



COUNTY COUNCIL OF TALBOT COUNTY

COURT HOUSE
11 N. WASHINGTON STREET
EASTON, MARYLAND 21601-3178
PHONE: 410-770-8001
FAX: 410-770-8007
TTY: 410-822-8735
www.talbotcountymd.gov

CHUCK F. CALLAHAN, President
PETE LESHER, Vice President

KEASHA N. HAYTHE
LYNN L. MIELKE
DAVE STEPP

AN ADMINISTRATIVE RESOLUTION ENTITLED

A RESOLUTION OF TALBOT COUNTY, MARYLAND (THE "COUNTY"), AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS IN A PRINCIPAL AMOUNT NOT EXCEEDING TWENTY SIX MILLION NINE HUNDRED THOUSAND DOLLARS (\$26,900,000) PURSUANT TO THE AUTHORITY OF BILL NO. 1583 ENACTED BY THE COUNTY COUNCIL OF TALBOT COUNTY ON FEBRUARY 25, 2025 (THE "PUBLIC LOCAL LAW"), SECTION 10-203 OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND (2013 REPLACEMENT VOLUME, AS AMENDED) (THE "ENABLING ACT") AND SECTION 623 OF THE CHARTER OF TALBOT COUNTY, MARYLAND (THE "CHARTER"), THE BONDS, TO BE DESIGNATED "TALBOT COUNTY PUBLIC IMPROVEMENT BONDS, SERIES 2025", THE NET PROCEEDS OF THE SALE THEREOF TO BE USED AND APPLIED FOR THE PUBLIC PURPOSE OF FINANCING OR REFINANCING THE PLANNING, DESIGN, ACQUISITION, RENOVATION, CONSTRUCTION AND/OR FURNISHING OF IMPROVEMENTS TO AND EXPANSION OF THE CHAPEL DISTRICT ELEMENTARY SCHOOL; PRESCRIBING THE FORM AND TENOR OF THE BONDS AND THE TERMS AND CONDITIONS FOR THE ISSUANCE AND SALE THEREOF AT PRIVATE OR 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 ANY 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 TALBOT COUNTY, MARYLAND SHALL BE PLEDGED TO THE PAYMENT OF SUCH PRINCIPAL AND INTEREST, SUBJECT TO THE LIMITATION ON THE TAX LEVY SET OUT IN SECTION 614 OF THE CHARTER OF TALBOT COUNTY; AND GENERALLY RELATING TO THE ISSUANCE, SALE, DELIVERY AND PAYMENT OF THE BONDS

RECITALS

Pursuant to Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume, as amended) (the "Enabling Act"), Section 623 of the Charter and the authority of Bill No. 1583 enacted by the County Council of Talbot County (the "Council") on February 25, 2025 (the "Public Local Law"), Talbot County, Maryland, a body politic and corporate of the State of Maryland (the "County"), hereby determines to issue its general obligation bonds for the public purpose of financing or refinancing the Project (as defined below).

No petition for referendum respecting the Public Local Law has been filed with the Supervisors of Elections pursuant to Section 217 of the Charter.

The County intends to finance and refinance the cost of certain improvements to include, among other things, the acquisition, renovation, construction and/or furnishing of improvements to and expansion of the Chapel District Elementary School, including design, engineering, planning, construction, fiscal and legal expenses thereto (collectively, the "Project").

BE IT RESOLVED BY THE COUNTY COUNCIL OF TALBOT COUNTY:

Section 1. All terms used herein which are defined in the Recitals shall have the meanings given such terms therein, unless a different meaning is clearly indicated from the context.

Section 2. Pursuant to the authority of the Enabling Act, the Charter and the Public Local Law, the County hereby determines to borrow money and incur indebtedness for the public purpose of financing or refinancing the Project and paying the costs of issuing such indebtedness. It is hereby found and determined that the indebtedness hereby authorized will mature within the probable useful life of the Project, or if applicable, within the average probable useful life of the several improvements constituting the Project.

