

A RESOLUTION ENTITLED

14-00

A RESOLUTION of Queen Anne's County, Maryland authorizing the issuance and sale of Twenty-Four Million Dollars (\$24,000,000) maximum principal amount of general obligation bonds under the provisions of Sections 19-501 *et seq.* of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume), and in accordance with a public local law enacted by the Board of County Commissioners of Queen Anne's County on February 11, 2014 (Bill No. 13-26); said bonds to be designated "Queen Anne's County Public Facilities Bonds of 2014"; prescribing the form and tenor of the bonds and the terms and conditions for the issuance and sale thereof at public sale, including the form of the notice of sale; prescribing the terms and conditions of the bonds and all other details incident to the issuance, sale and delivery of the bonds; providing for the disbursement of the proceeds of the bonds; authorizing the preparation and distribution of a preliminary and final official statement in connection with the sale of the bonds; providing for the levy and collection of ad valorem taxes necessary for the prompt payment of the maturing principal of and interest on the bonds, and providing that the full faith and credit and taxing power of Queen Anne's County, Maryland shall be irrevocably and unconditionally pledged to the payment of such principal and interest; and generally relating to the issuance, sale, delivery and payment of the bonds.

Section 1. Pursuant to the authority of Sections 19-501 *et seq.* of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume) (the "Enabling Act") and a public local law enacted by the County Commissioners of Queen Anne's County (the "County") on February 11, 2014 (Bill No. 13-26) (the "Public Local Law"), the County hereby determines to borrow money and incur indebtedness for the public purpose of providing funds to finance or refinance all or a portion of the costs of the projects described in the Public Local Law. To evidence such borrowing and indebtedness, the County hereby determines to issue and sell, upon its full faith and credit, one or more series of its general obligation bonds in the maximum aggregate principal amount of Twenty-Four Million Dollars (\$24,000,000), to be designated "Queen Anne's County Public Facilities Bonds of 2014" (the Bonds").

Section 2. The Bonds shall be dated the date of delivery, numbered from one consecutively upward in the order of their respective maturities, and issued at not less than par as fully registered bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. Based upon a preliminary aggregate principal amount of \$22,390,000, the Bonds shall mature, subject to prior redemption as hereinafter provided, in preliminary annual installments on April 1, as follows:

<u>Year</u>	<u>Preliminary Principal Amounts</u>	<u>Year</u>	<u>Preliminary Principal Amounts</u>
2015	\$895,000	2025	\$1,105,000
2016	775,000	2026	1,150,000
2017	805,000	2027	1,195,000
2018	840,000	2028	1,245,000
2019	875,000	2029	1,295,000
2020	910,000	2030	1,345,000
2021	945,000	2031	1,400,000
2022	980,000	2032	1,455,000
2023	1,020,000	2033	1,515,000
2024	1,065,000	2034	1,575,000

Notwithstanding the foregoing, bidders may designate in their proposal two or more consecutive serial maturities of a series as a term bond which matures on the maturity date of the last serial maturity of the sequence in accordance with the terms of the published Notice of Sale for the Bonds (the "Notice of Sale"). Any term bond so designated shall be subject to mandatory redemption in each year on the principal payment date and in the entire amount of each serial maturity designated for inclusion in such term bond. Subject to the limitation that the final aggregate principal amount of the Bonds issued may not exceed the maximum aggregate principal amount stated in Section 1 above, the President of the Board of County Commissioners or his designee is further authorized to revise the aggregate principal amount of the Bonds and the principal amount of each annual payment from the preliminary aggregate principal amount of the Bonds and the preliminary principal amount of each annual payment for the Bonds from those set forth above in order to serve the best interests of the County.

Section 3. (a) The Bonds which mature on or before April 1, 2024 shall not be subject to redemption prior to their maturities. The Bonds which mature on or after April 1, 2025 shall be subject to redemption on or after April 1, 2024, at the option of the County, either as a whole or in part at any time, in any order of maturity and, with respect to the Bonds of a maturity, in any amount that is an integral multiple of \$5,000, selected by the County, at one hundred percent of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.

(b) If less than all of the Bonds of any one maturity of a series shall be called for redemption, the particular Bonds or portion of Bonds to be redeemed from such maturity shall be selected by lot by the Bond Registrar (hereinafter designated) in such manner as the Bond Registrar in its sole discretion may determine.

(c) When less than all of a Bond in a denomination in excess of \$5,000 is so redeemed, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof, for the unredeemed balance of the principal amount of such Bond, at the option of such owner, Bonds in any of the authorized denominations as specified by the registered owner. The aggregate face amount of Bonds issued shall be equal to the unredeemed balance of the principal amount of the Bond surrendered, and the Bonds issued shall bear the same interest rate and shall mature on the same date as the Bond surrendered.

(d) If the County elects to redeem all or a portion of the Bonds outstanding, it shall give a redemption notice to the registered owners of the Bonds to be redeemed by letter mailed first class, postage prepaid, at least 30 days prior to the date fixed for redemption to the addresses of such registered owners appearing on the registration books kept by the Bond Registrar; *provided*, however, that the failure to mail the redemption notice or any defect in the notice so mailed, or in the mailing thereof, shall not affect the validity of the redemption proceedings. The redemption notice shall state (i) whether the Bonds are redeemed in whole or in part and, if in part, the maturities and numbers of the Bonds to be redeemed, (ii) that the interest on the Bonds to be redeemed shall cease on the date fixed for redemption, (iii) the date fixed for redemption, and (iv) that the Bonds to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the principal corporate trust office of the Paying Agent (hereinafter designated).

