

**RESOLUTION NO. RS-2016-05**

A RESOLUTION AUTHORIZING AND EMPOWERING COUNTY COMMISSIONERS OF WASHINGTON COUNTY (THE "COUNTY") TO ISSUE AND SELL AT PUBLIC SALE, UPON ITS FULL FAITH AND CREDIT, TWO SEPARATE SERIES OF ITS GENERAL OBLIGATION BONDS DESIGNATED, RESPECTIVELY, \$20,635,000 "COUNTY COMMISSIONERS OF WASHINGTON COUNTY PUBLIC IMPROVEMENT BONDS OF 2016" AND \$9,700,000 "COUNTY COMMISSIONERS OF WASHINGTON COUNTY REFUNDING BONDS OF 2016", SUBJECT TO ADJUSTMENT OR INCREASE AS PROVIDED HEREIN, PURSUANT TO THE PROVISIONS OF, AS APPLICABLE, CHAPTER 205 OF THE LAWS OF MARYLAND OF 2004, CHAPTER 392 OF THE LAWS OF MARYLAND OF 2007, TITLE 6 OF THE CODE OF PUBLIC LOCAL LAWS OF WASHINGTON COUNTY (2007), CHAPTER 60 OF THE LAWS OF MARYLAND OF 2013, AND SECTION 19-207 OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, EACH AS AMENDED AS APPLICABLE, FOR THE PUBLIC PURPOSES OF (1) FINANCING THE COST OF CERTAIN PUBLIC FACILITIES AND PROJECTS IN WASHINGTON COUNTY, INCLUDING THE COST OF ACQUISITION, ALTERATION, CONSTRUCTION, RECONSTRUCTION, ENLARGEMENT, EQUIPPING, EXPANSION, EXTENSION, IMPROVEMENT, REHABILITATION, RENOVATION, UPGRADING AND REPAIR OF VARIOUS INFRASTRUCTURE, PUBLIC SAFETY, PUBLIC FACILITIES, ENVIRONMENTAL AND EDUCATIONAL PROJECTS, TOGETHER WITH ANY RELATED ARCHITECTURAL, FINANCIAL, LEGAL, PLANNING OR ENGINEERING SERVICES, AND (2) SUBJECT TO THE FURTHER PROVISIONS HEREOF, REFUNDING ALL OR A PORTION OF THE OUTSTANDING CALLABLE MATURITIES OF THE WASHINGTON COUNTY, MARYLAND PUBLIC IMPROVEMENT AND REFUNDING BONDS OF 2009, SUBJECT TO THE FURTHER PROVISIONS OF THIS RESOLUTION; PRESCRIBING THE TERMS AND CONDITIONS OF EACH SERIES OF BONDS AND THE TERMS AND CONDITIONS UPON WHICH EACH SERIES OF BONDS SHALL BE ISSUED AND SOLD AND OTHER INCIDENTAL DETAILS WITH RESPECT THERETO; PLEDGING THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF THE COUNTY TO THE PAYMENT OF THE BONDS AND PROVIDING THAT, IN THE EVENT THAT FUNDS AVAILABLE TO THE COUNTY ARE INSUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS THAT THE COUNTY SHALL LEVY AND COLLECT AD VALOREM TAXES UPON ALL THE LEGALLY ASSESSABLE PROPERTY WITHIN WASHINGTON COUNTY SUFFICIENT TO PROVIDE FOR SUCH PAYMENTS WHEN DUE; PROVIDING FOR THE DISBURSEMENT OF THE PROCEEDS OF THE BONDS; PROVIDING FOR, AS APPLICABLE, AN ESCROW DEPOSIT AGENT, AN ESCROW DEPOSIT AGREEMENT, A BIDDING AGENT AND A VERIFICATION CONSULTANT WITH RESPECT TO THE PROCEEDS OF THE REFUNDING BONDS; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE AND SALE OF SAID BONDS; MAKING CERTAIN FINDINGS CONCERNING DEBT LIMITATIONS OF WASHINGTON COUNTY; MAKING OR PROVIDING FOR THE MAKING OF CERTAIN ELECTIONS, COVENANTS OR DETERMINATIONS PERTAINING TO THE TAX-EXEMPT STATUS OF SAID BONDS; PROVIDING FOR THE REDEMPTION OF THE REFUNDED BONDS; PROVIDING THAT THE PROVISIONS OF THIS RESOLUTION

SHALL BE LIBERALLY CONSTRUED; AND GENERALLY PROVIDING FOR THE ISSUANCE OF SAID BONDS.

### **RECITALS**

Chapter 60 of the Laws of Maryland of 2013 (the "2013 Act") authorizes and empowers County Commissioners of Washington County (the "County") to issue and sell bonds upon its full faith and credit in an aggregate principal amount not to exceed \$60,000,000 to provide funds to finance the cost of the construction, improvement or development (within the meaning of such Act) of certain public facilities in Washington County. The County has previously issued \$10,162,278 of its County Commissioners of Washington County Public Improvement Bonds of 2015 pursuant to the authority of the 2013 Act.

Title 6 of the Code of Public Local Laws of Washington County, Maryland (2007), as amended (the "Water and Sewer Act") authorizes and empowers the County to issue bonds upon its full faith and credit to provide funds for the purpose of paying the cost of a water system, sewerage system or drainage system or any part of such system that the County owns, constructs or operates (referred to as "projects" in the Water and Sewer Act).

Pursuant to the authority of the 2013 Act and the Water and Sewer Act, as applicable, the County has determined to issue and sell its general obligation bonds in an aggregate principal amount not to exceed \$20,635,000 to finance the cost of the construction, improvement or development (within the meaning of the 2013 Act) of certain public facilities in Washington County and the cost of certain projects (within the meaning of the Water and Sewer Act) (the "New Money Bonds"). The New Money Bonds are being issued to finance the cost of certain public facilities and projects as more particularly described in Section 3 herein. The issuance of the New Money Bonds shall not cause the County to exceed the debt limitation provided for in the Water and Sewer Act.

Pursuant to the authority of Chapter 87 of the Laws of Maryland of 1995 (the "1995 Act"), Chapter 205 of the Laws of Maryland of 2004 (the "2004 Act"), Chapter 392 of the Laws of Maryland of 2007 (the "2007 Act"), and the Water and Sewer Act, each as amended to the extent applicable, as supplemented by Section 24 of Article 31 of the Annotated Code of Maryland (now codified as Section 19-207 of the Local Government Article of the Annotated Code of Maryland), as amended (the "Refunding Act") (which permits the issuance of general obligation bonds at any time or times for the purposes of refunding any bonds or evidences of obligation, by whatever name known, previously issued by the County), the County previously issued upon its full faith and credit its Washington County, Maryland Public Improvement and Refunding Bonds of 2009, dated May 15, 2009, in the original aggregate principal amount of \$22,130,000 (the "2009 Bonds").

Although the 2009 Bonds were issued pursuant to the authority of multiple acts, as identified above, the portions of the 2009 Bonds that the County may refund as described herein were issued pursuant to the authority of the 2004 Act, the 2007 Act and the Water and Sewer Act, as applicable. The County does not intend to refund any portion of the 2009 Bonds issued for refunding purposes.

Pursuant to the authority of the 2004 Act, the 2007 Act, the Water and Sewer Act and the Refunding Act, as applicable, the County has determined to advance refund all or a portion of certain maturities of the 2009 Bonds as set forth on Exhibit A attached hereto, subject to the further provisions of this Resolution.

The refunded 2009 Bonds will be refunded from proceeds of the issuance and sale of the County's general obligation bonds in an aggregate principal amount not to exceed \$11,000,000 (the "Refunding Bonds"), subject to the further provisions of this Resolution.

The County has determined that the total debt service cost to the County with respect to the refunded 2009 Bonds will be reduced by the County issuing the Refunding Bonds and applying proceeds thereof to discharge and satisfy the indebtedness evidenced by such refunded bonds, thereby satisfying a requirement of the Refunding Act by realizing savings in the aggregate cost of debt service on a direct comparison or present value basis.

The New Money Bonds and the Refunding Bonds are together referred to as the "Bonds".

The 2004 Act, the 2007 Act, the Water and Sewer Act, the 2013 Act and the Refunding Act are together referred to as the "Acts".

The Bonds, as authorized to be issued and sold by this Resolution, are two separate series of bonds for the purposes of financing the cost of certain public facilities and projects in Washington County and refunding certain outstanding obligations, all as described herein.

These Recitals constitute an integral part of this Resolution. Capitalized terms used in these Recitals and not otherwise defined in the following Sections of this Resolution shall have the meanings given to such terms in these Recitals.

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

Section 1. The County hereby determines that it is necessary to borrow money and incur indebtedness pursuant to the authority of the 2013 Act and the Water and Sewer Act, as applicable, to finance the cost of the public facilities and projects described in Section 3 hereof. References to "to finance" in this Resolution are deemed to include "to reimburse".

Pursuant to the authority of the 2013 Act and the Water and Sewer Act, as applicable, the County shall borrow on its full faith and credit the aggregate sum of not to exceed \$20,635,000 in order to provide funds to finance the cost of the construction, improvement or development of certain public facilities in Washington County (within the meaning of the 2013 Act) and to finance the cost of certain projects (within the meaning of the Water and Sewer Act), as further described in Section 3 hereof, and shall evidence such borrowing by the issuance of a series of its bonds in the aggregate principal amount of not to exceed \$20,635,000 and designated "County Commissioners of Washington County Public Improvement Bonds of 2016" (the "Public Improvement Bonds").

