

Resolution No.:	<u>20-685</u>
Introduced:	<u>December 10, 2024</u>
Adopted:	<u>December 10, 2024</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: The Council President at the Request of the County Council

SUBJECT: Brooke Grove Foundation, Inc. Montgomery County, Maryland Economic Development Refunding Revenue Bonds

Background

This resolution will authorize Montgomery County, Maryland, pursuant to and in accordance with the Maryland Economic Development Revenue Bond Act, to issue and sell, at one time or from time to time, as limited obligations and not upon the faith and credit of the County, its economic development refunding revenue bonds in the aggregate principal amount not to exceed \$27,000,000, and to loan the proceeds from the sale of such bonds to the Brooke Grove Foundation, Incorporated, a Maryland non-profit corporation (the “Facility Applicant”), to be used for the purpose of (1) refunding all of the outstanding Montgomery County, Maryland Economic Development Revenue Bonds (Brooke Grove Foundation, Incorporated Facility), Series 2015, the proceeds of which were used for financing and refinancing the construction of an expansion to and associated infrastructure for that certain skilled nursing facility consisting of an 81,997-square-foot (approximate), two-story building located at 18131 Slade School Road, Sandy Spring, Montgomery County, Maryland 20860 such expansion containing approximately 77,000 square feet, together with the acquisition and installation of certain necessary or useful furnishings, fixtures, equipment and machinery; and (2) financing all or a portion of the costs of issuance and other related costs of the transaction; will authorize the County Executive to specify, prescribe, determine, provide for, approve, execute and deliver any and all matters, details, forms, documents or procedures necessary or appropriate to effectuate the authorization, sale, security, issuance, delivery and payment of and for such refunding bonds and the lending of the proceeds thereof; reserving certain rights in the County; and will generally provide for and determine various matters in connection with such refunding bonds and the lending of the proceeds of the sale thereof.

1. 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”), empowers any public body (as defined in the Act) to issue and sell bonds (as defined in the Act), as its limited obligations

and not upon its faith and credit or pledge of its taxing power, and to loan the proceeds of the sale of such bonds to one or more facility users (as defined in the Act), to finance or refinance any costs of the acquisition (as used in the Act) or the improvement (as defined in the Act) of a facility (as defined in the Act) for use by one or more facility users.

2. The Act states the declared legislative purposes of the General Assembly of Maryland to be to (i) relieve conditions of unemployment in the State of Maryland (the “State”); (ii) encourage the increase of industry and commerce and a balanced economy in the State; (iii) assist in the retention of existing industry and commerce in, and the attraction of new industry and commerce to, the State through, among other things, the development of ports, the control or abatement of environmental pollution and the use and disposal of waste; (iv) promote economic development; (v) protect natural resources and encourage resource recovery; and (vi) promote the health, welfare and safety of the residents of the State.
3. Montgomery County, Maryland (the “County”), has received a letter from the Brooke Grove Foundation, Incorporated, a Maryland non-profit corporation and a facility applicant as defined in the Act (the “Facility Applicant”), dated October 3, 2024, a copy of which is attached hereto as Exhibit A and made a part hereof (the “Letter of Intent”), requesting the County to issue and sell its bonds pursuant to the Act and to loan the proceeds of the sale thereof to the Facility Applicant for the purpose of (i) refinancing all of the outstanding Montgomery County, Maryland Economic Development Revenue Bonds (Brooke Grove Foundation, Incorporated Facility), Series 2015 (the “Series 2015 Bonds”), the proceeds of which were used to finance and refinance a 77,000-square-foot expansion, together with the acquisition and installation of certain necessary or useful furnishings, fixtures, equipment, and machinery to a skilled nursing facility located at 18131 Slade School Road, Sandy Spring, Montgomery County, Maryland 20860; and (ii) financing all or a portion of the costs of issuance and other related costs of the transaction. The Facility Applicant is a facility user as defined in the Act. The Facility Applicant acknowledges in the Letter of Intent that the County reserves certain rights concerning the issuance of the bonds as provided in Section 5 of this Resolution.
4. A public hearing concerning the issuance of such bonds, and the location and nature of such facilities has been held following reasonable public notice (within the meaning of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”)).
5. The facilities which the Facility Applicant has requested to be so financed and refinanced shall consist generally of: (i) refunding all of the outstanding Series 2015

