

Resolution No.: 17-245
Introduced: September 13, 2011
Adopted: September 13, 2011

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Economic Development Revenue Refunding Bonds for Holy Cross Hospital
(Trinity Health Corporation)

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, \$75,000,000, and to loan the proceeds from the sale of such bonds to Trinity Health Corporation, an Indiana nonprofit corporation and the parent corporation of Holy Cross Hospital of Silver Spring, Incorporated, to be used for the purpose of financing and refinancing the costs of the improvement of certain facilities within the meaning of such Act, in Montgomery County, Maryland, consisting primarily of the financing and refinancing of construction and renovation of Holy Cross Hospital at 1500 Forest Glen Road, Silver Spring, Montgomery County, paying capitalized interest on the bonds, refunding prior bonds and paying costs of issuing the bonds; 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. 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 Trinity Health Corporation, an Indiana nonprofit corporation and a facility applicant as defined in the Act (the "Facility Applicant"), dated August 29, 2011, 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 the costs of the improvement of certain facilities within Montgomery County, as hereinafter described. The Facility Applicant is the parent corporation of Holy Cross Hospital of Silver Spring, Incorporated, 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 September 13, 2010, 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: (a) improvements to Holy Cross Hospital at 1500 Forest Glen Road, Silver Spring, including those improvements listed on Exhibit B attached hereto and made a part hereof, (b) capitalized interest on such bonds during construction, (c) refunding prior bonds as listed on Exhibit C attached hereto and made a part hereof and (d) costs of issuing such bonds (collectively, the "Facilities").
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, Seventy-Five Million Dollars (\$75,000,000), or such lesser amount as may be specified by the County Executive of the County (the "County Executive"), hereinafter designated "Montgomery County, Maryland Revenue and Refunding Bonds (Trinity Health Credit Group)" (the "Bonds"), and to loan the proceeds of the Bonds (the "Loan") to the Facility Applicant on the terms and conditions as hereinafter provided in order to finance, 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 the parent corporation of a “facility user” within the meaning of the Act, for the sole and exclusive purpose of financing 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) the improvement of the Facilities by the Facility Applicant and the financing thereof, 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, (ii) refund prior bonds, and (iii) 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, Seventy-Five Million Dollars (\$75,000,000), 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, 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 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 Seventy-Five Million Dollars (\$75,000,000), 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 Revenue and Refunding Bonds (Trinity Health Credit Group)." 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. If deemed advisable by the County Executive, the County will enter into an indenture of trust (the "Indenture") for the protection of the holders of the Bonds with a bank having trust powers or a trust company (the "Trustee") to be approved by the County Executive and, pursuant to the Indenture, the County will assign to the Trustee (among other things) all of the County's right, title and interest in and to the Loan Agreement, including (without limitation) the receipts and revenues of the County from the Loan (excepting only certain reserved rights of the County to indemnification by the Facility Applicant, taxes paid by the Facility Applicant to the County, the obligation of the Facility Applicant to make certain payments required by the

Code, and payments to the County for the County's administrative fees and expenses and the like).

Section 8. 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 the Indenture (if any);

(c) if appropriate, to approve the form and provisions of any Preliminary Official Statement, final Official Statement or other offering document with respect to the Bonds;

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

(e) 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;

(f) 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

(g) 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 9. 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 10. In satisfaction of the requirements of Section 147(f) of the Code, the County hereby approves the Facilities and the Bonds.

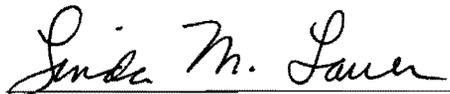
Section 11. The members of the County Council, the County Executive, the Chief Administrative Officer of the County, the County Attorney, the Director of Finance of the

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 12. 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 13. 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

August 29, 2011

27870 Cabot Drive
Novi, MI 48377-2920
ph 248.489.6000

34605 Twelve Mile Road
Farmington Hills, MI 48331-3221
ph 248.489.6000

www.trinity-health.org

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

Re: Proposed Montgomery County, Maryland
Revenue and Refunding Bonds
(Trinity Health Credit Group)

Dear Mr. Leggett:

The undersigned Trinity Health Corporation, an Indiana nonprofit corporation ("Trinity Health") respectfully requests that Montgomery County, Maryland (the "Public Body") authorize, issue, and sell its revenue bonds, in a principal amount not to exceed \$75,000,000 (the "Bonds") pursuant to the provisions of the Maryland Economic Development Revenue Bond Act (codified at Sections 14-101 through 14-109, inclusive, of Article 41 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.

Trinity Health proposes that the Public Body lend the proceeds of the sale of the Bonds to Trinity Health under a loan agreement (within the meaning of the Act).