The Chief Financial Officer of the County (who constitutes the Director of the Office of Budget and Finance for purposes of the County Code, the "Chief Financial Officer"), on behalf of the County, with the advice of the financial advisor to the County and bond counsel to the County, is hereby authorized from time to time prior to the sale of the Public Improvement Bonds to adjust the aggregate principal amount of the Public Improvement Bonds as set forth in Section 4 hereof upward or downward (so long as such aggregate principal amount, as adjusted, does not exceed \$20,635,000), to eliminate one or more of the maturities of the Public Improvement Bonds provided for in Section 4 hereof and/or to adjust the principal amounts of each maturity of the Public Improvement Bonds upward or downward, due to tax considerations, due to market considerations, in order to restructure the amortization schedule for the Public Improvement Bonds to meet financial considerations impacting the County and/or in order to reduce the proceeds of the Public Improvement Bonds to be applied to any of the contemplated public facilities or projects provided for in Section 3 hereof, and such adjustment (i) shall be reflected in the Preliminary Official Statement provided for in Section 24 hereof if such determination is made prior to the release of such Preliminary Official Statement or (ii) shall be communicated in accordance with the provisions of the official Notice of Sale provided for in Section 12 hereof if such determination is made after the release of such Preliminary Official Statement.

Section 2. Subject to the further provisions of this Resolution, the County hereby determines that it is necessary to borrow money and incur indebtedness pursuant to the authority of the 2004 Act, the 2007 Act, the Water and Sewer Act and the Refunding Act, as applicable, to advance refund all or a portion of the 2009 Bonds identified on Exhibit A hereto. The final maturities or portions of maturities of the 2009 Bonds to be so refunded, if any, will be determined prior to or upon the sale of the Refunding Bonds identified in the next paragraph in accordance with the further provisions of this Resolution. Any such 2009 Bonds that are finally determined to be refunded in accordance with the provisions of this Resolution are referred to herein collectively as the "Refunded Bonds". The potential Refunded Bonds are the outstanding callable maturities of the 2009 Bonds.

Pursuant to the authority of the 2004 Act, the 2007 Act, the Water and Sewer Act and the Refunding Act, as applicable, the County has determined to borrow on its full faith and credit an aggregate sum not to exceed \$11,000,000 in order to provide for the refunding of the Refunded Bonds, and shall evidence such borrowing by the issuance of a single series of its bonds in an aggregate principal amount not to exceed \$11,000,000 and designated "County Commissioners of Washington County Refunding Bonds of 2016", subject to re-designation as further provided in this Section 2 (the "Refunding Bonds").

It is the current intention of the Board of County Commissioners of Washington County (the "Board"), subject to market conditions, to refund all of the currently outstanding potential Refunded Bonds identified on Exhibit A hereto and to redeem such Refunded Bonds on their earliest available redemption date. Notwithstanding anything to the contrary contained in this Resolution, in the event the Chief Financial Officer, on behalf of the County, with the advice of the financial advisor to the County and bond counsel to the County, determines from time to time prior to the sale of the Refunding Bonds that legal or tax considerations limit the County's ability to refund a portion of the potential Refunded Bonds identified on Exhibit A hereto, that sufficient savings cannot be achieved or the goals of the applicable Acts will not be met by refunding a portion of the potential Refunded Bonds identified on Exhibit A hereto and/or that the amortization

schedule for the Refunding Bonds should be adjusted in order to maximize debt service savings in any particular fiscal year or years and/or due to market considerations, such official may adjust the aggregate principal amount of the Refunding Bonds as set forth in Section 4 hereof upward or downward (so long as such aggregate principal amount, as adjusted, does not exceed \$11,000,000), and correspondingly adjust one or more of the principal amounts of the Refunding Bonds set forth in Section 4 hereof upward or downward, and to the extent necessary, eliminate one or more of the maturities of the Refunding Bonds provided for in Section 4 hereof and/or add one or more maturities to the Refunding Bonds provided for in Section 4 hereof, in order to reflect such overall adjustment in the aggregate principal amount of the Refunding Bonds, and such adjustment (i) shall be reflected in the Preliminary Official Statement provided for in Section 24 hereof if such determination is made prior to the release of such Preliminary Official Statement or (ii) shall be communicated in accordance with the provisions of the official Notice of Sale provided for in Section 12 hereof if such determination is made after the release of such Preliminary Official Statement.

In addition, notwithstanding anything to the contrary contained in this Resolution, in the event the Chief Financial Officer, on behalf of the County, with the advice of the financial advisor to the County and bond counsel to the County, determines from time to time prior to the sale of the Refunding Bonds that legal or tax considerations limit the County's ability to refund any portion of the potential Refunded Bonds identified on Exhibit A hereto and/or that sufficient savings cannot be achieved or the goals of the applicable Acts will not be met by refunding any portion of the potential Refunded Bonds identified on Exhibit A hereto, such official may determine that the Refunding Bonds shall not be issued, and such determination (i) shall be reflected in the Preliminary Official Statement provided for in Section 24 hereof if such determination is made prior to the release of such Preliminary Official Statement or (ii) shall be communicated in accordance with the provisions of the official Notice of Sale provided for in Section 12 hereof if such determination is made after the release of such Preliminary Official Statement. In such event, all provisions of this Resolution relating to the issuance of the Refunding Bonds and the refunding and redemption of the Refunded Bonds shall be construed to be inapplicable.

The final actual maturities or portions of maturities of the potential Refunded Bonds identified on Exhibit A hereto to be refunded from the proceeds of the Refunding Bonds, if any, shall be determined in accordance with an order of the Chief Financial Officer delivered in conjunction with the award of the sale of the Refunding Bonds in accordance with the provisions of Section 13 hereof.

The final aggregate principal amount of the Refunding Bonds, the final maturities of the Refunding Bonds, and the final aggregate principal amount of each maturity of the Refunding Bonds, if any, will be determined in accordance with an order or orders of the Chief Financial Officer delivered in conjunction with the award of the sale of the Refunding Bonds in accordance with the provisions of Section 13 hereof.

The Refunding Bonds, together with the Public Improvement Bonds, are referred to herein collectively as the "Bonds".

Section 3. Subject to net original issue discount, if any, and adjustments made in connection with the sale of the Public Improvement Bonds (including as contemplated in Section

1 hereof), the projects and purposes on account of which the Public Improvement Bonds are issued and the approximate amount of the par value of proceeds of the Public Improvement Bonds allocated to each class of projects are identified as follows:

<u>Proceeds</u>	<u>Use</u>
\$7,415,000	Infrastructure Projects – Public Improvement Bonds
482,000	Public Facilities Projects – Public Improvement Bonds
500,000	Public Safety Projects – Public Improvement Bonds
8,635,000	Environmental Projects – Public Improvement Bonds
3,506,000	Educational Projects – Public Improvement Bonds
97,000	Public Improvement Bonds Issuance Costs

Notwithstanding the foregoing allocation, the County, without notice to or the consent of the registered owners of the Public Improvement Bonds, may reallocate the approximate amount of the par value of the proceeds of the Public Improvement Bonds to be spent among the projects referenced above (as such projects may be further identified in materials provided or available to the Board or in resolutions of the Board) in compliance with applicable County budgetary procedures or applicable law.

Section 4. Each series of the Bonds shall be dated their dated date and shall be issued in the denominations of \$5,000 each or any integral multiple thereof. Each series of the Bonds shall bear interest from its dated date. Subject to the further provisions of this Section 4, interest on the Public Improvement Bonds shall be payable on January 1, 2017 and on each July 1 and January 1 thereafter until maturity or, as applicable, prior redemption, and interest on the Refunding Bonds shall be payable on July 1, 2016 and on each January 1 and July 1 thereafter until maturity or, as applicable, prior redemption. Each January 1 or July 1 on which interest is due on either series of the Bonds is referred to herein as an “Interest Payment Date”.

Subject to the provisions of this Resolution, the Public Improvement Bonds shall mature or be subject to mandatory sinking fund redemption as designated by the successful bidder for the Public Improvement Bonds, on July 1 of the years and in the amounts as follows:

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**PUBLIC IMPROVEMENT BONDS\***

<u>Year</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Year</u> <u>(July 1)</u>	<u>Principal Amount</u>
2017	\$ 710,000	2027	\$1,045,000
2018	740,000	2028	1,080,000
2019	770,000	2029	1,110,000
2020	805,000	2030	1,145,000
2021	835,000	2031	1,180,000
2022	870,000	2032	1,220,000
2023	905,000	2033	1,260,000
2024	940,000	2034	1,300,000
2025	980,000	2035	1,340,000
2026	1,015,000	2036	1,385,000

\* The aggregate principal amount of, and aggregate principal amount of each maturity of, the Public Improvement Bonds, is subject to adjustment prior to sale as provided in Section 1 hereof and in the official Notice of Sale provided for in Section 12 hereof. In addition, the aggregate principal amount of, and/or the aggregate principal amount of each maturity of, the Public Improvement Bonds is subject to adjustment after receipt of bids in accordance with the provisions of the official Notice of Sale provided for in Section 12 hereof.

