

Resolution No.: 22-05
Introduced: May 3, 2022
Adopted: May 10, 2022

**COUNTY COUNCIL
FOR FREDERICK COUNTY, MARYLAND**

By County Council

SUBJECT: Authorizing and empowering Frederick County, Maryland (the “County”) to issue, sell and deliver, at any one time or from time to time, its revenue bonds in one or more series and in an original aggregate principal amount not to exceed \$7,600,000, pursuant to the provisions of Subtitle 1 of Title 12 of the Economic Development Article of the Annotated Code of Maryland, as amended, in order to loan the proceeds thereof to Hood College of Frederick, Maryland, a nonprofit, nonstock Maryland corporation (the “Borrower”), for the sole and exclusive purposes described in this resolution; approving, pursuant to notice and following a public hearing, the issuance of the revenue bonds requested in the letter of intent from the Borrower to the County dated March 22, 2022; accepting said letter of intent; making certain legislative findings, among others, concerning the public benefit and purpose of such revenue bonds; **providing that such revenue bonds and the interest thereon shall be limited obligations of the County, repayable solely from the revenues derived from loan repayments (both principal and interest) made by the Borrower or other money made available to the County for such purpose, and that such revenue bonds and the interest on them are not debts or charges against the general credit or taxing powers of the County within the meaning of any constitutional or charter provision or statutory limitation and may not give rise to any pecuniary liability of the County;** authorizing and empowering the County Executive of the County, prior to the issuance, sale and delivery of such revenue bonds, to prescribe the rate or rates of interest such revenue bonds are to bear, the form, tenor, terms and conditions of and security for such revenue bonds, and to prescribe, determine, provide for and approve various other matters, details, documents and procedures in connection with the authorization, issuance, security, sale and payment for such revenue bonds; and generally providing for and determining various matters and details in connection with the authorization, issuance, security, sale and payment of such revenue bonds.

R E C I T A L S:

Subtitle 1 of Title 12 of the Economic Development Article of the Annotated Code of Maryland, as amended (the “Act”), empowers all the counties and municipalities of the State of Maryland to issue revenue bonds and to loan the proceeds of the sale of such revenue bonds to a facility user (defined below) to finance the acquisition and improvement (as defined in the Act) by

such facility user of any facility (as defined in the Act). As defined in the Act, a “facility user” means a person, public or private corporation, or other entity, whether for-profit or not-for-profit, that owns, leases, or uses all or a part of a facility.

The legislative purposes of the Act are 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 in, and the attraction of new industry and commerce to, the State, (d) promote economic development, (e) protect natural resources and encourage resource recovery and (f) promote the health, welfare, and safety of the residents of the State.

Frederick County, Maryland a body politic and corporate and a political subdivision of the State (the “County”), has received a letter of intent dated March 22, 2022 in the form attached hereto as Exhibit A (the “Letter of Intent”) from Hood College of Frederick, Maryland, a nonprofit, nonstock Maryland corporation (the “Borrower”), a “facility applicant” as defined in the Act, in which it is requested that the County participate in the financing and refinancing of certain facilities as described herein by the County’s issuance of its limited obligation revenue bonds in an original aggregate principal amount not to exceed \$7,600,000 and by loaning the proceeds thereof to the Borrower upon the terms and conditions of a loan or similar agreement to be entered into between the County and the Borrower (the “Loan Agreement”), as permitted by the Act (such loan being herein referred to as the “Loan”). The proceeds of the Loan shall be used to finance and refinance the acquisition and improvement (within the meaning of the Act) by the Borrower of a certain facility (within the meaning of the Act) to consist of and include: all or a portion of the costs of (i) design, acquisition, construction, equipping, furnishing and renovation of the Coblentz Memorial Residence Hall and related campus improvements and infrastructure, including, without limitation, replacement and underground relocation of various utility lines, improvement of entrances, roadways, sidewalks and parking areas, and miscellaneous other capital and deferred maintenance projects and infrastructure improvements, to be located on the Facility Applicant’s campus; (ii) the acquisition and installation of certain necessary or useful equipment, machinery and landscaping for the foregoing; (iii) the acquisition and installation of such other interests in land as may be necessary or useful, including roads or other rights of access, utilities, and site preparation facilities; (iv) certain working capital expenditures; (v) capitalized interest; (vi) any required deposit to a debt service reserve fund or other reserve fund; (vii) all or a portion of the issuance costs; and (viii) the costs of any bond insurance or other credit enhancement.