Section 3. To evidence the borrowing and indebtedness authorized in Section 2 of this Resolution, acting pursuant to the authority of the Enabling Act, the Charter and the Public Local Law, the County hereby determines to issue and sell, upon its full faith and credit, its general obligation bonds, in the maximum aggregate principal amount of Twenty Six Million Nine Hundred Thousand Dollars (\$26,900,000) to be known as "Talbot County Public Improvement Bonds, Series 2025" (collectively, the "Bonds"). In addition, there may be added to the title of the Bonds an additional letter or other designation to distinguish such Bond from other indebtedness of the County.

Section 4. The Bonds shall be dated the date of their delivery, numbered from one consecutively upward in the order of their respective maturities, and issued 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 \$25,810,000, the Bonds shall mature, subject to prior redemption as hereinafter provided, in annual serial installments on May 1, as follows:

<u>Preliminary Principal</u>		<u>Preliminary Principal</u>	
<u>Year</u>	<u>Amounts</u>	<u>Year</u>	<u>Amounts</u>
2026	\$855,000	2036	\$1,290,000
2027	835,000	2037	1,355,000
2028	875,000	2038	1,425,000
2029	920,000	2039	1,480,000
2030	965,000	2040	1,540,000
2031	1,015,000	2041	1,600,000
2032	1,065,000	2042	1,665,000
2033	1,115,000	2043	1,735,000
2034	1,170,000	2044	1,800,000
2035	1,230,000	2045	1,875,000

Subject to the limitation that the aggregate principal amount of the Bonds may not exceed the maximum aggregate principal amount stated in Section 3 above, the President of the County Council (the "President") or the designee of the President is further authorized to establish different annual maturing principal amounts from those set forth above in order to serve the best interests of the County.

Section 5. (a) The Bonds that mature on or before May 1, 2035 are not subject to redemption prior to their maturities. The Bonds that mature on or after May 1, 2036 are subject to redemption on or after May 1, 2035 in whole or in part at any time on any date in any order of maturity, at the option of the County, at a redemption price of one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with interest accrued to the date fixed for redemption.

(b) If less than all of the Bonds of any maturity shall be called for redemption, the particular Bonds to be redeemed shall be selected by lot by the Bond Registrar (hereinafter designated) in such manner as, in its discretion, it shall determine, except that so long as The Depository Trust Company ("DTC") or its nominee is the sole registered owner of the Bonds, the particular Bond or portion to be redeemed shall be selected by lot by DTC, in such manner as DTC shall 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 at least twenty (20) 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 6. (a) 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 semi-annually on the first day of May and November of each year in which any Bonds may be outstanding, beginning November 1, 2025.

(b) 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 electronic funds transfer or 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 fifteenth day of the month 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. Zions Bancorporation, National Association is hereby designated as Bond Registrar and Paying Agent for the Bonds. The President is authorized to execute on behalf of the County a Paying Agent Agreement or similar agreement with Zions Bancorporation, National Association.

(c) 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 fifteen (15) nor less than ten (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 ten (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.

(d) 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 7. The Bonds shall be executed in the name of the County and on its behalf by the President, whose signature may be by facsimile. The corporate seal of the County shall be affixed to the Bonds, attested by the signature of the Secretary to the Council (the "Secretary"), 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 the event any official whose signature appears on the Bonds ceases to be an official prior to the delivery of the Bonds, or shall have become such official after the date of this Resolution, the Bonds shall, nevertheless, be valid and legally binding obligations of the County in accordance with their terms.

Section 8. (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 the

attorney of the registered owner 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 the duly authorized attorney of the registered owner.

(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 Five Thousand Dollars (\$5,000) which is not being called for redemption.

Section 9. Except as provided hereinafter or in a resolution or resolutions of the Council adopted prior to the issuance of the Bonds, the Bonds shall be issued in substantially the following form. Appropriate variations and insertions shall be made to provide dates, numbers and amounts, and modifications not altering their substance may be made by the President to effect the purposes of this Resolution or to comply with recommendations of legal counsel and to provide for the Bonds to be held under a book-entry only system. All of the covenants contained in the following form of bond is 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-__

\$_____

TALBOT COUNTY, MARYLAND
PUBLIC IMPROVEMENT BONDS, SERIES 2025

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
_____, 20__	%	_____, 2025	

Registered Owner: Cede & Co.

