

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**2006 Legislative Session**Resolution No. CR-50-2006Proposed by The Chairman (by request – County Executive)Introduced by Council Members Peters and Campos

Co-Sponsors _____

Date of Introduction June 13, 2006**RESOLUTION**

1 A RESOLUTION concerning

2 Economic Development Revenue Bonds

3 For the purpose of issuing, pursuant to and in accordance with the Maryland Economic
 4 Development Revenue Bond Act, of economic development revenue bonds in an aggregate
 5 principal amount not to exceed Sixty-five Million Dollars (\$65,000,000), and to loan the
 6 proceeds from the sale of such bonds to Collington Episcopal Life Care Community, Inc., a not-
 7 for-profit corporation organized under the laws of the State of Maryland, to be used for the
 8 purpose of financing or refinancing the costs of certain facilities, within the meaning of such Act,
 9 located in Prince George's County, Maryland to be used by such corporation for its tax-exempt
 10 purposes of providing a continuing care retirement community for senior citizens; authorizing
 11 the County Executive to specify, prescribe, determine, provide for, approve, execute and deliver
 12 any and all matters, details, forms, documents or procedures necessary or appropriate to
 13 effectuate the authorization, sale, security, issuance, delivery and payment of and for such bonds
 14 and the lending of the proceeds thereof; reserving certain rights in the County; providing for the
 15 effective date of this Resolution; providing for the termination of this Resolution; and generally
 16 providing for and determining various matters in connection with such bonds and the lending of
 17 the proceeds thereof.

RECITALS

18
 19 WHEREAS, Sections 14-101 through 14-109, inclusive, of Article 41 of the Annotated
 20 Code of Maryland, being the Maryland Economic Development Revenue Bond Act (the "Act")
 21 empowers any public body (as defined in the Act) to issue and sell bonds (as defined in the Act),
 22 as its limited obligations and not upon its faith and credit or pledge of its taxing power, at any

1 time and from time to time, and to loan the proceeds of the sale of such bonds to one or more
 2 facility users (as defined in the Act) to finance or refinance any costs of the acquisition (as
 3 defined in the Act) of a facility or facilities (as defined in the Act) for one or more facility users
 4 (as defined in the Act) or the refunding of outstanding bonds.

5 WHEREAS, the Act states the declared legislative purpose of the General Assembly of
 6 Maryland to be to (1) relieve conditions of unemployment in the State of Maryland (the "State");
 7 (2) encourage the increase of industry and commerce and a balanced economy in the State;
 8 (3) assist in the retention of existing industry and commerce and in the attraction of new industry
 9 and commerce in the State through, among other things, port development and the control,
 10 reduction or abatement of pollution of the environment and the utilization and disposal of wastes;
 11 (4) promote economic development; (5) protect natural resources and encourage resource
 12 recovery; and (6) generally promote the health, welfare and safety of the residents of each of the
 13 counties and municipalities of the State.

14 WHEREAS, the County has received a letter from Collington Episcopal Life Care
 15 Community, Inc., a Maryland not-for-profit corporation and a facility applicant and facility user
 16 as defined in the Act (the "Facility Applicant"), dated May 26, 2006 (the "Letter of Intent"),
 17 requesting the County to issue and sell its bonds pursuant to the Act and to loan the proceeds of
 18 the sale thereof to the Facility Applicant, for the purpose of refinancing the costs of certain
 19 facilities within the geographical boundaries of the County by refunding (i) \$32,890,000 Prince
 20 George's County, Maryland Refunding Revenue Bonds, Collington Episcopal Life Care
 21 Community, Inc. Series 1994A and Series 1994B (the "1994 Bonds") and (ii) \$48,355,000
 22 Maryland Health and Higher Educational Facilities Authority Revenue Bonds, Collington
 23 Episcopal Life Care Community Issue, Series 2001A, 2001B and 2001C (the "2001 Bonds")
 24 (both the 1994 Bonds and the 2001 Bonds collectively referred to herein as the "Refunded
 25 Bonds"). The Facility Applicant acknowledges in the Letter of Intent that the County reserves
 26 certain rights concerning the issuance of the Bonds as provided in Section 6 of this Resolution.

27 WHEREAS, the facilities which the Facility Applicant has requested to be so refinanced
 28 shall consist generally of: (i) a continuing care retirement community located at 10450 Lottsford
 29 Road, Mitchellville, Prince George's County, Maryland which provides three levels of care on its
 30 125-acre campus in Prince George's County, Maryland to approximately 427 residents; (ii)
 31 approximately 208 independent living cottages; (iii) approximately 172 independent living

1 apartments; and, (iv) a health center that includes approximately 44 nursing beds and
 2 approximately 9 dementia beds (collectively, the “Facilities”).