Trinity Health is the sole corporate member of Holy Cross Health Corp., which in turn is the sole corporate member of Holy Cross Hospital of Silver Spring, Incorporated, a Maryland nonprofit, nonstock corporation ("Holy Cross"). Holy Cross owns and operates Holy Cross Hospital, an acute care hospital located in Silver Spring, Montgomery County, Maryland (the "Hospital"). Trinity Health is a "501(c)(3) organization," within the meaning of §150(a) of the Code. Trinity Health controls or owns, directly or indirectly, various nonprofit and for-profit corporations and other organizations that currently operate primarily in California, Idaho, Illinois, Indiana, Iowa, Maryland, Michigan, Ohio and Oregon.

The presence of the Hospital (a) will continue to generate employment opportunities for Montgomery County residents, allowing these residents to purchase goods and services locally and (b) will continue to generate business opportunities for Montgomery County businesses that sell goods and services to the Hospital. The presence of the Hospital will continue to promote the health, welfare and safety of the residents of Montgomery County.

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Trinity Health has determined to refund the Prior Bonds (as defined below) and is hereby requesting the Public Body to issue its revenue bonds for the purpose of (1) financing or refinancing certain improvements and additions to health care facilities, including the Hospital (collectively, the "Facilities"), (2) refunding all or a portion of the outstanding Montgomery County, Maryland Economic Development Revenue Bonds (Trinity Health Credit Group) Series 2001 (the "Prior Bonds") and (3) paying all or a portion of the costs of issuance related to the Bonds. Trinity Health will own, within the meaning of §145(a) of the Internal Revenue Code of 1986, as amended, all of the property which is to be financed by the net proceeds of the Bonds.

It is currently estimated that the "total costs" to finance and refinance the Facilities will be up to \$75,000,000, all of which would be provided by the Bonds. Included in the "total costs" are the fees for construction, architectural, engineering, construction of utilities, financial and certain legal services, and other costs of issuing the Bonds.

Acknowledgment by Trinity Health

Trinity Health acknowledges that federal legislation may be enacted which may limit the ability of the Public Body to issue the Bonds and similar obligations. Trinity Health 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 acquisition (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 Trinity Health 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. Trinity Health 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 Trinity Health (the "Loan Agreement"). The Loan Agreement will require Trinity Health 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 Trinity Health to make loan payments (both principal and interest) sufficient to pay (1) the principal of and interest and redemption premium, if any, on the

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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. Trinity Health agrees that all costs of the acquisition of the Facilities in excess of the proceeds of the Loan will be paid by Trinity Health. The Loan Agreement will contain such other provisions as may be required by law or as may be agreed to by Trinity Health and the Public Body. Financial considerations have been a factor leading to Trinity Health's decision to undertake the acquisition 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). Trinity Health 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 acquisition of the Facilities, and (2) the use of the proceeds of the Loan to acquire the Facilities will conform to the requirements of Trinity Health. Accordingly, Trinity Health shall (1) negotiate and approve all financing arrangements in connection with the acquisition of the Facilities, and (2) pay all costs incurred by or on behalf of the Public Body in connection with acquisition of the Facilities. Trinity Health shall also pay all costs incurred in connection with the development of the appropriate legal documents necessary to effectuate the proposed acquisition 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 acquisition 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 of the acquisition 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.

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Acceptance of Letter of Intent

It is further understood and agreed to by Trinity Health 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 Trinity Health 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 Trinity Health, and

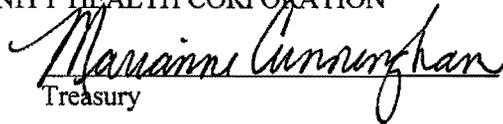
2. The Public Body can give no guarantee, promise, or assurance as to the availability of one or more purchasers of the Bonds to whom the Bonds may lawfully be sold under, among other, applicable federal and state securities and legal investment laws.

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

Sincerely,

TRINITY HEALTH CORPORATION

By:


Treasury

ACCEPTED:

MONTGOMERY COUNTY, MARYLAND

By _____
Isiah Leggett
County Executive

Date: _____

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Exhibit B

Description of Improvements

The improvements consists of renovations and improvements to, and equipment for, existing hospitals or other health care facilities owned and operated by Trinity Health at 1500 Forest Glen Road, Silver Spring, Maryland, and other related acquisitions, improvements, equipment, construction, and reconstruction.

Exhibit C

Description of Refunded Bonds

All or a portion of the outstanding Montgomery County, Maryland Economic Development Revenue Bonds (Trinity Health Credit Group), Series 2001.