

RESOLUTION NO. 14- 9

COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2014 SERIES

SUPPLEMENTAL RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY (THE "BOARD") SUPPLEMENTING RESOLUTION NO. 14-5, AS PREVIOUSLY SUPPLEMENTED BY RESOLUTION NO. 14-6 (COLLECTIVELY, THE "BOND RESOLUTION"), PROVIDING FOR THE ACCEPTANCE BY COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND (THE "COUNTY") OF BIDS RECEIVED FOR ITS "COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND CONSOLIDATED PUBLIC IMPROVEMENT BONDS, 2014 SERIES" AND AWARDING SUCH BONDS TO THE SUCCESSFUL BIDDER THEREFOR; FIXING THE INTEREST RATES PAYABLE ON SUCH BONDS; RATIFYING THE PRELIMINARY OFFICIAL STATEMENT OF THE COUNTY PREPARED AND DISTRIBUTED IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH BONDS; APPROVING THE OFFICIAL STATEMENT OF THE COUNTY PREPARED IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH BONDS AND DECLARING SUCH OFFICIAL STATEMENT TO BE "DEEMED FINAL" PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12; AUTHORIZING THE COMPLETION, EXECUTION, ISSUANCE AND DISTRIBUTION OF SUCH OFFICIAL STATEMENT; PROVIDING FOR A REVISED CONTINUING DISCLOSURE AGREEMENT RELATING TO SUCH BONDS; AND FOR RELATED MATTERS.

RECITALS

Pursuant to Resolution No. 14-5 adopted by the Board on March 4, 2014, as previously supplemented by Resolution No. 14-6 adopted by the Board on March 11, 2014 (collectively, the "Bond Resolution") and a published Notice of Sale (the "Notice of Sale"), the Finance Officer (the "Finance Officer") of the County Commissioners of Worcester County, Maryland (the "County"), has received electronic bids via *PARITY* at his office for its "County Commissioners of Worcester County, Maryland Consolidated Public Improvement Bonds, 2014 Series" (the "Bonds"). The bids for the Bonds were received prior to 10:15 o'clock a.m. (E.D.T.) on Tuesday, March 18, 2014. A list of the bidders for the Bonds and the true interest cost of each of their respective bids is attached hereto as Exhibit A.

The Preliminary Official Statement of the County dated March 6, 2014, issued in connection with the issuance and sale of the Bonds (the "Preliminary Official Statement"), has been previously distributed to potential bidders for the Bonds, and copies of the Preliminary Official Statement have been delivered to the members of the Board of County Commissioners of Worcester County (the "Board") prior to this meeting. In connection with the issuance and sale of the Bonds, it is necessary that the County issue an Official Statement describing, inter alia, the Bonds and the County.

Pursuant to the Bond Resolution, the Board is authorized to adopt a resolution supplemental to the Bond Resolution, immediately after the sale of the Bonds, pursuant to which the Board will (a) fix the interest rate or rates payable on the Bonds and (b) provide for and

approve various other matters in connection with the issuance, sale and delivery of the Bonds.

In addition, it is necessary that the form of the Continuing Disclosure Agreement approved in the Bond Resolution be revised to change June 30, 2015 to June 30, 2014 in three places.

NOW, THEREFORE, pursuant to and in accordance with 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, as amended, Section PW5-204 and Appendix II (Bill No. 13-4) of the Code of Public Local Laws of Worcester County, Maryland, and Section 19-101 of the Local Government Article of the Annotated Code of Maryland, and pursuant to the Bond Resolution:

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, in the Exhibits hereto or in the Bond Resolution shall have the meanings given such terms therein.

Section 2. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the bid of Wells Fargo Bank, National Association (the "Successful Bidder") for the Bonds at a purchase price of \$53,291,100.58, as submitted to the County through *PARITY* and opened by the Finance Officer at his office on March 18, 2014, is the lowest bid conforming with the terms of the Notice of Sale and shall be and the same is hereby accepted.

Section 3. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the interest rates named in the bid of the Successful Bidder, as set forth in Exhibit B hereto, are hereby adopted as the interest rates payable on the Bonds.

Section 4. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the aggregate principal amount of the Bonds, the schedule of principal installments, the principal payment dates, interest payment dates, the optional redemption provisions (including optional redemption dates) and all other provisions of the Bond Resolution are ratified and confirmed.