Subject to the provisions of this Resolution, the Refunding Bonds shall mature or be subject to mandatory sinking fund redemption as designated by the successful bidder for the Refunding Bonds, on January 1 of the years and in the amounts as follows:

**REFUNDING BONDS\***

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>	<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2017	\$120,000	2024	\$ 930,000
2018	20,000	2025	980,000
2019	20,000	2026	1,010,000
2020	810,000	2027	1,040,000
2021	840,000	2028	1,060,000
2022	870,000	2029	1,100,000
2023	900,000		

\* The principal amortization schedule for the Refunding Bonds set forth above provides for the Refunding Bonds to be issued in the aggregate principal amount of \$9,700,000. The aggregate principal amount of, and aggregate principal amount of each maturity of, the Refunding Bonds, is subject to adjustment or elimination and/or to the addition of maturities as provided in Section 2 hereof and in the official Notice of Sale provided for in Section 12 hereof. In addition, the aggregate principal amount of, and/or the aggregate principal amount of each maturity of, the

Refunding Bonds is subject to adjustment after receipt of bids in accordance with the provisions of the official Notice of Sale provided for in Section 12 hereof.

Notwithstanding anything to the contrary contained in this Section 4, in the event the Chief Financial Officer determines in accordance with the provisions of Section 2 hereof not to refund one or more maturities of the potential Refunded Bonds at or prior to the date of sale of the Refunding Bonds, the Chief Financial Officer, with the advice of the financial advisor to the County and bond counsel to the County, is hereby authorized and empowered to (i) change the principal payment dates for the Refunding Bonds from January 1 to July 1 if such change would better serve the interests of the County and comply with the provisions of the Code (as defined in Section 15 hereof), (ii) determine the first and last such principal payment dates for the Refunding Bonds, (iii) change the first Interest Payment Date for the Refunding Bonds and (iv) adjust the dates on which the Refunding Bonds shall be subject to redemption at the option of the County and any such adjustments (i) shall be reflected in the Preliminary Official Statement provided for in Section 24 hereof if such determination is made prior to the release of such Preliminary Official Statement or (ii) shall be communicated in accordance with the provisions of the official Notice of Sale provided for in Section 12 hereof if such determination is made after the release of such Preliminary Official Statement.

The foregoing provisions of this Section 4 are also subject to the provisions of Sections 1, 2, 12 and 13 hereof.

Subject to the provisions of Section 12 hereof, each Bond shall bear interest from its dated date if no interest payment has been paid or from the most recent Interest Payment Date to which interest has been paid or duly provided for; provided, however, that each Bond authenticated after the Record Date (as hereinafter defined) for any Interest Payment Date, but prior to such Interest Payment Date, shall bear interest from such Interest Payment Date. Interest on each series of the Bonds shall be paid at the rate or rates named by the successful bidder for such series of the Bonds in accordance with the terms of the official Notice of Sale hereinafter provided for.

The County hereby appoints Manufacturers and Traders Trust Company, a New York state banking corporation, as bond registrar and as paying agent for each series of the Bonds (the "Bond Registrar and Paying Agent").

The principal of and interest on the Bonds shall be payable in such money of the United States of America as is lawful at the time of payment.

So long as the Bonds of a series are maintained in Book-Entry Form (as hereinafter defined), payments of principal or redemption price of such series of the Bonds shall be made as described in Section 6 hereof. At any other time, the principal or redemption price of each Bond of such series shall be paid upon presentment and surrender of such Bond on the date such principal or redemption price is payable or if such date is not a Business Day (as hereinafter defined) then on the next succeeding Business Day at the designated corporate trust office of the Bond Registrar and Paying Agent.

Interest on each Bond shall be payable to the person in whose name such Bond is registered (the "Registered Owner") on the registration books for such series of the Bonds as of



the close of business on the 15th calendar day of the month immediately preceding each Interest Payment Date (the "Record Date"). So long as a series of the Bonds is maintained in Book-Entry Form, payment of interest on such series of the Bonds shall be made as described in Section 6 hereof. At any other time, payment of the interest on each Bond shall be made by check mailed on the date such interest is payable or, if such date is not a Business Day, then the next succeeding Business Day to the address of such Registered Owner as it appears on said registration books for such series of the Bonds (with respect to each series, the "Bond Register").

"Business Day" means a day other than a Saturday, Sunday or day on which the Bond Registrar and Paying Agent is authorized or obligated by law or required by executive order to remain closed.

The interest on any Bond which is payable, but is not punctually paid or duly provided for, on the appropriate Interest Payment Date shall forthwith cease to be payable to the Registered Owner thereof by virtue of having been such Registered Owner on the relevant Record Date; and such interest shall be paid by the Bond Registrar and Paying Agent to the person in whose name the Bond (or its predecessor Bond) is registered at the close of business on a date to be fixed by the Bond Registrar and Paying Agent for the payment of such interest, notice thereof being given by first class mail (postage prepaid) to said person not fewer than 30 days prior to such record date, at the address of such person appearing on the applicable Bond Register, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which such series of the Bonds may be listed and upon such notice as may be required by such exchange.

Section 5. Each series of the Bonds shall be issued as fully registered bonds registered on the applicable Bond Register kept for that purpose by the Bond Registrar and Paying Agent, and shall be registered and transferred in accordance with the terms and conditions set forth in such series of the Bonds. Each series of the Bonds shall be initially issued in the form of separate, single, authenticated, fully registered Bonds in the amount of each separate maturity of such series of the Bonds.

Section 6. The provisions of this Section 6 shall apply to each series of the Bonds so long as such series of the Bonds shall be maintained in Book-Entry Form with a Depository (as hereinafter defined), any other provisions of this Resolution to the contrary notwithstanding.

A system for registration of each series of the Bonds in Book-Entry Form with a Depository, which shall initially be The Depository Trust Company, New York, New York ("DTC"), shall be in effect on the date of the issuance and delivery of the Bonds.

(a) Upon initial issuance and delivery, one fully registered bond for the aggregate principal amount of each maturity of each series of the Bonds will be registered in the name of Cede & Co., as nominee for DTC, and immobilized in the custody of DTC or held by the Bond Registrar and Paying Agent on DTC's behalf through DTC's "FAST" system.

(b) Transfer of ownership interests in each series of the Bonds will be accomplished by book entries made by the Depository and, in turn, by the direct or indirect participants (the "Participants") who act on behalf of the ultimate purchasers of such series of the Bonds (the "Beneficial Owners"). The Beneficial Owners will not receive certificates representing their ownership in such series of the Bonds, except as hereafter provided.

(c) The principal or redemption price of and interest on each series of the Bonds shall be payable to the Depository, or registered assigns, as the registered owner of such series of the Bonds, in same day funds on each date on which the principal or redemption price of or interest on such series of the Bonds is due as set forth in this Resolution and in such series of the Bonds or as otherwise required by the Depository. Such payments shall be made to the offices of the Depository specified by the Depository to the Bond Registrar and Paying Agent in writing. Without notice to or the consent of the holders of such series of the Bonds, the County, the Bond Registrar and Paying Agent and the Depository may agree in writing to make payments of principal and interest in a manner different from that set out herein. Neither the County nor the Bond Registrar and Paying Agent shall have any obligation with respect to the transfer or crediting of the appropriate principal and interest payments to the Participants or the Beneficial Owners or their nominees.

(d) The County may replace any Depository as the securities depository for any series of the Bonds with another Depository or discontinue the maintenance of any series of the Bonds with any Depository if (i) the County, in its sole discretion, determines that any (A) such Depository is incapable of discharging its duties with respect to such series of the Bonds, or (B) the interests of the Beneficial Owners might be adversely affected by the continuation of the Book-Entry System (as hereinafter defined) with such Depository as the securities depository for such series of the Bonds, or (ii) such Depository determines not to continue to act as a securities depository for such series of the Bonds or is no longer permitted to act as such securities depository. Notice of any determination pursuant to clause (i) shall be given to such Depository at least 30 days prior to any such discontinuance (or such fewer number of days as shall be acceptable to such Depository). Neither the County nor the Bond Registrar and Paying Agent will have any obligation to make any investigation to determine the occurrence of any events that would permit the County to make any determination described in this paragraph.

(e) If, following a determination or event specified in subsection (d) above, the County discontinues the maintenance of any series of the Bonds in Book-Entry Form, the County will issue replacement bonds (the "Replacement Bonds") of such series directly to the applicable Participants as shown on the records of the Depository or, to the extent requested by any Participant, to the Beneficial Owners of such series of the Bonds as further described in this Section. The Bond Registrar and Paying Agent shall make provisions to notify the applicable Participants and the applicable Beneficial Owners by mailing an appropriate notice to the Depository, or by other means deemed appropriate by the Bond Registrar and Paying Agent in its discretion, that the County will issue Replacement Bonds directly to the Participants shown on the records of the Depository or, to the extent requested by any Participant, to Beneficial Owners of such series of the Bonds shown on the records of such Participant, as of a date set forth in such notice, which shall be a date at least 10 days after receipt of such notice by the Depository (or such fewer number of days as shall be acceptable to the Depository).

In the event that Replacement Bonds are to be issued to the Participants or to the Beneficial Owners with respect to a series of the Bonds, the Bond Registrar and Paying Agent shall promptly have prepared Replacement Bonds registered in the names of such Participants as shown on the records of the Depository or, if requested by such Participants, in the names of the Beneficial Owners of such series of the Bonds, as shown on the records of such Participants as of the date set forth in the notice delivered in accordance with the immediately preceding paragraph. Replacement Bonds issued to Participants or to Beneficial Owners shall be in the authorized denominations, be payable as to principal and interest on the same dates as the applicable series of the Bonds, with interest being payable by check or draft mailed to each registered owner at the address of such owner as it appears on the applicable Bond Register and principal being payable upon presentation to the Bond Registrar and Paying Agent, and be in fully registered form.

Replacement Bonds issued to a Depository shall have the same terms, form and content as the series of the Bonds initially registered in the name of the Depository to be replaced or its nominee except for the name of the record owner.

