COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND
Legislative Session 2015, Legislative Day No. 12
Resolution No. 55-15

Mrs. Cathy Bevins, Chair

By Request of the County Executive

By the County Council, July 6, 2015

A RESOLUTION authorizing and providing for the issuance and sale by Baltimore County, Maryland, pursuant to the Maryland Economic Development Revenue Bond Act, as its limited obligations and not upon its faith and credit or pledge of its taxing power, of one or more series of its bonds (as defined in such Act) in an amount not to exceed $14,500,000, for the purpose of (i) refinancing the County's Economic Development Revenue Bond (The Loyola High School of Baltimore, Inc. Facility) 2010 Series A, the proceeds of which were used for the purpose of financing, refinancing and reimbursing the school for the costs of (a) acquisition, construction, renovation, improvement, expansion and equipping of educational, administrative and related facilities located on the school's campus at 500 Chestnut Avenue, Towson, Maryland 21204, (b) the refinancing of the County's Variable Rate Demand Revenue Bonds (Loyola Blakefield High School Facility) Series 1999, the proceeds of which were used to finance or refinance buildings and equipment on the campus, including without limitation the payment of any amounts due in connection with the termination of the interest rate swap entered into in connection such prior issue of bonds, (c) campus working capital expenditures, (d) any required deposit to a debt service reserve fund or other reserve fund, (e) all or a portion of the issuance costs, and (f) the costs of any bond insurance or other credit enhancement, and (ii) paying certain costs of issuance and other related costs; such facility to be used by the

Facility Applicant in connection with its operation of a school serving grades 6 through 12; reserving in Baltimore County, Maryland certain rights concerning the issuance of such bonds; generally describing the public purposes to be served and the financing transaction to be accomplished; specifying the maximum aggregate principal amount of such bonds that may be issued; authorizing the County Executive 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, Sections 12-101 through 12-118, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "Act"), provides that in order to accomplish the legislative policy of the Act, in addition to whatever powers it may have and notwithstanding any limitation of law, 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 and from time to time, for the purposes of financing or refinancing any costs of the acquisition or improvement (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.

The General Assembly of the State of Maryland (the "State"), in the Act, declares its legislative purpose to:

(1) relieve conditions of unemployment in the State;

(2) encourage the increase of industry and commerce and a balanced economy in the State;

(3) assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State through, among other things, port development and the control, reduction, or abatement of pollution of the environment and the utilization and disposal of wastes;

(4) promote economic development;

(5) protect natural resources and encourage resource recovery; and

(6) generally promote the health, welfare, and safety of the residents of each of the counties and municipalities of the State.

The Act provides that a public body may accomplish the acquisition of one or more facilities from the proceeds of the sale of its bonds by one or more of the following methods:

(1) by leasing them to one or more facility users under a lease (as defined in the Act);

(2) by selling them to one or more facility users under a sale agreement (as defined in the Act);

(3) by lending proceeds of the sale of bonds to one or more facility users under a loan agreement (as defined in the Act) to be used to finance or refinance one or more facilities; or

(4) in such other manner as the public body deems appropriate to accomplish the purposes of the Act.

The Act provides that to implement the authority conferred upon it by the Act to issue bonds, the legislative body of any county (as defined in the Act) or municipality (as defined in the Act) may adopt a resolution pursuant to which it shall:

(1) specify and describe the facility or facilities;

(2) generally describe the public purpose to be served and the financing or refinancing transaction to be accomplished under the Act;

(3) specify the maximum principal amount of the bonds that may be issued; and

(4) impose any terms or conditions on the issuance and sale of the bonds it deems appropriate.