The foregoing items are sometimes referred to collectively herein as the “Facility”. The Facility may also include land or interests in land, buildings, landscaping, structures, machinery, equipment, furnishings or other real or personal property located on the same site as the Facility.

The Borrower is a 501(c)(3) organization that owns and operates and will continue to own and operate the Facility. The Facility is a “facility” as defined in the Act.

The County, in compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended, held a public hearing on May 10, 2022, pursuant to notice (in the form attached hereto as Exhibit B) [published in a newspaper of general circulation in Frederick County] on April 23, 2022 for the purpose of apprising affected residents of Frederick County, Maryland of the proposed issuance of the Bonds (defined below) and allowing such residents to appear and be heard

concerning the issuance of the Bonds and the location and nature of the Facility. The County has determined following such public hearing, and after having duly considered the necessity for the issuance of the Bonds for competitive economic development purposes to insure job opportunities and to provide for a sufficient tax base, that there will be a substantial public benefit from the issuance of the Bonds, that the issuance of the Bonds to finance and refinance the Facility is in the public interest and for a public purpose and by this Resolution has given its approval thereto.

The County, based upon the findings and determinations set forth below, has determined to participate in the financing and refinancing of the Facility by (a) issuing, selling and delivering its revenue bonds in an original aggregate principal amount not to exceed \$7,600,000 (the "Bonds"), and (b) loaning the proceeds of the Bonds to the Borrower upon the terms and conditions of the Loan Agreement, as permitted by the Act.

The Loan Agreement will require the Borrower (a) to use the proceeds of the Bonds solely to finance and refinance the acquisition and improvement of the Facility (except to the extent of amounts permitted to be expended for other purposes under the Act and by the Loan Agreement), and (b) to make payments which will be sufficient to enable the County to pay the principal of and interest and premium, if any, on the Bonds when and as the same shall become due and payable.

As security for the Bonds, the County may enter into a trust agreement with one or more corporate trustees or a purchase or assignment agreement with the purchaser of the Bonds, pursuant to which, the County will assign to such trustee or purchaser, among other things, and excepting the right of the County to indemnification and to payments to the County for expenses, all of the County's right, title and interest in and to, and remedies with respect to the Loan Agreement and any other document or instrument relating to the Loan, and any and all other property of every description and nature from time to time by delivery or by writing of any kind conveyed, pledged, assigned or transferred, as and for additional security for the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF FREDERICK COUNTY, MARYLAND:

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

(1) The issuance and sale of the Bonds by the County pursuant to the Act in order to lend the proceeds thereof to the Borrower for the sole and exclusive purpose (except to the extent of amounts permitted to be expended for other purposes under the Act and by the Loan Agreement) of financing and refinancing the acquisition and improvement by the Borrower of the Facility will facilitate and expedite the acquisition and improvement of the Facility by the Borrower.

(2) The acquisition and improvement of the Facility by the Borrower and the financing and refinancing thereof as provided in this Resolution will promote the declared legislative purposes of the Act by (a) relieving conditions of unemployment in the State; (b) encouraging the increase of industry and commerce and a balanced economy in the State, (c) assisting in the retention of existing industry and commerce in, and the attraction of new industry and commerce to, the State; (d) promoting economic development; (e) protecting natural resources and

encouraging resource recovery; and (f) promoting the health, welfare and safety of the residents of the State.

(3) The Act authorizes facility financing, or a refunding thereof, to be accomplished in the form of a loan by the County to the Borrower. The loan form of transaction avoids indirect costs and burdens on the County by eliminating any direct involvement by the County in the acquisition, ownership or administration of the Facility while permitting the imposition of ample controls on the use of the proceeds of the Bonds, thus insuring that the public purposes of the Act and the bond transactions are fully accomplished. Because it is in the best interests of the citizens of the County to finance and refinance the acquisition and improvement of the Facility by a loan to the Borrower, this Resolution contemplates and authorizes a transaction in the form of a loan of the proceeds of the Bonds by the County to the Borrower. Accordingly, this Resolution, together with one or more executive orders (the "Executive Order") to be executed by the County Executive of the County (the "County Executive") prior to the issuance, sale and delivery of the Bonds, the Loan Agreement and any other instrument pertaining to the issuance, sale or delivery of the Bonds, including those instruments approved by the Executive Order (such other instruments, together with the Loan Agreement, collectively, the "Bond Documents"), contains, or shall contain, such provisions as the County deems appropriate to effect the financing and refinancing of the acquisition and improvement by the Borrower of the Facility by the loan form of transaction.