(f) The Depository and its Participants and the Beneficial Owners, by their acceptance of each series of the Bonds, agree that neither the County nor the Bond Registrar and Paying Agent shall have any liability for the failure of the Depository to perform its obligations to the Participants and the Beneficial Owners, nor shall the County or the Bond Registrar and Paying Agent be liable for the failure of any Participant or other nominee of the Beneficial Owners to perform any obligation to the Beneficial Owners of such series of the Bonds.

For purposes of this Section 6, the following words have the following meanings:

“Book-Entry Form” or “Book-Entry System” means a form or system, as applicable, under which (i) the ownership of beneficial interests in a series of the Bonds may be transferred only through a book-entry and (ii) physical bond certificates in fully registered form are registered only in the name of a Depository or its nominee as holder, with the physical bond certificates “immobilized” in the custody of the Depository or in the custody of the Bond Registrar and Paying Agent on behalf of the Depository.

“Depository” means any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interests in municipal bonds, and to effect transfers of municipal bonds, in Book-Entry Form, and includes and means initially The Depository Trust Company, New York, New York.

Section 7. (a) The Public Improvement Bonds that mature on or before July 1, 2026 are not subject to redemption at the option of the County prior to their maturities. The Public Improvement Bonds maturing on and after July 1, 2027 shall be redeemable at the option of the County, in whole or in part, on any date on or after July 1, 2026, in any order directed by the County, at a redemption price of the principal amount of Public Improvement Bonds (or portions thereof) to be redeemed, plus accrued interest thereon to the date fixed for redemption, without

premium or penalty. The particular maturities or portions of maturities of the Public Improvement Bonds to be so redeemed shall be determined in the sole discretion of the County.

(b) Subject to the provisions of Section 4 hereof with respect to the Refunding Bonds, the Refunding Bonds that mature on or before January 1, 2026 are not subject to redemption at the option of the County prior to their stated maturities. The Refunding Bonds maturing on and after January 1, 2027 shall be redeemable at the option of the County, in whole or in part, on any date on or after January 1, 2026, in any order directed by the County, at a redemption price of the principal amount of the Refunding Bonds (or portions thereof) to be redeemed, plus accrued interest to the date fixed for redemption, without premium or penalty. The particular maturities or portions of maturities of the Refunding Bonds to be so redeemed shall be determined in the sole discretion of the County.

(c) Notwithstanding any provisions contained herein, during any period in which a series of the Bonds is maintained pursuant to a Book-Entry System, redemption of the Bonds of such series shall occur in accordance with the Depository's standard procedures for redemption of obligations such as the applicable series of the Bonds.

(d) Additional provisions relating to the optional redemption of either series of the Bonds and the mandatory sinking fund redemption of either series of the Bonds are provided for in the form of Bond set forth in Section 9 hereof.

The provisions of this Section 7 are also subject to the provisions of Section 12 hereof.

Section 8. Each series of the Bonds, when issued, shall be executed in the name of the County by the manual or facsimile signature of the President or the Vice President of the Board and the seal of, or a facsimile of the seal of, the County shall be imprinted thereon, and the Bonds shall be attested by the manual or facsimile signature of the County Clerk and authenticated by the manual signature of the Bond Registrar and Paying Agent.

In the event any official of the County whose signature shall appear on any Bond described in this Resolution shall cease to be such official prior to the delivery of said Bond, his/her signature shall nevertheless be valid, sufficient and binding for the purposes herein intended.

There shall be printed on or attached to each of the Bonds the text of the applicable approving legal opinion of Bond Counsel with respect to such Bond. Such printed text shall be certified by the manual or facsimile signature of the President or the Vice President of the Board to be a true and complete copy of such opinion as delivered to the County on the date of delivery of the Bonds to the original purchasers thereof.

Section 9. Each series of the Bonds shall be in substantially the following form, which form together with all of the terms, covenants and conditions therein contained, is hereby adopted by the County as and for the form of obligation to be incurred by it, and said terms, covenants and conditions are hereby made binding upon the County, including the promise to pay therein contained, in accordance with said form:

[CONTINUED ON NEXT PAGE]

(Form of Face of Bond)

***Note: Bracketed language is intended to reflect that such provisions apply only to one series of the Bonds or apply only in certain circumstances, and such language shall be deleted from or included in the final form of Bond for the series of the Bonds to which it is inapplicable or applicable, as appropriate.***

No. R -

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF MARYLAND  
COUNTY COMMISSIONERS OF WASHINGTON COUNTY

[PUBLIC IMPROVEMENT BOND OF 2016]  
[REFUNDING BOND OF 2016]

Annual Interest Rate

Maturity DateBond Date

Cusip Number

[July 1, \_\_\_\_]

\_\_\_\_\_, 2016

937751

[January 1, \_\_\_\_\_]

Registered Owner: Cede & Co.

Principal Amount:

Dollars

County Commissioners of Washington County, a body politic and corporate organized and existing under the Constitution and laws of the State of Maryland (the "County"), hereby acknowledges itself indebted for value received and, upon surrender hereof, promises to pay to the Registered Owner shown above, or his registered assigns, on the Maturity Date shown above, unless, to the extent applicable, this bond shall have been called for prior redemption and payment of the redemption price made or provided for, the Principal Amount shown above, and to pay interest on the outstanding principal amount hereof from the later of the Bond Date shown above and the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or provided for; provided, however, if this bond is authenticated after a Record Date (as hereinafter defined) for any Interest Payment Date and before such Interest Payment Date, it shall bear interest from such Interest Payment Date.

Interest on this bond shall be paid at the Annual Interest Rate shown above, payable on [for Public Improvement Bonds--January 1, 2017] [for Refunding Bonds--July 1, 2016] and semiannually thereafter on [for Public Improvement Bonds--July 1 and January 1] [for Refunding Bonds--January 1 and July 1] in each year (the "Interest Payment Dates") until payment of such Principal Amount shall be discharged as provided in the Resolution (as hereinafter defined). Such interest shall be paid to the person in whose name this bond is registered on the registration

books for the series of bonds of which this bond is one (the “Bond Register”) maintained by the Bond Registrar and Paying Agent (as hereinafter defined) at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date (the “Record Date”).

Notwithstanding the preceding sentence, interest on this bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date shall forthwith cease to be payable to the Registered Owner by virtue of having been such Registered Owner on the relevant Record Date and such interest shall be paid by the Bond Registrar and Paying Agent to the person in whose name this bond (or its predecessor bond) is registered at the close of business on a date fixed by the Bond Registrar and Paying Agent for the payment of such interest, notice thereof being given by first class mail, postage prepaid, to said person not fewer than 30 days prior to such Record Date, at the address of such person appearing on the Bond Register, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which this bond may be listed and upon such notice as may be required by such exchange.

Principal or redemption price of and interest on this bond are payable in such money of the United States of America as is lawful at the time of payment.

This bond is one of an issue of bonds limited in aggregate principal amount to \$ \_\_\_\_\_, all dated the date of delivery and all known as “County Commissioners of Washington County [Public Improvement Bonds of 2016][Refunding Bonds of 2016]” (the “Bonds”). The Bonds are issued as registered bonds, without coupons, in the denominations of \$5,000 or any integral multiple thereof. The Bonds are numbered consecutively from No. 1 upward and mature on July 1 in the years and in the amounts and bear interest at the annual rates, all as set forth below:

Maturing [July 1] [January 1]	Principal Amount	Interest Rate	Maturing [July 1] [January 1]	Principal Amount	Interest Rate
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[COMPLETE AMORTIZATION SCHEDULE FOR APPLICABLE SERIES OF THE BONDS]

*[Include for either series of the Bonds only to extent successful bidder for such series designates term bonds--The Bonds maturing on [for Public Improvement Bonds--July 1,][for Refunding Bonds--January 1,] \_\_\_\_\_ are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof, together with interest accrued to the date fixed for redemption, on the dates and in the principal amounts set forth below:*

Redemption Date

Mandatory Sinking  
Fund Installment]

The Bonds that mature on or before *[for Public Improvement Bonds--July 1, 2026][for Refunding Bonds--January 1, 2026]* are not subject to redemption at the option of the County prior to their respective maturities. The Bonds maturing on and after *[for Public Improvement Bonds--July 1, 2027][for Refunding Bonds--January 1, 2027]* shall be subject to redemption prior to their respective maturities, at the option of the County, in whole or in part on any date on or after *[for Public Improvement Bonds--July 1, 2026][for Refunding Bonds--January 1, 2026]*, in such order as shall be determined by the County, at a redemption price of the principal amount of the Bonds (or portions thereof) to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium or penalty.

If fewer than all of the Bonds of any one maturity shall be called for redemption, then the particular Bonds of such maturity to be redeemed shall be selected by such means in such manner as the Bond Registrar and Paying Agent, in its sole discretion, shall determine. Each \$5,000 principal amount of any Bond shall be considered a separate Bond for the purposes of selection of Bonds for redemption.

If all or a portion of the Bonds outstanding are to be redeemed, the County shall give notice of such redemption by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption to each registered owner of a Bond or portion thereof to be redeemed at the address of such registered owner appearing on the Bond Register. The failure to mail the redemption notice or any defect in the notice so mailed shall not affect the validity of the redemption proceedings. The County may, but shall not be obligated to, publish such notice of redemption at least once not fewer than 30 days prior to the date fixed for redemption in a newspaper circulating in the City of Baltimore, Maryland and also in a financial journal or daily newspaper of general circulation published in the City of New York, New York. The redemption notice shall state (i) whether the Bonds are to be redeemed in whole or in part and, if in part, the maturities, numbers and CUSIP numbers of the Bonds to be redeemed, (ii) in the case of a partial redemption of any Bond, the portion of the principal amount which is to be redeemed, (iii) that interest shall cease to accrue on the Bonds (or portions thereof) called for redemption on the date fixed for redemption, (iv) the date fixed for redemption and the redemption price, (v) the address of the Bond Registrar and Paying Agent with a contact person and phone number, and (vi) that the Bonds to be redeemed in whole or in part shall be presented for redemption and payment on or after the date fixed for redemption at the designated corporate trust office of the Bond Registrar and Paying Agent. Any such notice may be conditioned upon receipt by the Bond Registrar and Paying Agent of sufficient funds to effect such redemption.

