



Resolution

14-13

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF QUEEN ANNE'S COUNTY, APPROVING THE ISSUANCE AND SALE BY THE TOWN COUNCIL OF CENTREVILLE (THE "TOWN OF CENTREVILLE"), PURSUANT TO THE MARYLAND ECONOMIC DEVELOPMENT REVENUE BOND ACT, SECTIONS 12-101 TO 12-118, INCLUSIVE, OF THE ECONOMIC DEVELOPMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED (THE "ACT"), OF ONE OR MORE SERIES OF THE TOWN OF CENTREVILLE'S BONDS (AS DEFINED IN THE ACT) IN AN AMOUNT NOT TO EXCEED \$5,000,000 AND LENDING THE PROCEEDS THEREOF TO THE GUNSTON SCHOOL, INCORPORATED, A NON-PROFIT MARYLAND NON-STOCK CORPORATION (THE "BORROWER"), FOR THE PURPOSES OF (1) FINANCING THE COSTS OF THE ACQUISITION AND IMPROVEMENT (AS DEFINED IN THE ACT) OF THE BORROWER'S SCHOOL FACILITIES, INCLUDING, WITHOUT LIMITATION: (A) THE DESIGN, RENOVATION AND EQUIPPING OF THE BRICK HOUSE BUILDING AND THE LONG ACADEMIC BUILDING, TO PROVIDE ENHANCED CLASSROOMS AND LEARNING SPACE, INCLUDING TECHNOLOGY AND AUDIOVISUAL COMMUNICATION IMPROVEMENTS, (B) THE DESIGN, RENOVATION AND EQUIPPING OF THE THIRD FLOOR OF THE BRICK HOUSE BUILDING INTO A CENTRALIZED MULTI-MEDIA CENTER AND 21ST CENTURY LIBRARY, (C) THE DESIGN, ACQUISITION, CONSTRUCTION AND EQUIPPING OF A STUDENT CENTER THAT WILL CONNECT THE MIDDLETON AND BRICK HOUSE BUILDINGS AND WILL PROVIDE EXPANDED CAFETERIA SPACE AND GROUP MEETING SPACE, (D) THE ACQUISITION AND/OR INSTALLATION OF SUCH OTHER INTERESTS IN LAND, FURNISHINGS OR EQUIPMENT SUITABLE OR NECESSARY IN CONNECTION WITH ANY OF THE FOREGOING, ALL OF THE FOREGOING TO BE LOCATED ON THE BORROWER'S CAMPUS AT 911 GUNSTON ROAD, CENTREVILLE, MARYLAND 21617 WITHIN THE LEGAL BOUNDARIES OF QUEEN ANNE'S COUNTY, MARYLAND (THE "CAMPUS"), AND (E) THE REFINANCING OF EXISTING INDEBTEDNESS USED TO PAY THE COSTS OF CAPITAL IMPROVEMENTS TO THE CAMPUS (COLLECTIVELY, THE "FACILITY"), AND (2) PAYING THE COSTS OF ISSUANCE OF SUCH BONDS AND OTHER RELATED COSTS OF THE TRANSACTION, ALL TO THE EXTENT PERMITTED BY THE ACT; MAKING CERTAIN LEGISLATIVE FINDINGS; SPECIFYING AND DESCRIBING SUCH FACILITY; GENERALLY DESCRIBING THE PUBLIC PURPOSE TO BE SERVED BY SUCH FACILITY; AND SPECIFYING AND DESCRIBING VARIOUS MATTERS IN CONNECTION THEREWITH AND GENERALLY RELATING THERETO.

WHEREAS, Queen Anne's County, Maryland ("Queen Anne's County"), is a body politic and corporate and a political subdivision duly formed and existing under the constitution and the laws of the State of Maryland; and

WHEREAS, pursuant to the Maryland Economic Development Revenue Bond Act, Sections 12-101 to 12-118, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "Act") and Resolution No. 09-2014 of the Town Council (the "Town Council") of The Town Council of Centreville, a municipal corporation of the State of Maryland (the "Town of Centreville"), the Town Council of the Town of Centreville will consider the authorization of the issuance and sale of its economic development revenue bonds (the "Bonds"), as its limited obligation and not upon its faith and credit. The proceeds of the Bonds will be loaned to The Gunston School, Incorporated, a non-profit Maryland non-stock corporation (the "Borrower"), for the purpose of (1) financing the costs of the acquisition and improvement (as defined in the Act) of the Borrower's school facilities, including, without limitation: (a) the design,