(e) From and after the date fixed for redemption, if notice has been duly and properly given and if funds sufficient for the payment of the redemption price and accrued interest are available on such date, the Bonds designated for redemption shall cease to bear interest. Upon presentation and surrender for redemption in compliance with the redemption notice, the Bonds to be redeemed shall be paid by the Paying Agent. If they are not paid upon presentation, the Bonds designated for redemption shall continue to bear interest at the rates stated therein until paid.

Section 4. The Bonds shall bear interest at the interest rate or rates fixed at the time of the sale of the Bonds. Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless authenticated upon an interest payment date, in which event it shall bear interest from such interest payment date, or unless authenticated prior to the first interest payment date, in which event it shall bear interest from the date of the Bonds; *provided*, however, that if at the time of authentication of any Bond interest is in default, such Bond shall bear interest from the date to which interest has been paid. The interest on all Bonds shall be paid on October 1, 2014 and semi-annually thereafter on the 1st day of April and October of each year in which any Bonds may be outstanding.

All Bonds shall be issuable as fully registered Bonds without coupons and shall be registered in the name or names of the owner or owners thereof, on books kept for such purpose at the principal corporate trust office of the Bond Registrar. Payment of the principal of and interest on the Bonds shall be made to the person appearing on the registration books maintained by the Bond Registrar as the registered owner thereof, such principal to be payable at the principal corporate trust office of the Paying Agent upon presentation and surrender of such Bonds on the date such principal is payable, or if such date is not a Business Day (hereinafter defined) then on the next succeeding Business Day, and such interest to be payable by check mailed by the Paying Agent on the Business Day immediately preceding the date interest is payable to the persons in whose names the Bonds are registered as of the close of business on the regular record date, which shall be the last day of the month immediately preceding the month in which each such interest payment date occurs (the "Regular Record Date") at the registered owner's address as shown on the registration books maintained by the Bond Registrar. Wells Fargo Bank, N.A. is hereby designated as Bond Registrar and Paying Agent for the Bonds. The President of the Board of County Commissioners of Queen Anne's County is authorized to execute on behalf of the County a Paying Agent Agreement with Wells Fargo Bank, N.A.

Any interest on any Bond which is payable but is not punctually paid or provision for the payment of which has not been made (“Defaulted Interest”) shall forthwith cease to be payable to the registered owner on the relevant regular record date solely by virtue of such registered owner having been such registered owner; and such Defaulted Interest may be paid by the County, at its election in each case, as provided in paragraph (1) or (2) below:

(1) The County may elect to make payment of any Defaulted Interest on the Bonds to the persons in whose names such Bonds are registered as of the close of business on a record date for the payment of such Defaulted Interest (the “Special Record Date”), which shall be fixed in the following manner. The County shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on the Bonds and the date of the proposed payment (which date shall be such as will enable the Paying Agent to comply with the next sentence hereof), and at the same time the County shall deposit or cause to be deposited with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as provided in this paragraph. Thereupon the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the County of such Special Record Date and, in the name of the County, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage prepaid, to each registered owner at his address as it appears in the registration books maintained by the Bond Registrar not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the registered owners of the Bonds as of the close of business on such Special Record Date.

(2) The County may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds may be listed, and upon such notice as may be required by such exchange, if, after notice given by the County to the Paying Agent of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable, and approved in writing, by the Paying Agent.

As used in this Resolution and in the Bonds, “Business Day” means a day other than a Saturday, Sunday or day on which banking institutions under the laws of the state governing the Bond Registrar and Paying Agent are authorized or obligated by law or required by executive order to remain closed.

Section 5. The Bonds shall be executed in the name of the County and on its behalf by the President of the Board of County Commissioners of Queen Anne’s County, whose signature may be by facsimile, and a facsimile of the corporate seal of the County shall be imprinted thereon, attested by the Clerk, whose signature may be by facsimile. The Bonds shall be issued subject to registration as to principal and interest in the name or names of the owner or owners thereof on books kept for the registration and registration of transfer of the Bonds at the principal corporate trust office of the Bond Registrar. Each Bond shall be authenticated by the manual signature of an authorized officer of the Bond Registrar. No Bonds issued hereunder shall be valid for any purpose or constitute an obligation of the County unless so authenticated.

In case any official of the County whose signature appears on any Bond shall cease to be such official prior to the authentication and delivery of such Bond, or in the case that any such official shall cease to be an official after the date of issue of any such Bond, his or her signature, in either event, shall nevertheless be valid for the purposes herein intended.

Section 6. (a) The Bonds shall be transferable only upon the registration books kept at the principal corporate trust office of the Bond Registrar, by the registered owner thereof in person, or by his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer in the form attached thereto and satisfactory to the Bond Registrar and duly executed by the registered owner or his duly authorized attorney.

(b) The Bonds may be transferred or exchanged at the principal corporate trust office of the Bond Registrar. Upon any transfer or exchange, the County shall issue and the Bond Registrar shall authenticate and deliver a new registered Bond or Bonds of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Bond exchanged or transferred and of the same issue and maturing on the same date and bearing interest at the same rate. In each case, the Bond Registrar may require payment by any registered owner requesting the exchange or transfer of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect thereto, but otherwise no charge shall be made to the registered owner for the exchange or transfer.

(c) The Bond Registrar shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or portion thereof for redemption; *provided*, however, that this limitation shall not apply to that portion of a Bond in excess of \$5,000 which is not being called for redemption.