Bonds the proceeds of which were used to finance and refinance the following: the construction of an expansion to that certain skilled nursing facility consisting of an 81,997-square-foot (approximate), two-story building located at 18131 Slade School Road, Sandy Spring, Montgomery County, Maryland 20860 and related infrastructure, (the “Original Facilities”) such expansion containing approximately 77,000 square feet, together with the acquisition and installation of certain necessary or useful furnishings, fixtures, equipment and machinery (the “2015 Facilities”); and (ii) financing all or a portion of the costs of issuance and other related costs of the Bonds (as defined below) (the “2024 Facility” and together with the Original Facilities and the 2015 Facilities the “Facilities”).

6. The County, based on the findings and determinations and subject to the reservation of certain rights as hereinafter set forth, has determined to issue and sell, in addition to any bonds authorized to be issued by any other act of the County, its bonds (within the meaning of the Act), at one time or from time to time, in the aggregate principal amount not to exceed Twenty-Seven Million Dollars (\$27,000,000), or such lesser amount as may be specified by the County Executive of the County (the “County Executive”), hereinafter designated “Montgomery County, Maryland Economic Development Refunding Revenue Bonds (Brooke Grove Foundation, Incorporated Facility) (the “Bonds”), and to loan the proceeds of the Bonds (the “Loan”) to the Facility Applicant on the terms and conditions as hereinafter provided in order to finance and refinance, in whole or in part, the costs of the Facilities, to encourage economic development and to protect the health, welfare and safety of the citizens of the State and of the County.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

Section 1. Acting pursuant to the Act, it is hereby found and determined as follows:

- a. As evidenced by the Letter of Intent, a “letter of intent” within the meaning of the Act, the issuance of the Bonds pursuant to the Act by the County, a “public body” and a “county” within the meaning of the Act, in order to loan the proceeds to the Facility Applicant, a “facility applicant” and a “facility user” within the meaning of the Act, for the sole and exclusive purpose of refinancing the “acquisition” and “improvement,” within the meaning of the Act, of the Facilities are “facilities” within the meaning of the Act.
- b. The accomplishment of the transactions contemplated and authorized by this Resolution, including the refinancing of the Series 2015 Bonds, will promote

the declared legislative purposes of the Act by (i) creating and sustaining jobs and employment, thereby relieving conditions of unemployment in the State and in the County; (ii) encouraging the increase of industry and commerce and a balanced economy in the State and in the County; (iii) assisting in the retention of existing industry and commerce in the State and in the County; (iv) promoting economic development; and (v) generally promoting the health, welfare and safety of the residents of the County and of the State.

- c. 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. The Bonds and the interest thereon shall be limited obligations of the County, payable solely from the revenues derived from Loan repayments (both principal and interest) made by the Facility Applicant on account of the Loan or from any other moneys made available to for such purposes. The County shall assign its right to receive any Loan repayments to the Bank (as defined herein), or a trustee for the Bonds, pursuant to the terms of the Loan Agreement (as defined herein). No such moneys 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 ensure that the proceeds of the Bonds and loan repayments are used to accomplish the public purposes of the Act and this Resolution, provided, however, that if an event of a default occurs under the Loan Agreement, the County may take appropriate action related to the assignment of the loan repayments to the Bank or the trustee. The transactions authorized 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 public purposes expressed in the Act are to be achieved by facilitating and expediting the refunding of the Series 2015 Bonds by the Facility Applicant.
- d. The County Executive of the County is the chief executive officer of the County within the meaning of the Act and shall undertake on behalf of the County certain responsibilities described in the Act and hereinafter specified.
- e. The Bonds may be sold at either private (negotiated) sale or at public sale, and at, above or below par, in any event in such manner and upon such terms as the County Executive, in his sole and absolute discretion, deems to be in the best interests of the County.
- f. All or a portion of the Bonds may be issued as "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code.

Section 2. This Resolution is intended to be, and shall constitute, evidence of the present intent of the County to issue and deliver the Bonds authorized hereby. Notwithstanding the foregoing, nothing in this Resolution shall be deemed to constitute (i) an undertaking by the County to expend any of its funds (other than the proceeds from the sale of the Bonds, revenues derived from Loan repayments made to the County on account of the Loan and any other moneys made available to the County for such purpose) to effect the transactions described herein or (ii) an assurance by the County as to the availability of one or more ready, willing and able purchasers for the Bonds to whom the Bonds may lawfully be sold under, among others, applicable federal and state securities and legal investment laws.

