Place Properties L.L.C., a Maryland limited liability company (the "Borrower"), the sole member of which is Provident Resources Group Inc., a Georgia non-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), pursuant to which the Borrower has requested the County to participate in the financing of the costs of the acquisition of facilities located in Baltimore County, Maryland (collectively, the "Facility"), by the issuance and sale by the County of its bonds in an aggregate principal amount not to exceed \$45,000,000, pursuant to and in accordance with the Act.

The Facility to be financed consists of and includes (without limitation) an approximately 15.5 acre parcel of land located at 7700 – 7736 Greenview Terrace in Towson, Baltimore County, Maryland and adjacent to the campus of Towson University improved by thirty-three (33) brick buildings containing 220 apartments, with an aggregate of approximately 184,225 gross square feet and approximately 160,196 rentable square feet, to be rented exclusively to students, faculty and staff of Towson University, together with certain fixtures, equipment and other facilities functionally related and subordinate thereto, and such other interests in land, improvements, furnishings and equipment as may be necessary or suitable for the foregoing.

The County, based upon the findings and determinations set forth below, has determined to participate in the financing of the costs (to the fullest extent permitted by the Act) of the acquisition of the Facility by the issuance, sale and delivery, at any time or from time to time and in one or more series, of its bonds (the "Bonds") in the maximum aggregate principal amount of \$45,000,000. The proceeds of the Bonds shall be applied in accordance with Section 12-110 of the Act and this Resolution. The word "bonds" shall have the meaning indicated in the Act and includes bond anticipation notes issued in anticipation of the issuance and sale of the bonds, and it is intended that the provisions of this Resolution applying to "bonds" and "Bonds" shall include such bond anticipation notes, and any refunding bonds issued to refund any bonds or bond anticipation notes issued pursuant

to this Resolution and shall include separate series of bonds, whether issued at the same time or at different times, unless the context clearly requires a contrary meaning. Words and terms used in this Resolution (including these Recitals) that are defined in the Act shall have the meanings indicated in the Act, unless the context clearly requires a contrary meaning,

NOW, THEREFORE, IN ACCORDANCE WITH THE ACT:

SECTION 1. BE IT RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That acting pursuant to the Act, it is hereby found and determined as follows:

(1) The Borrower is a "facility applicant" and a "facility user" within the meaning of the Act; the Facility is a "facility" within the meaning of the Act; and the Letter of Intent is a "letter of intent" within the meaning of the Act.

(2) The issuance and sale of the Bonds by the County, pursuant to the provisions of the Act, in order to make the proceeds thereof available to the Borrower for the purpose of financing the acquisition of the Facility, including the necessary expenses of preparing, printing, selling and issuing the Bonds, the funding of reserves and the payment of interest with respect to financing such acquisition and refinancing, will facilitate and expedite the financing of the acquisition of the Facility.

(3) Based on the reports of independent consultants retained by Towson University, Towson University is in need of additional student housing. The financing of the acquisition of the Facility as provided in this Resolution will promote the declared legislative purposes of the Act by (a) relieving conditions of unemployment in the State by the creation or retention of a significant number of jobs, thus relieving conditions of unemployment in the State and in Baltimore County; (b) encouraging the increase of industry and commerce and a balanced economy in the State and in Baltimore County; (c) assisting in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State and in Baltimore County; (d) promoting economic development; (e) protecting natural resources and encouraging resource recovery; and (f) generally promoting the health, welfare and safety of the residents of the State and of Baltimore County. Specifically, it is anticipated that the acquisition of the Facility by the Borrower will (i) increase the availability of convenient, affordable and safe housing exclusively for students, faculty and staff at Towson University (and not made available for occupancy by the general public), (ii) strengthen the ability of Towson University as an educational

institution to attract and retain students, faculty and staff and (iii) lessen the burdens of the State and Towson University to provide such housing.

