

RESOLUTION NO. RS-06-039

A RESOLUTION AMENDING A RESOLUTION ADOPTED ON AUGUST 29, 2006 (THE "FIRST RESOLUTION") TO EXTEND THE TIME FOR ISSUANCE OF ONE OR MORE SERIES OF REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000 PURSUANT TO THE PROVISIONS OF SECTION 14-101 THROUGH 14-109 OF ARTICLE 41 OF THE ANNOTATED CODE OF MARYLAND (2003 REPLACEMENT VOLUME) AS AMENDED, THE PROCEEDS THEREOF TO BE LOANED TO CONSERVIT, INC. (THE "BORROWER") FOR THE SOLE AND EXCLUSIVE PURPOSES DESCRIBED IN THE FIRST RESOLUTION.

RECITALS

By Resolution adopted on August 29, 2006 (the "First Resolution"), County Commissioners of Washington County (the "County") authorized an issuance of economic development revenue bonds in an amount not to exceed \$5,000,000 pursuant to Section 14-101 through 14-109 inclusive, of Article 41 of the Annotated Code of Maryland (2003 Replacement Volume), as amended (the "Act") (the "Bonds"). The proceeds of the Bonds will be loaned to Conservit, Inc. (the "Borrower"), a "facility applicant" as defined in the Act, to finance the acquisition, design, construction and installation of necessary and useful buildings, improvements, equipment, machinery, furnishings and fixtures to be installed at the Borrower's existing facility located at 18656 Leslie Drive, Hagerstown, Maryland 21741, as more specifically described in the First Resolution.

Section 9 of the First Resolution provided that if the financing transaction contemplated by the First Resolution shall not have occurred by December 31, 2006, the County's authorization under the First Resolution would terminate unless otherwise extended by resolution of the County. Conservit, Inc., has advised the County that the \$10,000,000 capital expenditure limitation applicable to bonds such as the Bonds could adversely affect its future capital plans in Washington County and has decided to postpone closing of the Bonds until early 2007 when a new \$20,000,000 capital expenditure limitation becomes effective.

By this Resolution, the County is extending its authorization under the First Resolution.


Section 1. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, That the date "December 31, 2006" set forth in Section 9 of the First Resolution is hereby extended until "June 30, 2007."

Section 2. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, That all other terms and conditions of the First Resolution remain in full force and effect unchanged by this Resolution.

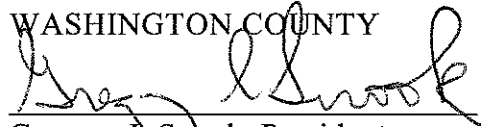
Section 3. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, That this Resolution shall take effect from the date of its adoption.

PASSED AND ADOPTED this 21st day of Nov., 2006.

ATTEST:



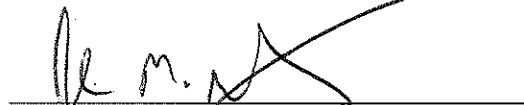
Joni L. Bittner, County Clerk

COUNTY COMMISSIONERS OF
WASHINGTON COUNTY


Gregory I. Snook, President
Board of County Commissioners
of Washington County

[SEAL]

Approved as to form
and legal sufficiency



John M. Martirano, County Attorney