Section 3. As described in the Letter of Intent, the County 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 refunding of the Series 2015 Bonds; accordingly, the Facility Applicant shall (i) negotiate and approve all financing arrangements in connection with refunding of the Series 2015 Bonds (ii) pay all costs incurred by or on behalf of the County in connection with the issuance and sale of the Bonds, the making of the Loan, including the administration thereof, including (without limitation) all costs incurred in connection with the proposed refinancing, including (without limitation) the fees of bond counsel and compensation to any other person (other than full-time employees of the County) performing services by or on behalf of the County in connection with the transactions contemplated by this Resolution, whether or not the proposed refinancing is consummated.

Section 4. In addition to any bonds authorized to be issued by any other act of the County, the issuance, sale and delivery by the County of the Bonds, at one time or from time to time, and in one or more series or subseries, in an aggregate principal amount not to exceed Twenty-Seven Million Dollars (\$27,000,000), or such lesser amount as may be specified by the County Executive, are hereby authorized, subject to the provisions of the Act and this Resolution. The proceeds of the Bonds will be loaned to the Facility Applicant, as permitted by the Act, pursuant to the terms and provisions of a loan and financing agreement (the "Loan Agreement") to be entered into among the County, the Facility Applicant and a bank, as purchaser of the Bonds or as trustee on behalf of the purchaser(s) of the Bonds (the "Bank"), to be used by the Facility Applicant for the sole and exclusive purpose of refinancing the Series 2015 Bonds and paying issuance costs related to the Bonds. The Bonds and the interest thereon shall be limited obligations of the County, repayable solely from the revenue derived from Loan repayments (principal and interest) made by the Facility Applicant and from any other moneys made available for such purpose. The County shall assign its right to receive any Loan repayments to the Bank, or a trustee for the Bonds, pursuant to the terms of the Loan Agreement, subject to

reassignment as provided herein and in the Loan Agreement. The maximum principal amount of Bonds which may be issued, sold and delivered pursuant to this Resolution is Twenty-Seven Million Dollars (\$27,000,000), unless such amount shall be increased by a resolution supplemental hereto.

Section 5. The County reserves the right, in its sole and absolute discretion, to take any actions which it may deem necessary in order to ensure that the County (i) complies with all federal and State laws, whether proposed or enacted, which may restrict the issuance of its economic development revenue bonds and (ii) issues such bonds to refinance facilities which the County determines, in its sole and absolute discretion, will provide the greatest benefit to the County. Specifically, the County reserves the right to choose to issue its economic development revenue bonds for facilities other than the refunding of the Series 2015 Bonds and costs related to the issuance of such bonds and to issue or not to issue such bonds at such times and in order of priority which the County Executive, in his sole and absolute discretion, may determine.

Section 6. The Bonds shall each be designated "Montgomery County, Maryland Economic Development Refunding Revenue Bond (Brooke Grove Foundation, Incorporated Facility)." The Bonds may be further identified by the year of issue or such other appropriate designation as the County Executive may approve.

The Bonds shall be dated and shall bear interest at an annual rate or rates, payable at such times, all as approved by the County Executive.

The Bonds shall mature on such date or dates as may be approved by the County Executive, but the last maturity of the Bonds shall in no event exceed a period of thirty (30) years from the date of issuance of the Bonds.

Each of the Bonds shall be executed in the name of the County and on its behalf by the manual or facsimile signature of the County Executive and the manual or facsimile signature of the Director of Finance of the County. The seal of the County or a facsimile thereof shall be affixed to each of the Bonds and attested by the manual or facsimile signature of the Clerk of the County Council. If deemed appropriate by the County Executive, each of the Bonds may also be authenticated by the manual or facsimile signature of a trustee, registrar or paying agent. At least one such signatures on each Bond shall be a manual signature.

