

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION DAY 13-13**

RESOLUTION NO. 70-2013

Title of Resolution: Assignment of Promissory Note, Loan Agreement and Deed of Trust – Moon Nurseries, Inc. - Community Development Block Grant

Synopsis: A Resolution approving the assignment of a Promissory Note, Loan Agreement, and Deed of Trust respectively dated July 14, 1995, and the execution of a corporate guaranty agreement and affidavit of lost promissory note, from Cecil County, Maryland to the State of Maryland Department of Community Development.

Introduced by: Council President Hodge at the request of the County Executive

Introduced and ordered posted on: July 2, 2013

Scheduled for consideration on : July 16, 2013

Notice and title of Resolution having been posted by July 5, 2013 at the County Administration Building, 200 Chesapeake Blvd., Elkton and consideration by the Council having been scheduled on July 16, 2013.

By: _____
Council Manager

1 **WHEREAS**, on July 14, 1995, the Board of County Commissioners of Cecil County (now, Cecil
2 County, Maryland) (hereinafter, the “County”) made a loan to Moon Nurseries, Inc., a Maryland
3 corporation (formerly known as Moon Nurseries of Maryland, Inc.) (hereinafter, the “Borrower”), in the
4 original principal amount of \$1,200,000 (the “Loan”); and,

5 **WHEREAS**, the Loan is evidenced by a Promissory Note dated July 14, 1995 made by the Borrower
6 for the benefit of the County (the “Note”); and,

7 **WHEREAS**, the terms of the Loan are governed by a Loan Agreement dated July 14, 1995 between
8 the Borrower and the County (the “Loan Agreement”); and,

9 **WHEREAS**, repayment of the Loan is secured by a lien on the Borrower’s facility located in Cecil
10 County, Maryland (the “Facility”) under the terms of a Deed of Trust and Security Agreement dated July
11 14, 1995, made by the Borrower to Keith A. Baynes, Esquire, as trustee for the benefit of the County and
12 recorded in the Land Records of Cecil County, Maryland in Liber 0550, page 065 (the “Deed of Trust”); the
13 Note, the Loan Agreement, the Deed of Trust, and all other documents executed in connection with the
14 Loan, as any of them may be amended, are collectively referred to as the “Loan Documents”; and,

15 **WHEREAS**, from July 14, 1995, the County received repayments of the Loan; and,

16 **WHEREAS**, on March 21, 2000, pursuant to a letter from the State of Maryland Department of
17 Community Development (hereinafter, the “Department”) to the County, as revised pursuant to a letter
18 dated March 22, 2001, the County was advised that repayments of the Loan would be collected by a loan
19 servicing agent; and,

20 **WHEREAS**, since March 21, 2000, the County is without knowledge of collection, receipt,
21 distribution, or other actions taken pursuant to this arrangement; and,

22 **WHEREAS**, as provided in the Assignment, the County desires to assign the Loan Documents to the
23 Department and to endorse and assign to the Department the Loan and the Loan Documents (defined as
24 the Note, the Loan Agreement, the Deed of Trust, a Corporate Guaranty Agreement, an Affidavit of Lost
25 Promissory Note, and a First Modification to Loan Agreement and First Promissory Note Modification
26 Agreement, and the Department has agreed to accept the assignment of all of the County’s rights in
27 connection with the Loan, including the Loan Documents, upon approval of the transaction by the County
28 Council.

29 **NOW, THEREFORE, BE IT HEREBY RESOLVED** by the County Council of Cecil County, Maryland, that
30 the assignment by the County of the Note, the Loan Agreement, the Deed of Trust, a Corporate Guaranty
31 Agreement, an Affidavit of Lost Promissory Note, and a First Modification to Loan Agreement and First
32 Promissory Note Modification Agreement to the State of Maryland Department of Community
33 Development be, and it is hereby, approved; and

34 **BE IT FURTHER RESOLVED** that the County Executive is hereby authorized to execute the foregoing
35 documents in order to effectuate the assignment herein approved.

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37 INTRODUCED: July 2, 2013

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39 ADOPTED: July 16, 2013

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President of the Council

45 ATTEST:

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49 Council Manager

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52 By the Executive:

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56 County Executive

Date