

RESOLUTION NO. RS-2018- 20

A RESOLUTION DECLARING THE OFFICIAL INTENT OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY (THE "COUNTY") TO ISSUE ONE OR MORE SERIES OF ITS REVENUE BONDS IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FIVE MILLION DOLLARS (\$5,000,000) PURSUANT TO THE AUTHORITY OF THE MARYLAND ECONOMIC DEVELOPMENT REVENUE BOND ACT (THE "ACT"), AND TO LOAN THE PROCEEDS OF SUCH BONDS TO WILLOW INVESTMENT HOLDINGS, LLC AND/OR ITS AFFILIATE BEACHLEY FURNITURE COMPANY, INC. (THE "COMPANY") FOR THE PURPOSES DESCRIBED HEREIN; PROVIDING THAT THIS RESOLUTION CONSTITUTES A DECLARATION OF OFFICIAL INTENT FOR PURPOSES OF SECTION 1.150-2 OF THE U.S. TREASURY REGULATIONS; PROVIDING THAT SUCH BONDS MAY NOT BE ISSUED UNTIL THE COUNTY TAKES ADDITIONAL ACTIONS IN ACCORDANCE WITH THE ACT; AND GENERALLY RELATING TO THE COUNTY'S INTENTION TO ISSUE SUCH BONDS.

WHEREAS, County Commissioners of Washington County (the "County") is authorized under the Maryland Economic Development Revenue Bond Act, Sections 12-101 through 12-118, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the "Act"), to issue revenue bonds for the purpose, among others, of paying all or a part of the cost of certain facilities (within the meaning of the Act), and to make and execute financing agreements, security documents and other contracts and instruments necessary or convenient in the exercise of such powers; and

WHEREAS, Willow Investment Holdings, LLC and/or its affiliate Beachley Furniture Company, Inc. (the "Company") has requested that the County adopt this Resolution to declare its intention to issue up to \$5,000,000 of the County's revenue bonds in one or more series, any of which series may consist of a single bond (collectively, the "Bonds"), in order (i) to finance all or a portion of the cost of (A) the acquisition of a parcel of land located at or about 858 Willow Circle, Hagerstown, Maryland 21740, including an adjoining vacant parcel of land, comprising in the aggregate approximately 7.05 acres (the "Land") and certain improvements, equipment and other assets and property on the Land and/or relating thereto, including a one-story building (the "Building") containing approximately 97,200 square feet (all of the foregoing, collectively with the Land, the "Property"), and (B) the acquisition, construction, installation, renovation and equipping of certain improvements to the Property, including (1) the renovation and equipping of the Building for use as a facility for the manufacturing of custom furniture for corporate, hospitality, institutional and other clients, and (2) other necessary and useful renovations, improvements, equipment purchases and other capital expenditures for the benefit of the Company, and (ii) to pay all or a portion of the costs of issuing the Bonds and other related costs of the transaction permitted by the Act (collectively, the "Project"); and

WHEREAS, neither the faith and credit of the County nor the taxing power of the County will be pledged to the payment of the Bonds, and the Bonds will be payable only from payments made by the Company or other moneys made available for such purpose in accordance with the provisions of the Act; and

WHEREAS, the County desires and deems it expedient to declare its intention to issue the Bonds pursuant to the Act and to loan the proceeds thereof to the Company to finance costs of the Project.

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

Section 1. (a) The Recitals to this Resolution are incorporated by reference herein and deemed a substantive part of this Resolution. Capitalized terms used in this Resolution and not otherwise defined herein shall have the meanings given to such terms in the Recitals.

(b) As used in this Resolution, references to the words “finance” and “pay” shall be construed also to refer to “reimburse” and “refinance” and similar phrases.

Section 2. Based on information provided to the County by the Company, the County hereby finds that the Project promotes employment opportunities and capital investment in Washington County and thereby promotes the general welfare of the people of Washington County and the State of Maryland, and that the County, in assisting with the financing of costs of the Project, will be acting in furtherance of the public purposes as set forth in the Act.

Section 3. The County hereby declares its intention (i) to issue the Bonds pursuant to the Act and its reasonable expectation that proceeds of the Bonds will be applied to reimburse costs of the Project paid prior to the issuance of the Bonds, and (ii) to loan the proceeds of the sale of the Bonds to the Company for the sole purpose of financing costs of the Project. This Resolution constitutes a declaration of official intent of the County pursuant to the Internal Revenue Code of 1986, as amended (the “Code”) and Section 1.150-2 of the regulations promulgated under the Code. The Bonds will not be issued until the Board of County Commissioners of the County (the “Board”) adopts an authorizing resolution at a future date in accordance with the Act and the County complies with other provisions of the Act.

Section 4. The President of the Board, the Vice President of the Board and all other appropriate officials of the County are hereby authorized and directed to perform any and all acts that are necessary and appropriate in order to carry out the intent of this Resolution and the matters that are hereby authorized, including, without limitation, the preparation and filing of an application for an allocation of volume cap (or similar allocation) to the extent required by the Code.

Section 5. This Resolution shall take effect from the date of its adoption.

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Adopted this 14th day of August, 2018.

(SEAL)

ATTEST:

Krista J. Hart
Krista Hart, County Clerk

COUNTY COMMISSIONERS OF
WASHINGTON COUNTY

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

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