

RESOLUTION NO. 19-7

COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2019 SERIES

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY (THE "BOARD") PROVIDING FOR THE ISSUANCE AND SALE BY COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND (THE "COUNTY") OF ITS GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$45,975,000, OR IN SUCH LESSER AMOUNT AS THE BOARD MAY SPECIFY BY A RESOLUTION SUPPLEMENTAL HERETO, TO BE KNOWN AS "COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2019 SERIES" (THE "BONDS") AND TO BE ISSUED PURSUANT TO THE AUTHORITY OF SECTIONS 11-401 AND 19-501 TO 19-510, INCLUSIVE, OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, SECTIONS 9-601 TO 9-699, INCLUSIVE, OF THE ENVIRONMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AND THE CODE OF PUBLIC LOCAL LAWS OF WORCESTER COUNTY, MARYLAND, SECTION PW5-204 AND APPENDICES NN (BILL NO. 18-8), OO (BILL NO. 18-9) AND PP (BILL NO. 18-10), AND TO BE CONSOLIDATED PURSUANT TO SECTION 19-101 OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND; PRESCRIBING THE FORM OF THE BONDS AND OTHER DETAILS INCIDENT TO THE SALE THEREOF; PROVIDING THAT THE BONDS SHALL BE ISSUED AND SOLD UPON THE FULL FAITH AND CREDIT OF THE COUNTY; PROVIDING FOR THE DISBURSEMENT OF THE PROCEEDS OF THE SALE OF THE BONDS BY THE COUNTY FOR THE PURPOSE OF (1) FINANCING ALL OR A PORTION OF THE COSTS OF (A) CONSTRUCTION AND EQUIPPING OF A NEW SHOWELL ELEMENTARY SCHOOL, (B) INSTALLATION OF A NEW TURF ATHLETIC FIELD AND TRACK AT STEPHEN DECATUR HIGH SCHOOL, (C) COMPLETION OF CONSTRUCTION OF CELL NO. 5 AT THE CENTRAL LANDFILL SITE, AND (D) WATER AND WASTEWATER IMPROVEMENTS IN THE OCEAN PINES SANITARY SERVICE AREA AND IN THE RIDDLE FARM SANITARY SERVICE AREA, (2) PAYING CAPITALIZED INTEREST ON THE BONDS, AND (3) PAYING COSTS, FEES AND EXPENSES INCURRED BY THE COUNTY IN CONNECTION WITH THE ISSUANCE AND SALE OF THE BONDS AND OTHER RELATED COSTS; PROVIDING FOR A CONTINUING DISCLOSURE AGREEMENT RELATING TO THE BONDS; AUTHORIZING THE PRESIDENT OF THE BOARD TO SPECIFY, PRESCRIBE, DETERMINE, PROVIDE FOR OR APPROVE CERTAIN MATTERS, DETAILS, FORMS, DOCUMENTS OR PROCEDURES APPROPRIATE TO THE AUTHORIZATION, SALE, SECURITY, ISSUANCE, DELIVERY, OR PAYMENT OF OR FOR THE BONDS; AUTHORIZING THE CHIEF ADMINISTRATIVE OFFICER OF THE COUNTY TO CHANGE THE DATE OR TIME OF SALE OF THE BONDS; PROVIDING THAT CERTAIN OTHER MATTERS IN CONNECTION WITH THE BONDS AND THE ISSUANCE AND SALE THEREOF BE

APPROVED BY THE BOARD PURSUANT TO A RESOLUTION OR RESOLUTIONS SUPPLEMENTAL TO THIS RESOLUTION, INCLUDING, WITHOUT LIMITATION, THE AMOUNT OF THE BONDS TO BE SOLD (SO LONG AS THE PRINCIPAL AMOUNT DOES NOT EXCEED THE MAXIMUM PRINCIPAL AMOUNT OF THE BONDS PERMITTED UNDER THIS RESOLUTION), THE AMOUNT OF THE BONDS MATURING IN EACH YEAR AND THE RATE OR RATES OF INTEREST ON THE BONDS; PROVIDING FOR THE ASSESSMENT AND LEVY IN EACH YEAR, SO LONG AS ANY OF THE BONDS ARE OUTSTANDING AND UNPAID, OF (1) ASSESSMENTS, CHARGES AND, IF NECESSARY, AD VALOREM TAXES ON ALL ASSESSABLE PROPERTY IN THE OCEAN PINES SANITARY SERVICE AREA TO PAY THE DEBT SERVICE ON THE PORTION OF THE BONDS ISSUED FOR THE OCEAN PINES WATER AND WASTERWATER IMPROVEMENTS PROJECT, (2) ASSESSMENTS, CHARGES AND, IF NECESSARY, AD VALOREM TAXES ON ALL ASSESSABLE PROPERTY IN THE RIDDLE FARM SANITARY SERVICE AREA TO PAY THE DEBT SERVICE ON THE PORTION OF THE BONDS ISSUED FOR THE RIDDLE FARM WATER AND WASTERWATER IMPROVEMENTS PROJECT, AND (3) AN AD VALOREM TAX ON ALL PROPERTY SUBJECT TO TAXATION WITHIN WORCESTER COUNTY, SUFFICIENT, TOGETHER WITH OTHER AVAILABLE FUNDS, TO PROVIDE FUNDS FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS AS THEY SHALL RESPECTIVELY BECOME DUE AND PAYABLE; AND GENERALLY PROVIDING FOR AND DETERMINING VARIOUS MATTERS IN CONNECTION THEREWITH.

RECITALS

County Commissioners of Worcester County, Maryland (the "County"), is a body politic and corporate and a political subdivision duly formed and existing under the Constitution and the Laws of the State of Maryland.

Pursuant to Sections 19-501 to 19-510, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended (the "Act"), the County is authorized to borrow money for any proper public purpose and to evidence the borrowing by the issuance and sale of its general obligation bonds in the manner prescribed in the Act.

Pursuant to the Code of Public Local Laws of Worcester County, Maryland (the "Code of Public Local Laws"), Appendix NN (Bill No. 18-8), enacted by the Board of County Commissioners of Worcester County (the "Board") on January 22, 2019 (the "Showell Elementary School Bond Bill"), the County has determined that (a) a public need exists in Worcester County for construction and equipping of a new Showell Elementary School (the "Showell Elementary School Project"), and (b) the financing of the costs thereof is a proper public purpose which may be financed by the issuance of the County's general obligation bonds pursuant to the Act.

Pursuant to the Code of Public Local Laws, Appendix OO (Bill No. 18-9), enacted by the Board on January 22, 2019 (the "Stephen Decatur High School Bond Bill"), the County has determined that (a) a public need exists in Worcester County for installation of a new turf athletic field and track at Stephen Decatur High School (the "Stephen Decatur High School Project"), and (b) the financing of the costs thereof is a proper public purpose which may be financed by the issuance of the County's general obligation bonds pursuant to the Act.

Pursuant to the Code of Public Local Laws, Appendix PP (Bill No. 18-10), enacted by the Board on January 22, 2019 (the "Central Landfill Site Cell No. 5 Construction Bond Bill"), the County has determined that (a) a public need exists in Worcester County for completion of construction of Cell No. 5 at the Central Landfill Site (the "Central Landfill Site Cell No. 5 Construction Project"), and (b) the financing of the costs thereof is a proper public purpose which may be financed by the issuance of the County's general obligation bonds pursuant to the Act.

The Showell Elementary School Bond Bill, the Stephen Decatur High School Bond Bill and the Central Landfill Site Cell No. 5 Construction Bond Bill are hereinafter referred to collectively as the "Bond Bills"; and

The Showell Elementary School Project, the Stephen Decatur High School Project and the Central Landfill Site Cell No. 5 Construction Project are hereinafter referred to collectively as the "County Capital Projects".

Pursuant to the authority granted to it under the Act and the Bond Bills, the County desires (a) to pledge its full faith and credit and taxing power in the issuance and sale of its bonds in an aggregate principal amount of up to \$42,725,000 for the purpose of (i) financing all or a portion of the costs of the County Capital Projects, (ii) paying capitalized interest on such bonds, and (iii) paying costs, fees and expenses incurred by the County in connection with the issuance and sale of

such bonds and other related costs, and (b) to assess and levy, in each year, so long as any of such bonds are outstanding and unpaid, an ad valorem tax on all property subject to taxation within Worcester County sufficient in rate and amount, together with other moneys available therefor, to pay the interest payable in that year on all outstanding bonds for such purposes and the principal of all bonds maturing in that year.

The County has determined that the funds required for the County Capital Projects can be provided at the lowest annual interest rate and cost of issuance to the County by the issuance of general obligation bonds by the County.

Pursuant to Section 9-601 to 9-699, inclusive, of the Environment Article of the Annotated Code of Maryland, as amended (the "Sanitary District Act"), the County is authorized to pledge the full faith and credit of the County and issue its general obligation bonds in the manner prescribed in the Sanitary District Act to pay all or a portion of the costs of a project (as defined in the Sanitary District Act); and pursuant to Section PW5-204 of Subtitle II of Title 5 of the Public Works Article of the Code of Public Local Laws ("Section PW5-204") and Section 11-401 of the Local Government Article of the Annotated Code of Maryland ("Section 11-401"), the County is authorized, among other things, (a) to exercise all the powers of a water or sewer authority or sanitary district or commission, and (b) to acquire, construct, operate and maintain water and sewerage systems as the Board considers to be in the public interest and necessary to protect the general health and welfare. The County has determined that (a) a public need exists in Worcester County to finance a portion of the costs of water and wastewater improvements in the Ocean Pines Sanitary Service Area (the "Ocean Pines Water and Wastewater Improvements Project") and in the Riddle Farm Service Area (the "Riddle Farm Water and Wastewater Improvements Project") and (b) the financing of the costs of the Ocean Pines Water and Wastewater Improvements Project and the financing of the costs of the Riddle Farm Water and Wastewater Improvements Project are each a proper public purpose which may be financed by the issuance of the County's general obligation bonds pursuant to the Sanitary District Act.