The Act provides that the legislative body of any county or municipality by resolution may itself specify and prescribe, or may authorize:

(1) its finance board (as defined in the Act), by resolution; or

(2) its chief executive officer (as defined in the Act), by executive order or otherwise; or

(3) any other appropriate administrative officer, by order or otherwise with the approval of its chief executive officer, to specify, prescribe, determine, provide for or approve such matters, details, forms, documents, or procedures as the legislative body deems appropriate to the authorization, sale, security, issuance, delivery or payment of or for the bonds, including, without limitation, creation of security for the bonds and provision for the administration of bond issues such as trust or other agreements with banks or trust companies regarding any countersignature or delivery of bonds or security for bonds.

On July 14, 2010, Baltimore County, Maryland, a body politic and corporate and a political subdivision of the State of Maryland (the "County"), issued and sold its Baltimore County, Maryland Economic Development Revenue Bond (The Loyola High School of Baltimore, Inc. Facility) 2010 Series A (the "Series 2010 Bonds"), the proceeds of which were loaned to The Loyola High School of Baltimore, Inc., a Maryland nonprofit, nonstock corporation (the "Facility Applicant"), and used to finance (a) the acquisition, construction, renovation, improvement, expansion and equipping of educational, administrative and related facilities located on the school's campus at 500 Chestnut Avenue, Towson, Maryland 21204 (the "2010 Facility"), (b) the refunding of the County's Variable Rate Demand Bonds (Loyola Blakefield High School Facility) Series 1999, the proceeds of which were used to finance or refinance buildings and equipment on the campus, including without limitation the payment of any amounts due in connection with the termination of the interest rate swap entered into in

connection such prior issue of bonds (the "1999 Facility"), (c) campus working capital expenditures, (d) any required deposit to a debt service reserve fund or other reserve fund, (e) all or a portion of the issuance costs, and (f) the costs of any bond insurance or other credit enhancement.

The County has received a letter of intent dated May 20, 2015, a copy of which is attached hereto as Exhibit A and made a part hereof (the "Letter of Intent"), from the Facility Applicant pursuant to which the Facility Applicant has requested the County to issue and sell the County's 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 and in one or more series, in an aggregate principal amount not to exceed $14,500,000, pursuant to and in accordance with the Act for the purpose of (1) refunding all or a portion of the outstanding Series 2010 Bonds and (2) paying the costs of issuance and other costs related to the transaction described herein.

The 1999 Facility and the 2010 Facility will be used by the Facility Applicant in connection with its operation of a school serving grades 6 through 12.

The Letter of Intent further expresses the Facility Applicant's intention that the interest payable on such bonds shall be excludible from the gross income of the owners of such bonds for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), but the Facility Applicant recognizes that the County can give no assurance and makes no representation that the interest on the Bonds (as defined below), if issued, will be tax-exempt. In addition, the Letter of Intent contains an acknowledgment by the Facility Applicant that the County reserves certain rights concerning the issuance of such bonds as provided in Section 5 hereof.

The County, based upon the findings and determinations and subject to the reservation of rights set forth below, has determined to issue, sell and deliver, at any time or from time to time and

in one or more series, its bonds in the maximum aggregate principal amount of $14,500,000 (the "Bonds"), for the purpose of (1) refunding all or a portion of the outstanding Series 2010 Bonds and (2) paying costs of issuance and other costs related to the transaction, the proceeds of the Bonds to be applied in accordance with the Act and the provisions of this Resolution.

NOW THEREFORE, IN ACCORDANCE WITH THE ACT:

SECTION 1. BE IT RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That 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.

SECTION 2. AND BE IT FURTHER 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 County is a "public body" and a "county" within the meaning of the Act.

(2) The Facility Applicant is a "facility applicant" and a "facility user" within the meaning of the Act.

(3) The 1999 Facility and the 2010 Facility are each a "facility" within the meaning of the Act.

(4) The Letter of Intent is a "letter of intent" within the meaning of the Act.

(5) The County Executive is the "Chief Executive Officer" within the meaning of the Act.

