



# MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

<b>Subject</b> ORDER APPROVING THE ISSUANCE OF ECONOMIC DEVELOPMENT REVENUE BONDS (RIDERWOOD VILLAGE, INC. PROJECT) AND A CERTAIN PROJECT TO BE LOCATED WITHIN THE COUNTY FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE AND CERTAIN OTHER MATTERS RELATING THERETO	<b>Executive Order No.</b> 193-19	<b>Subject Suffix</b>
<b>Department</b> Department of Finance	<b>Department No.</b> B381-19	<b>Effective Date</b> November <u>26</u> , 2019

## BACKGROUND

1. Riderwood Village, Inc. (the “Borrower”), a Maryland nonstock corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”), has advised Montgomery County, Maryland (the “County”) that the Borrower has requested that Baltimore County, Maryland issue one or more series of economic development revenue bonds in an aggregate principal amount not to exceed \$180,000,000 (the “Bonds”) to be used for (i) refinancing a portion of the costs relating to the acquisition, construction, renovation and equipping of the Riderwood Village continuing care retirement community owned by Silver Oaks Campus, LLC, a Maryland limited liability company and a wholly-owned subsidiary of the Borrower, located on an approximately 120-acre parcel of land straddling Montgomery County and Prince George’s County at 3100 Gracefield Road, Silver Spring, Maryland 20904 (the “Facility”), by refunding the Montgomery County, Maryland Economic Development Revenue Bonds (Riderwood Village, Inc. Facility), Series 2015 (the “Series 2015 Riderwood Bonds”), the proceeds of which were loaned to the Borrower to finance or refinance a portion of the costs of expanding, renovating, constructing and equipping the Facility; (ii) financing the costs of capital improvements to the Facility, including but not limited to (a) renovation of the existing community buildings and the medical center building, (b) renovations to existing continuing care buildings including enhanced memory care amenities, apartment modernization and realignment of unit mix to meet forecasted resident needs and (c) routine modernization of and scheduled capital improvements, renovations and repairs to existing common areas, amenities, residential buildings and other levels of care; (iii) financing the termination payment for an interest rate swap agreement entered into in connection with the Series 2015 Riderwood Bonds; (iv) funding a debt service reserve fund, if any, for all or a portion of the Bonds; (v) paying capitalized interest, if any, on the Bonds, and (vi) paying certain costs of issuance of the Bonds and other related costs of the financing; and
2. Pursuant to Section 147(f) of the Code, in order for the interest payable on the Bonds to qualify for exclusion from gross income for federal income tax purposes, among other requirements, prior to their issuance, the Bonds are required to be approved by the “applicable elected representative” of the governmental unit having jurisdiction over the



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entire area in which any facility financed or refinanced by the Bonds is to be located, after a public hearing held following reasonable public notice; and

3. The Facility to be financed or refinanced (the “County Project”) is located within the territorial limits of the County such that approval of the County Project and of the Bonds by an applicable elected representative of the County is required as described above; and
4. The County Executive of the County is an applicable elected representative of the County; and
5. A public hearing was conducted on behalf of the County by the County’s Department of Finance on the November 12, 2019, at which time an opportunity was provided to interested parties to express their views, both orally and in writing, on the proposed Bonds and the location and nature of the County Project, and such public hearing was preceded by the publication of a notice of the hearing on October 28, 2019 (being at least 14 days prior to the date of the hearing), in The Washington Post, a daily newspaper of general circulation in the County; and
6. It is intended that this Order shall constitute the approval of the Bonds and the County Project required by Section 147(f) of the Code.

### ACTION

1. In satisfaction of the requirements of Section 147(f) of the Code, the County hereby approves the Bonds and the County Project. It is the purpose and intent of the County Executive that this Executive Order constitute approval of the Bonds and of the County Project for the purposes of (but solely for the purposes of) Section 147(f) of the Code. The County does not bear any responsibility for the tax-exempt status of the Bonds, the debt service on the Bonds or any other matter related to the Bonds.