Pursuant to the authority granted to it under the Act, the Sanitary District Act, Section 11-401 and Section PW5-204, the County desires (a) to pledge its full faith and credit and taxing power in the issuance and sale of its bonds in the aggregate principal amount of up to \$3,000,000 for the purpose of (i) financing all or a portion of the costs of the Ocean Pines Water and Wastewater Improvements Project, (ii) paying capitalized interest on such bonds and (iii) paying costs, fees and expenses incurred by the County in connection with the issuance and sale of such bonds and other related costs, and (b) to assess and levy, in each year, so long as any of such bonds are outstanding and unpaid, assessments on an equivalent dwelling unit ("EDU") basis on all properties in the Ocean Pines Sanitary Service Area and, if necessary, an ad valorem tax on all property subject to taxation within Worcester County sufficient in rate and amount, together with other moneys available therefor, to pay the interest payable in that year on all outstanding bonds and the principal of all such bonds maturing in that year.

Pursuant to the authority granted to it under the Act, the Sanitary District Act, Section 11-401 and Section PW5-204, the County also desires (a) to pledge its full faith and credit and taxing power in the issuance and sale of its bonds in the aggregate principal amount of up to \$250,000 for the purpose of (i) financing all or a portion of the costs of the Riddle Farm Water and Wastewater

Improvements Project, (ii) paying capitalized interest on such bonds and (iii) paying costs, fees and expenses incurred by the County in connection with the issuance and sale of such bonds and other related costs, and (b) to assess and levy, in each year, so long as any of such bonds are outstanding and unpaid, assessments on an EDU basis on all properties in the Riddle Farm Sanitary Service Area and, if necessary, an ad valorem tax on all property subject to taxation within Worcester County sufficient in rate and amount, together with other moneys available therefor, to pay the interest payable in that year on all outstanding bonds and the principal of all such bonds maturing in that year.

Pursuant to Section 19-101 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Consolidating Act"), the issues of bond so authorized, or portions thereof, may be consolidated with one another, and the County has determined that it is in the best interest of the County to consolidate the issues of bonds authorized by the Act, the Bond Bills and the Sanitary District Act.

Pursuant to the Sanitary District Act, the Act, Section 11-401, Section PW5-204 and the Bond Bills, the Board desires (a) to provide by resolution for the issuance of the bonds hereinabove described, (b) to provide for other matters in reference thereto, (c) to prescribe the manner of the sale of such bonds and the terms and conditions under which they shall be offered for sale, (d) to prescribe the form of such bonds, (e) to provide for the use of the proceeds of the sale of such bonds, (f) to provide for the payment of the principal of and interest on such bonds as such bonds shall respectively mature, by levying taxes to pay for the same, and (g) to provide for and determine various matters in connection therewith.

The Board has determined that it is in the best interest of the County to authorize the Chief Administrative Officer of the County (the "Chief Administrative Officer") to change the date and/or time of sale of such bonds.

The Board desires that certain additional matters concerning such bonds, including, without limitation, (a) providing for a lesser aggregate principal amount of such bonds, if the Board deems such lesser amount to be in the best interest of the citizens of Worcester County, (b) providing for a change in the amount(s) of such bonds maturing in each year, (c) providing for the acceptance by the County of one of the bids received for the purchase of such bonds, (d) fixing the interest rate or rates payable on such bonds, (e) providing for changes to the form of such bonds and the Continuing Disclosure Agreement (hereinafter defined) approved pursuant to this Resolution, (f) ratifying the Preliminary Official Statement of the County to be prepared and distributed in connection with the issuance and sale of such bonds, (g) approving the Official Statement of the County to be prepared in connection with the issuance and sale of such bonds, and (h) authorizing the execution, issuance and distribution of such Official Statement, be provided by and through one or more resolutions administrative in nature and supplemental hereto (each, a "Supplemental Resolution").

NOW, THEREFORE, in accordance with the Act, Section 11-401, Section PW5-204, the Bond Bills, the Sanitary District Act and the Consolidating Act (collectively, the "Enabling Legislation"):

Section 1. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That all terms used herein which are defined in the Recitals hereof or the Exhibits hereto shall have the meanings given such terms therein.

Section 2. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, (a) That the County shall borrow upon the full faith and credit of the County and issue and sell upon the full faith and credit of the County, at any time after the adoption of this Resolution, its general obligation bonds in fully-registered form in an aggregate principal amount of Forty-Five Million Nine Hundred Seventy-Five Thousand Dollars (\$45,975,000), or in such lesser amount as the Board may specify by the adoption of a Supplemental Resolution, such bonds to be known as the "County Commissioners of Worcester County, Maryland Consolidated Public Improvement Bonds, 2019 Series" (the "Bonds") or such other name as the Board may specify in a Supplemental Resolution.

(b) The Bonds shall be dated the date of their delivery; provided that such date of issue may be changed by a Supplemental Resolution. The Bonds shall be dated as of such date of issue, shall be issued in book-entry form by issuing a single bond for each maturity registered in the name of Cede & Co., as nominee for The Depository Trust Company or its successor ("DTC") (provided that if DTC so requests or if DTC is replaced as the depository for the Bonds, replacement Bonds shall be issued in denominations of \$5,000 each or any integral multiple thereof), and shall be consecutively numbered in such manner as shall be determined by the Bond Registrar (as defined in Section 11 hereof).

(c) That the Bonds shall be payable in 15 consecutive annual installments, the first such maturity to be on August 1, 2020, and the last such maturity to be on August 1, 2034. The schedule of proposed maturities for the Bonds, and the schedules of proposed maturities for the portion of the Bonds issued to finance costs of the County Capital Projects (the "County Capital Projects Portion") and the portions of the Bonds issued to finance costs of the Ocean Pines Water and Wastewater Improvements Project (the "Ocean Pines Water and Wastewater Improvements Project Portion") and costs of the Riddle Farm Water and Wastewater Improvements Project (the "Riddle Farm Water and Wastewater Improvements Project Portion") are set forth in Exhibit A hereto; provided that such schedule is anticipated to be modified in the Supplemental Resolution.

(d) Certain of the Bonds shall be subject to redemption prior to maturity, as provided in Section 3(a) of this Resolution.

(e) That the Bonds shall be sold by the solicitation of competitive bids at public sale after publication of the notice of such sale (the "Notice of Sale"), the form of which is set forth in Exhibit C of this Resolution, and shall bear interest at the rate or rates named by the successful bidder under the terms of the Notice of Sale, which interest shall be paid as provided in the form of Bond set forth in Exhibit B of this Resolution, and such interest shall be payable on semiannually on the first day of February and the first day of August in each year, commencing February 1, 2020, until and including the date of maturity or earlier redemption.

(f) Each Bond shall bear interest from the interest payment date next preceding the date of registration and authentication of such Bond, unless such Bond is registered and

authenticated on an interest payment date, in which case it shall bear interest from such interest payment date, or, unless authenticated prior to the first interest payment date, in which case it shall bear interest from the date of issue of the Bonds, or unless, as shown by the records of the Bond Registrar, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond.

(g) The Bonds shall be issued without coupons, in substantially the form attached hereto as Exhibit B and made part hereof, and shall be completed in accordance with the provisions of this Resolution. Such form with such changes therein as may be specified in a Supplemental Resolution or as the President of the Board shall approve (such approval to be conclusively evidenced by the execution and delivery of the Bonds by the President of the Board), together with all of the covenants and conditions therein contained, is hereby adopted by the County as and for the form and tenor of obligation to be incurred by the County, and such covenants and conditions are hereby made binding upon the County, including the promise to pay therein contained.

Section 3. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That certain of the Bonds shall be subject to redemption prior to maturity as follows:

(a) The Bonds maturing on and after August 1, 2030, shall each be subject to redemption prior to their respective maturities, at the option of the County, on or after August 1, 2029, as a whole or in part at any time, but only upon payment of a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed.

(b) The Bonds shall be redeemed only in integral multiples of \$5,000. If less than all of the outstanding Bonds shall be called for redemption, such redemption shall be in the order of maturity as is specified at that time by the Chief Administrative Officer, and, if less than all of the Bonds of any one maturity shall be called for redemption, then the particular Bonds or portions of Bonds of such maturity to be redeemed shall be chosen by lot by the Bond Registrar (hereinafter defined) in such manner as, in its discretion, it shall determine, except that so long as DTC or its nominee is the sole registered owner of the Bonds, the particular Bonds or portion to be redeemed shall be selected by lot by DTC, in such manner as DTC shall determine. Each \$5,000 portion of a Bond shall be treated as a separate Bond in the selection by lot of Bonds to be redeemed.

(c) Unless notice of redemption shall be waived in writing by the registered owners of the Bonds to be redeemed, a notice calling for redemption of the Bonds to be redeemed shall be mailed by the Bond Registrar, postage prepaid, at least 30 days prior to the date fixed for redemption (the "Redemption Date"), to all registered owners of the Bonds to be redeemed, at their last addresses appearing on the registration books kept by the Bond Registrar, but failure to mail any such notice or any defect in the notice so mailed, or in the mailing thereof, shall not affect the sufficiency of the redemption of any other Bond. Notwithstanding the foregoing, so long as DTC or its nominee is the sole registered owner of the Bonds, such notice shall be given only to DTC and shall be given by a secure means (e.g., legible facsimile transmission, registered or certified mail or

overnight express delivery) in a timely manner designed to assure that such notice is in DTC's possession no later than the close of business on such 30th day. Such notice shall specify the issue, numbers and maturities of the Bonds to be redeemed, which statement of numbers may be from one number to another, inclusive, the Redemption Date and the redemption price, and shall further state that on such date the Bonds called for redemption will be due and become payable at the office of the Bond Registrar and that, from and after such date, interest thereon shall cease to accrue.