Principal Amount:

Dollars

Talbot 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 Zions Bancorporation, National Association (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 electronic funds transfer or 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 May 1 and November 1 in each year, beginning November 1, 2025, 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 fifteenth day of the month 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, which date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment, notice whereof being mailed, first class, postage prepaid, to the registered owners not less than ten (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 _____, 2025 (the Bonds"). The Bonds are issued pursuant to and in conformity with the provisions of Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume, as amended), the Charter of Talbot County, and in accordance with a public local law enacted by the County Council of Talbot County on February 25, 2025 (Bill No. 1583) (the "Public Local Law") and a resolution of the County Council adopted on _____, 2025 (the "Resolution").

The Bonds mature and are payable, subject to prior redemption as hereinafter provided, on January 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>
2026			2036		
2027			2037		
2028			2038		
2029			2039		
2030			2040		
2031			2041		
2032			2042		
2033			2043		
2034			2044		
2035			2045		

The Bonds that mature on or before May 1, 2035 are not subject to redemption prior to their maturities. The Bonds that mature on or after May 1, 2036 are subject to redemption on or after May 1, 2035, in whole or in part at any time 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 the Bonds to be redeemed, together with interest accrued to the date fixed for redemption.

[The Bonds maturing on May 1, 20__, are subject to mandatory sinking fund redemption, at a price equal to the principal amount thereof plus accrued interest thereon, on January 1, of each of the following years and in the following amounts:

\$_____ Term Bonds Due May 1, 20__

Year

Sinking Fund Installments

If the County redeems through optional redemption or otherwise discharges early the Bonds maturing on January 1, 20__, such redeemed or discharged bonds shall be credited to the scheduled 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 twenty (20) 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 designated 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 Zions Bancorporation, National Association 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 designated corporate trust office of the Bond Registrar, by the registered owner hereof in person, or by the attorney of the registered owner 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 the duly authorized attorney of the registered owner. 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 designated 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 pledged to the payment of this bond and of the interest payable hereon according to its terms, subject to the limitation on the tax levy set out in Section 614 of the Charter of Talbot County, 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 Charter of Talbot County, 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.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the Talbot County, Maryland has caused this bond to be executed in its name by the facsimile signature of the President of the County Council and by its corporate seal imprinted hereon in facsimile, attested by the signature of the Secretary to the County Council, all as of the ____ day of _____, 2025.

TALBOT COUNTY, MARYLAND

By_____

(SEAL)

ATTEST:_____

CERTIFICATE OF AUTHENTICATION

This bond is one of the registered bonds of Talbot County Public Improvement Bonds, Series 2025.

Zions Bancorporation, National Association,
as Bond Registrar

By: _____
Authorized Officer

Date of Authentication: _____, 2025

(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.

PAYMENT GRID

[illegible]

Section 10. Current market conditions are volatile and an inflexible approach to borrowing by the County threatens its ability to initiate necessary capital projects and will diminish the resources available to provide for the needs of the citizens of the County and the interest of the County are best served by providing the County with reasonable flexibility in accessing the capital markets. The Bonds may therefore be sold at either a public sale or by private negotiated sale, such determination to be made by the Director of Finance of the County (the "Director of Finance") upon consultation with the County's financial advisors.

Section 11. If the Director of Finance determines that the Bonds shall be sold by the solicitation of competitive bids at public sale, electronic bids shall be received until 10:45 a.m. local Easton, Maryland time on the date fixed for sale. The President or the designee of the President may establish an alternative date, or time for the sale of the Bonds pursuant to the authority of this Resolution. In the event that an alternative date or time for the sale of the Bonds is established, the Council is not required to adopt an additional resolution, authorizing the sale of the Bonds. The President or the designee of the President 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 published the Notice of Sale or a Summary Notice of Sale, 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 ten (10) days prior to the date of sale. The Notice of Sale shall be in substantially the form hereinafter set forth. The terms and conditions stated in the Notice of Sale 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 not altering its substance may be made by the President 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 but not required.