Section 7. Except as provided hereinafter or in a resolution or resolutions of the Board of County Commissioners adopted prior to the issuance of the Bonds, the Bonds shall be issued in substantially the following form. Appropriate variations and insertions may be made to provide dates, numbers and amounts, and modifications not altering their substance may be made to carry into effect the purposes of this Resolution, to comply with recommendations of legal counsel and to provide for the Bonds to be held under a book-entry only system. In the event any official whose signature appears on the Bonds ceases to be an official prior to the delivery of the Bonds, or, if the official whose signature appears on the Bonds shall cease to be an official after the date of issue thereof, the Bonds nevertheless shall be valid and binding obligations of the County in accordance with their terms. All of the covenants contained in the following form are hereby adopted by the County as and for the form of obligations to be incurred by the County, and the covenants and conditions contained therein are hereby made binding upon the County, including the promise to pay therein contained:

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF MARYLAND

No. R-

\$ _____

QUEEN ANNE’S COUNTY, MARYLAND
QUEEN ANNE’S COUNTY PUBLIC FACILITIES BOND OF 2014

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
_____, ____	_____ %	_____, 2014	_____

Registered Owner: Cede & Co.

Principal Amount: _____ Dollars

Queen Anne’s County, Maryland a body politic and corporate organized and existing under the Constitution and laws of the State of Maryland (the “County”), hereby acknowledges itself indebted for value received, and promises to pay to the registered owner shown above or registered assigns or legal representatives, on the Maturity Date specified above (unless this bond shall be redeemable, shall have been called for prior redemption and payment of the redemption price made or provided for), upon presentation and surrender of this bond on the date such principal is payable, or if such date is not a Business Day (hereinafter defined) then on the next succeeding Business Day, at the principal corporate trust office of Wells Fargo Bank, N.A. (the “Bond Registrar” and “Paying Agent”), the Principal Amount shown above in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts and to pay to the registered owner hereof by check, mailed to such registered owner at his address as it appears on the bond registration books kept by the Bond Registrar, interest on the Principal Amount at the Interest Rate per annum shown above until payment of such Principal Amount or until the prior redemption hereof, such interest being payable on the 1st day of April and October in each year, beginning October 1, 2014, in like coin or currency, accounting from the most recent date to which interest has been paid or, if no interest has been paid, from the Original Issue Date shown above. All interest due on this bond shall be payable to the person in whose name this bond is registered on such bond registration books as of the close of business on the Regular Record Date for such interest payment, which shall be the last day of the month immediately preceding the month in which each such interest payment date occurs, and shall be made by electronic funds transfer or check mailed by the Paying Agent on the date interest is payable to such person at his address as it appears on the bond registration books maintained by the Bond Registrar. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this bond is registered as of the close of business on a Special Record

Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof being mailed, first class, postage prepaid, to the registered owners not less than 10 days prior to such Special Record Date, at the addresses of such registered owners appearing on the registration books kept by the Bond Registrar, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the bonds of this issue may be listed and upon such notice as may be required by such exchange. "Business Day" means a day other than a Saturday, Sunday, or day on which banking institutions under the laws of the state governing the Bond Registrar and Paying Agent are authorized or obligated by law or required by executive order to remain closed.

This bond is one of a duly authorized issue or series of bonds of the County aggregating \$_____ in principal amount, all dated the date of their delivery (the "Bonds"). The Bonds are issued pursuant to and in conformity with the provisions of Sections 19-501 *et seq.* of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume) (the "Enabling Act"), a public local law, enacted by the Board of County Commissioners of Queen Anne's County (the "Board") on February 11, 2014 (Bill No. 13-26) (the "Public Local Law"), and a resolution of the Board adopted on February __, 2014 (the "Resolution") and other authorities referenced in the Resolution.

The Bonds mature and are payable, subject to prior redemption as hereinafter provided, on April 1 in the following years and amounts and bear interest at the following rates per annum:

<u>Year</u>	<u>Principal Amounts</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amounts</u>	<u>Interest Rate</u>
2015			2025		
2016			2026		
2017			2027		
2018			2028		
2019			2029		
2020			2030		
2021			2031		
2022			2032		
2023			2033		
2024			2034		

The Bonds maturing on or after April 1, 2025 are subject to redemption beginning April 1, 2024, at the option of the County, either as a whole or in part at any time in any order of maturity and, with respect to the Bonds of any maturity, in any amount selected by the County, at the redemption price of one hundred percent of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.

[Mandatory Sinking Fund Redemption. Bonds maturing on April 1, 20____ are subject redemption prior to maturity at a redemption price equal to the principal amount of thereof plus accrued interest thereon to the date set for redemption from mandatory Sinking Fund Installments on April 1 of the following years in the following amounts:

\$_____ Term Bonds Due April 1, 20_____

<u>Year</u>	<u>Sinking Fund Installment</u>	<u>Year</u>	<u>Sinking Fund Installment</u>
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If the County redeems or otherwise discharges the Bonds maturing on April 1, 20____, such redeemed or discharged bonds shall be credited to the applicable sinking fund installment amounts in any manner determined by the County.]

If less than all of the Bonds of any one maturity are called for redemption, the particular Bonds or portion of Bonds to be redeemed from such maturity will be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its sole discretion may determine.

When less than all of a Bond in a denomination in excess of \$5,000 is so redeemed, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof, for the unredeemed balance of the principal amount of such Bond, at the option of such owner, Bonds in any of the authorized denominations as specified by the registered owner, the aggregate face amount of such Bonds not to exceed the unredeemed balance of the principal amount of the Bond surrendered, and to bear the same interest rate and to mature on the same date as the Bond surrendered.