(d) On the Redemption Date, notice having been published or waived, and moneys for the payment of the redemption price plus accrued interest being held by the Bond Registrar, 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 so called for redemption shall cease to accrue, and the registered owners of such Bonds so called for redemption shall have no rights in respect thereto except to receive payment of the redemption price thereof, plus accrued interest thereon to the Redemption Date from such moneys held by the Bond Registrar.

(e) If it is determined that a portion, but not all of the principal amount represented by any Bond is to be called for redemption, then upon notice of intention to redeem such portion, the registered owner of such Bond shall forthwith surrender such Bond to the Bond Registrar (i) for payment of the redemption price (including interest to the Redemption Date) of the portion of the principal amount thereof called for redemption, and (ii) in exchange for a new Bond of the unredeemed balance of the principal amount of such Bond, and having the same form and tenor as such Bond; provided, however, that, so long as Cede & Co. is the registered owner of all of the Bonds, DTC may make an appropriate notation on the applicable Bonds indicating the date and amounts of such reduction in principal and notify the County in writing of such action. If the Bonds are required to be surrendered to the Bond Registrar, new Bonds representing the unredeemed balance of the principal amount of such Bond shall be issued to the registered owner thereof without charge therefor. If the registered owner of any such Bond shall fail to present such Bond to the Bond Registrar for payment and exchange as aforesaid, such Bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the portion of the principal amount called for redemption (and to that extent only). Interest shall cease to accrue on the portion of the principal amount of such Bond called for redemption on and after the Redemption Date and no new Bonds shall be thereafter issued corresponding to such portion.

Section 4. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the Bonds shall be executed on behalf of the County by the President of the Board by her manual or facsimile signature, and shall bear a facsimile of the corporate seal of the County attested by the manual or facsimile signature of the Chief Administrative Officer. In the event that any official whose signature shall appear on the Bonds shall cease to be such official prior to the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery.

Section 5. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, (a) That the proceeds of the purchase price of the Bonds shall be paid to the County and shall be applied by the County as follows:

(i) Up to \$3,000,000 of the proceeds of the Bonds shall be applied to the payment of costs of the Ocean Pines Water and Wastewater Improvements Project, and payment of a pro-rata portion of capitalized interest on the Bonds, costs, fees and expenses, including advertising, printing, financial advisory and legal fees incurred in connection with the issuance and sale of the Bonds and other related costs; and

(ii) Up to \$250,000 of the proceeds of the Bonds shall be applied to the payment of costs of the Riddle Farm Water System Interconnections Project, and payment of a pro-rata portion of capitalized interest on the Bonds, costs, fees and expenses, including advertising, printing, financial advisory and legal fees incurred in connection with the issuance and sale of the Bonds and other related costs; and

(iii) The remaining proceeds of the Bonds shall be applied by the County to payment of the costs of the County Capital Projects, payment of capitalized interest on the Bonds, costs, fees and expenses, including advertising, printing, financial advisory and legal fees incurred in connection with the issuance and sale of the Bonds and other related costs;

(b) Any proceeds of the Bonds remaining unused or reserved for the purposes described in subsection (a) above shall, in the discretion of the Board, be applied to such other purpose pertaining to the County Capital Projects, the Ocean Pines Water and Wastewater Improvements Project and the Riddle Farm Water and Wastewater Improvements Project (each, a "Project" and collectively, the "Projects") or the Bonds as may be approved by the Board after receipt of an approving opinion of independent bond counsel whose opinions are generally accepted in the field of municipal finance. In addition, the Board expressly reserves the right to amend the Bond Bills, this Resolution, any Supplemental Resolution, or any of them, after the date of issuance and delivery of the Bonds, to authorize use of any such proceeds for such other public purpose or purposes as the Board may approve by enactment of an amendment to the Bond Bills, this Resolution, any Supplemental Resolution, or any of them, in accordance with, and pursuant to, the Act.

Section 6. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, that the payment of interest on the Bonds when due and the principal of the Bonds at maturity or upon redemption shall be backed by the full faith and credit of the County. However, it is intended that the debt service on the Ocean Pines Water and Wastewater Improvements Project Portion of the Bonds shall be paid from the sources described in subsection (b) of Section 12 of this Resolution, and that the debt service on the Riddle Farm Water and Wastewater Improvements Project Portion of the Bonds shall be paid from the sources described in subsection (c) of Section 12 of this Resolution.

Section 7. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, (a) that the Chief Administrative Officer is hereby authorized to make such modifications to the form of the Bonds as may be appropriate to conform to any standard specifications for registered municipal securities which may be promulgated by any body generally recognized in the municipal securities industry (including, without limitation, the American National Standards Institute) in order to facilitate computer or other mechanical processing methods for registration of municipal bonds.

(b) The Chief Administrative Officer shall also initiate a system for registration of the Bonds in book-entry form and is hereby authorized to enter into such agreements and to make such modifications to the form of the Bonds (as set forth in Exhibit B and the form of the Notice of Sale (as set forth in Exhibit C hereto) as may be necessary to provide for registration of the Bonds in book-entry form, with DTC, by issuance of not less than one bond of each maturity.

(c) The Chief Administrative Officer may replace any depository for the Bonds pursuant to a book-entry registration system established in accordance with this Section if the County Executive determines that such depository is incapable of discharging its duties with respect to the Bonds, or that the interest of the beneficial owners of the Bonds might be adversely affected by the continuation of such book-entry system. Notice of such determination shall be given to such depository not less than 30 days prior to any such determination.

Thereafter, the Chief Administrative Officer may issue replacement Bonds to a substitute securities depository, to participants of a securities depository to be replaced or to beneficial owners of the Bonds properly identified by such participants.

(d) When the Chief Administrative Officer initiates a book entry registration system to be maintained by DTC or replaces DTC with another municipal securities depository (either a "Depository"), the Chief Administrative Officer shall execute and deliver to the Depository any representation letters as shall be deemed necessary or appropriate by the Chief Administrative Officer or other agreements then required by the Depository in order to qualify the Bonds for registration in book-entry form by the Depository. The Chief Administrative Officer is hereby authorized to agree to any different manner for the payment of interest or principal or any different procedures for the redemption of bonds which is determined in accordance with any representation letters entered into with any Depository. Transfer or crediting of the appropriate principal and interest to the participants in the Depository will be the responsibility of the Depository, and transfer and crediting of principal and interest payments to the beneficial owners of the Bonds or their nominees will be the responsibility of the participants in the Depository. Transfers of beneficial ownership of the Bonds will be effected on the records of the Depository (and its participants) pursuant to rules and procedures established by the Depository.

(e) Any securities depository selected in accordance with this Resolution and each of its participants and the beneficial owners of the Bonds, by their acceptance of the Bonds shall agree that the County and the Chief Administrative Officer shall have no liability for the failure of any such securities depository which may be selected as herein provided to perform its obligations to the participants and the beneficial owners of the Bonds, nor shall either the County or the Chief Administrative Officer be liable for the failure of any participant or other nominee of the beneficial owners to perform any obligation the participant may incur to a beneficial owner of the Bonds.

Section 8. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the Bonds shall be authenticated and shall be subject to registration, exchange and transfer as follows:

(a) No Bond shall be valid or obligatory for any purpose unless and until the certificate of authentication substantially in the form set forth in Exhibit B hereof shall have been duly executed by the Bond Registrar, and such executed certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered pursuant to this Resolution. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder.

(b) Upon presentation of any Bond for such purpose at the principal office of the Bond Registrar, the Bond Registrar shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as the County or the Bond Registrar may prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds remain outstanding, the County shall cooperate in making all necessary provisions to permit the exchange of Bonds at the principal office of the Bond Registrar.

Each Bond shall be transferable only upon the books of the County maintained by the Bond Registrar, at the written request of the registered owner thereof or his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his attorney duly authorized in writing. Upon the surrender for transfer of any Bond, the County shall issue, and the Bond Registrar shall authenticate, in the name of the transferee, in authorized denominations, a new Bond or Bonds of the same aggregate principal amount as the surrendered Bond.

The County and the Bond Registrar may deem and treat the person in whose name any Bond shall be registered upon the books of the County as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and premium, if any, and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County nor the Bond Registrar shall be affected by any notice to the contrary.

Bonds, upon surrender thereof at the principal office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his duly authorized attorney, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of any other authorized denominations.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the County shall execute and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Bonds, the County or the Bond Registrar shall make a charge for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Such charge shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Bond Registrar shall not be obligated to make any such exchange or transfer of Bonds after the fifteenth day of the month next preceding an interest

payment date on the Bonds, or in case of any proposed redemption of the Bonds, during the 15 days next preceding the date of the mailing of notice of such redemption. The Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption.

(c) In the event that any Bond is mutilated, lost, stolen or destroyed, the County may execute and the Bond Registrar may authenticate a new Bond of like date, maturity, interest rate and denomination as that of the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bonds, such mutilated Bonds shall first be surrendered to the Bond Registrar, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the County and the Bond Registrar evidence of such loss, theft or destruction satisfactory to the County and the Bond Registrar, together with indemnity satisfactory to them. In the event any such Bond shall be about to mature or have matured or been called for redemption, instead of issuing a duplicate Bond, the Bond Registrar may pay the same without surrender thereof. The County and the Bond Registrar may charge the registered owner of such Bond their expenses and reasonable fees, if any, in this connection.