[Form of Notice of Sale]

NOTICE OF SALE
\$25,810,000*
General Obligation Bonds

TALBOT COUNTY, MARYLAND
Public Improvement Bonds, Series 2025

Electronic bids via BiDCOMP/PARITY
will be received until 10:45 A.M., local Easton, Maryland Time, on
Wednesday, May 28, 2025

Electronic bids via BiDCOMP/PARITY Competitive Bidding System (BiDCOMP/Parity) will be received until 10:45 a.m. local Easton, Maryland time on Wednesday, May 28, 2025, at the offices of the Director of Finance, 11 North Washington St., Easton, MD 21601 for the purchase of the \$25,810,000* Talbot County Public Improvement Bonds, Series 2025, (the "Bonds"). The Bonds will be dated the date of their delivery, and bear interest payable beginning on November 1, 2025 and semi-annually thereafter on the first day of May and November until maturity or prior redemption.

The Bonds will be issued under the authority of Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume, as amended), the Charter of Talbot County (the "Charter") and in accordance with a public local law enacted by the County Council of Talbot County (the "County Council") on February 25, 2025 (Bill No. 1583) and in accordance with a Resolution of the County Council.

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

<u>Year</u>	<u>Preliminary Principal Amounts*</u>	<u>Year</u>	<u>Preliminary Principal Amounts*</u>
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	
2031		2041	
2032		2042	
2033		2043	
2034		2044	
2035		2045	

* Preliminary, subject to change

The proceeds of the Bonds will be used to (i) finance and refinance the cost of the planning, design, acquisition, renovation, construction and furnishing of improvements to and expansion of the Chapel District Elementary School and (ii) pay the costs of issuing the Bonds.

General Provisions for the Bonds

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 first day of May and November, commencing November 1, 2025, 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 electronic funds transfer or check mailed to each such person's address as it appears on such bond registration books.

Bonds which mature before May 1, 2035, are not subject to redemption prior to their maturities. Bonds which mature on or after May 1, 2036 are subject to redemption on or after May 1, 2035, in whole or in part at any time on any date in any order of maturities, at the option of Talbot County, Maryland (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.

The County Council will not accept and will reject any bid for less than all of the above described Bonds. The right is reserved to reject any and all bids.

Electronic Bids

Electronic bids will be received via **BIDCOMP/PARITY**, in the manner described below, until 10:45 a.m. local Easton, Maryland time, on Wednesday, May 28, 2025.

Bids may be submitted electronically via **BIDCOMP/PARITY** pursuant to this Notice until 10:45 a.m., local Easton, 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** at (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 the 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, they should telephone **BIDCOMP/PARITY** at (212) 849-5021 and notify the County's Financial Advisor, Susan Ostazeski, at Davenport & Company LLC at (410) 296-9426.

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

Electronic Bidding Procedures

Electronic bids must be submitted for the purchase of the Bonds (all or none) via **BIDCOMP/PARITY**. Bids will be communicated electronically to the County at 10:45 a.m., local Easton, Maryland time, on Wednesday, May 28, 2025. 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.

Bid Specifications

Each electronic bid must specify the amount bid for the Bonds (not less than 100% of par and not more than 115% of par). Bidders shall state in their electronic bids the rate or rates of interest to be paid on 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 and the maximum permitted coupon is five percent (5%). Bidders may not specify more than one rate of interest for the Bonds of any single maturity. A zero rate may not be named for any maturity. 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 100% of par and not more than 115% of par. The lowest true interest cost 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 County Council'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 5:00 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 schedule of the Bonds, respectively, and collectively, the "Revised Amounts") will be made available on the BiDCOMP/Parity/www.i-dealprospectus.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. Eastern, Maryland time on the date of sale, the last pre-sale revisions so published 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 FIVE (5) 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. Eastern, Maryland time on the date of sale and will not reduce or increase the Revised Aggregate Principal Amount of the Bonds by more than 15% 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 right is reserved to the County to reject any or all proposals and to waive any irregularity or informality in any proposal. The County Council'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.

Good Faith Deposit

The successful bidder of the Bonds shall submit a good faith deposit in the amount of \$258,100 (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 **BIDCOMP/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.

All Bonds herein described will constitute an irrevocable pledge of the full faith and credit of the County, subject to the limitation on the tax levy set out in Section 614 of the Charter.

Issue Price Determination

The County expects and intends that the bid for the Bonds will satisfy the federal tax requirements for a qualified competitive sale of bonds, including, among other things, receipt of bids for the Bonds from at least three underwriters, who have established industry reputations for underwriting new issuances of municipal bonds (a "**Qualified Competitive Bid**"). The County will advise the successful bidder as promptly as possible after the bids are opened whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such requirements (a "**Nonqualified Competitive Bid**").

