

Resolution No.: 17-1083
Introduced: May 13, 2014
Adopted: May 13, 2014

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Economic Development Revenue Bonds for The Ivymount School, Inc.

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 revenue bonds in the approximate aggregate principal amount of, but not to exceed, \$2,500,000, and to loan the proceeds from the sale of such bonds to The Ivymount School, Inc., a Maryland nonprofit corporation, to be used to finance or refinance (1) all of the outstanding Montgomery County, Maryland Variable Rate Demand Revenue Bonds (Ivymount School, Inc. Facility), Series 2000, (2) a certain taxable loan obtained by The Ivymount School, Inc., the proceeds of which were used to finance and refinance all or a portion of the costs of the acquisition of that certain Annex building located on the School's campus, (3) land or interests in land, buildings, landscaping, structures, machinery, equipment, furnishings or other real or personal property located on the same site as and serving the same purposes as the 2000 Facilities, and (4) costs of issuance and other related costs of the transaction; authorizing 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 bonds and the lending of the proceeds thereof; reserving certain rights in the County; and generally providing for and determining various matters in connection with such bonds and the lending of the proceeds of the sale thereof.

1. Subtitle 1 of Title 12 of the Economic Development Article of the Annotated Code of Maryland, being the Maryland Economic Development Revenue Bond Act (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 improvement (as defined in the Act) of a facility or facilities (as defined in the Act) for use by one or more facility users (as defined in the Act).

2. The Act states the declared legislative purpose of the General Assembly of Maryland to be to (1) relieve conditions of unemployment in the State of Maryland (the "State"); (2) encourage the increase of industry and commerce and a balanced economy in the State; (3) assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State through, among other things, port development and the control, reduction or abatement of pollution of the environment and the utilization and disposal of wastes; (4) promote economic development; (5) protect natural resources and encourage resource recovery; and (6) generally promote the health, welfare and safety of the residents of each of the counties and municipalities of the State.
3. Montgomery County, Maryland (the "County"), has received a letter from The Ivymount School, Inc., a nonprofit corporation and a facility applicant as defined in the Act (the "Facility Applicant"), dated March 20, 2014, 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 financing and refinancing the costs of the improvement of certain facilities within Montgomery County, as hereinafter described. 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 was held on April 23, 2014, 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 shall consist generally of financing or refinancing (1) all of the outstanding Montgomery County, Maryland Variable Rate Demand Revenue Bonds (Ivymount School, Inc. Facility), Series 2000, the proceeds of which were used by the Facility Applicant to finance and refinance (a) all or a portion of the costs of the renovation of its school facilities located at 11614 Seven Locks Road, Rockville, Maryland (the "2000 Facilities") and related infrastructure, (b) the construction of an expansion and associated infrastructure to the 2000 Facilities containing approximately 24,000 square feet; (c) the replacement of outdated mechanical and electrical systems and the installation of central air conditioning; (d) the construction of a bus lane and improvements to parking and general traffic circulation; (e) the acquisition and installation of certain necessary or useful furnishings, fixtures, equipment and machinery; and (f) the acquisition of such interests in land as may have been necessary or suitable for the foregoing, including roads and rights of access, utilities and other site preparation facilities, (2) a certain taxable loan obtained by the Facility Applicant, the proceeds of which were used to finance and refinance all or a portion of the costs of the acquisition of that certain Annex building located on the Facility Applicant's campus, (3) land or interests in land, buildings, landscaping, structures, machinery, equipment, furnishings or other real or personal property located on the same site as and serving the same purposes as the 2000 Facilities, and (4) costs of issuance and other related costs of the transaction (collectively, the "Facilities"). The Facility Applicant will own, 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 financed by the net proceeds of the Bonds. With the exception of the Annex building, such of the Facilities as may constitute real property or improvements to real property are owned by the County and leased to the School.