Section 9. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the Bonds shall be sold at public sale upon submission of electronic bids using the *PARITY* bidding system ("*PARITY*") to the bidder therefor whose bid provides the lowest true interest cost to the County, for cash at not less than par and accrued interest, after advertisement by Notice of Sale published at least twice in one or more daily or weekly newspapers having a general circulation in Worcester County, Maryland, provided that the sale shall be held not sooner than 10 days following the first insertion of the Notice of Sale. The sale of the Bonds shall be held at 10:00 a.m., on Tuesday, April 2, 2019; provided, however, that the Chief Administrative Officer may change the date or time of such sale. The Bonds shall be sold upon the terms and conditions set forth in the published Notice of Sale, which shall be substantially in the form attached hereto as Exhibit C, with such changes therein as the President of the Board shall approve.

Section 10. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That promptly after the sale of the Bonds to the successful bidder therefor, the interest rate or rates payable thereon shall be fixed according to the terms and conditions of the sale by a Supplemental Resolution adopted by the Board, and the Bonds shall thereupon be suitably printed and delivered to the Bond Registrar for completion, authentication and delivery to DTC for the account of the successful bidder therefor as provided in the published Notice of Sale. Any such Supplemental Resolution shall be adopted by the Board and shall be effective upon the date of the award of the Bonds to the successful bidder therefor. Such Supplemental Resolution shall further provide for the following: (a) the revision or confirmation of (i) the dates of maturity of the Bonds, (ii) the aggregate principal amount of the Bonds being issued and (iii) the principal amount of the Bonds maturing in each year and acceptance by the County of a bid or bids received for the purchase of the Bonds pursuant to the terms and conditions of the Notice of Sale, (b) authorization of the execution, issuance and distribution of the Official Statement (c) ratification of the Preliminary Official Statement of the County prepared and distributed in connection with the issuance and sale of the Bonds, (d) provision for changes, if necessary, to the form of the Bonds and the Continuing Disclosure Agreement, (e) approval of the Official Statement of the County prepared in connection with the issuance and sale of the Bonds, and (f) such other

matters as the Board shall deem necessary or advisable to consummate the transactions contemplated by this Resolution. The proceeds of the sale of the Bonds shall be paid to the Finance Officer of the County and disbursed by the Finance Officer as provided in this Resolution.

Section 11. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That Manufacturers and Traders Trust Company is hereby designated and appointed as the Bond Registrar for the Bonds (the "Bond Registrar"). The Bond Registrar shall maintain books of the County for the registration and transfer of the Bonds. The County may from time to time, either prior to or following the issuance of the Bonds, designate and appoint one or more alternate or substitute bond registrars, paying agents, co-paying agents or authenticating agents for the Bonds, and any such alternate or substitute shall be deemed to be the Bond Registrar or an alternate Bond Registrar for all purposes specified in the resolution appointing such substitute or alternate. Any such designation and appointment shall be made by the Board by resolution; and the exercise of such power or appointment, no matter how often, shall not be an exhaustion thereof.

Section 12. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, (a) That for the purpose of paying interest on the Bonds and also for the purpose of paying the principal of the Bonds as and when they respectively mature and are payable, there is hereby assessed and levied, and there shall hereafter be assessed and levied and collected in each year, so long as any of the Bonds are outstanding and unpaid, an ad valorem tax on all property subject to taxation within Worcester County sufficient in rate and amount, together with other available funds (including without limitation, those described in subsection (b) and (c) below) to pay the interest on all of the Bonds then issued and outstanding as the same becomes due and payable and to pay and redeem the principal of the Bonds as the same shall respectively mature, and the full faith and credit and the unlimited taxing power of the County are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as and when the same respectively mature. If the Bonds are issued in any year after the making by the County of the regular levy for that year, then the County shall pay any and all interest becoming due before the next levy out of any other funds at its disposal, and the County shall levy at the next succeeding levy an amount sufficient to reimburse such other funds.

(b) For the purpose of paying interest on the Ocean Pines Water and Wastewater Improvements Project Portion of the Bonds and also for the purpose of paying the principal of such portion of the Bonds as and when they respectively mature and are payable, there is hereby assessed and levied, and there shall hereafter be assessed and levied and collected in each year, so long as any of such portion of the Bonds are outstanding and unpaid, (i) assessments on an EDU basis on all properties in the of the Ocean Pines Sanitary Service Area and (ii) if necessary, an ad valorem tax on all property subject to taxation within the Ocean Pines Sanitary Service Area in rate and amount sufficient to pay the interest on such portion of the Bonds then outstanding as the same becomes due and payable to pay and redeem the principal of such portion of the Bonds as the same shall respectively mature.

(c) For the purpose of paying interest on the Riddle Farm Water and Wastewater Improvements Project Portion of the Bonds and also for the purpose of paying the principal of such portion of the Bonds as and when they respectively mature and are payable, there is hereby assessed

and levied, and there shall hereafter be assessed and levied and collected in each year, so long as any of such portion of the Bonds are outstanding and unpaid, (i) assessments on an EDU basis on all properties in the of the Riddle Farm Sanitary Service Area and (ii) if necessary, an ad valorem tax on all property subject to taxation within the Riddle Farm Sanitary Service Area in rate and amount sufficient to pay the interest on such portion of the Bonds then outstanding as the same becomes due and payable to pay and redeem the principal of such portion of the Bonds as the same shall respectively mature.

(d) Notwithstanding the foregoing provisions of this Section 12, the County may apply to the payment of the principal of and interest on the Bonds as and when the same respectively are due and/or mature, funds received by the County from the State of Maryland, the United States of America, any agency or instrumentality of either or from any other source.

Section 13. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That any moneys held by the County and designated for payment of costs of the development, design and equipping of the respective Projects and not required for immediate disbursement and withdrawal, shall be invested or reinvested in accordance with Section 17-101 of the Local Government Article, as amended, pursuant to the Code of Public Local Laws of Worcester County, Maryland, County Government Article, Section 4-203(b) (Bill No. 77-19, Section 2) and a resolution entitled "Resolution Authorizing Investments by Finance Officer" adopted by the County on August 22, 1995, as supplemented. Such investments shall be made in the discretion of the Finance Officer of the County (provided, however, that the Board may by written direction direct the investments).

Section 14. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the County covenants and agrees with the registered owners from time to time of the Bonds, as follows:

(a) The County covenants that it will not make any use of any portion of the proceeds of any of the Bonds or any moneys, securities or other obligations on deposit to the credit of the County and designated for application to (i) the costs of the development, design and equipping of the respective Projects, or portions thereof, or (ii) the County or otherwise, which may be deemed by the Internal Revenue Service to be proceeds of any of the Bonds pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and Income Tax Regulations issued thereunder (collectively, the "Code"), which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(b) The County further covenants that it will comply with those provisions of Section 148 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. To the extent that provisions of Section 148 of the Code apply to only a portion of the Bonds, proceeds of the Bonds or other moneys, securities or other obligations deemed to be proceeds, it is intended that the covenants of the County contained in this Section be construed so as to require the County to comply with Section 148 of the Code only to the extent of such applicability.

(c) The County further covenants that it will not (i) take any action, (ii) fail to take any action, or (iii) make any use of the proceeds of any of the Bonds, which would cause the interest on any of the Bonds to be or become includible in gross income of the registered owners of any of the Bonds for purposes of federal income taxes.

Section 15. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That subsequent to the issuance, sale and delivery of the Bonds, regardless of the date on which the Bonds are issued, the President of the Board, on behalf of the County, or the Vice President of the Board, on behalf of the County and only in the absence and unavailability of the President of the Board, by approval order or otherwise, may take such actions and execute and approve on behalf of the County any documents or certificates or amendments thereto in connection with, and in order to effectuate, the issuance, sale and delivery of the Bonds, pursuant to the provisions of such documents, subject to any approval by the Board as may be required pursuant to federal tax law.

Section 16. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That in order to enable the bidders for the Bonds to comply with the requirements of paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12, the County shall execute and deliver, on or before the date of issuance and delivery of the Bonds, a Continuing Disclosure Agreement in substantially the form attached hereto as Exhibit D, with such changes therein as the President of the Board may approve, and the terms and conditions of such Continuing Disclosure Agreement are incorporated by reference herein and made a part hereof. Certain of the events listed in Section 4(a) of the Continuing Disclosure Agreement have been included for compliance with Rule 15c2-12 but are not relevant for the Bonds, specifically those events relating to debt service reserves, credit enhancements and liquidity providers, and property or other collateral.

Section 17. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the Board hereby finds that (a) each of the Projects constitutes a "proper public purpose" within the meaning of Section 19-503 of the Local Government Article of the Annotated Code of Maryland, and (b) the completion of each of the Projects is in the public interest of the citizens of Worcester County and necessary to protect the general health and welfare of the residents of Worcester County.

Section 18. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the provisions of this Resolution are severable, and if any provision, sentence, clause, section or part hereof is held to be illegal, invalid, or unconstitutional or inapplicable to any person or circumstance, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections, or parts of this Resolution or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Resolution would have been passed if such illegal, invalid or unconstitutional provision, sentence, clause, section or part had not been included herein, and if the person or circumstances to which this Resolution or any part hereof are inapplicable had been specifically exempted therefrom.

