

RESOLUTION NO. RS-09-09

A RESOLUTION SUPPLEMENTING RESOLUTION NO. RS-09-06 ADOPTED ON APRIL 28, 2009 RELATING TO THE ISSUANCE AND SALE BY COUNTY COMMISSIONERS OF WASHINGTON COUNTY OF ITS \$22,130,000 PUBLIC IMPROVEMENT AND REFUNDING BONDS OF 2009, FIXING CERTAIN TERMS OF SAID BONDS INCLUDING THE INTEREST RATES PAYABLE ON THE BONDS; AWARDING SAID BONDS TO THE SUCCESSFUL BIDDER THEREFOR IN ACCORDANCE WITH THE ABOVE-MENTIONED RESOLUTION; RATIFYING AND CONFIRMING CERTAIN ACTIONS TAKEN IN CONNECTION WITH THE SALE AND ISSUANCE OF SAID BONDS; RATIFYING AND CONFIRMING THE DETERMINATION OF THE REFUNDED BONDS; AND GENERALLY PROVIDING FOR THE ISSUANCE OF SAID BONDS.

R E C I T A L S

Resolution No. RS-09-06 (the "Authorizing Resolution") adopted by the Board of County Commissioners of Washington County (the "Board") on April 28, 2009, authorizes and empowers County Commissioners of Washington County (the "County") to issue and sell not to exceed \$22,400,000 aggregate amount of its general obligation bonds designated "Washington County, Maryland Public Improvement and Refunding Bonds of 2009" (the "Bonds") in accordance with the Notice of Sale (the "Notice of Sale") provided for in the Authorizing Resolution, subject to reduction in principal amount and re-designation as described herein.

The Authorizing Resolution provides that not more than \$5,770,000 of the aggregate principal amount of the Bonds shall be issued for the purpose of refunding in whole or in part the County's outstanding Tax Exempt Public Improvement Bonds of 1999 (the "1999 Bonds"). The Authorizing Resolution delegated to the Director of Finance the authority to adjust the aggregate principal amount of the Bonds and the principal amount of each maturity of the Bonds pre-sale in accordance with the Notice of Sale. In addition, the Authorizing Resolution delegated to the Director of the Finance the authority to determine prior to the sale of the Bonds that all or a portion of the outstanding 1999 Bonds will not be refunded and, in such event, to adjust the aggregate principal amount of the Bonds and the principal amounts of each maturity of the Bonds in accordance with the Notice of Sale. The Authorizing Resolution provides that in the event none of the outstanding 1999 Bonds are to be refunded from proceeds of the Bonds, the Bonds shall be re-designated the "Washington County, Maryland Public Improvement Bonds of 2009".

In accordance with the Authorizing Resolution and the Notice of Sale, the Director of Finance provided on May 18, 2009 for a reduction in the aggregate principal amount of the Bonds to \$22,310,000 and changes in the amortization schedule, and such changes were communicated via TM3 in accordance with the Notice of Sale.

Due to market conditions and upon the advice of the County's financial advisor, in accordance with the Notice of Sale, the Director of Finance modified the provisions of the Notice of Sale on May 18, 2009 to allow the winning bidder to submit its good faith deposit of

\$300,000.00 by wire transfer in immediately available funds following award of the Bonds and by 3:00 P.M. on the date hereof, and such change was communicated via TM3.

The Authorizing Resolution and the Notice of Sale provide that bidders may designate one or more term bonds in accordance with the provisions of the Notice of Sale.

The Notice of Sale provides that after receipt of bids, adjustments may be made by the County's financial advisor (within the limitations stated therein) to the aggregate principal amount and principal maturities of the Bonds in order to best achieve the County's goal of maximizing debt service savings with respect to any refunding of the 1999 Bonds, and that any such changes shall be communicated to the successful bidder within six hours of bid opening.

In accordance with the Notice of Sale, a public sale of the Bonds was held on May 19, 2009, and the following bids were received for the Bonds:

<u>Bidder</u>	<u>True Interest Cost</u>
M&T Securities Inc.	3.329462%
Davenport & Company LLC	3.354964
Merrill Lynch & Co.	3.373092
Morgan Keegan & Co., Inc.	3.387556
Morgan Stanley & Co. Inc.	3.467018
BMO Capital Markets	3.488960

It is hereby determined that the bid of M&T Securities Inc. (by whatever legal name known), on behalf a syndicate, results in the lowest true interest cost to the County, and that the Bonds should be awarded to said bidder.