From and after the date fixed for redemption, if monies sufficient for the payment of the redemption price of the Bonds (or portions thereof) called for redemption plus accrued interest due thereon to the date fixed for redemption are held by the Bond Registrar and Paying Agent on such date, the Bonds so called for redemption shall become due and payable at the redemption price provided for redemption of such Bonds on such date, interest on such Bonds shall cease to accrue and the registered owners of such Bonds so called for redemption shall have no rights in respect thereof except to receive payment for the redemption price thereof plus accrued interest thereon to the date fixed for redemption from such monies held by the Bond Registrar and Paying Agent. Upon presentation and surrender of a Bond called for redemption in compliance with the redemption notice, the Bond Registrar and Paying Agent shall pay the appropriate redemption price of such Bond plus accrued interest thereon to the date fixed for redemption. If Bonds so called for redemption are not paid upon presentation and surrender as described above, such Bonds shall continue to bear interest at the rates stated therein until paid.

In case part but not all of a Bond shall be selected for redemption, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof Bonds of the same series in any of the authorized denominations as specified by the registered owner. The aggregate principal amount of Bonds so issued shall be equal to the unredeemed balance of the principal amount of the Bond surrendered, and the Bonds issued shall bear the same interest rate and shall mature on the same date as the Bond surrendered.

*[TO BE USED FOR BONDS IN BOOK-ENTRY FORM ONLY THAT ARE SUBJECT TO REDEMPTION--*So long as all of the Bonds shall be maintained in book-entry form with a Depository (as defined in the Resolution) in accordance with Section 6 of the Resolution, in the event that part, but not all, of this bond shall be called for redemption, the holder of this bond may elect not to surrender this bond in exchange for a new Bond and in such event shall make a notation indicating the principal amount of such redemption and the date thereof on the Payment Grid attached hereto. For all purposes, the principal amount of this bond outstanding at any time shall be equal to the lesser of (A) the Principal Amount shown on the face hereof and (B) such Principal Amount reduced by the principal amount of any partial redemption of this bond following which the holder of this bond has elected not to surrender this bond. The failure of the holder hereof to note the principal amount of any partial redemption on the Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation of the County hereunder. THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.

Unless this bond is presented by an authorized representative of The Depository Trust Company, a limited-purpose trust company organized under the New York Banking Law ("DTC"), to the County or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

The Bonds are issued pursuant to the authority of [*include only applicable legislative authority*—Chapter 205 of the Laws of Maryland of 2004,] [Chapter 392 of the Laws of Maryland of 2007,] [Title 6 of the Code of Public Local Laws of Washington County (2007),]



[Chapter 60 of the Laws of Maryland of 2013,] [and] [Section 19-207 of the Local Government Article of the Annotated Code of Maryland,] as amended (collectively, the “Act”) and in accordance with Resolution.

The Bonds will be transferable only upon the Bond Register by the Bond Registrar and Paying Agent. Any Bond presented for transfer, exchange, registration, redemption or payment (if so required by the Bond Registrar and Paying Agent) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner thereof or by his duly authorized attorney. Upon any transfer or exchange, the County shall execute and the Bond Registrar and Paying Agent shall authenticate and deliver in the name of the registered owner or the transferee or transferees, as the case may be, a new registered Bond or Bonds of the same series, in any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Bond exchanged or transferred and maturing on the same date and bearing interest at the same rate. In each case, the County and the Bond Registrar and Paying Agent may require payment by the registered owner requesting the exchange or transfer of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect thereto, but otherwise no charge shall be made to the registered owner for the exchange or transfer.

The Bond Registrar and Paying Agent shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or portion thereof for redemption; provided, however, that this limitation shall not apply to any portion of a Bond which is not being called for redemption.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland and the Resolution of the Board of County Commissioners of the County, adopted on April \_\_, 2016 (the “Resolution”), authorizing the issuance of the issue of bonds, of which this bond is one, and that said issue of bonds, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of said State. This bond is an obligation of the County, payable as provided in the Resolution, and the full faith and credit and unlimited taxing power of County Commissioners of Washington County are hereby irrevocably pledged to the payment of the principal of this bond and of the interest to accrue hereon at the dates and in the manner mentioned herein.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until the Certificate of Authentication endorsed hereon shall have been signed by an authorized signatory of the Bond Registrar and Paying Agent.

IN WITNESS WHEREOF, the County has caused this bond to be executed in its name by the [Vice] President of the Board of County Commissioners of Washington County and attested by the County Clerk, and has also caused its corporate seal to be affixed or imprinted hereon.

(SEAL)

ATTEST:

COUNTY COMMISSIONERS OF  
WASHINGTON COUNTY

By: \_\_\_\_\_  
County Clerk

By: \_\_\_\_\_  
[Vice] President, Board of  
County Commissioners of Washington County

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This bond is one of the registered bonds of County Commissioners of Washington County designated "County Commissioners of Washington County [Public Improvement Bonds of 2016][ Refunding Bonds of 2016]".

MANUFACTURERS AND TRADERS TRUST COMPANY,  
as Bond Registrar and Paying Agent

By: \_\_\_\_\_  
Authorized Signatory

[BONDS IN BOOK-ENTRY FORM ONLY] -  
PAYMENT GRID

<u>Date of Payment</u>	<u>Principal Amount Paid</u>	<u>Principal Amount Outstanding</u>	<u>Holder Signature</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

## ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (Tax Identification or Social Security No. \_\_\_\_\_) the within bond and all rights thereunder, and does hereby constitute and appoint \_\_\_\_\_ attorney to transfer the within bonds on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signatures must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

\_\_\_\_\_  
(Signature of Registered Owner)  
NOTICE: Signature must correspond with the name of the Registered Owner of the within bond as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the complete legal opinion of Funk & Bolton, P.A., Baltimore, Maryland, with respect to the issue of bonds of which this bond is one, that the original of said opinion was manually executed, dated and issued as of the date of delivery of, and payment for, said issue of bonds by the original purchaser thereof, and that an executed copy thereof is on file with the Bond Registrar and Paying Agent.

COUNTY COMMISSIONERS OF  
WASHINGTON COUNTY

By: \_\_\_\_\_  
[President][Vice President], Board of  
County Commissioners of Washington County

(Insert or Attach Opinion of Bond Counsel)

(End of Form of Bond)

Section 10. The President or the Vice President of the Board shall be and is hereby authorized to make such changes in the form of bond set forth in Section 9 hereof as the President or the Vice President shall deem necessary to carry into effect the provisions of this Resolution, including, without limitation, to include or remove bracketed provisions set forth in the form of Bond provided for in Section 9 hereof with respect to a particular series of the Bonds, to reflect matters determined in accordance with Sections 1, 2, 4, 7, 12 or 13 hereof, or to comply with recommendations of bond counsel to the County; provided, however, that the President or the Vice President shall make no change materially affecting the substance of such form unless such change is determined by the Chief Financial Officer, with the advice of the financial advisor to the County, to be in the best interest of the County.

The execution of the Bonds of each series by such officer shall be conclusive evidence of the approval by the County of all changes in the form of such series of the Bonds and of the due execution of such series of the Bonds by the County.

Section 11. No Bond shall be valid or obligatory for the purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication of such Bond substantially in the form hereinabove provided shall have been duly executed by the Bond Registrar and Paying Agent and such executed certificate of the Bond Registrar and Paying Agent on such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The Bond Registrar and Paying Agent's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Bond Registrar and Paying Agent. It shall not be necessary that the same officer or signatory of the Bond Registrar and Paying Agent sign the certificate of authentication on all the Bonds issued hereunder.

Section 12. Each series of the Bonds shall be sold at public sale by electronic bids to the bidder therefor for cash whose bid results in the lowest true interest cost to the County in the manner and in accordance with the formula set forth in the form of Notice of Sale attached as Appendix C to the Preliminary Official Statement identified in Section 24 hereof and made a part hereof (the "Notice of Sale"). Electronic bids for the Bonds shall be received by the Chief Financial Officer on May 3, 2016, subject to the further provisions of this Section 12. The Chief Financial Officer shall be and is hereby authorized to make such changes in the form of Notice of Sale set forth in the form of the Preliminary Official Statement provided to the Board with this Resolution as the Chief Financial Officer shall deem necessary to carry into effect the purposes of this Resolution (including, without limitation, to reflect matters determined in accordance with Sections 1, 2, 4 or 7 hereof) or to comply with recommendations of bond counsel to the County, or, with the advice of the financial advisor to the County, to be in the best interest of the County, including, without limitation, modifying or limiting the premium payable by a bidder for a series of the Bonds, modifying the manner of adjusting an amortization schedule pre- or post-sale, modifying or eliminating the maximum interest rate for either series of the Bonds, modifying or eliminating the maximum spread between the lowest and highest interest rates bid with respect to a series of the Bonds by a bidder, or modifying the amount of or method of delivery for either good faith deposit. The Chief Financial Officer, upon the advice of the financial advisor to the County, is authorized to adjust the aggregate principal amounts of either series of the Bonds and the maturities thereof in the manner and in accordance with Sections 1, 2 or 4 hereof and this Section 12 and the Notice of Sale and to determine which portion, if any, of the Refunded Bonds identified on Exhibit A hereto shall be refunded in accordance with the provisions of this

Resolution. The form of the Notice of Sale as contained in the final Preliminary Official Statement shall constitute the official Notice of Sale, subject to modification in accordance with the provisions thereof.