(4) The County (a) considers the promotion of convenient, affordable and safe student housing and the advancement of education for its citizens, including the students attending the colleges and universities in the County, to be a proper function of its governance and (b) believes that the acquisition and development of the Facility, exclusively for use by Towson University students, faculty and staff (pursuant to deed restrictions), will lessen the burden of the State and Towson University to provide convenient, affordable and safe student housing for Towson University and will further the advancement of education and promote economic development in the County, thus enabling the State and Towson University to use their limited resources to meet other pressing needs.

(5) The Bonds and the interest thereon will be limited obligations of the County, and the principal thereof and premium, if any, and interest thereon, shall be payable solely from the revenues received in connection with the financing of the Facility or from any other moneys made available to the County for such purposes. Any bond anticipation notes also shall be payable from the proceeds of the bonds in anticipation of which such notes were issued. Neither the Bonds nor the interest thereon shall ever constitute an indebtedness or a charge against the general credit or taxing powers of the County within the meaning of any constitutional or charter provision or statutory limitation, and neither shall ever constitute or give rise to any pecuniary liability of the County.

(6) Neither the proceeds of the Bonds nor the payments of the principal of, and premium, if any, and interest on, the Bonds will be commingled with the County's funds or will be subject to the absolute control of the County, but will be subject only to such limited supervision and checks and the County shall retain only those rights as it deems necessary or desirable to insure that the proceeds of the Bonds are used to accomplish the public purposes of the Act and this Resolution. The transactions provided for hereby do not constitute any physical public betterment or improvement or the acquisition of property for public use or the purchase of equipment for public use. The Facility does not constitute a capital project of the County within the meaning of any statutory or charter provision. The acquisition of the Facility will achieve the public purposes of the Act.

SECTION 2. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That this Resolution, among other things, evidences the

present intent of the County to issue, sell and deliver the Bonds in accordance with the terms and provisions of this Resolution. The County Executive or the County Administrative Officer is hereby authorized, empowered, and directed to accept the Letter of Intent on behalf of the County in order to further evidence the intent of the County to issue and sell the Bonds in accordance with the terms and provisions of this Resolution. The County and the Borrower contemplate that, upon the effectiveness of this Resolution, the Borrower may commence the financing of the acquisition of the Facility prior to the issuance, sale and delivery of the Bonds.

SECTION 3. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That the County issue, sell and deliver the Bonds, at any time or from time to time and in one or more series, up to the aggregate principal amount of \$45,000,000, subject to the provisions of this Resolution. For the purposes of applying the foregoing limitation in the event that any refunding bonds or bonds issued to repay bond anticipation notes are issued, the outstanding principal amount of any bonds or bond anticipation notes, respectively, provision for the payment of which has been made from the proceeds of such refunding bonds or such bonds, respectively, or from other sources, shall not be taken into account in determining the aggregate principal amount of bonds issued, sold and delivered pursuant to this Resolution.

SECTION 4. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That the Bonds shall mature not later than 30 years from their date of issuance.

SECTION 5. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That the County will lend the proceeds of the Bonds to the Borrower as may be determined by the County Executive or the County Administrative Officer pursuant to Section 8 of this Resolution, pursuant to the terms and provisions of a loan agreement (within the meaning of the Act) or a financing agreement (the "Loan Agreement"), to be used by the Borrower for the purpose of financing the costs (to the fullest extent permitted by the Act) of the acquisition of the Facility, including the necessary expenses of preparing, printing, selling and issuing the Bonds.

The Loan Agreement will require that (1) the proceeds of the Bonds be used to finance the costs (to the fullest extent permitted by the Act) of the acquisition of the Facility, and (2) the Borrower make payments which will be sufficient to enable the County to pay the principal of and premium, if any, and interest on the Bonds when and as the same become due and payable.