If the bid is a Qualified Competitive Bid, as promptly as possible after the bids are opened, the County will notify the successful bidder, and such bidder, upon such notice, shall advise the County of the reasonably expected initial offering price to the public of each maturity of the Bonds. In addition, the winning bidder shall be required to provide to the County information to establish the initial offering price for each maturity of the Bonds for federal income tax purposes by completing a certificate acceptable to Bond Counsel, on or before the date of issuance of the Bonds, substantially in the Form of Issue Price Certificate for Qualified Competitive Bid set forth in Appendix E-1 to the Preliminary Official Statement, with appropriate completions, amendments and attachments.

If the bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened, the County will notify the successful bidder, and such bidder, upon such notice, shall advise the County of the initial sale price or initial offering price to the public, as applicable, of each maturity of the Bonds. In addition, the winning bidder shall be required to provide to the County information and assurances to establish the initial sale price or the initial offering price to the public, as applicable, for each maturity of the Bonds for federal income tax purposes by completing a certification acceptable to Bond Counsel, on or before the date of issuance of the Bonds, substantially in the Form of Issue Price Certificate for Nonqualified Competitive Bid set forth in Appendix E-2 to the Preliminary Official Statement, with appropriate completions, omissions and attachments. **It is noted that procedures for a Nonqualified Competitive Bid may require the winning 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, as further specified in the form of such certification.

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, without charge.

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. A description of this agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

CUSIP Numbers

CUSIP numbers for the Bonds will be applied for by the financial advisor to the County, 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 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 ("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, 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 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 June 11, 2025, or as soon as practicable thereafter, through DTC's "fast" closing system, 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).

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 via BiDCOMP/Parity/www.i-dealprospectus.com or by publishing notice of any revisions on THE MUNICIPAL MARKET MONITOR ("TM3") SERVICES OF THOMSON REUTERS (www.tm3.com) 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 BiDCOMP/Parity/www.i-dealprospectus.com or 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 BiDCOMP/Parity/www.i-dealprospectus.com or 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 BiDCOMP/Parity/www.i-dealprospectus.com or 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 BiDCOMP/Parity/www.i-dealprospectus.com or 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 Finance, Talbot County, County Courthouse, 11 N. Washington Street, Easton, MD 21601, (410) 770-8024 or from Susan Ostazeski, Davenport & Company LLC, 8600 LaSalle Road, Suite 618, Towson, Maryland 21286, (410) 296-9426.

The Preliminary Official Statement, together with this Notice of Sale and the required form of proposal may be accessed via the internet at <https://www.newissuehome.i-deal.com/Parity>. Such Preliminary Official Statement is deemed final by the County as of its date for purposes of SEC Rule 15c2-12 but is subject to revision, amendment and completion in the Official Statement referred to above.

By order of

COUNTY COUNCIL OF TALBOT COUNTY

Section 12. If the Director of Finance determines that the Bonds shall be sold by private negotiated sale, the sale shall be in accordance with a request for qualifications for underwriting services, with such changes, modifications and amendments as the Director of Finance determines is necessary and appropriate to effect the sale of the Bonds. In the event that the Director of Finance determines to sell the Bonds by private negotiation, the President is authorized to enter into a Bond Purchase Agreement with the purchaser(s) of the Bonds, after consultation with bond counsel to the County.

Section 13. 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 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 14. The Director of Finance, or in her absence the President, is hereby designated to receive payment on behalf of the County of the proceeds of the sale of the Bonds. Such proceeds shall be used and applied by the County exclusively and solely for the public purposes described in Section 2 of this Resolution. If the proceeds received from the sale of the Bonds exceed the amount actually expended or required for the public purposes described above, the amount of such unexpended excess shall be set apart in a separate account and applied to the payment of the next interest payment on the Bonds, the next principal maturity of the Bonds or to the redemption of Bonds or to the purchase and cancellation of Bonds, unless a resolution is adopted by the Council to provide for the expenditure of that excess for some other valid purpose authorized by law.