If the County elects to redeem all or a portion of the Bonds outstanding, it will give a redemption notice to the registered owners of the Bonds to be redeemed by letter mailed first class, postage prepaid, at least 30 days prior to the date fixed for redemption to the addresses of such registered owners appearing on the registration books kept by the Bond Registrar; *provided*, however, that the failure to mail the redemption notice or any defect in the notice so mailed, or in the mailing thereof, shall not affect the validity of the redemption proceedings. The redemption notice shall state (i) whether the Bonds are redeemed in whole or in part and, if in part, the maturities and numbers of the Bonds to be redeemed, (ii) that the interest on the Bonds to be redeemed shall cease on the date fixed for redemption, (iii) the date fixed for redemption and the redemption price, and (iv) that the Bonds to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the principal corporate trust office of the Paying Agent. From and after the date fixed for redemption, if notice has been duly and properly given, and if funds sufficient for the payment of the redemption price and accrued interest are available on such date, the Bonds designated for redemption shall cease to bear interest. Upon presentation and surrender the redemption in compliance with the redemption notice, the Bonds to be redeemed shall be paid by the Paying Agent at the redemption price. If they are not paid upon presentation, the Bonds designated for redemption shall continue to bear interest at the rates stated therein until paid.

The County has appointed Wells Fargo Bank, N.A., as Bond Registrar to open books for the registration and for the transfer of Bonds. This bond will be transferable only upon the registration books kept at the principal corporate trust office of the Bond Registrar, by the registered owner hereof in person, or by his attorney duly authorized in writing upon surrender hereof, together with a written instrument of transfer in the form attached hereto and satisfactory to the Bond Registrar and duly executed by the registered owner or his duly authorized attorney. The County may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes.

This bond may be transferred or exchanged at the principal corporate trust office of the Bond Registrar. Upon any transfer or exchange, the County shall issue and the Bond Registrar shall authenticate and deliver a new registered bond or bonds of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the bond exchanged or transferred and maturing on the same date and bearing interest at the same rate. In each case, the Bond Registrar may require payment by the registered owner of this bond requesting the exchange or transfer hereof of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect thereto, but otherwise no charge shall be made to the registered owner hereof for the exchange or transfer.

The Bond Registrar shall not be required to transfer or exchange this bond after the mailing of notice calling this bond or portion hereof for redemption; *provided*, however, that this limitation shall not apply to that portion of this bond in excess of \$5,000 which is not being called for redemption.

The full faith and credit and taxing power of the County are hereby unconditionally pledged to the payment of this bond and of the interest payable hereon according to its terms, and the County does hereby covenant and agree to pay punctually the principal of this bond and the interest hereon on the dates and in the manner prescribed herein, according to the true intent and meaning hereof.

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 Act, the Public Local Law and the Resolution, and that the issue of bonds, of which this bond 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, and that due provision shall be made for the levy and collection of an annual ad valorem tax or taxes upon all the legally assessable property within the corporate limits of the County in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on this bond.

This bond shall not become obligatory for any purpose or be entitled to any benefit under the above-mentioned laws until this bond shall have been authenticated by an authorized officer of the Bond Registrar.

IN WITNESS WHEREOF, Queen Anne's County, Maryland has caused this bond to be executed in its name by the facsimile signature of the President of the Board of County Commissioners and by its corporate seal imprinted hereon in facsimile, attested by the facsimile signature of the Clerk to the Board of County Commissioners, all as of the 11 day of Feb, 2014.

QUEEN ANNE'S COUNTY, MARYLAND

By: Philip H. Durrell
President, Board of County
Commissioners

(SEAL)

ATTEST: Maryi Horck
Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the registered bonds of Queen Anne's County Public Facilities Bonds of 2014.

WELLS FARGO BANK, N.A.,
as Bond Registrar

By: _____
Authorized Officer

Date of Authentication: _____, 2014

(Form of Assignment)

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS,
INCLUDING ZIP CODE OF ASSIGNEE)

the within bond and all rights thereunder and does hereby constitute and appoint attorney to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Section 8. The Bonds shall be sold by the solicitation of competitive bids at public sale. Bids shall be received electronically until 11 a.m. local Centreville, Maryland time on the date fixed for sale. The President of the Board of County Commissioners or his designee may establish an alternative date, time, or location for the sale of the Bonds pursuant to the authority of this Resolution. In the event that an alternative date, time, or location for the sale of the Bonds is established, the Board of County Commissioners is not required to adopt an additional resolution authorizing the sale of the Bonds. The President of the Board of County Commissioners or his designee shall conduct the sale of the Bonds in the name of the County and shall by order award the Bonds on behalf of the County to the bidder or bidders therefor whose bid or bids are determined to be the best responsible bid received in compliance with the terms and conditions of the official Notice of Sale. Public notice of the sale shall be given by advertisement which shall be published in a daily or weekly newspaper having a general circulation in the County at least twice prior to the sale, the first such publication to occur not fewer than 10 days prior to the date of sale. The Notice of Sale, which shall constitute the form of advertisement to be published in the County pursuant to this Section, and shall be in substantially the form hereinafter set forth. The terms and conditions stated in the Notice of Sale and Proposal are hereby adopted and approved as the terms and conditions under which the Bonds shall be sold, issued and delivered at public sale. Appropriate variations and insertions shall be made to provide dates, numbers and amounts, and modifications may be made by the President of the Board of County Commissioners to carry into effect the purposes of this Resolution or to comply with recommendations of legal counsel. The publication of the Notice of Sale or a summary thereof in the Bond Buyer is hereby authorized.

[Form of Notice of Sale]

NOTICE OF SALE

\$22,390,000*

QUEEN ANNE'S COUNTY, MARYLAND

Public Facilities Bonds of 2014

(Date: Date of Delivery)

Electronic bids via BiDCOMP/PARITY

**will be received until 11 o'clock A.M., local Centreville, Maryland Time, on
April __, 2014**

ELECTRONIC BIDS, via BiDCOMP/PARITY Competitive Bidding System (BiDCOMP/Parity) will be received for the purchase of the \$22,390,000* Queen Anne's County Public Facilities Bonds of 2014 (the "Bonds"). The Bonds will be dated the date of their delivery, and bear interest payable beginning on October 1, 2014 and semi-annually thereafter on the 1st day of April and October until maturity or redemption.