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2. The Borrower shall pay directly or cause to be paid all costs, fees and expenses incurred by or on behalf of the County in connection with the issuance, sale, delivery and administration of the Bonds including (without limitation) costs of printing and issuing the Bonds, legal expenses (including the fees of counsel to the County), and compensation to any person (other than full-time employees of the County) performing services by or on behalf of the County in connection therewith, to the extent that such costs are not paid from the proceeds of the Bonds.
3. The County Administrative Officer, the Director of Finance, and such other officers, officials and employees of the County as the County Administrative Officer or the Director of Finance shall designate, are authorized hereby to do any and all things, execute all instruments, documents and certificates, and otherwise take all action necessary, proper, or expedient in connection with this approval of the Bond and the County Project for purposes of satisfying the requirements of Section 147(f) of the Code.
4. This Executive Order shall take effect immediately.



# MONTGOMERY COUNTY EXECUTIVE ORDER

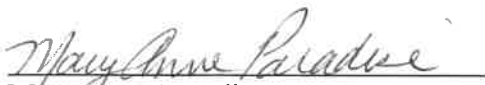
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(SEAL)

ATTEST:

MONTGOMERY COUNTY, MARYLAND

  
Mary Anne Paradise  
Acting Clerk of the Council

By:   
Marc Elrich  
County Executive

**ECONOMIC DEVELOPMENT REVENUE BONDS  
(RIDERWOOD VILLAGE, INC. PROJECT)**

**HEARING REPORT**

On Tuesday, November 12, 2019, at 10:00 a.m. at the Montgomery County, Maryland, Executive Office Building, 15th Floor, Middle Conference Room, 101 Monroe Street, Rockville, Maryland, a public hearing was held on the proposed issuance by Baltimore County, Maryland of not to exceed \$180,000,000 of bonds, notes or other evidence of indebtedness by Baltimore County (the "Bonds").

The proceeds of the Bonds will be loaned to Riderwood Village, Inc. (the "Borrower") (a) to refinance a portion of the costs of the acquisition, construction, renovation and equipping of certain facilities of the Borrower's Riderwood Village continuing care retirement community, located at 3100 Gracefield Road, Silver Spring, Maryland 20904 (the "Facility") by refunding the Montgomery County, Maryland Economic Development Revenue Bonds (Riderwood Village, Inc. Facility), Series 2015 (the "Series 2015 Riderwood Bonds"), (b) to finance the costs of capital improvements to the Facility, (c) to finance the termination payment for an interest rate swap agreement entered into in connection with the Series 2015 Riderwood Bonds, (d) to fund a debt service reserve fund, if any, for all or a portion of the bonds, (e) to pay capitalized interest, if any, on the bonds and (f) to pay costs of issuance of the bonds (collectively, the "Project"). A portion of the Project to be financed and refinanced with the Bonds is or will be located within the jurisdictional boundary of Montgomery County. This public hearing is required to be held under the Internal Revenue Code of 1986, as amended, in order for the interest on the Bonds to be exempt from federal income taxation.

The Borrower will be responsible for all costs associated with the Bonds, including principal, interest, and the costs of issuing the Bonds. The Bonds will be issued by Baltimore County, Maryland and Montgomery County is not responsible for any of these costs.


In order to satisfy the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, a public hearing was held at the Executive Office Building, 15th Floor Middle Conference Room, 101 Monroe Street, Rockville, on Tuesday, November 12, 2019, at 10:00 a.m., concerning the proposed issuance and sale of the Bonds for the purpose of providing a reasonable opportunity for interested individuals to express their views, both orally and in writing, on the proposed Bonds and the location and nature of the proposed facilities.

The public hearing was held in Montgomery County's seat of government and was thereby intended to be convenient for residents of Montgomery County. At least seven days prior to the public hearing, notice was published in the form attached hereto as Exhibit A on October 28, 2019 in The Washington Post, a newspaper of general circulation in Montgomery County.

The undersigned served as the hearing officer conducting such hearing in person on behalf of the County. In addition to the undersigned, participating in the hearing on November 12, 2019, were Lydia Lan, Debt Management, on behalf of Montgomery County (in person), Walter R. Calvert of Venable LLP as Bond Counsel for Montgomery County (in person), and on behalf of the Borrower: Craig Heron of Whiteford Taylor (in person). No written testimony was submitted prior to the hearing. One email was received prior to the hearing asking questions about the hearing and was responded to by the undersigned. No members of the public appeared at the hearing to give testimony.