SECTION 6. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That the Bonds shall be executed in the name of the County and on its behalf by the County Executive or the County Administrative Officer, by his or her manual or facsimile signature, and by the Director of Budget and Finance of the County, by his or her manual or facsimile signature, and the corporate seal of the County or a facsimile thereof shall be impressed or otherwise reproduced thereon and attested by the Secretary to the County Executive or the County Administrative Officer, by his or her manual or facsimile signature. The County Executive of the County, the County Administrative Officer, the Director of Budget and Finance of the County, the Secretary to the County Executive or the Administrative Officer of the County and other officials of the County are hereby authorized and empowered to do all such acts and things and to execute, acknowledge, seal and deliver on behalf of the County such documents and certificates, including (without limitation) the Loan Agreement, as the County Executive or the County Administrative Officer may determine to be necessary or desirable to carry out and comply with the provisions of this Resolution, subject to the limitations set forth in the Act and any limitations set forth in this Resolution.

SECTION 7. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That, as permitted by the Act, the Bonds either may be sold at a private (negotiated) sale, at par or at such other price as the County Executive or the County Administrative Officer, with the consent of the Borrower, deems appropriate, or may be sold at a public sale, at par, above par or below par, with the consent of the Borrower, in either or both of which events the Bonds shall be sold in such manner, at such times, and upon such terms and conditions as the County Executive or the County Administrative Officer deems to be in the best interests of the County.

SECTION 8. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That prior to the issuance, sale and delivery of the Bonds or

any series thereof the County Executive or the County Administrative Officer, by executive order or as otherwise permitted by the Act:

- (1) shall prescribe the form, tenor, terms and conditions of and security for the Bonds;
- (2) shall prescribe the principal amount, rate or rates of interest, denomination or denominations, date, maturity or maturities for the Bonds;
- (3) may appoint a trustee or trustees, a bond registrar and a paying agent or agents for the Bonds;
- (4) shall approve the form and contents of, and execute and deliver (where applicable), the Loan Agreement, and such other documents, including (without limitation) trust agreements, assignments, mortgages, deeds of trust, guaranties and security instruments to which the County is a party and which may be necessary or desirable to effectuate the issuance, sale and delivery of the Bonds;
- (5) may prepare and distribute, in conjunction with representatives of the Borrower and the prospective purchasers of or underwriters or placement agents for the Bonds of any series, both a preliminary and a final official statement, offering memorandum or other similar document in connection with the sale of the Bonds of any series, if determined to be necessary or desirable in connection with the sale of the Bonds;
- (6) may execute and deliver a contract or contracts for the purchase and sale of the Bonds of any series (or any portion thereof) in form and content satisfactory to the County Executive or the County Administrative Officer;
- (7) shall determine the time of execution, issuance, sale and delivery of the Bonds and prescribe any and all other details of the Bonds;
- (8) may determine the method, and shall approve the terms, of the sale of the Bonds, as provided in Section 7 of this Resolution, and the use of the proceeds, as provided in Section 5 of this Resolution;
- (9) shall provide for the direct payment by the Borrower of all costs, fees and expenses incurred by or on behalf of the County in connection with the issuance, sale and delivery of the Bonds, including (without limitation) costs of printing (if any) and issuing the Bonds of such series, legal expenses (including the fees of bond counsel and issuer's counsel) and compensation to any person (other than full-time employees of the County) performing services by or on behalf of the County in connection therewith;

(10) may provide for the issuance and sale (subject to the passage at the time of any appropriate resolution authorizing the same) of one or more series of additional bonds and one or more series of refunding bonds;

(11) may provide for the funding of reserves for the Bonds; and

(12) may specify, prescribe, determine, provide for or approve such other matters, details, forms, documents or procedures and the County Executive or the County Administrative Officer may do any and all things appropriate for the authorization, sale, security, issuance, delivery or payment of or for the Bonds and in order to accomplish the legislative policy of the Act and the public purposes of this Resolution, subject to the limitations set forth in the Act and any limitations prescribed by this Resolution.

SECTION 9. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, That after the issuance, sale and delivery of the Bonds, or any series thereof, the County Executive or the County Administrative Officer, by executive order or as otherwise permitted by the Act, at any time or from time to time, may amend, modify, supplement, restate, or otherwise change any matter which is subject to Section 8 of this Resolution, provided that any and all consents and approvals, if required, of the Borrower, the holders of the Bonds and any other person are obtained.

