

of redemption and for which proper notice has been given and adequate funds provided, shall cease to bear interest on the redemption date.

Interest Computation

Interest on the Series 2010 Bonds will be payable on June 1 and December 1 of each year commencing June 1, 2011. It will be computed on a 360-day year, 30-day month basis and paid to the owners of record as of the close of business on the fifteenth day of the immediately preceding month. Payments coming due on a non-business day will be paid the following business day.

DESCRIPTION OF THE SERIES 2011 BONDS

Authorization

The Series 2011 Bonds are issued under and in full compliance with the Constitution and laws of the State of Maryland, including Article 23A of the Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Rockville, as amended, and in accordance with an ordinance enacted by the Issuer on November 15, 2010, authorizing the issuance of the Series 2011 Bonds.

Purpose

The Series 2011 Bonds are issued to proceeds of the Bonds will be used to current refund the 2012 through 2021 maturities of the Issuer's outstanding \$6,100,000 General Obligation Bonds of 2001 dated August 1, 2001, as described in Table 2 below (the "Refunded Bonds"), and to pay the costs of issuance of the Series 2011 Bonds.

Table 2
Refunded Bonds

<u>Dated</u>	<u>Type of Bond</u>	<u>Maturities Refunded</u>	<u>Amount Refunded</u>	<u>Call Date</u>	<u>Call Price</u>
08/01/01	General Obligation Bonds	2012 – 2021	\$3,050,000	03/15/11	100

The Issuer upon closing will pay and redeem the outstanding principal of the Refunded Bonds on the call date of March 15, 2011.

An estimated sources and uses of funds for the Series 2011 Bonds is listed in Table 3 below.

Table 3
Estimated Sources and Uses of Funds

Sources:	
Par Amount of Bonds	\$ 3,040,000
Premium	<u>84,270</u>
Total Sources of Funds	<u>\$ 3,124,270</u>
Uses:	
Current Refunding Escrow Fund	\$ 3,050,000
Costs of Issuance/ Underwriter's Discount	72,044
Contingency	<u>2,226</u>
Total Uses of Funds	<u>\$ 3,124,270</u>

DESCRIPTION OF THE SERIES 2010 BONDS

Authorization

The Series 2010 Bonds are issued under and in full compliance with the Constitution and laws of the State of Maryland, including Article 23A of the Annotated Code of Maryland, as amended, and Article VII, Section 1J of the Charter of the City of Rockville, as amended, and in accordance with an ordinance enacted by the Issuer on November 15, 2010, authorizing the issuance of the Series 2010 Bonds.

Purpose

The Series 2010 Bonds are issued to provide funds to finance (i) all or a portion of the costs of or related to: (A) Asphalt Repair and Replacement Projects, (B) Gude Drive Facility Improvement, (C) Senior Center Improvements, (D) Police Station, (E) Water System Facility Improvement, (F) Water Main Rehabilitation, (G) Blue Plains Wastewater Treatment, (H) Sewer Rehabilitation, and (ii) pay the costs of issuing the Bonds. Those projects and the estimated costs are listed in Table 1 below.

Table 1
Estimated Sources and Uses of Funds

Sources:	
Par Amount of Bonds	\$ 27,370,000
Premium	<u>663,284</u>
Total Sources of Funds	<u>\$ 28,033,284</u>
Uses:	
Asphalt Repair and Replacement	\$ 4,241,000
Gude Drive Facility Improvement	4,700,000
Senior Center Improvements	1,000,000
Police Station	8,000,000
Water System Facility Improvement	1,272,000
Water Main Rehabilitation	3,269,000
Blue Plains Wastewater Treatment	4,827,000
Sewer Rehabilitation	503,000
Costs of Issuance/ Underwriter's Discount	217,125
Contingency	<u>4,159</u>
Total Uses of Funds	<u>\$ 28,033,284</u>

Optional Redemption

At the option of the Issuer, Series 2010 Bonds or portions thereof maturing on June 1, 2021, and thereafter may be called for redemption and payment prior to the stated maturity thereof on June 1, 2020, and at any time thereafter in whole or in part in such amounts for such stated maturities as shall be determined by the Issuer at the redemption price of 100% of the principal amount thereof plus accrued interest thereon to the redemption date. The Series 2010 Bonds may be called in part in one or more units of \$5,000. If less than the entire principal amount of any Series 2010 Bonds in a denomination of more than \$5,000 is to be redeemed, the Bond Registrar will issue and deliver to the registered owner thereof, upon surrender of such original Bond, a new Bond or Bonds, in any authorized denomination, in a total aggregate principal amount equal to the unredeemed balance of the original Series A Bond. Notice of such redemption as aforesaid identifying the Series A Bond or Bonds (or portion thereof) to be redeemed shall be mailed first class to the registered owners thereof at the addresses shown on the Issuer's registration books not less than 30 days prior to such redemption date. All Series 2010 Bonds for which the Issuer exercises the right

DESCRIPTION OF THE BONDS

Authorization

The Bonds are issued under and in full compliance with the Constitution and laws of the State of Maryland, including Article 23A of the Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Rockville, as amended, and in accordance with ordinances enacted by the City on July 28, 2008 authorizing the issuance of the Bonds.

Purpose

The Bonds are issued to provide funds to finance (i) all or a portion of the costs of or related to (A) Water Meter Replacements, (B) Water Main Rehabilitation Program, and (C) Water Plant System Upgrades and (ii) pay the costs of issuing the Bonds. Those projects and the estimated costs are listed in Table 1 below.