Dated: November 12, 2019

Respectfully submitted:

  
\_\_\_\_\_  
Jacqueline D. Carter  
Debt Manager  
Department of Finance  
Montgomery County Government

**EXHIBIT A  
TO HEARING REPORT**

**FORM OF PUBLIC NOTICE**

See attached proof of publication.

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**MONTGOMERY COUNTY, MARYLAND PUBLIC HEARING**

**MONTGOMERY COUNTY, MARYLAND  
PUBLIC HEARING**

**Tuesday, November 12, 2019 - 10:00 a.m.**

Notice is hereby given that Montgomery County, Maryland will hold a public hearing in connection with the proposed issuance by Baltimore County, Maryland of one or more series of its Economic Development Revenue Bonds (Riderwood Village, Inc. Project) (or otherwise appropriately designated) in the maximum stated principal amount of \$180,000,000 (the "Bonds"). The public hearing will be held at the Executive Office Building, 15th Floor, Middle Conference Room, 101 Monroe Street, Rockville, Maryland 20850, on Tuesday, November 12, 2019, at 10:00 a.m.

**Use of Proceeds, Facilities and Location:**

The proceeds of the Bonds will be loaned by Baltimore County to Riderwood Village, Inc., a Maryland nonstock corporation and a nonprofit 501(c)(3) corporation (the "Borrower"), and used by the Borrower to finance and refinance the costs of the acquisition and improvement of certain facilities of the Borrower, consisting primarily of (i) refinancing a portion of the costs relating to the acquisition, construction, renovation and equipping of the Riderwood Village continuing care retirement community owned by Silver Oaks Campus, LLC, a Maryland limited liability company and a wholly-owned subsidiary of Riderwood Village ("Silver Oaks Campus"), located on an approximately 120-acre parcel of land straddling Montgomery County and Prince George's County at 3100 Gracefield Road, Silver Spring, Maryland 20904 (the "Facility"), by refunding the Montgomery County, Maryland Economic Development Revenue Bonds (Riderwood Village, Inc. Facility), Series 2015 (the "Series 2015 Riderwood Bonds"), the proceeds of which were loaned to the Borrower to finance or refinance a portion of the costs of expanding, renovating, constructing and equipping the Facility; (ii) financing the costs of capital improvements to the Facility, including but not limited to (a) renovation of the existing community buildings and the medical center building, (b) renovations to existing continuing care buildings including enhanced memory care amenities, apartment modernization and realignment of unit mix to meet forecasted resident needs and (c) routine modernization of and scheduled capital improvements, renovations and repairs to existing common areas, amenities, residential buildings and other levels of care; (iii) financing the termination payment for an interest rate swap agreement entered into in connection with the Series 2015 Riderwood Bonds; (iv) funding a debt service reserve fund, if any, for all or a portion of the Bonds; (v) paying capitalized interest, if any, on the Bonds, and (vi) paying certain costs of issuance of the Bonds and other related costs of the financing (collectively, the "Project").

The Borrower is and will be the initial owner of the Project, as the sole member of Silver Oaks Campus, LLC, a Maryland limited liability company and the title owner of the Facility.

**Repayment of the Bonds and Costs of Issuance:**

The Borrower will be responsible for all costs associated with the Bonds, including principal, interest and the costs of issuing the Bonds. Montgomery County is not responsible for any of these costs. Neither the Bonds nor the interest thereon shall ever constitute an indebtedness or a charge against the general credit or taxing powers of Montgomery 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 Montgomery County.

Interested persons are invited to attend the public hearing and will have a reasonable opportunity to express their views, both orally and in writing, on the proposed Bonds and the location and nature of the proposed Project. Written comments may be given by submitting them to Jacqueline Carter, Montgomery County Government, Department of Finance, 101 Monroe Street, Rockville, 15th floor, Maryland 20850, but must be received on or before the date and time of the hearing.