Section 7. If deemed advisable by the County Executive, and pursuant to the Loan Agreement, the County will assign to the Bank (among other things) all of the County's right, title and interest in and to the Loan Agreement, including (without limitation) the receipts and revenues of the County from the Loan (excepting only certain reserved rights of the County to indemnification by the Facility Applicant, taxes paid by

the Facility Applicant to the County, the obligation of the Facility Applicant to make certain payments required by the Code and payments to the County for the County's administrative fees and expenses and related costs).

Section 8. In connection with the transactions described herein, the County Executive is hereby authorized and empowered, by executive order or otherwise:

- a. to accept the Letter of Intent, in order to further evidence the present intent of the County to participate in the refinancing of the costs of the acquisition and improvement of the Facilities through the refunding of the Series 2015 Bonds;
- b. to approve the form and provisions of, execute and deliver the Bonds and the Loan Agreement;
- c. to 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 issuance, sale and delivery of the Bonds, including (without limitation) costs of printing (if any) and issuing the Bonds, legal expenses (including the fees of bond counsel), payment of an annual administrative fee to the County, 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; and
- d. to specify, prescribe, determine, provide for, approve, execute and deliver (where applicable) such other matters, details, forms, documents or procedures, including (without limitation) trust indentures, bond purchase agreements, placement agreements, letters of credit, letter of credit agreements, remarketing agreements, deeds of trust, assignments and financing statements, as are necessary or appropriate to consummate the authorization, sale, security, issuance, delivery or payment of or for the Bonds and the making of the Loan.

Section 9. 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 8 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 10. The terms, provisions, form and substance of any and all documents and instruments to be executed or entered into by or for the benefit of the County in connection with the transactions authorized by this Resolution, including all customary closing certificates and documents, shall also be subject to the approval of the County Attorney or the County Attorney's designee prior to the execution and delivery thereof by the appropriate official of the County.

Section 11. In satisfaction of the requirements of Section 147(f) of the Code, the County hereby approves the refinancing of the Facilities by refunding the Series 2015 Bonds with the proceeds of the Bonds approved hereby.

Section 12. The members of the County Council, the County Executive, the Chief Administrative Officer of the County, the County Attorney, the Director of Finance of the County and the Clerk of the County Council, for and on behalf of the County, are hereby authorized and empowered to do all things, execute all instruments and otherwise take all such actions as the County Executive may determine by executive order or otherwise to be necessary, proper or expedient to carry out the authority conferred by this Resolution, including (without limitation) the execution of a Certificate of the County pursuant to Section 148 of the Code and the U.S. Treasury Regulations prescribed thereunder, subject to the limitations set forth in the Act and this Resolution.

Section 13. Unless previously exercised, the authority to issue the Bonds contained in this Resolution shall expire on the date which is one (1) year from the effective date of this Resolution, unless such authority shall have been extended by a resolution supplemental hereto approved by the County Executive.

Section 14. In accordance with the Act, this Resolution shall take effect upon approval by the County Council.

This is a correct copy of Council action.



Sara R. Tenenbaum
Clerk of the Council

EXHIBIT A

Letter of Intent

Please see attached.



October 3, 2024

Michael J. Coveyou
Director of Finance
Department of Finance
Montgomery County, Maryland
101 Monroe Street, 15th Floor
Rockville, Maryland 20850

Re: Proposed Montgomery County, Maryland
Maryland Economic Development Revenue Bond, Series 2024
(Brooke Grove Foundation, Incorporated Facility)

Dear Mr. Coveyou:

The undersigned, Brooke Grove Foundation, Incorporated (the "Foundation"), respectfully requests that Montgomery County, Maryland (the "Public Body") authorize, issue, and sell its economic development revenue bonds, in a principal amount not to exceed \$27,000,000 (the "Bonds") pursuant to the provisions of the Maryland Economic Development Revenue Bond Act (codified at Subtitle 1 of Title 12 of the Economic Development Article of the Annotated Code of Maryland, as amended) (the "Act"), or such other statutory authority as may exist when the Bonds are issued. This letter is intended as a "letter of intent" under the Act.

The Foundation anticipates that the bonds will be placed with Fulton Bank, N.A. and proposes that the Public Body lend the proceeds of the placement of the Bonds to the Foundation under a loan agreement (within the meaning of the Act).