Notwithstanding any other provision hereof, the Chief Financial Officer shall be and hereby is authorized to accept electronic bids for the Bonds, and to make such adjustments to the official Notice of Sale in the manner provided for therein as she shall deem necessary or advisable, upon the advice of bond counsel to the County or the financial advisor to the County, including to accomplish electronic bidding procedures, to change the bid specifications for either series of the Bonds or to comply with applicable regulations, notices and other official guidance.

In view of the desirability of flexibility in the scheduling of the sale of the Bonds to take full advantage of market conditions to maximize debt service savings, the County determines that it is in the best interest of the County to authorize and empower the Chief Financial Officer to change the time of or cancel said sale at any time prior to May 3, 2016, and to reschedule said sale without publishing a new Notice of Sale or advertisement, if (i) the financial advisor to the County has advised her that market conditions are such that it is in the best interest of the County to do so, and (ii) she concurs in such recommendation to cancel and/or reschedule the sale. The Chief Financial Officer may cancel and reschedule any rescheduled sale in accordance with phrases (i) and (ii) of the preceding sentence. If the date of sale is rescheduled as provided above, the Chief Financial Officer may also postpone the expected date of delivery of the Bonds. If the sale is postponed to a date later than May 31, 2016, then the Chief Financial Officer may also change the dated date of the Bonds (and hence the date from which interest shall accrue), the dates of the semi-annual interest payments and annual principal payments, the optional redemption dates, and the mandatory sinking fund redemption dates, if any, accordingly.

The Notice of Sale authorized by this Resolution shall be substantially in the form set forth in Appendix C to the Preliminary Official Statement, and the terms, provisions and conditions set forth in the final form of the Notice of Sale are hereby adopted and approved as the terms, provisions and conditions under which each series of the Bonds shall be sold, issued and delivered at public sale. Said Notice of Sale, or an advertisement in substantially the form attached hereto as Exhibit B, shall be published at least once, at least ten days preceding said date of sale, in one or more daily or weekly newspapers having a general circulation in Washington County and may also be published in one or more journals having a circulation primarily among banks and investment bankers. The Chief Financial Officer, on behalf of the County, is hereby authorized to make any changes to such advertisement before publication to reflect matters determined in accordance with Sections 1, 2, 3, 4, 7 or 12 of this Resolution before such publication, if applicable. In addition, the Chief Financial Officer is hereby authorized to cause to be prepared and distributed or made available to prospective bidders printed or printable copies of said Notice of Sale, as well as the Preliminary Official Statement hereinafter authorized. The Chief Financial Officer or her designee is hereby authorized and directed to handle all inquiries in connection with the sale authorized hereby and the Official Statement hereafter referred to and is further authorized to reschedule any postponed sale with or without the republication of the Notice of Sale or advertisement.

Section 13. Promptly after the sale of the Bonds, and in accordance with the terms and conditions of the sale of such series of the Bonds as set forth in the official Notice of Sale, the Chief Financial Officer, on behalf of the County, with the advice of the financial advisor to the



County and bond counsel to the County, is hereby authorized and delegated the authority to deliver one or more orders determining the final aggregate principal amounts of each series of the Bonds (including making any authorized adjustments to the final aggregate principal amount of each maturity and the amortization schedule therefor following receipt of bids in accordance with the provisions of the Notice of Sale), fixing the interest rate or rates payable on each series of the Bonds (within the limitations set forth in or provided for in this Resolution), unless the Chief Financial Officer determines to reject all bids for one or both series of the Bonds (any such rejection also to be made by order of the Chief Financial Officer), and/or determining the Refunded Bonds, as applicable. The execution and delivery by the Chief Financial Officer of any such order or orders shall constitute conclusive evidence of the award or rejection of bids for a series of the Bonds and the final determination of the Refunded Bonds. Any such order shall be retained in the records of the County. In order to accommodate market practice, the Chief Financial Officer may indicate any preliminary or final award, or any rejection of all bids, with respect to a series of the Bonds on or through the electronic bidding platform on which bids were received and through any other communication mechanism recommended by the financial advisor to the County. Subsequently, unless all bids for a series of the Bonds are so rejected by the Chief Financial Officer, each series of the Bonds shall thereupon be suitably printed or engraved and delivered to the successful bidder therefor in accordance with the conditions of delivery set forth in the official Notice of Sale.

In the event all bids for a series of the Bonds are rejected as provided in this Section 13, all references to such series of the Bonds contained in this Resolution shall be deemed to be inapplicable.

Section 14. The portion of the proceeds of the Refunding Bonds issued to provide funds to refund any of the Refunded Bonds that constitute 2009 Bonds shall be paid to and held by Manufacturers and Traders Trust Company, the paying agent and bond registrar for the 2009 Bonds, as escrow deposit agent, as further described in this Section 14.

The Chief Financial Officer, with the advice of the financial advisor to the County and bond counsel, is hereby authorized to negotiate an escrow deposit agreement with Manufacturers and Traders Trust Company, as escrow deposit agent, and that portion of the proceeds of the Refunding Bonds to be applied to refunding the Refunded Bonds as described in the preceding paragraph shall be deposited with such escrow deposit agent, invested in accordance with the provisions of this Section 14 and the further provisions of this Resolution, and applied to the payment and redemption of the Refunded Bonds in accordance with Section 16 hereof. The President or the Vice President of the Board is each hereby authorized and directed to execute and deliver any such escrow deposit agreement on behalf of the County.

In connection with the issuance of the Refunding Bonds, the Chief Financial Officer, or her designee, is hereby authorized to provide for the bidding for and/or file on behalf of the County, as applicable, any necessary investment agreements or any necessary subscriptions and any amendments thereto to purchase United States Treasury Obligations – State and Local Government Series, and/or any direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the “Defeasance Obligations”) in such amounts and maturing at such times so that sufficient moneys will be available from such maturing principal and interest and any cash held uninvested to pay interest on the applicable Refunded Bonds to their respective redemption dates and to redeem the

applicable Refunded Bonds on their respective redemption dates as further described in this Resolution, and to take any other action or to execute any further instrument on behalf of the County necessary to purchase such obligations. Any such obligations, and any cash to be held uninvested in escrow, shall be deposited with the escrow deposit agent provided for in this Section 14.

The Chief Financial Officer, on behalf of the County, is hereby authorized and empowered, following consultation with the financial advisor to the County and bond counsel to the County, to select any party or entity to serve as a bidding agent with respect to any bidding conducted for the selection of the Defeasance Obligations.

To the extent any portion of the net premium payable by the purchaser of the Refunding Bonds is to be applied to pay costs of issuance of the Refunding Bonds, such portion shall be held by the County.

Section 15. Expenses relating to the issuance and sale of the Public Improvement Bonds, including the cost of printing the Public Improvement Bonds and advertising their sale and the legal fees of the County, may be paid from the par amount of the Public Improvement Bonds and, to the extent applicable, from the net premium constituting a portion of the gross proceeds received from the sale of the Public Improvement Bonds or from any other funds available to the County. Expenses relating to the issuance and sale of the Refunding Bonds, including the cost of printing the Refunding Bonds and advertising their sale and the legal fees of the County, may be paid from the net premium constituting a portion of the gross proceeds received from the sale of the Refunding Bonds or from any other funds available to the County. In the event the date of either series of the Bonds is adjusted in accordance with Section 12 hereof to be a date other than the date of delivery of such series, any accrued interest received on the sale of such series of the Bonds shall be applied to the first interest payment on such series of the Bonds. Any premium received on either series of the Bonds shall be applied in such manner as shall be determined by the Chief Financial Officer, subject to applicable limits of the Internal Revenue Code of 1986, as amended (the "Code"). After providing for payment of costs of issuance from net premium and making such provision relating to premium and accrued interest thereon, as applicable, the balance of the proceeds of the sale of the Public Improvement Bonds shall be deposited in separate accounts to be used as described in Section 3 hereof for the purpose of financing the public facilities and projects as described in Section 3 hereof and the proceeds of the Refunding Bonds, together with any other funds provided by the County for such purpose, if any, shall be deposited and used as described in Section 14 hereof for the purpose of paying as and when due the principal or redemption price of and interest on the Refunded Bonds. Any proceeds of the Bonds not required for the purposes stated in Section 3 hereof or for the refunding of the Refunded Bonds, as applicable, may be applied in accordance with the provisions of the applicable Acts, or the extent not provided for therein, as determined by the Chief Financial Officer.

Pending expenditure as contemplated hereby, the Chief Financial Officer may invest all or part of such balance of the proceeds of either series of the Bonds held by the County in such manner as may be permitted by law; provided, however, that no such investment shall be made which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and the treasury regulations with respect thereto.

Section 16. Prior to the delivery of and payment for the Refunding Bonds, the County shall have received a report of a verification consultant, nationally recognized in the field of the refunding of tax-exempt obligations, verifying that the maturing principal amounts of the obligations held in escrow as described in Section 14 hereof, together with investments thereon and any cash held uninvested, will be sufficient to redeem any refunded 2009 Bonds on January 1, 2019 at a redemption price of 100% of the principal amount thereof, together with accrued interest thereon, and to pay interest on such Refunded Bonds to such redemption date. The Chief Financial Officer is hereby authorized and empowered, following consultation with the financial advisor to the County and bond counsel to the County, to select the verification consultant (which is initially presumed to be The Arbitrage Group, Inc. but may be any other qualified verification consultant selected in accordance with the provisions of this Section 16).