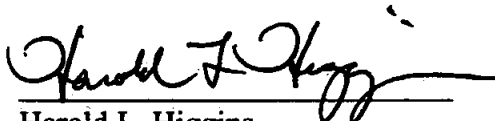
Section 19. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the provisions of this Resolution shall constitute a contract between the County and the purchasers of the Bonds so long as the Bonds or any portion thereof hereby authorized remains unpaid.

[SEAL]


Passed and adopted this 19th day of March, 2019.

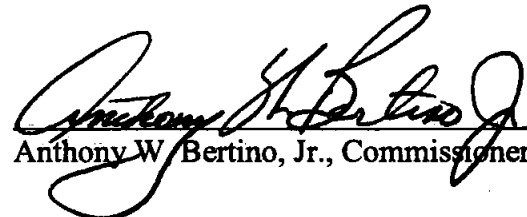
ATTEST:

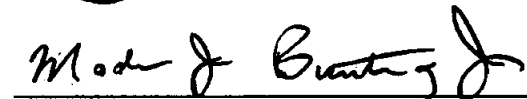
COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND


Harold L. Higgins,
Chief Administrative Officer

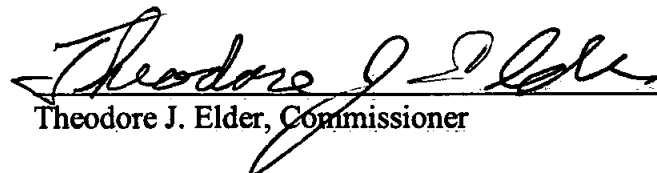

Diana Purnell, President


Joseph M. Mitrecic, Vice President


Anthony W. Bertino, Jr., Commissioner


Madison J. Bunting, Jr., Commissioner


James C. Church, Commissioner


Theodore J. Elder, Commissioner


Joshua C. Nordstrom, Commissioner

EXHIBIT A

**SCHEDULE OF PRINCIPAL AMOUNTS
FOR THE BONDS
AND
EACH PORTION OF THE BONDS**

Maturity Date	Bonds	County Capital Portion	Ocean Pines Water and Wastewater Improvements Portion	Riddle Farm Water and Wastewater Improvements Portion
August 1, 2020	\$ 2,190,000	\$2,035,000	\$145,000	\$10,000
August 1, 2021	2,255,000	2,095,000	145,000	15,000
August 1, 2022	2,345,000	2,175,000	155,000	15,000
August 1, 2023	2,465,000	2,290,000	160,000	15,000
August 1, 2024	2,595,000	2,410,000	170,000	15,000
August 1, 2025	2,725,000	2,530,000	180,000	15,000
August 1, 2026	2,865,000	2,665,000	185,000	15,000
August 1, 2027	3,015,000	2,805,000	195,000	15,000
August 1, 2028	3,165,000	2,945,000	205,000	15,000
August 1, 2029	3,330,000	3,095,000	215,000	20,000
August 1, 2030	3,500,000	3,250,000	230,000	20,000
August 1, 2031	3,680,000	3,420,000	240,000	20,000
August 1, 2032	3,830,000	3,560,000	250,000	20,000
August 1, 2033	3,945,000	3,665,000	260,000	20,000
August 1, 2034	4,070,000	3,785,000	265,000	20,000
TOTAL	\$ 45,975,000	\$42,725,000	\$3,000,000	\$250,000

UNITED STATES OF AMERICA
STATE OF MARYLAND
COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BOND
2019 SERIES

No. R- _____ \$ _____

Interest Rate Maturity Date Date of Issue CUSIP
_____ August 1, _____ _____ _____

Registered
Owner:

Principal
Amount:

COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND, a body politic and corporate, organized and existing under the Constitution and laws of the State of Maryland (the "County"), for value received, hereby promises to pay to the Registered Owner of this bond as set forth above, or registered assigns, the Principal Amount shown hereon on the Maturity Date shown hereon (or earlier as provided herein) and to pay interest thereon from the Interest Payment Date (hereinafter defined) next preceding the date of registration and authentication of this bond, unless this bond is registered and authenticated as of an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this bond is registered and authenticated prior to February 1, 2020, in which event this bond shall bear interest from the Date of Issue shown hereon (the "Date of Issue"), or unless, as shown by the records of the Bond Registrar (hereinafter defined), interest on the hereinafter referred to Bonds shall be in default, in which event this bond shall bear interest from the date on which interest was last paid on this bond, at the Interest Rate per annum shown hereon, payable semiannually on each February 1 and August 1, commencing February 1, 2020 (each, an "Interest Payment Date") , until maturity or earlier redemption.

Both the principal of and interest on this bond are payable in lawful money of the United States of America, at the time of payment. Payment of the principal of this bond shall be made upon presentation and surrender hereof at the designated corporate trust office of Manufacturers and Traders Trust Company, initially, Buffalo, New York, or its successor as bond registrar (the "Bond Registrar"). Payment of interest on this bond shall be made by the Bond Registrar on each Interest Payment Date to the person appearing on the registration books of the County maintained by the Bond Registrar as the registered owner hereof as of the 15th day of the month next preceding each such Interest Payment Date, by check or draft mailed to such registered owner at his, her or its address as it appears on such registration books.

This bond is one of an issue of bonds of the County in the aggregate principal amount of \$ _____, all dated the Date of Issue, and known as "County Commissioners of Worcester County, Maryland Consolidated Public Improvement Bonds, 2019 Series" (the "Bonds").

The Bonds are issued pursuant to the authority of Sections 11-401 and 19-501 to 19-510, inclusive, of the Local Government Article of the Annotated Code of Maryland, Sections 9-601 to 9-699, inclusive, of the Environment Article of the Annotated Code of Maryland, and the Code of Public Local Laws of Worcester County, Maryland, Section PW5-204 and Appendices NN (Bill No. 18-8), OO (Bill No. 18-9) and PP (Bill No. 18-10) (collectively, the "Enabling Legislation") and pursuant to Resolution No. 19-7, adopted by the Board of County Commissioners of Worcester County (the "Board") and effective on March 19, 2019, as supplemented by Resolution No. 19-__ adopted by the Board and effective on _____, 2019 (collectively, the "Resolution"). The Bonds have been consolidated for issuance pursuant to Section 19-101 of the Local Government Article of the Annotated Code of Maryland.

The Bonds shall be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiples thereof and shall mature in consecutive annual installments as provided in the Resolution.

This bond shall be registered on the books of the County to be kept for that purpose by the Bond Registrar at its principal office. This bond shall be transferable only upon such books at such office by the registered owner or by his, her or its duly authorized officer or attorney, but this bond will not be transferred unless The Depository Trust Company ("DTC") determines to discontinue providing its services as a securities depository or directs that the Bonds be reregistered in a different name, or unless DTC is removed as the depository for the Bonds. This bond, upon surrender hereof at the principal office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner hereof or his, her or its duly authorized attorney, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Bonds of authorized denominations and of the same form and tenor of this bond. For every such exchange or transfer of Bonds, the County or the Bond Registrar shall make a charge for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Such charge shall be paid by the registered owner requesting such exchange or transfer as a condition precedent to the exercise of such privilege. The Bond Registrar shall not be obligated to make any such exchange or transfer of Bonds after the fifteenth day of the month next preceding an interest payment date on the Bonds, or in case of any proposed redemption of Bonds, during the 15 days next preceding the date of the publication of notice of such redemption. The Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption.

The County and the Bond Registrar may deem and treat the person in whose name this bond is registered as the absolute owner hereof for all purposes; and neither the County nor the Bond Registrar shall be affected by any notice to the contrary.

Certain of the Bonds are subject to redemption prior to maturity as follows:

The Bonds maturing on or after August 1, 2030, shall be subject to redemption prior to their respective maturities, at the option of the County, on or after August 1, 2029, as a whole or in part at any time, but only upon payment of a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed.

If less than all of the outstanding Bonds shall be called for redemption, such redemption shall be in the order of maturity as is specified at that time by the Chief Administrative Officer of the County, and if less than all of the Bonds of any one maturity shall be called for redemption, then the particular Bonds or portions of Bonds of such maturity to be redeemed shall be chosen by lot by the Bond Registrar in such manner as, in its discretion, it shall determine, except that so long as DTC or its nominee is the sole registered owner of the Bonds, the particular Bonds or portions to be redeemed shall be selected by DTC, in such manner as DTC shall determine. Each \$5,000 portion of a Bond shall be treated as a separate Bond in the selection by lot of Bonds to be redeemed.

Notice of such redemption, either in whole or in part, shall be given by the County at least 30 days prior to the date fixed for redemption (the "Redemption Date") as provided in the Resolution, unless such notice shall be waived in writing by the registered owners of the Bonds so called for redemption, and such redemption shall be made in all respects in the manner and upon the terms and conditions provided in the Resolution. Notwithstanding the foregoing, so long as DTC or its nominee is the sole registered owner of the Bonds, any redemption notice shall be given only to DTC. On the date designated for redemption, notice having been published or waived, and moneys for the payment of the principal amount of the Bonds plus accrued interest being held by the Bond Registrar, 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 so called for redemption shall cease to accrue, and the registered owners of such Bonds so called for redemption shall have no rights in respect thereto except to receive payment from such moneys held by the Bond Registrar of the redemption price thereof, plus accrued interest thereon to the Redemption Date. If a portion of any bond shall be called for redemption, a new bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

The County hereby covenants to assess, levy and collect in each year, so long as any of the Bonds are outstanding and unpaid, an ad valorem tax on all property subject to taxation within Worcester County, Maryland, sufficient in rate and amount, together with other moneys available therefor, to pay the principal of and the interest on this bond; and the full faith and credit of the County are hereby irrevocably pledged to the prompt payment of the principal of and interest on this bond.