SECTION 10. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That Whiteford, Taylor & Preston L.L.P. is hereby approved and designated to act as bond counsel and McGuireWoods LLP is hereby approved and designated to act as issuer's counsel with respect to the issuance, sale and delivery of the Bonds.

SECTION 11. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That the provisions of this Resolution are severable, and if any provision, sentence, clause, section or part hereof is held to be illegal, invalid or unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity or unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Resolution or their application to other persons or circumstances. It is hereby declared

to be the legislative intent that this Resolution would have been passed if such illegal, invalid or unconstitutional provision, sentence, clause, section or part had not been included herein, and if the person or circumstances to which this Resolution or any part hereof is inapplicable had been specifically exempted from this Resolution.

SECTION 12. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That either the Bonds or any bond anticipation notes must be issued and sold within six months from the date on which this Resolution is approved by the County Executive, provided, however, that the County Executive, by executive order or as otherwise permitted by the Act, may, at any time or from time to time, extend such six month period, either before or after the expiration of such six month period, from the date on which the first six month period expires. The County Executive shall have the sole and absolute discretion, without action by the County Council, to determine the sufficiency or lack of sufficiency of any reason, if any is given, for the requested extension of the first six month period. In the event that none of the Bonds or bond anticipation notes are issued and sold within twelve months from the date on which this Resolution is approved by the County Executive, the authority provided in this Resolution for the County to issue and sell the Bonds and any bond anticipation notes shall expire.

SECTION 13. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That this Resolution shall take effect on the date of its adoption by the County Council and approval by the County Executive of the County.



March 30, 2009

Baltimore County, Maryland
County Courts Building
Towson, Maryland 21204
Attention: The Honorable James T. Smith, Jr.,
County Executive

Re: Baltimore County, Maryland Economic Development Revenue
Bonds for the benefit of PRG - Towson Place Properties L.L.C.

County Executive Smith:

Pursuant to and in accordance with the Maryland Economic Development Revenue Bond Act, Sections 12-101 through 12-118, inclusive of Subtitle 1, Title 12 of the Economic Development Article of the Annotated Code of Maryland, as amended (the "Act"), PRG - Towson Place Properties L.L.C., a Maryland limited liability company (the "Facility Applicant"), respectfully requests that Baltimore County, Maryland, a body corporate and politic and a political subdivision of the State of Maryland, and a "public body" within the meaning of the Act (the "Public Body"), participate in the financing and refinancing of the acquisition (within the meaning of the Act) of a certain facility (within the meaning of the Act) hereinafter described (the "Facility"), located at 7700 to 7736 Greenview Terrace in Towson, Maryland, within the geographical boundaries of the Public Body, by issuing, selling and delivering its bonds (within the meaning of the Act), as its limited obligations and not upon its faith and credit or pledge of its taxing power, at any time or from time to time and in one or more series, in an aggregate principal amount not to exceed \$45,000,000 (the "Bonds"). It is intended that this letter, if accepted by the Public Body, shall constitute a "letter of intent" as contemplated by Section 12-101(f) of the Act.

The Bonds of any series shall be repayable by the Public Body solely from the revenue derived from payments made to the Public Body pursuant to the terms and provisions of the Loan Agreement (hereinafter defined), or from any other moneys made available to the Public Body for such purpose.

The Facility Applicant proposes that the proceeds of the sale of the Bonds of any series be loaned by the Public Body to the Facility Applicant (the "Loan"), pursuant to the terms and conditions of a loan agreement, within the meaning of the Act, to be entered into between the Public Body and the Facility Applicant (the "Loan Agreement").

Any Loan Agreement entered into with respect to the Bonds of any series will require that (1) the proceeds of the Bonds of such series be used solely to finance the costs (to the fullest extent permitted by the Act) of the acquisition of the Facility, including, without limitation, the costs of issuing the Bonds, and (2) the Facility Applicant make payments which will be sufficient to enable the Public Body to pay the principal of and interest and premium, if any, on the Bonds of such series when and as the same become due and payable. The Facility Applicant agrees that all costs of acquiring the Facility in excess of the proceeds of the Loan will be paid by the Facility Applicant. The Loan Agreement, as amended from time to time, will contain such other provisions as may be required by law and as may be agreed to by the Facility Applicant and the Public Body, as permitted by law.