Section 17. Conditional only upon the delivery of and payment for the Refunding Bonds, and subject to the provisions of Sections 2, 4, 12 and 13 hereof providing for a determination that any particular series of the potential Refunded Bonds shall not be refunded, the County hereby specifically and irrevocably elects to redeem on January 1, 2019 any of the potential Refunded Bonds finally selected for redemption in accordance with the provisions of this Resolution at the redemption price of 100% of the principal amount thereof, and to pay interest when due on such Refunded Bonds to and including such date fixed for redemption, and hereby directs the paying agent for the applicable Refunded Bonds, not fewer than 30 days before the redemption date, to cause a notice of redemption substantially in the form of Exhibit C hereto to be mailed, first class mail, postage prepaid, to all registered owners of the applicable series of the Refunded Bonds at their addresses as they appear on the registration books provided for such series of Refunded Bonds; provided that, failure to so mail such notice shall not affect the validity of the proceedings for redemption.

Section 18. (a) On the date of issuance of the Bonds, the President or the Vice President of the Board and the Chief Financial Officer shall be responsible for the execution and delivery to counsel rendering an opinion on the validity of each series of the Bonds of a certificate of the County which complies with the requirements of Section 103 and Sections 141 through 150, inclusive, of the Code and the applicable regulations thereunder. Such officials are hereby authorized, on behalf of the County, to make in such certificate any elections, determinations or designations authorized or required by the Code and the applicable regulations thereunder.

(b) The County shall set forth in said certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Bonds, or of any moneys, securities or other obligations which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code or the said regulations (collectively, the "Bond Proceeds"). The County covenants with each of the holders of any of the Bonds that the facts, estimates and circumstances set forth in the said certificate will be based on the County's reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the persons executing such certificate, true, correct and complete as of that date.

(c) The County covenants with each of the holders of any of the Bonds that it will not use, or permit the use of any of, the Bond Proceeds or any other funds of the County, directly or indirectly, to acquire any securities or obligations, and will not take or permit to be taken or fail to take any other action or actions which would cause any of the Bonds to be an "arbitrage bond" within the meaning of said Section 148 and said regulations or that would otherwise cause the interest on the Bonds to be includable in gross income of the holders of the Bonds for federal income tax purposes.

(d) The County further covenants that it will comply with said Section 148 and said regulations and such other requirements of the Code which are applicable to the Bonds on the date of issuance of the Bonds and which may subsequently lawfully be made applicable to the Bonds.

(e) The County will hold and shall invest Bond Proceeds within its control (if such proceeds are invested) in accordance with the expectations of the County set forth in said certificate.

(f) The County shall make timely payment of any rebate amount or payment in lieu thereof (or installment thereof) required to be paid to the United States of America in order to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Bonds and shall include with any such payment such other documents, certificates or statements as shall be required to be included therewith under then applicable law and regulations.

(g) The President or the Vice President of the Board and the Chief Financial Officer may execute a certificate or certificates supplementing or amending said certificate, and actions taken by the County subsequent to the execution of such certificate shall be in accordance with said certificate as amended or supplemented; provided, however, that the County shall execute any such certificate only upon receipt by it of an opinion of bond counsel to the County addressed to the County to the effect that actions taken by the County in accordance with the amending or supplementing certificate will not adversely affect the exclusion from gross income for federal income taxation purposes of interest on the Bonds.

(h) The County shall retain such records as necessary to document the investment and expenditure of Bond Proceeds, the uses of Bond Proceeds and of the facilities financed or refinanced with such proceeds, together with such other records as may be required by the tax certificate or the Internal Revenue Service in order to establish compliance with requirements of the Code and the regulations thereunder as conditions to the exclusion of interest on the Bonds from federal gross income.

Section 19. For the purposes of paying the interest on and principal of the Bonds hereby authorized as such interest and principal comes due, the County shall include in the levy against all legally assessable property in Washington County, in each and every fiscal year of the County that any of said Bonds are outstanding, ad valorem taxes sufficient to provide such sums as the County may deem sufficient and necessary in conjunction with any other funds that will be available for the purpose, to provide for the payment of the interest on the Bonds coming due in each such year and to pay the principal of the Bonds maturing in each such fiscal year. In the event the proceeds from taxes so levied in any such fiscal year shall prove inadequate for such purposes, additional taxes shall be levied in the succeeding fiscal year to make up such deficiency. The full faith and credit and unlimited taxing power of the County are hereby irrevocably pledged to the punctual payment of the maturing principal of and interest on the Bonds hereby authorized as and when such principal and interest comes due and to the levy and collection of the taxes hereinabove prescribed as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of said Bonds. The County hereby solemnly covenants to take all action as may be appropriate from time to time during the period that any of said Bonds remain outstanding and unpaid to provide the funds necessary to make said principal and interest payments. The County further covenants and agrees to levy and collect the taxes hereinabove prescribed.

Subject to any applicable Code limitations, the County may apply to the payment of the principal of and interest on any of the Bonds any funds received by it and available for such purpose from the State of Maryland, the United States of America, any agency or instrumentality thereof, or from any other source, and, to the extent any such funds are received or receivable in any fiscal year, the taxes that required to be levied hereunder may be reduced accordingly.

Each series of the Bonds shall be deemed to be paid and no longer to be outstanding when payment of the principal of such series of the Bonds plus interest thereon to the due dates thereof (whether such due date be by reason of maturity or upon redemption) either (i) shall have been made or caused to have been made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing in trust and irrevocably setting aside exclusively for such payment, moneys sufficient to make such payment, or direct non-callable obligations of the United States of America, maturing as to principal and interest in such amounts and at such times as will assure the availability of sufficient moneys to make such payment, or a combination thereof, and all necessary and proper fees, compensation and expenses pertaining to such series of the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for.

Section 20. If any Bond shall become mutilated or be destroyed, lost or stolen, the County in its discretion may execute, and upon its request the Bond Registrar and Paying Agent shall authenticate and deliver, a new Bond of the same series in exchange for the mutilated Bond or in lieu of and substitution for the Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the County and to the Bond Registrar and Paying Agent such security or indemnity as may be required by them to save each of them harmless from all risks, however remote, and the applicant shall also furnish to the County and to the Bond Registrar and Paying Agent evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond. Upon the issuance of any Bond upon such exchange or substitution, the County may require the payment of a sum sufficient to cover any tax or other

governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of the County or the Bond Registrar and Paying Agent. If any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, instead of issuing a Bond in exchange or substitution therefor, the County may pay or authorize the payment of such Bond (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the County and to the Bond Registrar and Paying Agent such security or indemnity as they may require to save them harmless, and evidence to the satisfaction of the County and the Bond Registrar and Paying Agent of the mutilation, destruction, loss or theft of such Bond.

Section 21. Each Bond paid at maturity or upon prior redemption shall be canceled or destroyed by the Bond Registrar and Paying Agent and a certificate of destruction describing the Bond so canceled or destroyed and evidencing such cancellation or destruction shall be furnished by the Bond Registrar and Paying Agent to the County.

Section 22. It is hereby determined that the bonded indebtedness previously incurred by the County pursuant to the authority of the 2013 Act is a \$10,162,278 principal portion of the County's Public Improvement Bonds of 2015.

Section 23. Because the refinancing anticipated hereunder will be undertaken to effect cost savings by replacing the Refunded Bonds with Refunding Bonds bearing lower overall interest rates, it is the intent of the County that such Refunding Bonds be issued under the applicable Acts and other authority referred to in the resolution authorizing the 2009 Bonds, and that such Refunding Bonds, if issued, will constitute a reissuance of the indebtedness authorized by such resolutions and shall not constitute additional indebtedness under such authorizations or under any other authority.

Section 24. The County hereby approves the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement") substantially in the form presented to the Board with this Resolution, as evidenced by a copy of such Preliminary Official Statement certified by the County Clerk and filed among the permanent records of the County. With the exception of such changes therein as may be required or deemed appropriate by the President of the Board or the Chief Financial Officer, upon the advice of bond counsel to the County or the financial advisor to the County, including to reflect the provisions of or to conform to the provisions of this Resolution, certain changes dictated by the terms of the official Notice of Sale, and certain information to be supplied by the successful bidders for the Bonds, the Preliminary Official Statement is deemed final by the County for the purpose of Rule 15c2-12 of the Securities and Exchange Commission. The County authorizes the distribution of said Preliminary Official Statement in connection with its solicitation of bids for the sale of the Bonds. The County hereby approves the Official Statement in the form of the final Preliminary Official Statement with such changes therein as may be required or deemed appropriate by the President of the Board or the Chief Financial Officer, upon the advice of bond counsel to the County or the financial advisor to the County, including, without limitation, to reflect matters determined in accordance with this Resolution. The execution of the Official Statement by the President of the Board shall be conclusive evidence of the approval of the County of any and all such changes or modifications in said Official Statement in connection with the issuance, sale and delivery of the Bonds. The Preliminary Official Statement and the Official Statement shall each be disseminated in electronic and/or printed form as determined by the Chief Financial Officer, on

behalf of the County, with the advice of the financial advisor to the County. The Preliminary Official Statement and/or the Official Statement may be amended or supplemented in such form as determined by the President of the Board or the Chief Financial Officer, with the advice of bond counsel to the County or the financial advisor to the County, and any such amendment or supplement may be disseminated in electronic and/or printed form as determined by the Chief Financial Officer, on behalf of the County, with the advice of the financial advisor to the County.