(6) The issuance and sale of the Bonds by the County, pursuant to the Act, in order to make the proceeds thereof available to the Facility Applicant for the sole and exclusive

purpose of refunding all or a portion of the outstanding Series 2010 Bonds, including the necessary expenses of preparing, printing, selling and issuing the Bonds, the funding of reserves, and the payment of interest and other costs related to the transaction described herein will facilitate and expedite the refinancing of the 1999 Facility and the 2010 Facility.

(7) The refinancing of the 1999 Facility and the 2010 Facility as provided in this Resolution will promote the declared legislative purpose of the Act to (a) relieve conditions of unemployment in 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; and (e) generally promote the health, welfare and safety of the residents of the State and Baltimore County. Specifically, it is anticipated that the refinancing of the 1999 Facility and the 2010 Facility by the Facility Applicant will (i) enhance the educational opportunities provided by the Facility Applicant, (ii) strengthen the ability of the Facility Applicant as an educational institution to attract and educate students, and (iii) permit the Facility Applicant to maintain its current enrollment and professional and other staff.

(8) The Bonds of any series and the interest thereon are limited obligations of the County the principal of, premium, if any, and interest on which are payable solely from revenues to be received in connection with the refinancing of the 1999 Facility and the 2010 Facility or from any other moneys made available to the County for such purposes. Neither the Bonds of any series, 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.

(9) Neither the proceeds of the Bonds of any series nor the payments of the principal of and premium, if any, and interest on the Bonds of any series 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 as are deemed necessary or desirable by the County to insure that the proceeds of the Bonds of any series 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 1999 Facility and the 2010 Facility do not constitute capital projects of the County within the meaning of any statutory or charter provision. The public purposes expressed in the Act are to be achieved by facilitating the refinancing of the 1999 Facility and the 2010 Facility.

SECTION 3. 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 is hereby authorized, empowered, and directed to accept the Letter of Intent on behalf of the County in order to further evidence the present intent of the County to issue and sell the Bonds in accordance with the terms and provisions of this Resolution.

SECTION 4. 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 of tax-exempt and/or taxable bonds, in the maximum aggregate principal amount of $14,500,000, subject to the provisions of this Resolution.

The County will lend the proceeds of the Bonds of any series to the Facility Applicant (the "Loan") pursuant to the terms and provisions of a loan agreement (within the meaning of the Act and, hereinafter, the "Loan Agreement"), such proceeds to be used by the Facility Applicant for the sole and exclusive purpose of (1) refunding all or a portion of the Series 2010 Bonds and (2) paying costs of issuance and other costs related to the transaction described herein.

The Loan Agreement entered into with respect to the Bonds of any series will require that the proceeds of the Bonds of such series designated to be used to (1) refund all or a portion of the Series 2010 Bonds and (2) pay costs of issuance, capitalized interest and other costs related to the transaction described herein, are used solely for such purposes. The Loan Agreement will also require that the Facility Applicant make payments which will be sufficient to enable the County 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 1999 Facility and the 2010 Facility are specified and described in the Recitals set forth above. The public purpose to be served by the issuance and sale of the Bonds is described in Section 2 of this Resolution and in the Recitals set forth above.

The authority to issue the Bonds is intended to and shall include the authority to issue refunding revenue bonds. References herein to the "Bonds" shall include refunding revenue bonds where appropriate. In the event that any refunding revenue bonds are issued pursuant to this Resolution, the outstanding principal amount of any "refunded bonds" (as hereinafter defined) shall not be taken into account in determining the aggregate principal amount of Bonds issued, sold and delivered hereunder. The term "refunded bonds" means any Bonds (i) for the payment of which (both principal and interest) provision has been made from the proceeds (including any earnings on the investment thereof) of Bonds issued pursuant to this Resolution or (ii) which have been paid

from such proceeds, whether such provision for payment, or such payment, is made at or prior to the maturity of such Bonds.