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 approximate aggregate principal amount of, but not to exceed, Two Million Five Hundred Thousand Dollars (\$2,500,000), 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 Revenue Bonds (Ivymount School, Inc. Facility), Series 2014” (the “Bonds”), and to loan the proceeds of the Bonds (the “Loan”) to the Facility Applicant or its designee on the terms and conditions as hereinafter provided in order to finance and refinance, in whole or in part, the costs of the improvement by the Facility Applicant 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 financing and refinancing the improvement of the Facilities, “facilities” within the meaning of the Act, for use by the Facility Applicant, will facilitate and expedite the improvement of the Facilities by the Facility Applicant.

(b) The accomplishment of the transactions contemplated and authorized by this Resolution, including (without limitation) financing and refinancing the improvement of the Facilities by the Facility Applicant, 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 by the County solely from the revenues derived from Loan repayments (both principal and interest) made to the County by the Facility Applicant on account of the Loan or from any other moneys made available to the County for such purposes. 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 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 improvement of the Facilities 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) The Bonds will be "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 in accordance with the terms and provisions hereof, for the purpose of materially inducing the Facility Applicant to acquire the Facilities. Notwithstanding the foregoing, nothing in this Resolution shall be deemed to constitute (a) 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 (b) 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.

The County and the Facility Applicant contemplate that the Facility Applicant may proceed with the improvement of the Facilities prior to the issuance, sale and delivery of the Bonds; provided, however, that if the Facility Applicant proceeds with such improvement prior to the determination of the County Executive as provided in Section 5 of this Resolution, it does so at its own risk.

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 improvement of the Facilities, and the Facilities will be acquired so as to conform to the requirements of the Facility Applicant; accordingly, the Facility Applicant shall (i) negotiate and approve all financing arrangements in connection with the

improvement of the Facilities, and (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, and in connection with the improvement of the Facilities, including (without limitation) all costs incurred in connection with the development of the appropriate legal documents necessary to effectuate the proposed financing, refinancing and improvement, 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 financing and improvement are 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 sub series, in an approximate aggregate principal amount of, but not to exceed, Two Million Five Hundred Thousand Dollars (\$2,500,000), 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 or its designee, as permitted by the Act, pursuant to the terms and provisions of a loan agreement to be entered into between the County and the Facility Applicant (the "Loan Agreement"), to be used by the Facility Applicant for the sole and exclusive purpose of financing and refinancing the costs of the improvement of the Facilities, within the meaning of the Act. The Bonds and the interest thereon shall be limited obligations of the County, repayable by the County solely from the revenue derived from Loan repayments (principal and interest) made to the County by the Facility Applicant and from any other moneys made available to the County for such purpose. The maximum principal amount of Bonds which may be issued, sold and delivered pursuant to this Resolution is Two Million Five Hundred Thousand Dollars (\$2,500,000), 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 (a) complies with all federal and State laws, whether proposed or enacted, which may restrict the issuance of its economic development revenue bonds and (b) issues such bonds to finance 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 Facilities, 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 Revenue Bonds (Ivymount School, Inc. Facility), Series 2014." 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 and determined in such manner, 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 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 of such signatures on each Bond shall be a manual signature.

Section 7. 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 financing of the costs of the improvement of the Facilities;

(b) to approve the form and provisions of, execute and deliver the Bonds, the Loan Agreement and any related transaction documents (if any);

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

(d) 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) 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;

(e) 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, loan agreements, bond purchase agreements, placement agreements, letters of credit, letter of credit agreements, bond insurance agreements, auction agency agreements, dealer 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; and

(f) to authorize the Director of Finance to execute agreements (including, without limitation, the Loan Agreement and the Indenture, if any) for and on behalf of the County in connection with the issuance of the Bonds.

Section 8. 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.

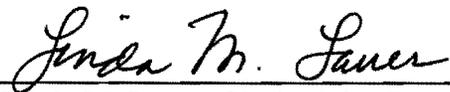
Section 9. In satisfaction of the requirements of Section 147(f) of the Code, the County hereby approves the Facilities and the Bonds.