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, the Enabling Legislation and the Resolution, and that the issue of bonds, of which this is one, together with all other

indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the State of Maryland.

This bond shall not be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Bond Registrar, or its successor as Bond Registrar, of the Certificate of Authentication inscribed hereon.

No covenant or agreement contained in this bond shall be deemed to be a covenant or agreement of any officer, agent or employee of the County in his or her individual capacity, and neither the members of the Board nor any official executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

[SIGNATURE APPEARS ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, County Commissioners of Worcester County, Maryland, has caused this bond to be signed by its President of the Board by her manual or facsimile signature and has caused a facsimile of the corporate seal of the County to be imprinted hereon and attested by the Chief Administrative Officer of the County by his manual or facsimile signature, all as of the Date of Issue set forth above.

[SEAL]

ATTEST:

COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND

[Manual or Facsimile Signature]
Harold L. Higgins,
Chief Administrative Officer

By: [Manual or Facsimile Signature]
Diana Purnell,
President of the Board of
County Commissioners of
Worcester County

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of an issue described in the Resolution referred to herein.

**Date of Registration
and Authentication:**

_____, _____

**Manufacturers and Traders Trust Company,
as Bond Registrar**

**By: _____
Authorized Signature**

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(please insert name and address of, and social security number or other identifying number of, the assignee)

the within bond, and hereby irrevocably constitutes and appoints

or its successor as Bond Registrar as its attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP or MSP signature guaranty medallion program.

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

NOTICE OF SALE

COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
 \$45,975,000*
 CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2019 SERIES

Electronic bids via *PARITY* will be received for the above-captioned issue of general obligation bonds (the "Bonds") of the County Commissioners of Worcester County, Maryland (the "County") by the Finance Officer of Worcester County at the offices of the Finance Officer, Worcester County Government Building, Room 1103, One West Market Street, Snow Hill, Maryland, 21863, until 10:00 a.m. (E.D.T.) on Tuesday,

April 2, 2019.

Dated Date and Interest Payment Dates. The Bonds will be dated as of the date of delivery of the Bonds (the "Dated Date"). Interest on the Bonds will be payable on February 1, 2020 and semiannually thereafter on August 1 and February 1 until maturity or earlier redemption.

Principal Amounts and Principal Payment Dates. The Bonds will be issued in serial form, as described below. The Bonds will be issued in the aggregate principal amount of \$45,975,000* and will mature on August 1 in the following years and in the following amounts:

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>
2020	\$2,190,000	2028.....	\$3,165,000
2021	2,255,000	2029.....	3,330,000
2022	2,345,000	2030.....	3,500,000
2023	2,465,000	2031.....	3,680,000
2024	2,595,000	2032.....	3,830,000
2025	2,725,000	2033.....	3,945,000
2026	2,865,000	2034.....	4,070,000
2027	3,015,000		

General Obligations. The Bonds will be the unconditional general obligation of the County and will be issued upon its full faith and credit, which will be irrevocably pledged to the prompt payment of the principal of and interest on all of the Bonds as the same become due.

Book Entry Form; Payment. The Bonds will be issued in book-entry form by issuing a single bond for each maturity registered in the name of Cede & Co. as nominee for The Depository Trust Company or its successor ("DTC") and immobilized in its custody under DTC's "FAST" system (provided that if DTC so requests or if DTC is replaced as the depository for the Bonds, replacement bonds will be issued in the denominations of \$5,000 or any integral multiples thereof). Principal of the Bonds will be payable at maturity to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The County will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

*Preliminary, subject to change.

The principal of the Bonds will be payable at the designated corporate trust office of Manufacturers and Traders Trust Company (the "Bond Registrar"), initially in Buffalo, New York, upon presentation and surrender of the Bonds. Payment of interest on the Bonds, at the rates specified by the successful bidder in its bid via *PARITY*, shall be made by the Bond Registrar on each interest payment date to the person appearing on the registration books of the County maintained by the Bond Registrar as the registered owner thereof, by check of draft mailed to each such registered owner at his, her or its address as it appears on such registration books on the record date for the Bonds, which shall be the fifteenth day of the month next preceding each interest payment date. Notwithstanding the foregoing, while the Bonds are registered under DTC's book-entry only system, payment of the principal of and interest on the Bonds shall be made by the Bond Registrar to DTC or its nominee in accordance with the procedures of DTC.

Authorization and Use of Proceeds. The Bonds are being issued pursuant to the authority of Sections 11-401 and 19-501 to 19-510, inclusive, of the Local Government Article of the Annotated Code of Maryland, Sections 9-601 to 9-699, inclusive, of the Environment Article of the Annotated Code of Maryland, PW-5-204 of the Code of Public Local Laws of Worcester County, Maryland (the "Code of Public Local Laws") and Appendices NN (Bill No. 18-8), OO (Bill No. 18-9) and PP (Bill No. 18-10) of the Code of Public Local Laws, and pursuant to Resolution No. 19-7, adopted by the Board of County Commissioners of Worcester County, Maryland (the "Board") on March 19, 2019 (the "Resolution"). The proceeds of the sale of the Bonds are being used to finance (a) the construction, installation and equipping of (i) a new Showell Elementary School facility, (ii) a new turf athletic field and track at Stephen Decatur High School, and (iii) the Central Landfill Site Cell No. 5 construction project, and (iv) various water and wastewater infrastructure projects in the Ocean Pines and Riddle Farm Service Areas, and costs of issuance and other related costs of the Bonds.

Redemption. The Bonds maturing on or after August 1, 2030 shall each be subject to redemption prior to their respective maturities, at the option of the County, on or after August 1, 2029, as a whole or in part at any time, but only upon payment of a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed.

Notice of and Procedure for Redemption. The procedures for redemption of the Bonds, including the requirements for giving notice of such redemption, are described in the Preliminary Official Statement (hereinafter defined) and are incorporated herein by reference.

Adjustments. The aggregate principal amount of the Bonds and the principal amount of each maturity are subject to adjustment by the County, both before and after the receipt of bids for their purchase. Changes to be made prior to the sale will be through TM3 News Service not later than 9:30 a.m. (E.D.T.) on the date of sale (or as soon thereafter as is reasonably practicable) and will be used to compare bids and select a winning bidder. Changes to be made after the sale and the maturity amounts for the Bonds will be communicated to the successful bidder by 5:00 p.m. (E.D.T.) on the date of the sale, and will not reduce the aggregate principal amount of the Bonds by more than the premium amount of the bid. In addition, the final maturity schedule for the Bonds will be communicated to the successful bidder by 5:00 p.m. (E.D.T.) on the date of the sale. The dollar amount bid for principal and any amount bid for premium by the successful bidder will be adjusted proportionately to reflect any reduction or increase in the aggregate principal amount of the Bonds, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

TERMS OF SALE

Electronic Bids. Electronic bids will be received via *PARITY* pursuant to this Notice of Sale until 10:00 a.m. (E.D.T.), but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in *PARITY* conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about *PARITY*, potential bidders may contact *PARITY* (212) 849-5021. Bidders may only submit bids electronically via *PARITY*.

Each prospective bidder shall be solely responsible to submit its bids via *PARITY* as described above. Each prospective bidder shall be solely responsible to make necessary arrangements to access *PARITY* for the purpose of

submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor *PARITY* shall have any duty or obligation to provide or assure access to *PARITY* to any prospective bidder, and neither the County nor *PARITY* shall be responsible for proper operation of, or have any liability for delays or interruptions of, or any damages caused by, *PARITY*. The County is using *PARITY* as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. The County is not bound by any advice and determination of *PARITY* to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid parameters set forth herein. All costs and expenses incurred by prospective bidders in connection with their submissions of bids via *PARITY* are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid of the Bonds, it should telephone *PARITY* (212) 849-5021 and notify the County's Financial Advisor, Davenport & Company LLC by facsimile at (410) 296-8517 and by telephone at (410) 296-9426.

Electronic bids must be submitted for the purchase of the Bonds (all or none) via *PARITY*. Bids will be communicated electronically to the County at 10:00 a.m. (E.D.T.), on April 2, 2019. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via *PARITY*, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via *PARITY* to the County, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. *For purposes of the electronic bidding process, the time as maintained on PARITY shall constitute the official time.*

Bidding Constraints. Each bidder shall submit one bid via *PARITY* at a price of not less than par, based on the aggregate principal amount of the Bonds, on an "all-or-none" basis. Each bid must specify the rate or rates of interest to be paid on the Bonds, in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%). Bidders may specify more than one rate of interest to be borne by the Bonds; but all Bonds maturing on the same date must bear interest at the same rate. . Bidders may not specify (1) any interest rate for any Bonds which exceeds the interest rate stated in such bid for any other Bonds by more than 3.00%, (2) any interest rate that exceeds 5.00%, or (3) a zero rate of interest. Bidders are requested to specify the true interest cost (computed in accordance with the terms of this Notice of Sale) in their bid for the Bonds. A bid for the purchase of the Bonds at a price of less than 100% of par, or a bid for the Bonds that specifies split or supplemental interest rates, will not be considered. The County will also not consider and will reject any bid for the purchase of less than all of the Bonds. All bids must be unconditional. By submitting a bid for the Bonds, the bidder agrees, if it is the successful bidder for the Bonds, to (1) provide full and complete pricing information with respect to the Bonds to the County in a timely manner so that the County may fulfill its obligation relating to the delivery of the Official Statement to the purchaser of the Bonds within seven business days following the award, including, without limitation, the offering price(s), interest rate(s), selling compensation, delivery dates and other similar information; (2) comply with the requirements of SEC Rule 15c2-12 (the "Rule"), applicable federal and state securities laws and the applicable rules of the Municipal Securities Rulemaking Board (the "MSRB") in connection with the offer and sale of the Bonds; (3) furnish to the County before the delivery of the Bonds such information as shall be necessary to enable the County to determine the "issue price" of the Bonds in accordance with the Internal Revenue Code of 1986, as amended; and (4) within three business days after the final Official Statement becomes available, cause copies thereof to be filed with the MSRB.