Section 5. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the Preliminary Official Statement, together with the distribution thereof, is hereby ratified and approved.

Section 6. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the Official Statement of the County, to be prepared and delivered in connection with the issuance and sale of the Bonds (the "Official Statement") shall be substantially in the form of the Preliminary Official Statement, but shall also include the final aggregate principal amount of the Bonds, the final principal amount of each maturity of the Bonds and the interest rates for the Bonds adopted in this Resolution, such pricing and other information relating to the re-offering of the Bonds, if any, as may have been specified

and furnished in writing by the Successful Bidder for the Bonds prior to the adoption of this Resolution and such other changes, corrections and additions as the President of the Board shall approve on behalf of the County; and in such form, the Official Statement of the County is hereby approved and hereby "deemed final" for purposes of Securities and Exchange Commission Rule 15c2-12.

Section 7. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That 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 C, with such changes therein as the President of the Board may approve, in lieu of the form approved as Exhibit D to the Bond Resolution; and the terms and conditions of such Continuing Disclosure Agreement are incorporated by reference herein and made a part hereof.

Section 8. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the President of the Board is hereby authorized and directed to execute, issue and distribute the Official Statement in connection with the sale of the Bonds.

Section 9. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That this Resolution is and shall be deemed a supplemental resolution authorized and referred to in the Bond Resolution.

Section 10. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That this Resolution shall take effect immediately.

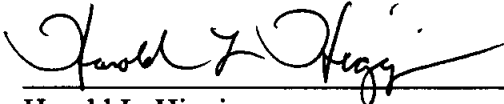
[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

[SEAL]

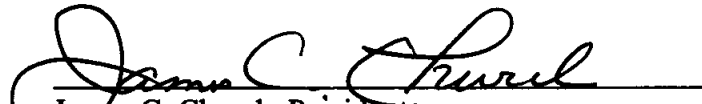
Passed and adopted this 18th day of March, 2014.

ATTEST:


COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND




Harold L. Higgins,
Chief Administrative Officer



James C. Church, President



Merrill W. Lockfaw, Jr., Vice President



Judith O. Boggs, Commissioner



Madison J. Bunting, Jr., Commissioner



Louise L. Gulyas, Commissioner

Absent

James L. Purnell, Jr., Commissioner



Virgil L. Shockley, Commissioner

EXHIBIT A

COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT BONDS
2014 SERIES

BIDS FOR THE BONDS

Bidder Name	TIC
Wells Fargo Bank, National Association	2.670007
BMO Capital Markets	2.674211
Hutchinson, Shockey, Erley & Co.	2.715830
Jefferies LLC	2.718116
Robert W. Baird & Co., Inc.	2.720540
Guggenheim Securities, LLC	2.732978
Bank of America Merrill Lynch	2.737323
Citigroup Global Markets Inc.	2.739277
Janney Montgomery Scott LLC	2.748271
J.P. Morgan Securities LLC	2.821495
FTN Financial Capital Markets	2.929155

EXHIBIT B

SCHEDULE OF INTEREST RATES FOR THE BONDS

<u>Maturity Date</u>	<u>Interest Rate</u>
March 1, 2015	5.0000 %
March 1, 2016	5.0000
March 1, 2017	5.0000
March 1, 2018	5.0000
March 1, 2019	5.0000
March 1, 2020	5.0000
March 1, 2021	5.0000
March 1, 2022	5.0000
March 1, 2023	5.0000
March 1, 2024	5.0000
March 1, 2025	5.0000
March 1, 2026	3.0000
March 1, 2027	3.0000
March 1, 2028	3.1250
March 1, 2029	3.2500

FORM OF 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 \$48,300,000 County Commissioners of Worcester County, Maryland Consolidated Public Improvement Bonds, 2014 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, 2014.

(b) The County shall provide to EMMA, if any, 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, 2014, 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, 2014), 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, or
- (n) appointment of a successor or additional trustee, or the change of name of a trustee, if material.

The events described in subparagraphs (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 Securities and Exchange Commission Rule 15c2-12.

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 _____, 2014.

COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND

[SEAL]

By: _____
James C. Church,
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