Section 10. 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 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 11. Unless previously exercised, the authority to issue the Bonds as part of a common plan of finance contained in this Resolution shall expire on the date which is three (3) years 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 12. In accordance with the Act, this Resolution shall take effect upon approval by the County Council.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council

Exhibit A

Letter of Intent



IVYMOUNT SCHOOL & PROGRAMS

Exceptional Programs for Exceptional Students

2014 MAR 21 AM 9:50

March 20, 2014

OFFICES OF THE
COUNTY EXECUTIVE

The Honorable Isiah Leggett
County Executive
Montgomery County, Maryland
Executive Office Building
101 Monroe Street
Rockville, Maryland 20850

Re: Proposed Montgomery County, Maryland
Economic Development Revenue Bonds
(Ivymount School, Inc. Facility)

Dear Mr. Leggett:

The undersigned, Ivymount School, Inc. (the "School"), 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 \$2,500,000 (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 School proposes that the Public Body lend the proceeds of the sale of the Bonds to the School under a loan agreement (within the meaning of the Act).

The School will use the proceeds of the Bonds to finance or refinance (1) all of the outstanding Montgomery County, Maryland Variable Rate Demand Revenue Bonds (Ivymount School, Inc. Facility), Series 2000, the proceeds of which were used to finance and refinance (a) all or a portion of the costs of the renovation of its school facilities located at 11614 Seven Locks Road, Rockville, Maryland (the "Facilities") and related infrastructure, (b) the construction of an expansion and associated infrastructure to the Facilities containing approximately 24,000 square feet; (c) the replacement of outdated mechanical and electrical systems and the installation of central air conditioning; (d) the construction of a bus lane and improvements to parking and general traffic circulation; (e) the acquisition and installation of certain necessary or useful furnishings, fixtures, equipment and machinery; and (f) the acquisition of such interests in land as may have been necessary or suitable for the foregoing, including roads and rights of access, utilities and other site preparation facilities, (2) a certain taxable loan obtained, the proceeds of which were used to finance and refinance all or a portion of the costs of the acquisition of that certain Annex building located on the School's campus, and (3) costs of issuance and other related costs of the transaction. The Borrower will own, 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 financed by the net proceeds of the Bonds. With the exception of the Annex building, such of the Facilities as may constitute real property or improvements to real property are owned by the County and leased to the School.

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

The School has been in operation since 1961. It has served Montgomery County residents since that time as a non-public co-educational special education day program and since 2004 with the inception of Ivymount's Maddux School, as an early intervention pre-school through 2nd grade program.

Through the projects that these Bonds refinance, the School has strengthened its ability to fulfill its mission of providing services to students ages 4 – 21, with speech and language impairments, learning disabilities, intellectual disabilities, health impairments, and autism spectrum disorders. The classrooms are structured to serve students with a range of academic and cognitive abilities, including, in some cases, those who have the potential to obtain a high school diploma. The renovations and addition of the Annex building have allowed the school to enhance its educational and therapeutic programs. The School must maintain and upgrade its facilities in order to remain in compliance with new regulations and these projects have helped to ensure the stability of the School into the future.

Ivymount School and Programs also has been able to increase the outreach services to community families with after school recreation programs, social skills intervention programs for community students and families, including parent trainings, on weekends, individual therapeutic services (occupational therapy, speech and language therapy, and physical therapy), and home based autism services.

In addition to the Ivymount School and Programs, the school facility is also home to Montgomery County Child Care Association's Beverly Farms Child Care Center which provides child care services to Montgomery County families.

Acknowledgment by the School

The School acknowledges that federal legislation may be enacted which may limit the ability of the Public Body to issue the Bonds and similar obligations. The School 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 Facilities, 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 financing and refinancing (within the meaning of the Act) of the Facilities 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 School 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 School proposes that the Public Body lend the proceeds of 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 School (the "Loan Agreement"). The Loan Agreement will require the School 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 School 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 sale of the Bonds and the making and administration of the Loan, as the same become due and payable. The School agrees that all costs of the financing and refinancing of the Facilities in excess of the proceeds of the Loan will be paid by the School. The Loan Agreement will contain such other provisions as may be required by law or as may be agreed to by the School and the Public Body. Financial considerations have been a factor leading to the School's decision to undertake the financing and refinancing of the Facilities, 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 Applicant (as defined in the Act). The School is a "facility applicant" and "facility user" within the meaning of the Act. The Facilities constitute 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 sale of the Bonds, the making of the Loan or the financing and 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 School. Accordingly, the School shall (1) negotiate and approve all financing arrangements in connection with the financing and refinancing of the Facilities, and (2) pay all costs incurred by or on behalf of the Public Body in connection with