(4) THE BONDS, THE PREMIUM, IF ANY, THE PURCHASE PRICE THEREOF AND THE INTEREST ON THE BONDS ARE LIMITED OBLIGATIONS OF THE COUNTY. THE PRINCIPAL OF, PREMIUM, IF ANY, THE PURCHASE PRICE OF AND INTEREST ON THE BONDS ARE PAYABLE SOLELY FROM THE REVENUES DERIVED FROM LOAN REPAYMENTS (BOTH PRINCIPAL AND INTEREST) MADE BY THE BORROWER OR OTHER MONEY MADE AVAILABLE TO THE COUNTY FOR SUCH PURPOSE. THE BONDS, THE PREMIUM, IF ANY, THE PURCHASE PRICE THEREOF AND THE INTEREST THEREON ARE NOT DEBTS OR CHARGES AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR CHARTER PROVISION OR STATUTORY LIMITATION AND MAY NOT GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COUNTY. THE BONDS ARE NOT A DEBT TO WHICH THE FAITH AND CREDIT OF THE COUNTY IS PLEDGED. The proceeds of the Bonds, and the payments to be made by the Borrower pursuant to the Loan Agreement, will be paid directly to a trustee or the holders of the Bonds in the event a trustee is not appointed for such purpose to be held and disbursed as shall be approved by the County Executive in the Executive Order. No such monies will be commingled with the County's funds, but are deemed necessary or desirable by the County to insure that the proceeds of the Bonds are used to accomplish the public purposes of the Act and this Resolution. 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 the financing and refinancing of the acquisition and improvement of the Facility by the Borrower.

(5) The Borrower is a "facility applicant" and a "facility user" as defined in the Act and the Facility will be used by the Borrower in its mission as a 501(c) organization to own and operate a liberal arts college.

SECTION 2. The County hereby approves and is authorized and empowered to issue, sell and deliver, at any time or from time to time, one or more series of Bonds to be designated as shall be prescribed in the Executive Order, in an original aggregate principal amount not to exceed \$7,600,000, subject to the provisions of this Resolution. The proceeds of the Bonds will be loaned to the Borrower pursuant to the terms and provisions of the Loan Agreement, to be expended by the Borrower for the sole and exclusive purpose of financing and refinancing the acquisition and improvement of the Facility (except to the extent of amounts permitted to be expended for other purposes under the Act and by the Loan Agreement).

The Letter of Intent is hereby accepted by the County and the County Executive is hereby authorized and directed to execute the Letter of Intent in order to evidence such acceptance. The Letter of Intent is intended to constitute a "letter of intent" as contemplated by the Act.

The authority to issue the Bonds is intended to and shall include the authority to issue revenue refunding bonds. Reference herein to the "Bonds" shall include revenue refunding bonds where appropriate. In the event that any refunding 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 the 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 provisions for payment, or such payment is made at or prior to the maturity thereof.

SECTION 3. This Resolution is intended to be, and shall constitute, evidence of the County's intent to issue and deliver the Bonds authorized hereby in accordance with the terms hereof when the Bonds are sold, provided that the County shall have no duty to obtain a purchaser or purchasers therefor and shall incur no pecuniary liability in the event that the Bonds are not sold.

SECTION 4. The Bonds shall be executed in the name of the County and on its behalf by the County Executive 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 Chief Administrative Officer (or other authorized officer) by his or her manual or facsimile signature. The Bond Documents shall be executed in the name of the County and on its behalf by the County Executive by his or her manual signature, and the corporate seal of the County or a facsimile thereof shall be impressed or otherwise reproduced thereon and attested by the Chief Administrative Officer (or other authorized officer) by his or her manual signature. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds or any of the Bond Documents shall cease to be such officer before the delivery of the Bonds or any of the Bond 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. The County Executive, the Chief Administrative Officer, the County Attorney, the Director of Finance and other officials of the County are hereby authorized and empowered to do all such acts and things and execute such other documents and certificates as the County Executive of the County may deem necessary to carry out and comply with the provisions hereof.