The Bonds will be issued under the authority of Sections 19-501 *et seq.* of the Local Government Article of the Annotated Code of Maryland, (2013 Replacement Volume); a public local law enacted by the Board of County Commissioners of Queen Anne's County on February 11, 2014, Bill No. 13-26 (the "Public Local Law"), and in accordance with a Resolution of the Board of County Commissioners of the County passed on _____, 2014.

General Provisions for the Bonds

The Bonds will mature, subject to prior redemption as herein stated, on the 1st day of April in the following years and aggregate amounts:

<u>Year</u>	<u>Preliminary Principal Amounts</u>	<u>Year</u>	<u>Preliminary Principal Amounts</u>
2015	\$895,000	2025	\$1,105,000
2016	775,000	2026	1,150,000
2017	805,000	2027	1,195,000
2018	840,000	2028	1,245,000
2019	875,000	2029	1,295,000
2020	910,000	2030	1,345,000
2021	945,000	2031	1,400,000
2022	980,000	2032	1,455,000
2023	1,020,000	2033	1,515,000
2024	1,065,000	2034	1,575,000

The proceeds of the Bonds will be used to finance or refinance all or a portion of the costs of the projects described in the Public Local Law and costs of issuance of the Bonds.

*Preliminary, subject to change.

The Bonds shall be issued only in fully registered form without coupons. One Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), as registered owner of the Bonds and each such Bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates representing each maturity with DTC. The Bonds will bear interest payable semiannually on the 1st day of April and October, commencing October 1, 2014, until maturity or redemption. Interest will be paid to the persons in whose names the Bonds are registered on the registration books maintained by the Bond Registrar on the Regular Record Date, which is the fifteenth day of the month preceding the month in which each such interest payment date occurs, by check mailed to each such person’s address as it appears on such bond registration books.

The Bonds maturing on or after April 1, 2025, are subject to redemption on or after April 1, 2024, in whole at any time or in part on any date in any order of maturity, at the option of the County, at a redemption price, of one hundred percent of the principal amount of Bonds to be redeemed, together with interest accrued to the date fixed for redemption.

If less than all of the Bonds of any maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar and Paying Agent in such manner as in its discretion, it shall determine. All Bonds herein described are secured by an irrevocable pledge of the full faith and credit and unlimited taxing power of the County.

Electronic Bids

Electronic bids will be received via **BiDCOMP/PARITY**, in the manner described below, until 11:00 a.m. local Centreville, Maryland time, on April __, 2014.

Bids may be submitted electronically via **BiDCOMP/PARITY** pursuant to this Notice until 11:00 a.m., local Centreville, Maryland time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **BiDCOMP/PARITY** conflict with this notice, the terms of this Notice shall control. For further information about **BiDCOMP/PARITY**, potential bidders may contact **BiDCOMP/PARITY** (212) 849-5021.

Disclaimer

Each prospective electronic bidder shall be solely responsible to register to bid via **BiDCOMP/PARITY** as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access **BiDCOMP/PARITY** for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor **BiDCOMP/PARITY**, shall have any duty or obligation to provide or assure access to **BiDCOMP/PARITY** to any prospective bidder, and neither the County nor **BiDCOMP/PARITY** shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **BiDCOMP/PARITY**. The County is using **BiDCOMP/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 **BiDCOMP/PARITY** to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via **BiDCOMP/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 for the Bonds, he should telephone **BiDCOMP/PARITY** (212) 849-5021 and notify the County's Financial Advisor, Lester B. Guthorn, at Public Advisory Consultants, Inc. by facsimile at 410 581-9808.

Electronic Bidding Procedures

Electronic bids must be submitted for the purchase of the Bonds via **BiDCOMP/PARITY**. Bids will be communicated electronically to the County at 11:00 a.m., local Centreville, Maryland time, on April __, 2014. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via **BiDCOMP/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 **BiDCOMP/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 **BiDCOMP/PARITY** shall constitute the official time.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by via **BiDCOMP/PARITY**. No bid will be received after the time for receiving such bids specified above.

Bid Specifications

Bidders shall state in their electronic bids (i) the rate or rates of interest to be paid of the Bonds in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%), and each proposal shall be based and submitted on the rate or rates stated therein. Bidders may specify more than one rate of interest to be borne by the Bonds, but the difference between the highest and lowest rates named may not be greater than three percent (3%) for the Bonds. Each bidder

must specify in its bid a single interest rate for each maturity of the Bonds. A zero rate may not be named for any maturity. No bid will be accepted for less than 100% of the par amount of the Bonds. The Bonds will be awarded to the bidder naming the lowest true interest cost for all of the Bonds in any legally acceptable proposal and offering to pay not less than par. The lowest true interest cost with respect to the Bonds will be determined 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 amount bid. Where the proposals of two or more bidders result in the same lowest true interest cost for the Bonds, the Bonds may be apportioned between such bidders, but if this shall not be acceptable, the County shall have the right to award all of the Bonds to one bidder. The right is reserved to the County to reject any or all proposals and to waive any irregularity or informality in any proposal. The Board's judgment shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Notice of Sale. Any award of the Bonds may be made as late as 4:00 P.M. on the sale date. All bids remain firm until an award is made.