The Foundation will use the proceeds of the Bonds (1) to refinance all of the outstanding Montgomery County, Maryland Economic Development Revenue Bonds (Brooke Grove Foundation, Incorporated Facility), Series 2015, the proceeds of which were used to finance and refinance a skilled nursing facility located at 18131 Slade School Road, Sandy Spring, Montgomery County, Maryland 20860, and certain improvements thereto, including a 77,000-square-foot expansion, together with the acquisition and installation of certain necessary or useful furnishings, fixtures, equipment, and machinery (collectively, the "Facility"); and (2) to finance all or a portion of the costs of issuance and other related costs of the transaction. The Foundation owns, within the meaning of § 145(a) of the Internal Revenue Code of 1986, as amended (the "Code"), all of the Property which is to be refinanced by the net proceeds of the Bonds.

The Foundation is a "501(c)(3) organization" within the meaning of § 150(a) of the Code.

The Foundation has been in operation since 1950 and has served Montgomery County residents since that time as a provider of health care services and housing for seniors. The Foundation also works closely with other health care providers in Montgomery County and surrounding areas (e.g., hospitals, home health agencies, and home care companies).

The Foundation developed a 220-acre senior healthcare and housing retirement community in Sandy Spring, Maryland known as Brooke Grove Retirement Village, which offers independent living, assisted living, skilled nursing, respite care, rehabilitative, and memory support and Alzheimer's care, allowing an easy transition between all levels. Specifically, the Foundation provides senior healthcare and housing services in Montgomery County by operating 40 independent living units, seven assisted living facilities with 112 beds, and the Facility, which is a long-term care/rehabilitation center called Brooke Grove Rehabilitation and Nursing Center, which currently has 190 beds.

Through the refinancing, the Foundation will strengthen its ability to fulfill its mission of providing health care services and housing to seniors in Montgomery County and enable the Foundation to enhance the services and programs provided in the Facility, expanding the Foundation's impact in the Montgomery County community.

Acknowledgment by the Foundation

The Foundation acknowledges that federal legislation may be enacted which may limit the ability of the Public Body to issue the Bonds and similar obligations. The Foundation hereby acknowledges that the Public Body reserves the right, in its sole and absolute discretion, to take any actions which the Public Body may deem necessary in order to ensure that the Public Body (1) complies with all federal and state laws, whether proposed or enacted, which may restrict the issuance of its economic development revenue bonds, and (2) issues such bonds to finance facilities which the Public Body determines, in its sole and absolute discretion, will provide the greatest benefits to the Public Body. Specifically, the Public Body reserves the right to choose to issue its economic development revenue bonds for facilities other than the Facility, and to issue or not issue such bonds in the order of priority which the County Executive, in his sole and absolute discretion, may determine.

Compliance with Act

The refinancing (within the meaning of the Act) of the Facility will benefit the Public Body and the State of Maryland in accordance with the stated purposes of the Act by (i) sustaining jobs and employment, thereby relieving conditions of unemployment in the State and in the County; (ii) encouraging the increase of industry and commerce and a balanced economy in the State and in the County; (iii) assisting in the retention of existing industry and commerce in the State and in the County; (iv) promoting economic development; and (v) generally promoting the health, welfare, and safety of the residents of the County.

The Bonds will be limited obligations of the Public Body, the principal of, premium, if any, and interest on which shall be payable solely from the revenue derived from loan repayments (both principal and interest) made to the Public Body by the Foundation pursuant to the terms and provisions of the Loan Agreement (hereinafter defined) and from any other moneys made available to the Public Body for such purposes. The Foundation proposes that the Public Body lend the proceeds to the Bonds (the "Loan") pursuant to the terms and provisions of a Loan Agreement to be entered into by and between the Public Body and the Foundation (the "Loan Agreement"). The Loan Agreement will require the Foundation to use the proceeds of the Loan for the sole and exclusive purposes set forth above in this letter of intent.

The Loan Agreement will require the Foundation to make loan payments (both principal and interest) sufficient to pay (1) the principal of and interest and redemption premium, if any, on the Bonds, and (2) all expenses incurred by the Public Body in connection with issuance and placement of the Bonds and the making and administration of the Loan, as the same become due and payable. The Foundation agrees that all costs of the refinancing of the Facility in excess of the proceeds of the Loan will be paid by the Foundation. The Loan Agreement will contain such other provisions as may be required by law or as may be agreed to by the Foundation and the Public Body. Financial considerations have been a factor leading to the Foundation's decision to undertake the refinancing, and that decision has been influenced materially by the availability of economic development revenue bond financing from the Public Body.