SECTION 5. Prior to the issuance, sale and delivery of the Bonds, the County Executive shall execute the Executive Order pursuant to which the County Executive may (without limitation) specify, determine, prescribe and approve, all within the limitation of this Resolution and the Act, matters, documents and procedures that relate to the authorization, sale, security, issuance, delivery and payment of or for the Bonds, including (without limitation):

(a) The principal amount of the Bonds to be issued at any one time or from time to time, the rate or rates of interest thereon, the date or dates of maturity thereof, provisions for the payment thereof, prepayment, sinking fund or redemption provisions (if any) thereof, the designation or designations of the Bonds and of any series, the date or dates of issuance thereof;

(b) the form, tenor, terms and conditions of the Bonds, and provisions for the registration and transfer of the Bonds (if any);

(c) the form and contents of, and provisions for the execution and delivery of, such financing documents as the County Executive shall deem necessary or desirable to evidence, secure or effectuate the Loan and the issuance, sale and delivery of the Bonds, including (without limitation) any loan agreements, notes, mortgages, security agreements, assignments, guarantees, financing agreements or escrow agreements;

(d) provision for the payment directly by the Borrower of all expenses of preparing, printing and selling the Bonds, including (without limitation) any and all costs, fees and expenses, incurred by or on behalf of the County in connection with the authorization, issuance, sale and delivery of the Bonds, and all costs incurred in connection with the development of the appropriate legal documents, including fees of counsel to the County, and compensation to any persons (other than full-time employees of the County) or entities performing services for or on behalf of the County in connection therewith and in connection with all other transactions contemplated by this Resolution, whether or not the proposed financing is consummated;

(e) the creation of security for the Bonds and provision for the administration of the Bonds, including (without limitation) the appointment of such trustees, escrow agents, payment agents, registrars or other agents as the County Executive shall deem necessary or desirable to effectuate the transactions authorized hereby;

(f) the preparation and distribution, in conjunction with representatives of the Borrower and the prospective purchasers of or underwriters for the Bonds of any series, both a preliminary and a final official statement, placement memoranda or offering circular in connection with the sale of the Bonds of any series, if such preliminary official statement and final official statement, placement memoranda or offering circular are determined to be necessary or desirable for the sale of the Bonds of such series;

(g) the form and contents of, and provisions for the execution and delivery of, a contract or contracts for the purchase and sale of the Bonds of any series (or any portion thereof); and

(h) such other matters in connection with the authorization, issuance, execution, sale, delivery and payment of the Bonds, the security for the Bonds and the Loan, and the consummation of the transactions contemplated by this Resolution as may be deemed appropriate

and approved by the County Executive, including (without limitation) establishing procedures for the execution, acknowledgment, sealing and delivery of such other and further agreements, documents, and instruments (including continuing disclosure documents), and the authorization of the officials of the County to take any and all actions, as are or may be necessary or appropriate to consummate the transactions contemplated by this Resolution in accordance with the Act and this Resolution.

SECTION 6. (a) THE BONDS, THE PREMIUM, IF ANY, THE PURCHASE PRICE THEREOF AND THE INTEREST ON THE BONDS ARE LIMITED OBLIGATIONS OF THE COUNTY. THE PRINCIPAL OF, PREMIUM, IF ANY, THE PURCHASE PRICE OF AND INTEREST ON THE BONDS ARE PAYABLE SOLELY FROM THE REVENUES DERIVED FROM LOAN REPAYMENTS (BOTH PRINCIPAL AND INTEREST) MADE BY THE BORROWER OR OTHER MONEY MADE AVAILABLE TO THE COUNTY FOR SUCH PURPOSE. THE BONDS, THE PREMIUM, IF ANY, THE PURCHASE PRICE THEREOF AND THE INTEREST THEREON ARE NOT DEBTS OR CHARGES AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR CHARTER PROVISION OR STATUTORY LIMITATION AND MAY NOT GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COUNTY. THE BONDS ARE NOT A DEBT TO WHICH THE FAITH AND CREDIT OF THE COUNTY IS PLEDGED. In order to implement Section 12-113 of the Act stating that the Bonds may not give rise to pecuniary liability of the County, the Executive Order, the Loan Agreement, the Bonds and the other Bond Documents may provide that no bondholder shall look to the County for damages suffered by such bondholder as a result of the failure of the County to perform any covenant, undertaking or obligation thereunder, nor as result of the incorrectness of any representation made by the County therein. Although this Resolution recognizes that the Bond Documents may not give rise to pecuniary liability of the County, nothing contained in this Resolution or in the Bond Documents shall be construed to preclude in any way any action or proceedings (other than that element in any action or proceeding involving a claim for monetary damages against the County) in any court or before any governmental body, agency or instrumentality, or otherwise against the County or any of its officers or employees to enforce the provisions of any of the Bond Documents.