Section 25. In order to assist any Participating Underwriter (as hereafter defined) for each series of the Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement (as hereafter defined). Notwithstanding any other provision of this Resolution, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an event of default; however, any bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Section.

“Continuing Disclosure Agreement” shall mean that certain Continuing Disclosure Agreement executed by the County and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The Continuing Disclosure Agreement shall be in substantially the form set forth as Appendix D to the Preliminary Official Statement as evidenced by its execution by the President or Vice President of the Board.

“Participating Underwriter” shall have the meaning ascribed thereto in the Continuing Disclosure Agreement.

Section 26. The President and Vice President of the Board, the Chief Financial Officer, the County Clerk and such other officers, officials and employees of the County as the President or the Vice President shall designate, are authorized hereby to do any and all things, execute all instruments, documents and certificates, and otherwise take all action necessary, proper, or expedient in connection with the issuance, sale and delivery of the Bonds. The President and the Vice President of the Board, the Chief Financial Officer, the County Clerk and all other appropriate officers, officials and employees of the County are authorized and directed hereby to do all acts and things required of them by the provisions hereof and of the Bonds for the full, punctual, and complete performance of all of the terms, covenants, provisions and agreements of this Resolution and the Bonds.

Section 27. The provisions of this Resolution shall be liberally construed in order to effectuate the transactions contemplated by this Resolution.

Section 28. This Resolution shall take effect from the date of its adoption.

Adopted this 12<sup>th</sup> day of April, 2016.

(SEAL)

ATTEST:

COUNTY COMMISSIONERS OF  
WASHINGTON COUNTY

Vicki C. Lumm  
Vicki C. Lumm, County Clerk

By: Terry L. Baker  
Terry L. Baker, President  
Board of County Commissioners  
of Washington County

Approved as to form and legal sufficiency:

John M. Martirano  
John M. Martirano  
County Attorney

#185859;50052.030



**EXHIBIT A**

**Refunded Bonds\***

**Washington County, Maryland  
Public Improvement and Refunding Bonds of 2009**

**The 2009 Bonds identified below are subject to optional redemption beginning on January 1, 2019 in whole at any time or in part on any interest payment date at a redemption price of 100%**

<u>Maturing January 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2020	\$ 800,000	3.000%
2021	830,000	3.250
2022	865,000	3.375
2023	900,000	3.500
2024	935,000	3.625
2025	975,000	3.750
2026	1,010,000	3.875
2027	1,055,000	4.000
2028	1,100,000	4.000
2029	1,145,000	4.000

\* Preliminary, subject to adjustment based on market conditions at or prior to the time of sale; listed bonds are the outstanding callable maturities of the 2009 Bonds. The County does not intend to refund any portion of outstanding maturities of the 2009 Bonds that are not subject to redemption prior to their respective maturity dates.

## **EXHIBIT B**

### **Form of Advertisement**

#### **SUMMARY NOTICE OF BOND SALE**

#### **WASHINGTON COUNTY, MARYLAND (County Commissioners of Washington County) General Obligation Bonds Consisting of:**

**\$20,635,000\***  
**PUBLIC IMPROVEMENT BONDS OF 2016**

**\$9,700,000\***  
**REFUNDING BONDS OF 2016**

**NOTICE IS HEREBY GIVEN** that County Commissioners of Washington County (the “County”) will receive electronic bids via Parity® for the purchase of the above-referenced general obligation bonds (respectively referred to as the “Public Improvement Bonds” and the “Refunding Bonds” and, collectively, as the “Bonds”) on

**Tuesday, May 3, 2016**

at the offices of the County, 100 West Washington Street, Hagerstown, Maryland 21740, Room 304. Bids for the Public Improvement Bonds will be received until 10:30 a.m. Prevailing Eastern Time, and bids for the Refunding Bonds will be received until 10:45 a.m. Prevailing Eastern Time. Each series of the Bonds will be dated the date of its delivery, will bear interest payable semi-annually on the first days of July and January, commencing on July 1, 2016 with respect to the Refunding Bonds and on January 1, 2017 with respect to the Public Improvement Bonds, and will be issuable in denominations of \$5,000 each or multiples thereof. Principal of the Public Improvement Bonds will be payable on July 1 in each year determined in connection with the sale of such Bonds until maturity or prior redemption in whole. Principal of the Refunding Bonds will be payable on January 1 in each year determined in connection with the sale of such Bonds until maturity or prior redemption in whole. Each series of the Bonds will be issued in book-entry form only.

The aggregate principal amount of each series of the Bonds, and the aggregate principal amount of each maturity of each series of the Bonds, is subject to adjustment both pre- and post-sale as set forth in the Preliminary Official Statement and the official Notice of Sale. In addition, the principal and interest payment dates, optional redemption dates and designation of the Refunding Bonds are subject to adjustment pre-sale as set forth in the Preliminary Official Statement and the official Notice of Sale.

The bid for a series of the Bonds must conform to the applicable terms and conditions set forth in the official Notice of Sale. This announcement does not constitute the solicitation of bids to purchase either series of the Bonds. The sale of each series of the Bonds shall be made exclusively pursuant to the terms of the official Notice of Sale. Copies of the official Notice of Sale and the Preliminary Official Statement will be furnished upon request made to the Director of the Office of Budget and Finance, Washington County, County Administration Building, 100 West Washington Street, Hagerstown, Maryland 21740, (240) 313-2300 or from the financial

advisor to the County, Public Advisory Consultants, Inc., 25 Crossroads Drive, Suite 402, Owings Mills, Maryland 21117, (410) 581-4820.

Terry L. Baker, President  
Board of County Commissioners of Washington County, Maryland

\* Preliminary, subject to adjustment at or prior to time of sale, as applicable.

Dated: TO BE PUBLISHED AT LEAST 10 DAYS PRIOR TO DATE OF SALE

## EXHIBIT C

### Form of Notice of Redemption

*Note: Bracketed language is intended to reflect that such provisions apply only to one series of the Refunded Bonds or apply only in certain circumstances, and such language shall be deleted from or included in the final form of redemption notice for the series of the Refunded Bonds to which it is inapplicable or applicable, as appropriate.*

#### NOTICE OF REDEMPTION [IN WHOLE][IN PART]

WASHINGTON COUNTY, MARYLAND  
PUBLIC IMPROVEMENT AND REFUNDING BONDS OF 2009  
Dated May 15, 2009

NOTICE IS HEREBY GIVEN of the election by County Commissioners of Washington County to redeem on January 1, 2019, \$\_\_\_\_\_ aggregate principal amount of its outstanding Washington County, Maryland Public Improvement and Refunding Bonds of 2009 stated to mature and bearing interest as follows:

<u>Maturing</u> <u>[January][July] 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2020	\$ 800,000	3.000%	937751N68
2021	830,000	3.250	937751N76
2022	865,000	3.375	937751N84
2023	900,000	3.500	937751N92
2024	935,000	3.625	937751P25
2025	975,000	3.750	937751P33
2026	1,010,000	3.875	937751P41
2027	1,055,000	4.000	937751P58
2028	1,100,000	4.000	937751P66
2029	1,145,000	4.000	937751P74

[If bonds are being redeemed in part only, add reference to numbers of the bonds being redeemed and other appropriate identifying information, including any newly assigned CUSIP numbers for partially refunded maturities.]

The above CUSIP numbers are included solely for the convenience of the holders of the bonds being refunded [in whole or in part]. The undersigned Paying Agent is not responsible for the selection or use of CUSIP numbers nor does the Paying Agent make any representation as to the correctness of such CUSIP numbers as printed on any such bond or as indicated in this notice of redemption.

The above bonds called for redemption will become due and will be redeemed on January 1, 2019, at the redemption price of 100% of the principal amount thereof, together with interest accrued to January 1, 2019, upon presentation thereof at the designated corporate trust office of

Manufacturers and Traders Trust Company. From and after January 1, 2019, if monies sufficient for the payment of the redemption price of the bonds called for redemption plus accrued interest thereon to the date fixed for redemption are held by the undersigned on such date, interest will cease to accrue on the above bonds called for redemption and the registered owners of the bonds so called for redemption shall have no rights in respect thereof except to receive payment for the redemption price thereof plus accrued interest to the date fixed for redemption from such monies held by the undersigned.

Payment of the redemption price will be made only upon presentation and surrender of the bonds called for redemption in accordance with this notice. Please send the bonds to be redeemed by appropriate means to insure safe delivery, to the following address:

[INSERT DELIVERY ADDRESS]

Any questions regarding this notice may be addressed to Manufacturers and Traders Trust Company, [INSERT ADDRESS], Attention: \_\_\_\_\_ or by phone to \_\_\_\_\_ at (\_\_\_\_) \_\_\_\_\_.

[M&T TO ADD ANY STANDARD DISCLOSURE RE: WITHHOLDING]

Dated: \_\_\_\_\_

COUNTY COMMISSIONERS OF  
WASHINGTON COUNTY

By: Manufacturers and Traders  
Trust Company, Paying Agent

Instructions to Paying Agent for the 2009 Bonds. The foregoing notice shall be completed and mailed to the holders of the bonds being redeemed at least 30 days prior to the date fixed for redemption, as provided in the Resolution authorizing the issuance of the County's 2009 Bonds; provided that, the failure to so mail this notice shall not affect the validity of the proceedings for redemption.