renovation and equipping of the Brick House Building and the Long Academic Building, to provide enhanced classrooms and learning space, including technology and audiovisual communication improvements, (b) the design, renovation and equipping of the third floor of the Brick House Building into a centralized multi-media center and 21st century library, (c) the design, acquisition, construction and equipping of a student center that will connect the Middleton and Brick House Buildings and will provide expanded cafeteria space and group meeting space, (d) the acquisition and/or installation of such other interests in land, furnishings or equipment suitable or necessary in connection with any of the foregoing, all of the foregoing to be located on the Borrower's campus at 911 Gunston Road, Centreville, Maryland 21617 (but not within the existing boundaries of the Town of Centreville) (the "Campus"), and (e) the refinancing of existing indebtedness used to pay the costs of capital improvements to the Campus (collectively, the "Facility"), and (2) paying the costs of issuance of such bonds and other related costs of the transaction, all to the extent permitted by the Act; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended and Section 5f.103-2 of the Income Tax Regulations, provide that each governmental unit the geographic jurisdiction of which contains the site of the Facility to be financed by the Bonds must approve the financing. The Facility is located outside of the legal boundaries of the Town of Centreville and within the legal boundaries of Queen Anne's County. Therefore, the approval of Queen Anne's County is required in connection with the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF QUEEN ANNE'S COUNTY, as follows:

Section 1. The terms used herein which are defined in the Recitals hereof shall have the meanings given such terms therein.

Section 2. Queen Anne's County hereby acknowledges that the Facility is located outside of the legal boundaries of the Town of Centreville and within the legal boundaries of Queen Anne's County.

Section 3. It is hereby found and determined that the Facility and the issuance of the Bonds by the Town of Centreville as described in this Resolution will promote the declared legislative purposes of the Act by (a) sustaining jobs and employment by the creation or retention of a significant number of jobs, thus relieving conditions of unemployment in Queen Anne's County; (b) encouraging the increase of industry and commerce and a balanced economy in Queen Anne's County; (c) assisting in the retention of existing industry and commerce in, and the attraction of new industry and commerce to, Queen Anne's County; (d) promoting economic development in Queen Anne's County; and (e) generally promoting the health, welfare and safety of the residents of Queen Anne's County. Specifically, it is hereby found and determined that financing the costs of the acquisition and improvement of the Facility (within the meaning of the Act) will allow the Borrower to continue to operate as a college preparatory school and to improve and expand its school facilities. Accordingly, it is in the interest of the public welfare and purpose of the citizens of Queen Anne's County that Queen Anne's County approve the issuance of the Bonds by the Town of Centreville for the purpose of financing the costs of the acquisition and improvement of the Facility.

Section 4. Queen Anne's County hereby approves the issuance and sale by the Town of Centreville of the Bonds, at any time and from time to time and in one or more tax-exempt or taxable series, in the maximum aggregate principal amount of \$5,000,000, the proceeds of any series of which may be used by the Town of Centreville to make a loan to the Borrower, the proceeds of which loan shall be used by the Borrower (1) to finance the costs (to the fullest extent permitted by the Act) of the acquisition and improvement of the Facility and (2) pay the costs of issuance of the Bonds and other transaction-related costs, all to the extent permitted by the Act.

Section 5. (a) The Bonds will not constitute an indebtedness to which the faith and credit of Queen Anne's County or any other public body (within the meaning of the Act) is pledged and (b) neither the Bonds nor any premium or the interest thereon shall ever constitute an indebtedness or a charge against the general credit or taxing powers of Queen Anne's County or any other public body and neither shall ever constitute or give rise to any pecuniary liability of Queen Anne's County or any other public body.

Section 6. The passage of this Resolution shall not in any way indicate the approval of, or constitute any commitment for approval by, Queen Anne's County or any of its officers or employees of, any license, permit, application or any other request to Queen Anne's County with respect to the zoning, construction, acquisition or operation of the Facility.

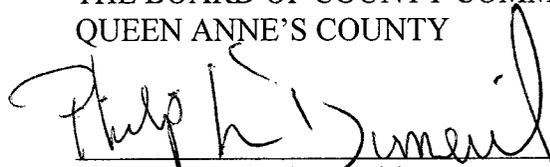
Section 7. No further action by Queen Anne's County is necessary to effect financing of the costs of the acquisition and improvement of the Facility by the Town of Centreville or the completion of the transaction contemplated in this Resolution, including, without limitation, the issuance and sale of the Bonds by the Town of Centreville.

Section 8. This Resolution shall take effect on the date of adoption by the Board of County Commissioners of Queen Anne's County.

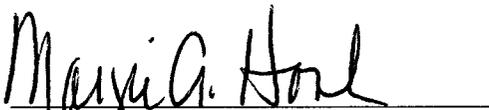
Adopted on June 24, 2014.

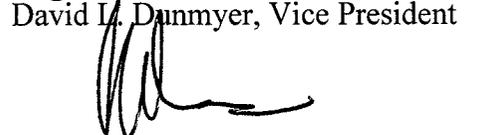
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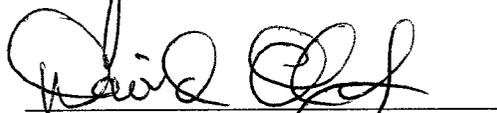
THE BOARD OF COUNTY COMMISSIONERS OF
QUEEN ANNE'S COUNTY

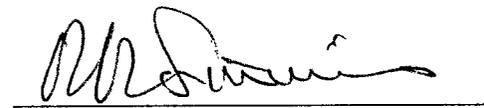

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