(b) Although the Bond Documents shall provide that the County shall have the right to seek remedies in the event of a default by the Borrower, it is contemplated that the County will assign the performance of obligations to take action to the trustee for the holder(s) of the Bonds or the purchasers or holder of the Bonds, in order to implement the purposes and intent of the Act, namely to facilitate the financing and refinancing of the acquisition and improvement of the Facility by the Borrower without incurring any pecuniary obligation or liability of the County. Accordingly, if a trustee is appointed for such purpose, the trustee shall have the duty to act, whether or not at the direction of the bondholders, in all instances in which the trustee for such bonds may act and determines that action is appropriate. In any case, where action by the trustee for the Bonds or the purchaser or holder of the Bonds requires simultaneous or subsequent action by the County, the County will cooperate with such trustee or the purchaser or holder of the Bonds and take any and all action necessary to effectuate the purposes and intent of the Resolution and the Bond Documents. The performance by the trustee for the Bonds or the purchaser or holder of the Bonds of obligations under any of the Bond Documents permits the identification of all costs

arising from the exercise of such obligations. The Bond Documents shall provide that the Borrower shall pay those costs in order to avoid any direct or indirect pecuniary burden on the County.

SECTION 7. As permitted by the Act, the Bonds of each series shall be sold at private (negotiated) sale and at par, unless the County Executive, with the consent of the Borrower, deems it to be in the best interests of the County and the Borrower to sell the Bonds of any series at public sale or by retail sale or above or below par, in which event the Bonds of such series shall be sold in such manner, at such price or prices and upon such terms as shall be determined in the Executive Order to be in the best interests of the County and the Borrower. The Bond of each series shall be sold at such times, on such dates and to such persons, firms or corporations (including, without limitation, banks or other financial institutions) as shall be determined by the County Executive, with the consent of the Borrower.

SECTION 8. The provisions of this Resolution are severable, and if any provision, sentence, clause, section or part hereof is held illegal, invalid or unconstitutional or inapplicable to any person or circumstance, 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 and the remaining provisions shall be construed so as to give practical realization to the public purposes intended to be achieved hereunder and the protection against pecuniary liability to be afforded to the County. 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 circumstance to which this Resolution or any part hereof is inapplicable had been specifically exempted therefrom.

SECTION 9. In the event that the financing transactions contemplated by this Resolution shall not have occurred by June 1, 2023, the County's authorization under this Resolution shall terminate unless otherwise extended by resolution of the County Council.

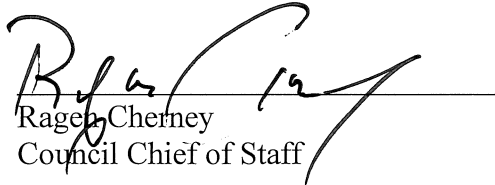
SECTION 10. This Resolution shall take effect immediately upon its adoption.

Adopted this 10th day of May, 2022.

The undersigned hereby certifies that this Resolution was approved and adopted on the 10th day of May 2022.

ATTEST:

COUNTY COUNCIL OF
FREDERICK COUNTY, MARYLAND


Rachel Cherney
Council Chief of Staff

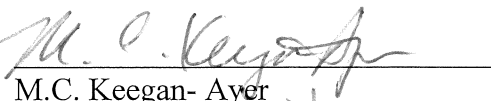
By: 
M.C. Keegan- Ayer
President

EXHIBIT A

Letter of Intent



March 22, 2022

Jan Gardner
County Executive
Frederick County, Maryland
Winchester Hall
12 East Church Street
Frederick, Maryland 21701

RE: Frederick County, Maryland, Economic Development Revenue Bonds for the Benefit of Hood College of Frederick, Maryland

Dear Ms. Gardner:

Hood College of Frederick, Maryland, a nonprofit Maryland corporation (the "Facility Applicant"), respectfully requests that Frederick County, Maryland, a body politic and corporate and a political subdivision of the State of Maryland (the "County") participate in the financing, refinancing or reimbursing the Facility Applicant for certain costs hereinafter described (the "Project") located within the geographical boundaries of the County, by authorizing, issuing, selling and delivering its bonds, as such term is defined in the Maryland Economic Development Revenue Bond Act of the Economic Development Article of the Annotated Code of Maryland, as amended (the "Act"), as its limited obligations and not upon its faith and credit or pledge of its taxing power, in one or more series, in a principal amount not to exceed \$7,600,000 (the "Bonds"), pursuant to the Act. It is intended that this letter, if accepted by the County, shall constitute a "letter of intent" as contemplated by the Act.