The Act empowers all the counties and municipalities of the State to borrow money by issuing negotiable economic development revenue bonds and to lend the proceeds of the sale thereof to a Facility Application (as defined in the Act). The Foundation is a "facility applicant" and "facility use" within the meaning of the Act. The Facility constitutes a "facility" or "facilities" as defined by the Act.

It is expressly understood and agreed that (1) the Public Body will not incur any liability, direct or indirect, or any cost, direct or indirect, in connection with the issuance or placement of the Bonds, the making of the Loan, or the refinancing of the Facilities, and (2) the use of the proceeds of the Loan to acquire the Facilities will conform to the requirements of the Foundation. Accordingly, the Foundation shall (1) negotiate and approve all financing arrangements in connection with the refinancing of the Facility, and (2) pay all costs incurred by or on behalf of the Public Body in connection with refinancing of the Facility. The Foundation shall also pay all costs incurred in connection with the development of the appropriate legal documents necessary to effectuate the proposed refinancing of the Facility, 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) or entity performing services on behalf of the Public Body in connection with the transactions contemplated by this letter of intent, whether or not the proposed refinancing is consummated.

Prior to the issuance of the Bonds, in accordance with the Act and a resolution of the County Council of the Public Body specifying the proposed undertaking, the County Executive shall, by order or otherwise, specify, prescribe, determine, provide for or approve the amount of the Bonds to be issued, the rate or rates of interest the Bonds are to bear (or the method of determining such rate or rates), and other such provisions not inconsistent with the Act as shall be determined by the County Executive to be necessary or desirable to effect the refinancing of the Facility, including (without limitation) the times and place or places that interest on the Bonds is to be paid, the time that the Bonds are to be executed, issued and delivered, the form, tenor, and denominations of the Bonds, the times and place or places of payment of the Bonds, and the amounts payable at such times.

The principal of, premium, if any, and interest on the Bonds shall never 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 shall never constitute or give rise to any pecuniary liability of the Public Body. The principal or premium, if any, and interest on the Bonds shall be payable solely from the revenues received in connection with the

refinancing of the Facility and from any other moneys made available to the Public Body for such purpose. Moreover, 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.

Acceptance of Letter of Intent

It is further understood and agreed to by the Foundation that the proposal contained herein is subject to (1) the approval and appropriate action by the County Executive and County Council of the Public Body, and (2) the approval of detailed provisions of all documents pertaining to the refinancing as yet to be developed. The acceptance of this letter of intent by the Public Body shall be evidence of the bona fide present intent of the Public Body to authorize the issuance, placement, and delivery of the Bonds and to authorize the Loan for the purposes described herein; provided, however, that the Foundation recognizes that:

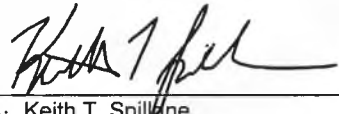
1. The Public Body cannot make an absolute guarantee, promise or assurance that the terms and conditions of the Bonds (including, but not limited to, the principal amount of the Bonds to be issued; the rate or rates of interest the Bonds are to bear; the times and places that the Bonds are to be executed, issued, and delivered; the redemption provisions for the Bonds; the form, tenor, and denominations of the Bonds; and the amounts payable at such times), as actually authorized to be issued, will be acceptable to the Foundation; and

2. The Public Body can give no guarantee, promise, or assurance as to the availability of one or more purchasers of the Bonds to whom the Bonds may lawfully be sold under, among others, applicable federal and state securities and legal investment laws.

If at any time the Foundation determines not to proceed with the issuance, placement, and delivery of the Bonds, the Foundation will promptly advise the Public Body, in writing, of such determination, stating its reasons.

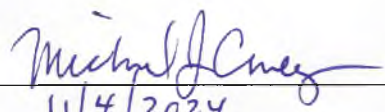
Sincerely,

BROOKE GROVE FOUNDATION,
INCORPORATED

By: 
Name: Keith T. Spillane
Title: Director of Corp. Finance

ACCEPTED:

MONTGOMERY COUNTY, MARYLAND

By: 
Date: 11/4/2024