Good Faith Deposit. A good faith deposit (the "Deposit") is required in connection with the sale and bid for the Bonds. The Deposit shall be provided in the form of (i) a federal funds wire transfer in the amount of \$459,750 to be submitted to the County by the successful bidder not later than 4:00 p.m. (E.D.T.) (the "Deposit Deadline") on the date of sale as described in more detail below. The Deposit of the successful bidder will be retained by the County to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages.

The County shall distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Deposit Deadline. If the Deposit is not received by the Deposit Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the County in its discretion without any financial liability of the County to the successful bidder or any limitations whatsoever on the

County's right to sell the Bonds to a different purchaser upon such terms and conditions as the County shall deem appropriate.

Award of Bonds. The County will not consider and will reject any bid for the purchase of less than all of the Bonds. THE RIGHT IS RESERVED TO REJECT ANY AND ALL BIDS AND TO WAIVE ANY IRREGULARITY OR NON-CONFORMITY IN ANY BID. Bids will be opened promptly after 10:00 a.m. (E.D.T.) (as determined in accordance with the time as maintained on *PARITY*) on April 2, 2019. The award, if made, will be made as promptly as possible after the bids are opened to the bidder offering the lowest interest rate to the County. The lowest interest rate shall be determined in accordance with the true interest cost ("TIC") method by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid, excluding interest accrued to the date of delivery. If two or more bidders have made bids, each of which represents the lowest true interest cost to the County, then the Bonds shall be awarded to the bidder offering the highest premium and, if the highest premium is offered by two or more such bidders or if no premium is bid by any such bidders, then the Bonds may be awarded, with their consent, in a ratable portion among such bidders, or the County, in its discretion, may award all of the Bonds to one bidder. The judgment of the County shall be final and binding upon all bidders with respect to the form and adequacy of any bid received and as to its conformity to the terms of this Notice of Sale. THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL REOFFERING PRICES AND SHALL PROVIDE THE RELATED CERTIFICATION DESCRIBED UNDER "DELIVERY OF BONDS" BELOW.

Change of Date or Time of Sale; Change in Bidding Constraints. The County reserves the right to change, from time to time, the date or time established for the receipt of the bids. Any such change will be announced by TM3 News Service by notice given at or before the time for submission of the bids. If any date fixed for the receipt of bids and the sale of the Bonds is postponed, any alternative sale date will be announced via TM3 News Service at least 48 hours prior to such alternative sale date. In addition, the County reserves the right, on the date established for the receipt of bids, to reject all bids and establish a subsequent alternative sale date. On any such alternative sale date, any bidder may submit a sealed bid or electronic bid via *PARITY* for the purchase of the Bonds in conformity in all respects with the provisions of this Notice of Sale except for the date of sale and except for the changes announced by TM3 News Service at the time the sale date and time are announced.

CUSIP Numbers. CUSIP numbers for the Bonds will be applied for by the Financial Advisor, but the County will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any of the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Bonds.

Legal Opinion. The issuance of the Bonds will be subject to delivery of the approving opinion of Miles & Stockbridge P.C., Baltimore, Maryland, and copies of their opinion shall be substantially in the form set forth as an exhibit to the Preliminary Official Statement referred to below. The opinion will be delivered upon request, without charge, to the successful bidder for the Bonds.

Delivery of Bonds. The Bonds will be delivered on April 16, 2019, or as soon as practicable thereafter, at the expense of the County, for the account of the successful bidder, through the facilities of DTC in New York, New York, upon payment of the amount of the successful bid (including any premium), less the deposit theretofore made. Payment for the Bonds shall be made in federal funds. The Bonds will be issued by means of book-entry system with no physical distribution of bond certificates made to the public. The successful bidder for the Bonds, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., its partnership nominee.

Certification as to Issue Price. The successful bidder shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County on or before the Dated Date, as applicable, an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds together with the supporting pricing wires or equivalent communications as described herein. All communications under this Official Notice of Sale relating to issue price of the Bonds may be taken on behalf of the

County by the County's municipal advisor identified herein and any notice or report to be provided to the County relating to issue price may be provided to the County's municipal advisor.

The County intends and expects that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because: (i) the County shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters; (ii) all bidders shall have an equal opportunity to bid; (iii) the County may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and (iv) the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Official Notice of Sale (a "Qualified Competitive Bid"). If a bid qualifies as a Qualified Competitive Bid, the successful bidder shall be required to provide to the County a certificate acceptable to Bond Counsel, on or before the Dated Date of the Bonds, substantially in the form [attached hereto as Exhibit I], [attached as Exhibit I to the Notice of Sale included as Appendix C to the Preliminary Official Statement (hereinafter defined), and incorporated herein by reference], with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the County and Bond Counsel.

In the event that a bid fails to satisfy the requirements of a Qualified Competitive Bid (an "Alternate Competitive Bid"), the County shall so advise the successful bidder. The County may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). Bids will not be subject to cancellation in the event that the County determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the 10% test and/or the hold-the-offering-price rule in order to establish the issue price of the Bonds. Bidders should note that an Alternative Competitive Bid may require the successful bidder and, if applicable, other underwriters of the Bonds to hold the initial offering prices for certain maturities of the Bonds for up to 5 business days after the sale date of the Bonds. If a bid is an Alternate Competitive Bid, the successful bidder shall be required to provide to the County a certificate acceptable to Bond Counsel, substantially in the form [attached hereto as Exhibit II] [attached as Exhibit II to the Notice of Sale included as Appendix C to the Preliminary Official Statement and incorporated herein by reference], with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the County and Bond Counsel.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. All bids shall include a representation that the underwriters have established industry reputations for underwriting new issuances of municipal securities.

Closing Documents. The Bonds will be accompanied by the customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending against the County affecting the validity of the Bonds, and a Tax Certificate and Compliance Agreement signed by the Finance Officer of the County. It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, such successful bidder shall be furnished a certificate or certificates of the President of the Board and the Chief Administrative Officer of the County to the effect that, to the best of their knowledge and belief, the Official Statement (hereinafter defined) (and any amendment or supplement thereto) (except for the any information furnished by the successful bidder, as to which no view will be expressed) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in the Official Statement (and any amendment or supplement thereto).

Preliminary Official Statement. The Preliminary Official Statement of the County concerning the Bonds (the "Preliminary Official Statement") is in a form "deemed final" by the County for purposes of SEC Rule 15c2-12(b)(1) (the "Rule") but is subject to revision, amendment and completion in the final Official Statement.

Official Statement. As soon as practicable after the award of the Bonds to the successful bidder therefor on the day of sale, the County will authorize the final Official Statement for the Bonds (the "Official Statement"). By submitting its bid for the Bonds, the successful bidder agrees to provide the County with pricing information and such other information as the County may require in order that the County may provide the successful bidder with a final Official Statement in compliance with the Rule. Whether or not any such information is included in the Official Statement (and any amendment or supplement thereto), such successful bidder shall be responsible to the County and its officials in all respects for the accuracy, fairness and completeness of such information, and for all decisions made with respect to the use or omission of such information in any re-offering of the Bonds, including the presentation or exclusion of any such information in any documents, including the Official Statement. Within seven (7) business days after the award of the Bonds to the successful bidder, the County will deliver to the successful bidder an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement. The successful bidder will also be furnished, without cost, with up to 100 copies of the Official Statement and any amendments or supplements thereto. The successful bidder may obtain additional copies at such successful bidder's own expense.

The County will undertake to provide the successful bidder with further additional information to be included in the Official Statement, when in the opinion of the County or of Bond Counsel, such additional information constitutes a material change to the Official Statement. The County will take such steps as are necessary to arrange for amending and supplementing the Official Statement in connection with the disclosure of such additional information; provided, however, that the County shall have no obligation to provide such additional information after the date which is 25 days after the "end of the underwriting period", as such term is defined in the Rule.

Continuing Disclosure Agreement. In order to assist bidders in complying with the SEC Rule 15c2-12(b)(5), the County will execute and deliver a continuing disclosure agreement on or before the date of issuance of the Bonds pursuant to which the County will undertake to provide certain information annually and notices of certain events. A description of this agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

Additional Information. The Preliminary Official Statement of County Commissioners of Worcester County, Maryland, concerning the Bonds, and copies of this Notice of Sale may be obtained from Mr. Phillip G. Thompson, Finance Officer, Worcester County Government Building, Room 1103, Snow Hill, Maryland, 21863, or from the County's Financial Advisor, Davenport & Company LLC, The Oxford Building 8600 LaSalle Road, Suite 618, Towson, Baltimore, Maryland, 21286 (410-296-9426).

COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND
By: Diana Purnell
President of the Board
of County Commissioners

FORM ISSUE PRICE CERTIFICATE
FOR QUALIFIED COMPETITIVE BID

WORCESTER COUNTY, MARYLAND
General Obligation Bonds

\$ _____
COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2019 SERIES

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (the "Underwriter"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds") issued by the County Commissioners of Worcester County, Maryland (the "County").

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Underwriter are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Bonds.

(d) The Underwriter has an established industry reputation for underwriting new issuances of municipal bonds.