Section 15. For the purpose of paying the principal of and interest on the Bonds when due, the County shall levy or cause to be levied ad valorem taxes in rate and amount sufficient in each and every fiscal year in which such Bonds are outstanding to provide for the prompt payment, when due, of the principal of and interest on such Bonds; and if the proceeds from the taxes so levied in any fiscal year should be 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 pledged to the 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 described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the Bonds, subject to the limitation set forth in Section

614 of the County Charter. The County hereby covenants and agrees with the registered owner of the Bonds to levy and collect the taxes hereinabove described 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 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 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 16. (a) The President and the Director of Finance shall be the officials of the County responsible for the issuance of the Bonds within the meaning of the Section 1.148-2(b)(2) of the Arbitrage Regulations (defined below). The President 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 a certificate of the County (the "Tax and Section 148 Certificate") that complies with the requirements of Section 148 ("Section 148") of the Internal Revenue Code of 1986, as amended (the "Code"), 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 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 and the Director of Finance may make such covenants or agreements in connection with the issuance of the Bonds as he or she 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 or the Director of Finance shall deem advisable in order to assure the registered owners of the Bonds that the 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 rebate to the United States (or payments in lieu thereof), 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. In addition, the President or the Director of Finance may make such elections under the provisions of the Code as he or she shall deem advisable in connection with issuance of the Bonds. Such covenants, agreements or elections may be set forth in the Tax and Section 148 Certificate.

Section 17. (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 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 may approve.

(b) The President 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, the Director of Finance and any other authorized official of the County are hereby authorized to enter into and deliver on behalf of the County agreements, documents and certificates which they deem to be necessary or desirable in order to carry out the provisions of this Resolution, including but not limited to a registrar and paying agent agreement.

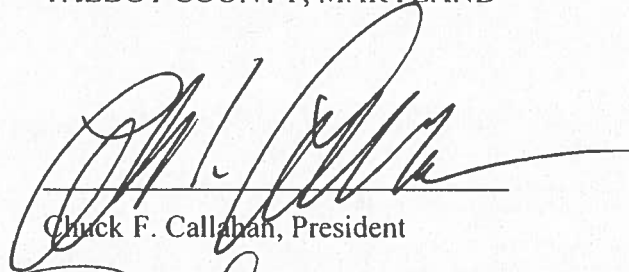
Section 18. If any one or more of the provisions of this Resolution, including any covenants or agreements provided herein on the part of the County to be performed, should be contrary to law, then such provision or provisions shall be null and void (but only to the extent necessary to make it or them consistent with law) and shall in no way affect the validity of the other provisions of this Resolution or of the Bonds.

[Signatures appear on the following page]

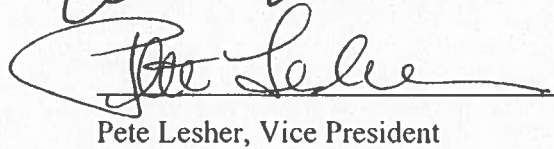
Section 19. This Resolution shall take effect on the later of (i) the date of adoption and (ii) the effective date of the Public Local Law.

ADOPTED this 22nd day of April, 2025.

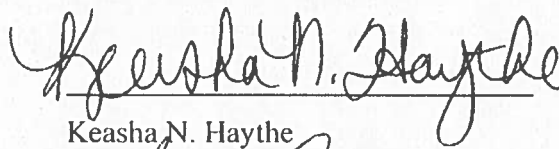
COUNTY COUNCIL OF
TALBOT COUNTY, MARYLAND



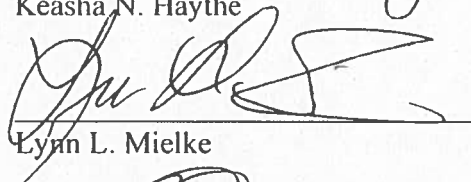
Chuck F. Callahan, President



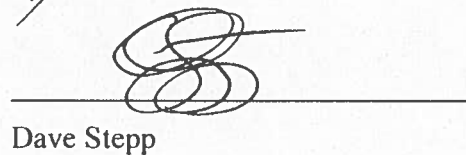
Pete Leshner, Vice President



Keasha N. Haythe



Lynn L. Mielke



Dave Stepp