SECTION 5. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That the County reserves the right, in its sole and absolute discretion, to take any actions deemed necessary by the County in order to insure that the County (a) 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 its bonds, and (b) issues its bonds within the limits imposed by such present laws or any such pending or future legislation or any future local laws, to finance or refinance those facilities which the County determines, in its sole and absolute discretion, will provide the greatest benefit to the residents of the County and the State.

In particular, the County reserves the right to choose to issue its bonds (within the meaning of the Act and any present or future State or local laws) for facilities other than the 1999 Facility and the 2010 Facility, and in such order of priority as it may determine in its sole and absolute discretion.

Pursuant to the provisions of this Section 5, the County reserves the right in its sole and absolute discretion, to, among other things, (1) never issue the Bonds, (2) issue only a portion of the aggregate principal amount of the Bonds required by the Facility Applicant, (3) restrict the use of the proceeds of the Bonds, (4) delay indefinitely the issuance of the Bonds, or (5) take any other actions deemed necessary by the County, in its sole discretion, in order to ensure that the County achieves the goals set forth in the Act and in this Resolution.

SECTION 6. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That the Bonds authorized by this Resolution, may be

issued at any time or from time to time and in one or more series, and each series of the Bonds shall be identified by the year of issue or by some other or additional appropriate designation; provided, however, that the Bonds shall be issued and delivered within one year of the date of enactment of this Resolution, unless the Bonds are issued within any time period specified in any time extension for issuance of the Bonds provided pursuant to a resolution of the County Council supplemental to this Resolution.

SECTION 7. 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, by his or her manual or facsimile signature and by the Director of Budget and Finance, 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 Secretary to the County Council, by his or her manual or facsimile signature. The signatures of the County Executive, the Director of Budget and Finance, the Secretary to the County Council and the Secretary to the County Executive on the Bonds may be executed by facsimile, provided that at least one signature required or permitted to be placed on the Bonds is manually subscribed. If the Bonds are required to be manually signed by a trustee, issuing agent, fiscal agent, registrar, or other agent or custodian, any other signature required or permitted to be placed on the Bonds may be executed by facsimile. The County Executive, the Director of Budget and Finance, the County Administrative Officer, the Secretary to the County Council, the Secretary to the County Executive 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 such documents and certificates, including (without limitation) the Loan Agreement, as the County Executive may determine to be necessary 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. If any officer whose signature or a facsimile thereof appears on the Bonds or on any of the aforesaid documents ceases to be such officer before the delivery of the Bonds or any of the other aforesaid documents, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

SECTION 8. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That, as permitted by the Act, the Bonds of any series shall be placed or sold at private (negotiated) sale and at par, unless the County Executive deems it to be in the best interests of the County, with the consent of the Facility Applicant, to sell the Bonds of any series at public sale or above or below par, in either or both of which events, the Bonds of such series shall be sold in such manner and upon such terms as the County Executive deems to be in the best interests of the County.

SECTION 9. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That prior to the issuance, sale and delivery of the Bonds of any series, the County Executive, by executive order or otherwise, may approve the issuance of the Bonds and:

(1) shall prescribe the form, tenor, terms and conditions of and security for the Bonds of such series;

(2) shall prescribe the principal amount, rate or rates of interest, method of determining the rate or rates of interest, denomination or denominations, date, maturity or maturities (within the limits prescribed by the Act and the Code), and the time and place or places of payment

of the Bonds of such series, and the terms and conditions and details under which the Bonds of such series may be called for redemption prior to their stated maturity or maturities;

(3) if necessary, may appoint a trustee, a bond registrar and a paying agent or agents for the Bonds of such series;

(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 of such series;

(5) may prepare and distribute, in conjunction with representatives of the Facility Applicant 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 or placement of the Bonds of any series, if determined to be necessary or desirable in connection with the sale or placement of the Bonds of such series, provided, however, that any such preliminary official statement, offering memorandum or other similar document shall be clearly marked to indicate that it is subject to completion and amendment;