The Facility Applicant is a "facility applicant" and a "facility user" within the meaning of the Act. The sole member of the Facility Applicant, Provident Resources Group Inc., a Georgia non-profit corporation, is a qualified 501(c)(3) organization whose charter allows it, among other things, to own and operate student housing when encouraged by a university and when the project supports the educational mission of the university and/or lessens the burdens of government. The principal place of business of the Facility Applicant is located in Towson, Maryland.

The promotion of convenient, affordable and safe student housing and the advancement of education for its citizens, including students attending the colleges and universities in Baltimore County, Maryland, is a proper function of the Public Body's governance; and the acquisition and development of the Facility, exclusively for use by Towson University students, faculty and staff, will lessen the burden of the Public Body and Towson University to provide convenient, affordable and safe student housing for Towson University and will further the advancement of education and promote economic development in Baltimore County, Maryland, thus enabling the State of Maryland, the Public Body and Towson University to use their limited resources to meet other pressing needs.

The Facility User is in possession of housing studies commissioned by Towson University from Anderson Strickler, LLC, an independent third party consulting firm, which support and substantiate the need for additional student housing at Towson University. Occupancy of the Facility will be deed restricted to provide for occupancy of units exclusively by the students, faculty and staff of Towson University. Occupancy of units will not be made available to the general public.

The Facility, which is a "facility" within the meaning of the Act and which more particularly is described in the Application to the Public Body attached hereto and made a part hereof (the "Application"), and the acquisition thereof (within the meaning of the Act), will consist of the following, all being located at 7700 - 7736 Greenview Terrace in Towson, Maryland and adjacent to the campus of Towson University:

- (a) An approximately 15.5 acre parcel of land improved by thirty-three (33) brick buildings containing 220 apartments, with an aggregate of approximately 184,225 gross square feet and approximately 160,196 rentable square feet, to be rented exclusively to students, faculty and staff of Towson University;
- (b) the acquisition and installation of certain necessary or useful furnishings, fixtures, equipment and machinery; and
- (c) the acquisition of such interests in land as may be necessary or suitable for the foregoing, including roads and rights of access, utilities and other site preparation facilities.

The acquisition of the Facility and the financing and refinancing of the acquisition thereof as provided in this letter will promote the declared legislative purpose of the Act to (a) relieve conditions of unemployment in the State of Maryland (the "State"); (b) encourage the increase of industry and commerce and a balanced economy in the State; (c) assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State; (d) promote economic development in the State; (e) protect natural resources and promote resource recovery; and (f) generally promote the health, welfare and safety of the residents of the State and Baltimore County, Maryland. Specifically, it is anticipated that the acquisition of the Facility by the Facility Applicant will (i) increase the availability of convenient, affordable and safe housing for students, faculty and staff at Towson University, (ii) strengthen the ability of Towson University as an educational institution to attract and retain students, faculty and staff, and (iii) lessen the burdens of the State and Towson University to provide such housing for its public universities and colleges.

Financial considerations, particularly the participation by the Public Body in the financing and refinancing of the acquisition of the Facility pursuant to the Act, are factors which materially influenced the Facility Applicant's decision to acquire the Facility.

It is expressly agreed and understood that (a) the Public Body will not incur any liability, direct or indirect, or any cost, direct or indirect, in connection with the issuance and sale of the Bonds, the making of the Loan or the acquisition of the Facility, and (b) the Facility will be acquired so as to conform to the requirements of the Facility Applicant. Accordingly, the Facility Applicant (a) shall select and work with any suppliers and contractors who will provide, construct and equip the Facility and shall negotiate and approve all contracts, construction plans and specifications and all financing terms in connection with the acquisition of the Facility, and (b) shall pay all necessary expenses incurred by or on behalf of the Public Body in connection with the proposed financing and refinancing, including the administration thereof, and in connection with the acquisition of the Facility including, without limitation, all costs incurred in connection with the development of the appropriate legal documents necessary to effectuate the proposed financing, refinancing and

acquisition, including (without limitation) the fees of bond counsel to the Public Body, and compensation to any other person (other than full-time employees of the Public Body) performing services by or on behalf of the Public Body in connection with the transactions contemplated by this letter of intent, whether or not the proposed financing, refinancing and acquisition are consummated.