It is proposed that the County loan the proceeds of the Bonds (the "Loan") to the Facility Applicant pursuant to the terms and provisions of a loan or similar agreement to be entered into by the County and the Facility Applicant (the "Loan Agreement"). The Loan Agreement will require the Facility Applicant to use the proceeds of the Loan for the sole and exclusive purpose of financing, refinancing or reimbursing the Facility Applicant for the costs of the Project as generally described herein, the payment of the costs of preparing, printing, selling, and issuing the Bonds and other costs as permitted by the Act.

The Bonds shall be repayable by the County solely from the revenue derived from loan repayments (both principal and interest) made to the County by the Facility Applicant pursuant to the terms and provisions of the Loan Agreement and from any other monies made available to the County for such purpose.

The Facility Applicant is a "facility applicant" and "facility user" within the meaning of Section 12-101(f) and (g) of the Act.

Hood College - 401 Rosemont Avenue - Frederick, MD 21701-8575 - www.hood.edu - Tel. 301-696-3611

The Project, which is a “facility” within the meaning of Section 12-101(e) of the Act, will consist of financing, refinancing or reimbursing the Facility Applicant for all or a portion of the costs of (i) design, acquisition, construction, equipping, furnishing and renovation of the Coblentz Memorial Residence Hall and related campus improvements and infrastructure, including, without limitation, replacement and underground relocation of various utility lines, improvement of entrances, roadways, sidewalks and parking areas, and miscellaneous other capital and deferred maintenance projects and infrastructure improvements, to be located on the Facility Applicant’s campus; (ii) the acquisition and installation of certain necessary or useful equipment, machinery and landscaping for the foregoing; (iii) the acquisition and installation of such other interests in land as may be necessary or useful, including roads or other rights of access, utilities, and site preparation facilities; (iv) certain working capital expenditures; (v) capitalized interest; (vi) any required deposit to a debt service reserve fund or other reserve fund; (vii) all or a portion of the issuance costs; and (viii) the costs of any bond insurance or other credit enhancement.

The Loan Agreement will require the Facility Applicant to make Loan payments (both principal and interest) sufficient to pay (a) the principal of, and interest and redemption premium, if any, on, the Bonds, (b) all expenses incurred by the County in connection with the issuance and sale of the Bonds and the making and administration of the Loan, as the same become due and payable, and (c) the County’s annual fee, the terms of which will be set forth in the Loan Agreement. The Facility Applicant agrees that all costs of financing, refinancing or reimbursing the Facility Applicant for the costs of the Project in excess of the proceeds of the Loan will be paid by the Facility Applicant. The Loan Agreement will contain such other provisions as may be required by law and as may be agreed to by the Facility Applicant, the County, and the purchaser(s) of the Bonds, as permitted by law.

The Project will help the Facility Applicant maintain the employment in Frederick, Maryland of approximately two hundred and sixty-six (266) employees and a student enrollment headcount of approximately 2,100 students.

The financing, refinancing or reimbursing the Facility Applicant for the costs of the Project will promote the declared legislative purposes of the Act by (a) creating jobs and thus relieving conditions of unemployment in the State of Maryland (the “State”) and in the County, (b) encouraging the increase of industry and commerce and the creation of a balanced economy in the State and in the 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 the County, (d) promoting economic development, and (e) generally promoting the health and welfare of the residents of the State and County.

Financial considerations have been a factor leading to the Facility Applicant’s decision to finance, refinance or reimburse the Facility Applicant for the costs of the Project and its decision has been influenced materially by the availability of economic development revenue bond financing.

It is expressly understood and agreed that 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 financing, refinancing or reimbursing the Facility Applicant for the costs of the Project. Accordingly, the Facility Applicant will pay all costs incurred by, or on behalf of, the County in connection with the issuance, sale, delivery and administration of the Bonds, the making of the Loan, including the administration thereof, and in connection with the financing, refinancing or reimbursing the Facility Applicant for the costs of the Project, including (without limitation) all costs incurred in connection with the development of the appropriate legal documents necessary to effectuate the proposed refinancing, including (without limitation) the fees of bond counsel and counsel to the County 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 letter of intent whether or not the proposed financing or refinancing is consummated. The Facility Applicant acknowledges and agrees that the financing documents will require the Facility Applicant to pay an annual fee to the County in an amount equal to $1/8^{\text{th}}$ of 1% of the outstanding principal amount of the Bonds.