2. Defined Terms.

(a) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(c) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(d) Underwriter means (i) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Tax Certificate and Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Miles & Stockbridge P.C., as Bond Counsel to the County, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the County from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Title: _____

Dated: [ISSUE DATE]

SCHEDULE A

EXPECTED OFFERING PRICES
(To be attached.)

**COPY OF UNDERWRITER'S BID
(To be attached.)**

WORCESTER COUNTY, MARYLAND
General Obligation Bonds
\$ _____
COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2019 SERIES

CERTIFICATE OF MUNICIPAL ADVISOR

The undersigned, on behalf of Davenport & Company LLC (the "Municipal Advisor"), as the municipal advisor to the County Commissioners of Worcester County, Maryland (the "County") in connection with the issuance of the above-captioned obligations (the "Bonds"), has assisted the County in soliciting and receiving bids from potential underwriters in connection with the sale of the Bonds in a competitive bidding process in which bids were requested for the purchase of the Bonds at specified written terms, and hereby certifies as set forth below with respect to the bidding process and award of the Bonds.

1. The Bonds were offered for sale at specified written terms more particularly described in the Notice of Sale, which was distributed to potential bidders, a copy of which is attached to this certificate as Attachment 1.

2. The Notice of Sale was disseminated electronically through _____. The method of distribution of the Notice of Sale is regularly used for purposes of disseminating notices of sale of new issuances of municipal bonds, and notices disseminated in such manner are widely available to potential bidders.

3. To the knowledge of the Municipal Advisor, all bidders were offered an equal opportunity to bid to purchase the Bonds so that, for example, if the bidding process afforded any opportunity for bidders to review other bids before providing a bid, no bidder was given an opportunity to review other bids that was not equally given to all other bidders (that is, no exclusive "last-look").

4. The County received bids from at least three bidders who represented that they have established industry reputations for underwriting new issuances of municipal bonds. Copies of the bids received are attached to this certificate as Attachment 2.

5. The winning bidder was [NAME OF UNDERWRITER] (the "Underwriter"), whose bid was determined to be the best conforming bid in accordance with the terms set forth in the Notice of Sale, as shown in the bid comparison attached as Attachment 3 to this certificate. The County awarded the Bonds to the Underwriter.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Municipal Advisor's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Tax Certificate and Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Miles & Stockbridge P.C., as Bond Counsel to the County, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the County from time to time relating to the Bonds. No other persons may rely on the representations set forth in this certificate without the prior written consent of the Municipal Advisor.

[Signature Page Follows]

Davenport & Company LLC

By: _____

Name: _____

Dated: [ISSUE DATE]

NOTICE OF SALE
(To be attached.)

ATTACHMENT 2

BIDS RECEIVED
(To be attached.)

BID COMPARISON
(To be attached.)

FORM ISSUE PRICE CERTIFICATE
FOR ALTERNATIVE COMPETITIVE BID

WORCESTER COUNTY, MARYLAND
General Obligation Bonds

§ _____
COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2019 SERIES

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (the "Underwriter"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds") issued by the County Commissioners of Worcester County, Maryland (the "County").

1. **Sale of the General Rule Maturities.** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. **Initial Offering Price of the Hold-the-Offering-Price Maturities.**

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Bond Sale and Official Bid Form, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such selling group agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(c) The Underwriter has an established industry reputation for underwriting new issuances of municipal bonds.

3. **Defined Terms.**

(a) **General Rule Maturities** means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) **Hold-the-Offering-Price Maturities** means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) **Holding Period** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Tax Certificate and Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Miles & Stockbridge P.C., as Bond Counsel to the County, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the County from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
(To be attached.)**

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION
(To be attached.)

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement"), is executed and delivered by County Commissioners of Worcester County, Maryland (the "County") in connection with the issuance of its \$ _____ County Commissioners of Worcester County, Maryland Consolidated Public Improvement Bonds, 2019 Series (the "Bonds"). The County, intending to be legally bound hereby and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement.

This Disclosure Agreement is being executed and delivered by the County for the benefit of the owners and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The County's obligations hereunder shall be limited to those required by written undertaking pursuant to the Rule.

Section 2. Definitions.

In addition to the definitions set forth above, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"EMMA" means the Electronic Municipal Market Access System (<http://emma.msrb.org>), the reporting established by the MSRB, and its successors and assigns.

"Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board, its successors and assigns.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Financial Information, Operating Data and Audited Information.

(a) The County shall provide to EMMA, annual financial information and operating data as set forth in Schedule A to this Continuing Disclosure Agreement, such information and data

to be updated as of the end of the preceding fiscal year and made available within 275 days after the end of the fiscal year, commencing with the fiscal year ending June 30, 2019.

(b) The County shall provide to EMMA annual audited financial statements for the County, such information to be made available within 275 days after the end of the County's fiscal year, commencing with the fiscal year ending June 30, 2019, unless the audited financial statements are not available on or before such date, in which event said financial statements will be provided promptly when and if available. In the event that audited financial statements are not available within 275 days after the end of the County's fiscal year (commencing with the fiscal year ending June 30, 2019), the County will provide unaudited financial statements within said time period.

(c) The presentation of the financial information referred to in paragraph (a) and in paragraph (b) shall be made in accordance with the same accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the final official statement for the Bonds.

(d) If the County is unable to provide the annual financial information and operating data within the applicable time periods specified in (a) and (b) above, the County shall send in a timely manner a notice of such failure to EMMA and the Municipal Securities Rulemaking Board.

Section 4. Reporting of Significant Events.

The County also agrees to provide to the MSRB, or cause to be provided to the MSRB, notice of the occurrence of any of the following events with respect to any of the Bonds (each, a "Listed Event"), in a timely manner, not in excess of ten (10) business days after the occurrence of such Listed Event:

- (a) principal and interest payment delinquencies,
- (b) non-payment related defaults, if material,
- (c) unscheduled draws on debt service reserves reflecting financial difficulties,
- (d) unscheduled draws on credit enhancements, if any, reflecting financial difficulties,
- (e) substitution of credit or liquidity providers, if any, or their failure to perform,
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds,

- (g) modifications to rights of Bondholders, if material,
- (h) bond calls, if material, and tender offers,
- (i) defeasances,
- (j) release, substitution, or sale of property securing repayment of any of the Bonds, if material,
- (k) rating changes,
- (l) bankruptcy, insolvency, receivership or similar event of the obligated person,
- (m) consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material,
- (n) appointment of a successor or additional trustee, or the change of name of a trustee, if material.
- (o) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material, or
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

The events described in subparagraphs (c), (d), (e) and (j) above may not be applicable because: (i) no debt service reserve, credit facility or liquidity facility has been established with respect to the Bonds and (ii) there is no property securing the repayment of the Bonds.

Section 5. Termination of Reporting Obligations.

The County's obligations under this Disclosure Agreement shall terminate upon the payment in full of all of the Bonds at their maturity. In addition, the County may terminate its obligations under this Disclosure Agreement if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule.

Section 6. Amendment.

The County may provide further or additional assurances that will become part of the County's obligations under this Disclosure Agreement. In addition, this Disclosure Agreement may be amended by the County in its discretion provided that (i) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County as the obligated person with respect to the Bonds, or type of business conducted; (ii) the Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment does not materially impair the interests of holders of the Bonds, as determined by counsel selected by the County that is expert in federal securities law matters, or by an approving vote of the holders of 25% of the outstanding aggregate principal amount of the Bonds. The reasons for the County agreeing to provide any further or additional assurances or for any amendment and the impact of the change in the type of operating data or financial information being provided will be explained in information provided with the annual financial information containing the additional or amended operating data or financial information.

Section 7. Additional Information.

Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any disclosure made pursuant to Section 4(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any disclosure made pursuant to Section 4(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure made pursuant to Section 4(a) or (b) hereof or notice of occurrence of a Listed Event.

Section 8. Law of Maryland.

This Disclosure Agreement, and any claim made with respect to the performance by the County of its obligations hereunder, shall be governed by, subject to, and construed according to the laws of the State of Maryland or the federal law.

Section 9. Limitation of Forum.

Any suit or other proceeding seeking redress with regard to any claimed failure by the County to perform its obligations under this Disclosure Agreement must be filed in the Circuit Court for Worcester County, Maryland.

Section 10. Limitation on Remedies.

The County shall be given written notice at the address set forth below of any claimed failure by the County to perform its obligations under the Disclosure Agreement, and the County shall be given 45 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the County shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the County shall be given to the Chief Administrative Officer of the County, Room 1103, One West Market Street, Snow Hill, Maryland, 21863, or at such other alternate address as shall be specified by the County with disclosures made pursuant to Section 4(a) or (b) hereof or a notice of occurrence of a Listed Event.

Section 11. Relationship to Bonds.

The Disclosure Agreement constitutes an undertaking by the County that is independent of the County's obligations with respect to the Bonds; any breach or default by the County under this Disclosure Agreement shall not constitute or give rise to a breach or default under the Bonds.

Section 12. Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of the owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, this Continuing Disclosure Agreement is being executed by County Commissioners of Worcester County, Maryland as of this ___ day of _____, 2019.

COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND

[SEAL]

By: _____
Diana Purnell,
President of the Board of
County Commissioners

ATTEST:

Harold L. Higgins,
Chief Administrative Officer

Schedule A

- (1) Summary of County Revenues and Expenditures**
- (2) Summary of Outstanding Bonded Indebtedness of the County, its Incorporated Municipalities and the Worcester County Sanitary District**
- (3) Assessed values, tax rates, tax levies and collections**
- (4) Budget for Current Fiscal Year**
- (5) Description of material litigation, if any, based on the accountant's report contained in the County's audited financial statements**