The Authorizing Resolution provides that following the sale of the Bonds the Board shall, by resolution, fix the principal amounts, maturities, and interest rates payable on the Bonds and this resolution is being adopted for that purpose as well as to award the Bonds to the successful bidder.

All capitalized terms not defined herein shall have the meanings set forth in the Authorizing Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY:

SECTION 1. That any actions heretofore deemed necessary by the Director of Finance to be taken by the County on its behalf in connection with the issuance of the Bonds are hereby ratified and confirmed in all respects. The Bonds shall be dated May 15, 2009, and accrued interest shall be paid from May 15, 2009.

The Director of Finance is hereby authorized to make such changes to the forms of the Bonds and the Preliminary Official Statement approved by the Authorizing

Resolution as she shall deem necessary in order to complete the Official Statement for the Bonds and to reflect the terms of the sale of the Bonds conducted today therein and in the Bonds and, subject to the changes set forth herein, if any, the Authorizing Resolution is hereby ratified and confirmed in all respects.

The Preliminary Official Statement dated May 12, 2009 is deemed final by the County for the purpose of Rule 15c2-12 of the Securities and Exchange Commission.

SECTION 2. That the bid of M&T Securities, Inc. (by whatever legal name known) for the Bonds, on behalf of a syndicate (collectively, the "Purchaser"), as submitted, be and the same is hereby accepted and the Bonds are hereby awarded to the Purchaser at the purchase price and with the maturities and interest rates named therein, subject to the provisions of Section 4 below. The Bonds shall be duly executed and delivered to the Purchaser, in accordance with the terms and conditions of the Notice of Sale, upon receipt by the County of the total purchase price of the Bonds, plus accrued interest, less the good faith deposit delivered by wire transfer in the amount of \$300,000, receipt of which good faith deposit has been confirmed. The said purchase price shall be paid to the Treasurer of Washington County, Maryland.

SECTION 3. That, in accordance with the Notice of Sale, the aggregate original principal amount of the Bonds has been further adjusted to be \$22,130,000. Due to adjustment, the aggregate principal amount of the Refunding Bonds (as defined in the Authorizing Resolution) is \$5,500,000, and the aggregate principal amount of the New Money Bonds (as defined in the Resolution) remains \$16,630,000.

SECTION 4. That the Bonds shall be in the following principal amounts and shall bear interest at the following rates, in accordance with the terms of the successful bid for the Bonds:

<u>Maturing January 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturing January 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2010	\$1,420,000	2.000%	2020	\$ 800,000	3.000%
2011	1,165,000	4.000	2021	830,000	3.250
2012	1,195,000	4.000	2022	865,000	3.375
2013	1,230,000	2.250	2023	900,000	3.500
2014	1,260,000	2.250	2024	935,000	3.625
2015	1,315,000	4.500	2025	975,000	3.750
2016	1,360,000	2.750	2026	1,010,000	3.875
2017	1,385,000	3.000	2027	1,055,000	4.000
2018	1,415,000	4.000	2028	1,100,000	4.000
2019	770,000	3.000	2029	1,145,000	4.000

No term bonds were designated by the Purchaser. The foregoing schedule reflects an adjustment following receipt of bids as contemplated by the Notice of Sale after the receipt of bids.

SECTION 5. That the maturities, principal amounts and interest rates set forth in Section 4 above are hereby adopted as and for the maturities and principal amounts of and interest rates payable on, the Bonds.

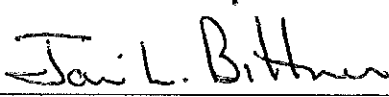
SECTION 6. That the determination of the Director of Finance that all of the outstanding 1999 Bonds will be refunded in whole from proceeds of the Bonds is hereby ratified and confirmed. Such 1999 Bonds to be refunded constitute the Refunded Bonds for purposes of the Authorizing Resolution and will be refunded in accordance with the provisions of the Authorizing Resolution, including Section 17 thereof.

SECTION 7. That this Resolution shall take effect from the date of its adoption.

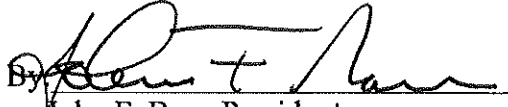
Adopted this 19th day of May, 2009.

ATTEST:

COUNTY COMMISSIONERS OF
WASHINGTON COUNTY



Joni L. Bittner, County Clerk

By 
John F. Barr, President
Board of County Commissioners
of Washington County

#122405;50052.002

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