It is further understood and agreed to by the Facility Applicant that the proposal contained herein and the County's issuance of the Bonds are subject to (a) a public hearing to be held by the County pursuant to at least seven (7) days' notice in a newspaper of general circulation in the County or by electronic posting on the County's primary public website, (b) the approval of, and adoption by the Frederick County Council of a resolution implementing the financing, refinancing or reimbursing the Facility Applicant for the costs of the Project and authorizing the issuance of the Bonds (the "Resolution"), and the execution of an executive order by the County Executive with regard to the issuance, sale and delivery of the Bonds as will be provided for in the Resolution, and (c) the approval by the County and its legal counsel of all documents pertaining to the financing.

The acceptance of this letter by the County shall constitute evidence of the present intent of the County to authorize the issuance, sale and delivery of the Bonds and to authorize the Loan for the purposes described herein; provided, however, that the commitment of the County to issue the Bonds for the purposes described herein is subject to all of the conditions described herein; and further provided and subject to the Facility Applicant's recognition that:

(a) the County cannot make any guaranty, promise or assurance that the terms and conditions (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 that the interest on the Bonds is to be paid, the redemption provisions for the Bonds, the time the Bonds are to be executed, issued and delivered and their form, tenor and denomination) of the Bonds as actually authorized to be issued, will be acceptable to the Facility Applicant; and

(b) the County can give no guaranty, promise or assurance as to the availability of ready, willing and able purchasers of the Bonds.

The County Council's adoption of the Resolution and the County's acceptance of this letter of intent are intended solely to implement the financing of the project described herein by enabling the issuance and sale by the County of the Bonds. Neither the acceptance of this letter of intent nor the adoption of the Resolution will constitute any assurance by the County to any prospective purchasers of the Bonds that (i) the Facility Applicant will have the ability to repay the Loan, (ii) the Project will be feasible economically or otherwise, or (iii) the Project will be in compliance with applicable County, State or Federal laws.

The Facility Applicant agrees to use commercially reasonable efforts to complete the financing and refinancing contemplated in this Letter of Intent.

It is also understood and agreed that the County reserves the right in its sole and absolute discretion to withdraw the authorization set forth in the Resolution and this letter of intent should either the Project or such authorization prove to be in violation of the County, State or Federal laws applicable to the Project or such authorization unless appropriate steps are taken by the Facility Applicant to alter the Project or otherwise to bring the Project or the proposed financing, refinancing or reimbursement into compliance with such laws. The County reserves the right in its sole and absolute discretion to issue its private activity bonds within the limits imposed by present laws or any pending or future legislation or any future local laws to finance the facilities which the County determines 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 private activity bonds for facilities other than the Project in such order of priority as it may determine in its sole and absolute discretion.

The Facility Applicant expressly recognizes that the County can give no assurance and make no representation that the interest on the Bonds, when and if issued, will be tax exempt.

Neither the Bonds, nor any 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 provisions or statutory limitation, and neither shall ever constitute or give rise to any pecuniary liability of the County.

Because the Bonds are being structured and issued in accordance with the requirements of lenders, financial advisors, counsel, consultants and bond counsel selected by the Facility Applicant, the Facility Applicant agrees to indemnify, defend, and hold harmless the County and its officials, employees, agents and advisors from and against any judgments, penalties, costs, expenses, damages, fines, losses or other obligations arising from or as a consequence of the authorization, issuance, sale or administration of the Bonds, including, without limitation, any costs, fees or expenses related to any litigation, investigation, examination, audit or other proceeding by a private party or any governmental agency or body related to the Bonds or involving any person participating in the authorization, issuance or sale of the Bonds, on-going compliance or administrative actions required

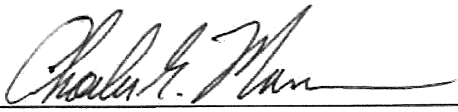
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with respect to the Bonds, or the compliance with any covenants, agreements or other requirements of or applicable to the County related to the Bonds. In connection with any of the foregoing, the County may retain such independent counsel, advisors or experts to represent or assist it, and the costs, fees and expenses thereof shall be paid by the Facility Applicant.

In the event that the financing transactions contemplated by this letter of intent shall not have occurred by September 30, 2022, (or such shorter period if required by applicable law), the County's authorization requested under this letter of intent shall terminate. 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, in writing, of such determination, stating the reasons therefor.

Very truly yours,

HOOD COLLEGE OF FREDERICK, MARYLAND,
Facility Applicant

By:  (Seal)
Charles G. Mann
Vice President for Finance and Treasurer

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Pursuant to Resolution No. 22-05 adopted by the County Council of Frederick County on May 10, 2022, the foregoing letter of intent is hereby accepted by the County this 12th day of May, 2022.