[Procedures for Sale and Principal Amount Changes: The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to adjustment by the County, both before and after the receipt of bids for their purchase. Pre-sale, the County reserves the right to increase or decrease the preliminary aggregate principal amount of the Bonds and/or change the preliminary principal amounts of the maturity schedule (the "Preliminary Aggregate Principal Amount" and the "Preliminary Principal Amount", respectively, and collectively, the "Preliminary Amounts") set forth above from time to time up until 9:30 a.m. prevailing Eastern Time on the date of sale. Any pre-sale revisions to the Preliminary Aggregate Principal Amount and the Preliminary Principal Amounts, as so revised (the "Revised Aggregate Principal Amount" and the "Revised Principal Amount" of each maturity of the Bonds, respectively, and collectively, the "Revised Amounts") will be made available on the BiDCOMP/Parity/www.idealprospectus.com system no later than 9:30 a.m. prevailing Eastern Time on the date of sale. In the event any such pre-sale revisions are made to the maturity schedule and so communicated not later than 9:30 a.m. prevailing Eastern Time on the date of sale, the final Revised Amounts so communicated shall constitute the applicable maturity schedule for purposes of submitting electronic bids with respect to the Bonds and the Revised Amounts will be used to compare bids and select the winning bidder. ALL BIDS SHALL REMAIN FIRM FOR FOUR (4) HOURS AFTER THE TIME SPECIFIED FOR THE OPENING OF THE BIDS. Changes made to the Revised Amounts after the sale of the Bonds, as so revised (the "Final Amounts") will be communicated to the successful bidder by 5:00 p.m. prevailing Eastern Time on the date of sale and will not reduce or increase the Revised Aggregate Principal Amount of the Bonds by more than 10% from the amount bid upon. Such changes may result in the elimination of one or more maturities of the Bonds. The dollar amount bid by the successful bidder will be adjusted proportionally to reflect any reduction or increase in the Revised Amounts of the Bonds in determining the Final Amounts. Such adjusted bid price will reflect changes in the dollar amount of the underwriters' discount and original issue discount or premium, if any, but will not change the coupon rates and the initial public offering prices specified by the successful bidder. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID AS A RESULT OF ANY CHANGES MADE WITHIN THESE LIMITS.]

Award

As promptly as reasonably practicable after the bids are opened, the County will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the County of the initial reoffering prices to the public of each maturity of the Bonds (the "Initial Reoffering Prices"). It is noted that the County has the right to award the Bonds by private negotiation at any time and may determine to exercise such right either before bids are submitted in response to this Notice of Sale or in the event that all bids are rejected. The County may so negotiate with, and make such award to, any person, including bidders hereunder. THE SUCCESSFUL BIDDER FOR THE BONDS SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL OFFERING PRICES AND SHALL PROVIDE THE RELATED CERTIFICATION DESCRIBED BELOW.

Good Faith

The successful bidder of the Bonds shall submit a good faith deposit in the amount of \$____,____ (the "Good Faith Deposit") for the winning bid on the Bonds to the County as provided below. The Good Faith Deposit will secure the County from any loss resulting from the failure of the successful bidder to comply with the terms of the bid. The successful bidder shall transfer the Good Faith Deposit by wire transfer directly to the County upon notification of the preliminary award of the Bonds, as indicated on PARITY (the "Preliminary Award"), but in any case no later than 4:00 p.m., prevailing Eastern Time, on the date of sale. Wire instructions will be provided to the successful bidder by the County's Financial Advisor upon notification of the Preliminary Award.

The successful bidder will provide as quickly as it is available evidence of wire transfer to the County's Financial Advisor by providing to the County's Financial Advisor the federal funds reference number. The formal award of the Bonds shall not be made until the County's Financial Advisor has confirmation of receipt of the Good Faith Deposit, and if successful bidder fails to so deliver the Good Faith Deposit by the time designated above, the County will have the option to withdraw the Preliminary Award and the successful bidder shall be responsible to the County for all consequential damages arising from such withdrawal.

At the time of the delivery of the Bonds, the Good Faith Deposit will be applied against the purchase price for the Bonds or will be retained as liquidated damages upon the failure of the successful bidder to take and pay for the Bonds in accordance with the terms of its proposal. The successful bidder shall have no right in or to the Good Faith Deposit if it fails to complete the purchase of, and payment in full of, the Bonds for any reason whatsoever, unless such failure of performance shall be caused by an act or omission of the County. No interest will be paid upon the Good Faith Deposit to the successful bidder. Notwithstanding the foregoing, should a successful bidder fail to pay for the Bonds at the price and on the date agreed upon, the County retains the right to seek further compensation for damages sustained as a result of the successful bidder so doing.

Legal Opinion

The Bonds will be issued and sold subject to approval as to legality by McKennon Shelton & Henn LLP, Bond Counsel, whose approving opinion substantially in the form included in the Preliminary Official Statement referred to below will be delivered, upon request, to the purchaser or purchasers of the Bonds.

Continuing Disclosure

In order to assist bidders in complying with 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 it will undertake to provide certain information annually and notices of certain events. The form of this agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

CUSIP Numbers

CUSIP identification numbers will be applied for by the successful bidder with respect to the Bonds, but the County will assume no obligation for the assignment or printing of such numbers on the Bonds or the correctness of such numbers, and neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale.

Delivery of the Bonds

When delivered, the Bonds shall be duly executed and authenticated and registered in the name of Cede & Co., as nominee of DTC, as registered owner of the Bonds.

Not later than seven (7) business days after the award of the Bonds to the successful bidder on the day of sale, the County will authorize an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. If so requested by the purchaser or purchasers at or before the close of business on the date of the sale, the County will include in the Official Statement such pricing and other information with respect to the terms of the reoffering of the Bonds by the successful bidder(s) (“Reoffering Information”), if any, as may be specified and furnished in writing by such bidder. If no Reoffering Information is specified and furnished by the successful bidder(s), the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. The successful bidder for the Bonds shall be responsible to the County and its officials for the Reoffering Information, and for all decisions made by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds, including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder(s) will also be furnished, without cost, with up to 100 copies of the Official Statement (and any amendments or supplements thereto).