3 WHEREAS, the County, based upon the findings and determinations and subject to the
 4 reservation of certain rights as hereinafter set forth, has determined to issue and sell, in addition
 5 to any bonds authorized to be issued by any other act of the County, its bonds (within the
 6 meaning of the Act), at one time or from time to time, in an aggregate principal amount not to
 7 exceed Sixty-five Million Dollars (\$65,000,000), hereinafter designated “Prince George’s
 8 County, Maryland Refunding Revenue Bonds, Collington Episcopal Life Care Community, Inc.
 9 Series 2006 (the “Bonds”), and to loan the proceeds of the Bonds (the “Loan”) to the Facility
 10 Applicant on the terms and conditions as hereinafter provided in order to refinance, in whole or
 11 in part, the costs of the acquisition by the Facility Applicant of the Facilities by refunding the
 12 Refunded Bonds, to encourage economic development and to protect the health, welfare and
 13 safety of the citizens of the State and of the County.

14 SECTION 1. NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince
 15 George’s County, Maryland, that acting pursuant to the Act, it is hereby found and determined as
 16 follows:

17 (i) As evidenced by the Letter of Intent, a “letter of intent” within the meaning of the Act,
 18 the issuance of the Bonds pursuant to the Act by the County, a “public body” and a “county”
 19 within the meaning of the Act, in order to loan the proceeds to the Facility Applicant, a “facility
 20 applicant” and a “facility user” within the meaning of the Act, for the sole and exclusive purpose
 21 of refinancing the Facilities, “facilities” within the meaning of the Act, for use by the Facility
 22 Applicant in refunding the Refunded Bonds.

23 (ii) The accomplishment of the transactions contemplated and authorized by this
 24 Resolution, including (without limitation) the refinancing of the Facilities through the refunding
 25 of the Refunded Bonds, will promote the declared legislative purposes of the Act by (i) creating
 26 and sustaining jobs and employment, thereby relieving conditions of unemployment in the State
 27 and in the County; (ii) encouraging the increase of industry and commerce and a balanced
 28 economy in the State and in the County; (iii) assisting in the retention of existing industry and
 29 commerce in the State and in the County; (iv) promoting economic development; and (v)
 30 generally promoting the health, welfare and safety of the residents of the County and of the State.

(iii) 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 to the Trustee (defined herein) by the Facility Applicant on account of the Loan and from any other moneys made available to the Trustee for such purpose. 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 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 and expediting the refinancing of the Facilities through the refunding of the Refunded Bonds.

(iv) The County Executive of the County (the "County Executive"), the Chief Executive Officer of the County within the meaning of the Act, or his or her designee (the "Authorized Representative") shall undertake on behalf of the County certain responsibilities described in the Act and hereinafter specified.

(v) The Bonds may be sold at either private (negotiated) sale or at public sale, and at, above or below par, and in any event in such manner and upon such terms as the County Executive or Authorized Representative, in his/her sole and absolute discretion, deems to be in the best interests of the County.

(vi) All or a portion of the Bonds may be issued as "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Internal Revenue Code of 1986, as amended (the "Code").

SECTION 2. BE IT FURTHER RESOLVED that 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 the 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 or as to the

1 availability of one or more purchasers of the Bonds to whom the Bonds may lawfully be sold
2 under, among others, applicable federal and state securities and legal investment laws.

3 SECTION 3. BE IT FURTHER RESOLVED that as described in the Letter of Intent, the
4 County will not incur any liability, direct or indirect, or any cost, direct or indirect, in connection
5 with the issuance and sale of the Bonds, the making of the Loan or the refinancing of the
6 Facilities through the refunding of the Refunded Bonds; accordingly, the Facility Applicant
7 shall:

8 (i) negotiate all refinancing arrangements in connection with the refunding of the
9 Refunded Bonds, and

10 (ii) pay all costs incurred by or on behalf of the County in connection with the issuance
11 and sale of the Bonds, the making of the Loan, including the administration thereof, including
12 (without limitation) all costs incurred in connection with the development of the appropriate
13 legal documents necessary to effectuate the proposed refinancing, including (without limitation)
14 the fees of bond counsel, all costs in connection with publication of notices of any public
15 hearings to be held in connection therewith, and compensation to any other third party
16 performing services by or on behalf of the County in connection with the transactions
17 contemplated by this Resolution, whether or not the proposed refinancing is consummated.

18 SECTION 4. BE IT FURTHER RESOLVED that in addition to any bonds authorized to be
19 issued by any other act of the County, the issuance, sale and delivery by the County of the
20 Bonds, at one time or from time to time, and in one or more series, in an aggregate principal
21 amount not to exceed Sixty-five Million Dollars (\$65,000,000), are hereby authorized, subject to
22 the provisions of the Act and this Resolution. The County will lend or otherwise make available
23 the proceeds of the Bonds to the Facility Applicant (the "Loan"), as permitted by the Act,
24 pursuant to the terms and provisions of a loan agreement to be entered into between the County
25 and the Facility Applicant (the "Loan Agreement"), to be used by the Facility Applicant for the
26 sole and exclusive purpose of refunding the Refunded Bonds and paying the costs of issuing the
27 Bonds, to the extent permitted by the Act and the Code. The Bonds and the interest thereon shall
28 be limited obligations of the County, repayable solely from the revenue derived from Loan
29 repayments (principal and interest) made to the Trustee by the Facility Applicant and from any
30 other moneys made available to the Trustee for such purpose. The maximum principal amount
31 of Bonds which may be issued, sold and delivered pursuant to this Resolution is Sixty-five