FREDERICK COUNTY, MARYLAND

By: Jan H. Gardner
Jan H. Gardner
County Executive

EXHIBIT B

Public Notice

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, will be held by the Frederick County Council of Frederick, Maryland, to permit any resident of the Frederick County to appear and testify concerning the plan of finance (the "Plan of Finance") pursuant to which Frederick County, Maryland (the "County") would issue up to \$7,600,000 of its Economic Development Revenue Bonds (the "Bonds") in one or more series at one time or from time to time for the benefit of Hood College of Frederick, Maryland, a nonprofit Maryland corporation (the "Institution"). The hearing will be held on **Tuesday, May 3, 2022**, at 5:30 p.m. in the First Floor Hearing Room, Winchester Hall, 12 E. Church Street, Frederick, Maryland.

Purposes: The proceeds from the sale of the Bonds will be loaned by the County to the Institution to be used by the Institution to finance, refinance or reimburse the Institution for all or a portion of the costs of (i) design, acquisition, construction, equipping, furnishing and renovation of the Coblentz Memorial Residence Hall and related campus improvements and infrastructure, including, without limitation, replacement and underground relocation of various utility lines, improvement of entrances, roadways, sidewalks and parking areas, and miscellaneous other capital and deferred maintenance projects and infrastructure improvements, to be located on the Facility Applicant's campus; (ii) the acquisition and installation of certain necessary or useful equipment, machinery and landscaping for the foregoing; (iii) the acquisition and installation of such other interests in land as may be necessary or useful, including roads or other rights of access, utilities, and site preparation facilities; (iv) certain working capital expenditures; (v) capitalized interest; (vi) any required deposit to a debt service reserve fund or other reserve fund; (vii) all or a portion of the issuance costs; and (viii) the costs of any bond insurance or other credit enhancement (collectively, the "Facilities").

The Facilities may also include land or interests in land, buildings, landscaping, structures, machinery, equipment, furnishings or other real or personal property located on the same site as the Facilities. The maximum aggregate principal amount of the Bonds will not exceed \$7,600,000.

Location: The Facilities are and will be located on the Institution's campus located at 401 Rosemont Avenue, Frederick, MD 21701.

Initial Owner and Operator of the Facilities: The Institution is and will be the initial owner and operator of the Facilities.

Proposed Use of the Facilities: The Institution will use the Facilities as an institution of higher learning with a student enrollment of approximately 2,200 students.

Limited Obligations: The Bonds will be limited obligations of the County, the principal of, premium (if any) upon, and interest on which are payable solely from revenues to be received in connection with the financing or refinancing of the Facilities herein described and from other moneys available to the County for such purposes. Neither the Bonds nor the interest thereon shall ever constitute an indebtedness or 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.

Public Hearing Details: Individuals will be given an opportunity to be heard at this public hearing. Members of the public will be given three (3) minutes per speaker. For those planning to attend the public hearing, face masks are recommended, but not required.

The Council will also utilize a web portal that can be found at www.FrederickCountyMD.gov/CouncilMeetings which will allow the public to participate in Council meetings. Individuals can watch the live public hearing via FCG TV (Channel 19), send written comments to councilmembers@frederickcountymd.gov, or use the toll-free number listed below to listen, speak live or leave voice mail messages that will be aired during the hearing.

The public is reminded that all comments, both written and oral, will be made part of the public record. Voice mail messages and callers should include your name and address at the beginning of your comment. The toll-free number is 855-925-2801, provide the meeting code 8365, and press *2 to leave a voice mail message or press *3 to enter a muted queue to speak live during the public comment portion of the meeting. Please continue to stay tuned as the Council continues to try and meet the needs of all of its residents during these challenging times.

Persons requiring special accommodations for this public hearing are requested to contact the Council's Office at 301-600-1135 (TTY: Use Maryland Relay) to make necessary arrangements no later than three (3) business days prior to the hearing.

Frederick County, Maryland does not discriminate on the basis of race, color, religion, national origin, sex, age, marital status, disability, familial status, gender identity, sexual orientation, or source of income.

BY ORDER OF THE
COUNTY COUNCIL

M.C. Keegan-Ayer, President

NOTE TO THE FREDERICK NEWS-POST:

Requested Publication Dates: Saturday, April 23, 2022

Please Send Invoice and Affidavit To:

Frederick County Government
Office of the County Executive
Attn.: Joyce Grossnickle
12 E. Church Street, Frederick, MD 21701
301-600-1102
jgrossnickle@frederickcountymd.gov