The acceptance of this letter by the Public Body will evidence the present intent of the Public Body to authorize, sell, issue and deliver the Bonds and to authorize the Loan for the purpose described herein. However, the Facility Applicant recognizes that the Public Body cannot make any assurances as to the availability of a ready, willing and able purchaser of the Bonds. The Facility Applicant understands and agrees that the proposal contained herein is subject to: (i) the approval and appropriate action by the County Council of the Public Body and the County Executive of the Public Body, and (ii) the approval of detailed provisions of all documents pertaining to the financing.

The Public Body's adoption of a resolution (within the meaning of the Act) providing for the issuance and sale of the Bonds and its acceptance of this letter of intent are intended solely to implement the financing and refinancing of the acquisition of the Facility by the issuance and sale by the Public Body of the Bonds. Neither the acceptance of this letter of intent nor the adoption of such a resolution shall constitute any assurance by the Public Body that (i) the Facility Applicant will have the ability to make payments sufficient to enable the Public Body to repay the Bonds, (ii) the Facility will be feasible, economically or otherwise, (iii) the acquisition of the Facility will be completed, or (iv) the Facility will be in compliance with applicable local, State or federal laws.

The Facility Applicant intends that the interest payable on the Bonds shall be excludible from the gross income of the owners of the Bonds for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). While the acceptance by the Public Body of this letter will evidence the Public Body's present intent to issue the Bonds, the Facility Applicant hereby acknowledges and agrees that the Public Body reserves the right, in its sole and absolute discretion, to take any actions deemed necessary by the Public Body in order to ensure that the Public Body (i) complies with present federal and State laws and any pending or future federal or State legislation, whether proposed or enacted, which may affect or restrict the issuance of private activity bonds (as defined in the Code), and (ii) issues its private activity bonds, within the limits imposed by such present laws or any such pending or future legislation or any future local laws, to finance those facilities which the Public Body determines, in its sole and absolute discretion, will provide the greatest benefit to the residents of the Public Body and the State. In particular, the Public Body reserves the right to choose to issue its private activity bonds for facilities other than the Facility, in such order of priority as it may determine in its sole and absolute discretion. Accordingly, if the Facility Applicant proceeds with the acquisition of the Facility before the Public Body finally determines to issue the Bonds, the Facility Applicant does so at its own risk.

The Facility Applicant expressly recognizes that the Public Body can give no assurance and makes no representation that the interest on the Bonds, if issued, will be tax-exempt.

March 30, 2009

Neither the Bonds nor any interest or premium thereon shall ever constitute an indebtedness or a charge against the general credit or taxing powers of the Public Body within the meaning of any constitutional or charter provision or statutory limitation, and neither shall ever constitute or give rise to any pecuniary liability of the Public Body. Nothing contained in this letter of intent shall be deemed to constitute an undertaking by the Public Body to expend any of its funds to effect any or all of the transactions contemplated by this letter of intent.

If at any time the Facility Applicant determines not to proceed with the issuance, sale and delivery of the Bonds, the Facility Applicant will promptly advise the County Executive and the County Council of the Public Body, in writing, of such determination, stating the reasons therefor.

Very truly yours,

PRG - Towson Place Properties L.L.C.

By: Provident Resources Group Inc.,
its sole member

By: 

Name: Steve Hicks

Title: President

Pursuant to Resolution No. __- 0_ adopted on _____, 2009, the foregoing letter of intent is hereby accepted by Baltimore County, Maryland, this ____ day of _____, 2009.

BALTIMORE COUNTY, MARYLAND

By: _____
James T. Smith, Jr.,
County Executive