(6) may execute and deliver a contract or contracts for the purchase and sale or placement of the Bonds of any series (or any portion thereof) in form and content satisfactory to the County Executive;

(7) shall determine the time of execution, issuance, sale and delivery of the Bonds of such series and prescribe any and all other details of the Bonds of such series;

(8) shall determine the method, and shall approve the terms, of the sale of the Bonds of such series, as provided in Section 8 of this Resolution;

(9) shall provide for the direct payment by the Facility Applicant of all costs, fees and expenses incurred by or on behalf of the County in connection with the Bonds (whether before, concurrent with or after the issuance of the Bonds), including, but not limited to, all costs, fees and expenses incurred in connection with the issuance, sale and delivery of the Bonds of such series, including (without limitation) costs of printing (if any) and issuing the Bonds of such series, legal fees and expenses (including the fees of bond counsel and counsel to the County, if any) 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 (which may be on a parity with, or subordinate to, the Bonds) and one or more series of refunding bonds;

(11) may provide for the funding of reserves for the Bonds of such series and for the payment of interest on the Bonds of such series in such amounts and for such period as the County Executive deems reasonable; and

(12) may specify, prescribe, determine, provide for or approve such other matters, details, forms, documents or procedures, make any necessary elections or designations required with respect to the Bonds or the proceeds thereof, and do any and all things necessary, proper or expedient in connection with the authorization, sale, security, issuance, delivery or payment of or for the Bonds of such series 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.

The County Executive is hereby authorized to prescribe procedures to facilitate the prompt determination and approval of one or more of the matters set forth above. Such procedures may include telephonic approval and subsequent written confirmation by facsimile transmission or otherwise of one or more of such matters by a designated officer of the County within guidelines or parameters prescribed by the County Executive. The County Executive is further authorized (1) to establish procedures for the utilization of variable or floating rates of interest, (2) to enter into arrangements with a bank or other appropriate institution to facilitate the purchase, repurchase, sale, transfer or payment of Bonds, including (without limitation) the use of general or standby letters of credit, revolving credit facilities, repurchase agreements or other similar arrangements and (3) to take such actions as may be necessary to implement a program for the issuance of Bonds in the nature of commercial paper, demand notes or floating rate obligations.

Orders issued pursuant to this Resolution shall be deemed to be of an administrative nature and shall be effective upon the effective date specified therein.

SECTION 10. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That before or after the issuance, sale and delivery of the Bonds of any series, regardless of the date on which such Bonds are issued, the County Executive is hereby authorized and empowered, by executive order or otherwise, to supplement the executive order provided for by Section 9 of this Resolution and thereby approve on behalf of the County any amendments or supplements to or substitutes for the forms and provisions of the Bonds, the Loan Agreement, any trust agreement or similar agreement and all other documents executed and delivered on behalf of the County in connection with the issuance, sale and delivery of the Bonds pursuant to the provisions of such documents, provided that (1) each such supplemental executive order or orders and each amendment, supplement or substitute to such document shall be in

accordance with the provisions of the Act, this Resolution, and the documents executed and delivered in connection with the Bonds and then in effect and (2) all of the foregoing shall be subject to any approval by the County Council as may be required pursuant to federal tax law.

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 herefrom.

SECTION 12. AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, That the County hereby approves Miles & Stockbridge P.C. as Bond Counsel in connection with the issuance and sale of the Bonds and the other transactions contemplated by the Resolution.

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

READ AND ADOPTED this ____ day of _____, 2015.

_____
Thomas J. Peddicord, Jr.,
Secretary to the County Council

APPROVED this ____ day of _____, 2015.

[SEAL]

_____
Kevin Kamenetz
County Executive of
Baltimore County

ATTEST:

_____
Secretary to the
County Executive

Exhibit A

LETTER OF INTENT

[EXECUTED ORIGINAL TO BE ATTACHED]