Table 1
Estimated Sources and Uses of Funds

Sources:	
Par Amount of Bonds	\$ 13,150,000 ⁽¹⁾
Premium	
Total Sources of Funds	
Uses:	
Water Meter Replacements	
Water Main Rehabilitation Program	
Water Plant System Upgrades	
Costs of Issuance/ Underwriter's Discount	
Total Uses of Funds	

⁽¹⁾ Preliminary, subject to change.

Optional Redemption

At the option of the City, Bonds or portions thereof maturing on June 1, 2019, and thereafter may be called for redemption and payment prior to the stated maturity thereof on June 1, 2018, and at any time thereafter in whole or in part in such amounts for such stated maturities as shall be determined by the City at the redemption price of 100% of the principal amount thereof plus accrued interest thereon to the redemption date. The Bonds may be called in part in one or more units of \$5,000. If less than the entire principal amount of any Bonds in a denomination of more than \$5,000 is to be redeemed, the Bond Registrar will issue and deliver to the registered owner thereof, upon surrender of such original Bond, a new Bond or Bonds, in any authorized denomination, in a total aggregate principal amount equal to the unredeemed balance of the original Bond. Notice of such redemption as aforesaid identifying the Bond or Bonds (or portion thereof) to be redeemed shall be mailed first class to the registered owners thereof at the addresses shown on the City's registration books not less than 30 days prior to such redemption date. All Bonds for which the City exercises the right of redemption and for which proper notice has been given and adequate funds provided, shall cease to bear interest on the redemption date.

DESCRIPTION OF THE BONDS

Authorization

The Bonds are issued under and in full compliance with the Constitution and laws of the State of Maryland, including Article 23A of the Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Rockville, as amended, and in accordance with ordinances enacted by the City on July 23, 2007 and August 6, 2007 authorizing the issuance of the Bonds.

Purpose

The Bonds are issued to provide funds to finance various public improvements within the City in accordance with the City's Capital Improvements Program, and pay the costs of issuing the Bonds. Those projects and the estimated costs are listed in Table 1 below.

Table 1
Estimated Sources and Uses of Funds

Sources:	
Par Amount of Bonds	\$ 21,750,000
Premium	<u>179,042</u>
Total Sources of Funds	<u>\$ 21,929,042</u>
Uses:	
Capital projects	\$ 10,401,655
Water fund projects	1,750,000
Sewer fund projects	6,126,000
Refuse fund projects	3,399,332
Estimated cost of issuance and contingency	<u>252,055</u>
Total Uses of Funds	<u>\$ 21,929,042</u>

Redemption Provisions

Optional Redemption

At the option of the City, Bonds or portions thereof maturing on June 1, 2018, and thereafter may be called for redemption and payment prior to the stated maturity thereof on June 1, 2017, and at any time thereafter in whole or in part in such amounts for such stated maturities as shall be determined by the City at the redemption price of 100% of the principal amount thereof plus accrued interest thereon to the redemption date. The Bonds may be called in part in one or more units of \$5,000. If less than the entire principal amount of any Bonds in a denomination of more than \$5,000 is to be redeemed, the Bond Registrar will issue and deliver to the registered owner thereof, upon surrender of such original Bond, a new Bond or Bonds, in any authorized denomination, in a total aggregate principal amount equal to the unredeemed balance of the original Bond. Notice of such redemption as aforesaid identifying the Bond or Bonds (or portion thereof) to be redeemed shall be mailed first class to the registered owners thereof at the addresses shown on the City's registration books not less than 30 days prior to such redemption date. All Bonds for which the City exercises the right of redemption and for which proper notice has been given and adequate funds provided, shall cease to bear interest on the redemption date.

DESCRIPTION OF THE BONDS

Authorization

The Bonds are issued under and in full compliance with the Constitution and laws of the State of Maryland, including Article 23A of the Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Rockville, as amended, and in accordance with an ordinance enacted by the City on August 1, 2005 authorizing the issuance of the Bonds.

Purpose

The Bonds are issued to provide funds to (i) finance various public improvements within the City in accordance with the City's Capital Improvements Program, (ii) pay capitalized interest on the Bonds, and (iii) pay the costs of issuing the Bonds. Those projects and the estimated costs are listed in Table 1 below.

Table 1
Estimated Sources and Uses of Funds

Sources:	
Par Amount of Bonds	\$ 56,735,000
Net Premium/OID	<u>466,717</u>
Total Sources of Funds	<u>\$ 57,201,717</u>
Uses:	
Capital projects	\$ 15,100,000
Water fund projects	3,832,000
Sewer fund projects	7,043,000
Refuse fund projects	200,000
Parking – Town Center project	29,657,000
Deposit to capitalized interest fund	848,455
Underwriter Discount (including insurance)	330,990
Estimated cost of issuance and contingency	<u>190,272</u>
Total Uses of Funds	<u>\$ 57,201,717</u>

Security

The Bonds and interest thereon will constitute general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.

Bond Insurance (2028-2036 Maturities Only)

Bond Insurance Policy

Concurrently with the issuance of the Bonds, MBIA Insurance Corporation ("MBIA") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds maturing on June 1 of the years 2028 through 2036, inclusive (the "Insured Bonds").