1 Million Dollars (\$65,000,000), unless such amount shall be increased by a resolution
2 supplemental hereto.

3 SECTION 5. BE IT FURTHER RESOLVED that repayment of the Bonds shall be secured
4 by a direct-pay letter of credit (the "Letter of Credit") issued for the benefit of the Trustee, the
5 form and substance of which Letter of Credit shall be accepted and approved by the County
6 Executive or Authorized Representative prior to the issuance of the Letter of Credit. The
7 issuance and delivery of the Bonds is contingent upon the concurrent issuance of the approved
8 Letter of Credit.

9 SECTION 6. BE IT FURTHER RESOLVED that the County reserves the right, in its sole
10 and absolute discretion, to take any actions which it may deem necessary in order to ensure that
11 the County:

12 (i) complies with all federal and State laws, whether proposed or enacted, which may
13 apply to or restrict the issuance of its economic development revenue bonds, and

14 (ii) issues such bonds to finance facilities which the County determines, in its sole and
15 absolute discretion, will provide the greatest benefit to the County.

16 SECTION 7. BE IT FURTHER RESOLVED that the Bonds shall each be designated
17 "Prince George's County, Maryland Refunding Revenue Bonds, Collington Episcopal Life Care
18 Community, Inc. Series 2006". The Bonds may be further identified by the year of issue and/or
19 such other appropriate designations as the County Executive or Authorized Representative may
20 approve.

21 The Bonds shall mature on such date or dates as may be approved by the County Executive
22 or Authorized Representative; provided that the Bonds shall mature not later than 30 years from
23 their date of issuance.

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

30 SECTION 8. BE IT FURTHER RESOLVED that if deemed advisable by the County
31 Executive or Authorized Representative, the County will enter into a trust agreement (the "Trust

1 Agreement”) for the protection of the holders of the Bonds with a bank having trust powers or a
 2 trust company (the “Trustee”) to be approved by the County Executive or Authorized
 3 Representative.

4 SECTION 9. BE IT FURTHER RESOLVED that in connection with the transactions
 5 described herein, the County Executive or Authorized Representative is hereby authorized and
 6 empowered, by Executive Order or otherwise:

7 (i) to approve the form and provisions of and execute and deliver the Bonds, the Loan
 8 Agreement, the Letter of Credit and the Trust Agreement and any other documents related to the
 9 transaction;

10 (ii) to approve the form and provisions of any Preliminary Official Statement, final Official
 11 Statement or other offering documents with respect to the Bonds;

12 (iii) if necessary, to appoint a trustee or trustees, a bond registrar and paying agent or agents
 13 for the Bonds;

14 (iv) to provide for the direct payment by the Facility Applicant of all costs, fees and
 15 expenses incurred by or on behalf of the County in connection with the issuance, sale and
 16 delivery of the Bonds, including (without limitation) costs of printing (if any) and issuing the
 17 Bonds, legal expenses (including the fees of bond counsel) and compensation to any third party
 18 performing services by or on behalf of the County in connection therewith; and

19 (v) to specify, prescribe, determine, provide for, approve, execute and deliver (where
 20 applicable) such other matters, details, forms, documents, or procedures, including (without
 21 limitation) bond purchase agreements, deeds of trust, assignments and financing statements, and
 22 such other documents as are necessary or appropriate to effectuate the authorization, sale,
 23 security, issuance, delivery or payment of or for the Bonds and the making of the Loan.

24 SECTION 10. BE IT FURTHER RESOLVED that the County Executive or the
 25 Authorized Representative, for and on behalf of the County, are hereby authorized and
 26 empowered to do all things, execute all instruments, and otherwise take all such action as the
 27 County Executive or Authorized Representative may determine by Executive Order or otherwise
 28 to be necessary, proper or expedient to carry out the authority conferred by this Resolution,
 29 including (without limitation) the execution of a certificate and/or agreement pursuant to Section
 30 148 of the Code and the U.S. Treasury Regulations prescribed thereunder, subject to the
 31 limitations set forth in the Act and this Resolution.

1 SECTION 11. BE IT FURTHER RESOLVED that pursuant to Section 14-104(f) of the
2 Act that the resolution adopted under the Act is administrative in nature and is not subject to
3 procedures required for legislative acts.

4 SECTION 12. BE IT FURTHER RESOLVED that this Resolution shall take effect upon
5 its approval by the County Executive. It shall remain effective for a period of one year and with
6 no further action required by the County Executive and the County Council of Prince George's
7 County, Maryland, this Resolution shall be abrogated and of no further force and effect.

Adopted this 20th day of June, 2006.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Thomas E. Dernoga
Chairman

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Jack B. Johnson
County Executive