Delivery of the Bonds, without expense, will be made by the County to the purchaser or purchasers on or about April __, 2014, or as soon as practicable thereafter, through DTC in New York, New York, and, thereupon, said purchaser or purchasers will be required to accept delivery of the Bonds purchased and pay, in federal funds, the balance of the purchase price due. 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 affecting the validity of any of the Bonds. It shall be a condition to the obligation of said purchaser or purchasers to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, said purchaser or purchasers shall be furnished a certificate or certificates of an authorized officer of the County to the effect that, to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except for the Reoffering Information provided by the purchaser and information regarding DTC and DTC's book-entry system provided by DTC, 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 the 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).

SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE SUCCESSFUL BIDDER OF THE BONDS SHALL FURNISH TO THE COUNTY A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE EFFECT THAT (i) SUCH SUCCESSFUL BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF THE BONDS FOR WHICH IT WAS THE SUCCESSFUL BIDDER AT THE INITIAL REOFFERING PRICES; (ii) AS OF THE DATE OF SALE OF THE BONDS, THE SUCCESSFUL BIDDER REASONABLY EXPECTED TO SELL A SUBSTANTIAL AMOUNT OF SUCH BONDS TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES; AND (iii) A SUBSTANTIAL AMOUNT OF THE BONDS WERE SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES OR SUCH OTHER FACTS REGARDING THE ACTUAL SALE OF SUCH BONDS AS BOND COUNSEL SHALL REQUEST, AS DESCRIBED BELOW. Bond Counsel advises that (a) such certificate must be made on the best knowledge, information and belief of the successful bidder; (b) the sale to the public of 10% or more in par amount of the Bonds of each maturity at (or below) the Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Bonds; and (c) reliance on other facts as a basis for such certification would require evaluation by Bond Counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Bonds.

NOTE: The County may revise this Notice of Sale by written notice available to prospective bidders at the place of sale at the time for submission of bids or by publishing notice of any revisions on TM3 at or before the time for submission of bids. Any bid submitted shall be in accordance with, and incorporate by reference, this Notice of Sale including any revisions made pursuant to this paragraph.

The County reserves the right to postpone, from time to time, the date established for the receipt of bids. Any such postponement will be announced by TM3 by notice prior to any announced date for receipt of 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 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. If all bids are rejected and an Alternative Sale Date for receipt of bids established, notice of the Alternative Sale Date will be announced via TM3 not less than 48 hours prior to such Alternative Sale Date. On any such Alternative Sale Date, any bidder may submit a bid 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 at the time the sale date and time are announced. The Preliminary Official Statement, together with this Notice of Sale, may be obtained from the Director of Budget and Finance, Jonathan R. Seeman, Queen Anne's County, County Office Bldg. 107 North Liberty Street, Centreville, MD 21617, (410) 758-4064 ext. 2080 or from Lester B. Guthorn, Public Advisory Consultants, Inc., 25 Crossroads Drive, Suite 402, Owings Mills, Maryland 21117, (410) 581-4820.

Such Preliminary Official Statement is deemed final by the County as of its date for purposes of SEC Rule 15c-2-12 but is subject to revision, amendment and completion in the Official Statement referred to above.

By order of

BOARD OF COUNTY COMMISSIONERS OF
QUEEN ANNE'S COUNTY

Section 9. As soon as may be practicable after the sale hereinabove provided for has been held, the Bonds shall be suitably prepared in definitive form, executed and delivered to the purchaser upon receipt of the purchase price therefor, plus interest accrued to the date of delivery, less the good faith deposit accompanying the proposal. The President of the Board of County Commissioners and the Director of Finance and all other officers and employees of the County are expressly authorized, empowered and directed to take any and all action necessary to complete and close the award, sale and delivery of the Bonds to the purchaser thereof.

Section 10. Immediately after the sale of the Bonds, the interest rate or rates payable thereon shall be fixed by order of the President of the Board of County Commissioners (except to the extent provided in Section 9), in accordance with the terms and conditions of the sale of the Bonds, and said Bonds shall thereupon be suitably printed and delivered to the purchasers thereof in accordance with the conditions of delivery set forth in the Notice of Sale. The Director of Finance may deduct from the total gross proceeds from the sale of the Bonds all expenses incurred in the issuance of the Bonds.

Section 11. For the purpose of paying the principal of and interest on the Bonds when due, the County shall levy or cause to be levied, for each and every fiscal year during which the Bonds may be outstanding, upon all real and tangible personal property within its corporate limits subject to assessment for County taxation, ad valorem taxes in rate and amount sufficient to provide for the prompt payment, when due, of the principal of and interest on the Bonds in each such fiscal year; and, if the proceeds from the taxes so levied in any fiscal year are inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up such deficiency. The full faith and credit and unlimited taxing power of the County are hereby irrevocably and unconditionally pledged to the prompt payment of the principal of and interest on the Bonds as and when they become due and payable and to the levy and collection of the taxes hereinabove prescribed as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the Bonds. The County hereby covenants and agrees with each of the registered owners of the Bonds to levy and collect the taxes hereinabove prescribed and to take any further action that may be appropriate from time to time during the period that the Bonds remain outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and the interest due thereon. The County may apply to the payment of the principal of or interest on the Bonds of an issue any funds received by it from the State of Maryland or the United States of America or any governmental agency or instrumentality, or from any other source, if such funds are granted for the purpose of assisting the County in accomplishing the type of project or projects which the Bonds of that issue are issued to finance, and to the extent of any such funds received or receivable in any fiscal year, the taxes hereby required to be levied may be reduced proportionately.