financing and refinancing of the Facilities. The School shall also pay all costs incurred in connection with the development of the appropriate legal documents necessary to effectuate the proposed financing and refinancing of the Facilities, 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 to intent, whether or not the proposed financing and refinancing are 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 financing and refinancing of the Facilities, 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 financing of the Facilities 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 School 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 financing 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, sale and delivery of the Bonds and to authorize the Loan for the purposes described herein; provided, however, that the School recognizes that:

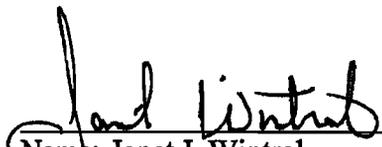
1. The Public Body cannot make an absolute guarantee, promise or assurance that the terms and conditions of the Bonds (including, but not limited to, the principal amount of the Bonds to be issued, the rate or rates of interest the Bonds are to bear, the times and places that the Bonds are to be executed, 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 School; 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 other, applicable federal and state securities and legal investment laws.

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

Sincerely,

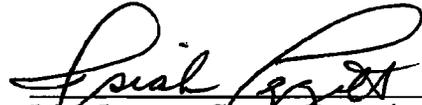
The Ivymount School, Inc.

By: 
Name: Janet L Wintrol
Title: CEO, Ivymount Corporation
Director, Ivymount School

Cc: Joseph Beach
Director of Finance, Montgomery County

ACCEPTED:

MONTGOMERY COUNTY, MARYLAND

By: 
Isiah Leggett, County Executive

Date: April 30, 2014

Exhibit B

Description of Improvements

The Facility Applicant will use the proceeds of the Bonds to finance or refinance (1) all of the outstanding Montgomery County, Maryland Variable Rate Demand Revenue Bonds (Ivymount School, Inc. Facility), Series 2000, the proceeds of which were used to finance and refinance (a) all or a portion of the costs of the renovation of its school facilities located at 11614 Seven Locks Road, Rockville, Maryland (the "2000 Facilities") and related infrastructure, (b) the construction of an expansion and associated infrastructure to the 2000 Facilities containing approximately 24,000 square feet; (c) the replacement of outdated mechanical and electrical systems and the installation of central air conditioning; (d) the construction of a bus lane and improvements to parking and general traffic circulation; (e) the acquisition and installation of certain necessary or useful furnishings, fixtures, equipment and machinery; and (f) the acquisition of such interests in land as may have been necessary or suitable for the foregoing, including roads and rights of access, utilities and other site preparation facilities, (2) a certain taxable loan obtained by the Facility Applicant, the proceeds of which were used to finance and refinance all or a portion of the costs of the acquisition of that certain Annex building located on the Facility Applicant's campus, and (3) costs of issuance and other related costs of the transaction.

Exhibit B

Description of Improvements

The Facility Applicant will use the proceeds of the Bonds to finance or refinance (1) all of the outstanding Montgomery County, Maryland Variable Rate Demand Revenue Bonds (Ivymount School, Inc. Facility), Series 2000, the proceeds of which were used to finance and refinance (a) all or a portion of the costs of the renovation of its school facilities located at 11614 Seven Locks Road, Rockville, Maryland (the "2000 Facilities") and related infrastructure, (b) the construction of an expansion and associated infrastructure to the 2000 Facilities containing approximately 24,000 square feet; (c) the replacement of outdated mechanical and electrical systems and the installation of central air conditioning; (d) the construction of a bus lane and improvements to parking and general traffic circulation; (e) the acquisition and installation of certain necessary or useful furnishings, fixtures, equipment and machinery; and (f) the acquisition of such interests in land as may have been necessary or suitable for the foregoing, including roads and rights of access, utilities and other site preparation facilities, (2) a certain taxable loan obtained by the Facility Applicant, the proceeds of which were used to finance and refinance all or a portion of the costs of the acquisition of that certain Annex building located on the Facility Applicant's campus, and (3) costs of issuance and other related costs of the transaction.