Section 12. (a) The President of the Board of County Commissioners and the Director of Finance shall be the officials of the County responsible for the issuance of the Bonds within the meaning of Section 1.148-2(b)(2) of the Arbitrage Regulations (defined below). The President of the Board of County Commissioners and the Director of Finance shall also be the officials of the County responsible for the execution and delivery (on the date of the issuance of the Bonds) of one or more certificates of the County (collectively, the "Tax and Section 148 Certificate") that complies with the requirements of Section 148 of the Internal Revenue Code of

1986, as amended (“Section 148”), and the applicable regulations thereunder (the “Arbitrage Regulations”), and such officials are hereby authorized and directed to execute and deliver the Tax and Section 148 Certificate to counsel rendering an opinion on the validity of the Bonds on the date of the issuance of the Bonds.

(b) The County shall set forth in the Tax and Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Bonds or of any moneys, securities or other obligations on deposit to the credit of any account of the County which may be deemed to be proceeds of the Bonds pursuant to Section 148 or the Arbitrage Regulations (collectively, the “Bond Proceeds”). The County covenants that the facts, estimates and circumstances set forth in the Tax and Section 148 Certificate will be based on the County’s reasonable expectations on the date of the issuance of the Bonds and will be, to the best of the certifying officials’ knowledge, true and correct as of that date.

(c) The County covenants and agrees with each of the registered owners of any of the Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Bond Proceeds that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 and the Arbitrage Regulations. The County further covenants that it will comply with Section 148, as amended, and the Arbitrage Regulations which are applicable to the Bonds on the date of issuance thereof and which may subsequently be made applicable thereto as long as the Bonds remain outstanding and unpaid. The President of the Board of County Commissioners and the Director of Finance are hereby authorized and directed to prepare or cause to be prepared and to execute any certification, opinion or other document, including, without limitation, the Tax and Section 148 Certificate, which may be required to assure that the Bonds will not be deemed to be “arbitrage bonds” within the meaning of Section 148 and the Arbitrage Regulations. All officers, employees and agents of the County are hereby authorized and directed to take such actions, and to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the Bonds, as may be necessary or appropriate from time to time to comply with, or to evidence the County’s compliance with, the covenants set forth in this Section.

(d) The County further covenants that it shall make such use of the proceeds of the Bonds, regulate the investment of the proceeds thereof, and take such other and further actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Bonds

(e) The President of the Board of County Commissioners or the Director of Finance may make such covenants or agreements in connection with the issuance of the Bonds as either of them shall deem advisable in order to assure the registered owners of the Bonds that interest thereon shall be and remain excludable from gross income for federal income tax purposes, and such covenants or agreements shall be binding on the County so long as the observance by the County of any such covenants or agreements is necessary in connection with the maintenance of the exclusion of the interest on such Bonds from gross income for federal income tax purposes. The foregoing covenants and agreements may include such covenants or agreements on behalf of the County regarding compliance with the provisions of the Code as the President of the Board of County Commissioners or the Director of Finance shall deem advisable

in order to assure the registered owners of the Bonds that interest thereon shall be and remain excludable from gross income for federal income tax purposes, including (without limitation) covenants or agreements relating to the investment of Bond Proceeds, the payment of certain earnings resulting from such investment to the United States, limitations on the times within which, and the purpose for which, Bond Proceeds may be expended, or the use of specified procedures for accounting for and segregating Bond Proceeds. Such covenants and agreements may be set forth in the Tax and Section 148 Certificate.

Section 13. (a) The distribution of an Official Statement pertaining to the Bonds is hereby authorized, the final form of such Official Statement to be approved by the President of the Board of County Commissioners as evidenced by said President's signature thereon. The distribution of the Preliminary Official Statement with respect to the Bonds is hereby authorized. The Official Statement shall be in substantially the form of such Preliminary Official Statement, with such changes, modifications, additions and deletions as the President of the Board of County Commissioners may approve.

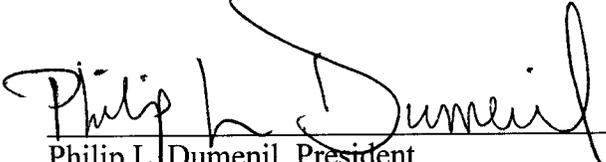
(b) The President of the Board of County Commissioners is hereby expressly authorized to approve the form of and execute and deliver on behalf of the County, a continuing disclosure agreement to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

(c) The President of the Board of County Commissioners is also hereby expressly authorized to (i) approve the form and contents of, and provisions for the execution and delivery of, such documents as the President of the Board of County Commissioners shall deem necessary or desirable to evidence, secure or effectuate the issuance, sale and delivery of the Bonds and (ii) to specify, prescribe, determine, provide for or approve such other matters in connection with the authorization, issuance, execution, sale, delivery and payment of the Bonds and the consummation of the transactions contemplated by this resolution as may be deemed appropriate by the President of the Board of County Commissioners.

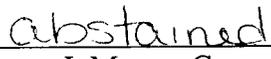
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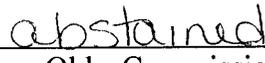
Section 14. This Resolution shall become effective immediately after Bill No. 13-26 has become effective.

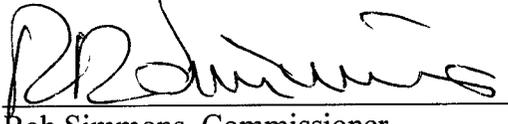
COUNTY COMMISSIONERS OF
QUEEN ANNE'S COUNTY, MARYLAND


Philip L. Dumenil, President


David L. Dunmyer, Vice President


James J. Moran, Commissioner


Dave Olds, Commissioner


Bob Simmons, Commissioner

Adopted on February 11, 2014