

(PROVIDING FOR THE ISSUANCE AND SALE OF \$26,565,000 OF THE COUNTY'S GENERAL OBLIGATION BONDS AND PROVIDING FOR THE DISBURSEMENT OF THE PROCEEDS OF THE BONDS, FOR THE LEVYING OF AD VALOREM TAXES FOR PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS, AND FOR RELATED MATTERS)

RECITALS

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

Pursuant to Chapter 236 of the Laws of Maryland of 2001, Chapter 597 of the Laws of Maryland of 2007, Chapter 135 of the Laws of Maryland of 2010, Chapter 56 of the Laws of Maryland of 2013, Chapter 43 of the Laws of Maryland of 2014, Chapter 27 of the Laws of Maryland of 2015, Chapter 182 of the Laws of Maryland of 2016 and Chapter 117 of the Laws of Maryland of 2018 (the "Bond Enabling Acts"), the County is authorized to pledge its full faith and credit and issue and sell its bonds in the aggregate principal amount of \$26,565,000 for the purpose of (a) paying all or a portion of the costs associated with the acquisition, alteration, construction, reconstruction, enlargement, equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading, repair and development of (1) Fire, Rescue and EMS Building and Apparatus, (2) the Public Safety 800 MHz System, (3) Prince Frederick Loop Road, (4) Countywide paving projects, (5) Northern High School Replacement, (6) Prince Frederick Sewer Line Replacement, (7) Dowell Road Wastewater Pump Station Improvements, (8) the Detention Center, (9) Ward Farm Recreation and (10) the Linda L. Kelley Animal Shelter (collectively, the "Projects") and (b) paying costs, fees and expenses, including (without limitation) advertising, printing, financial advisory and legal fees incurred in the issuance and sale of any such bonds, the amount so borrowed to be used for no other purpose whatsoever except as expressly provided herein or as authorized by the Board of County Commissioners of Calvert County (the "Board"), and to assess and levy, in each year, so long as any of such bonds are outstanding and unpaid, an ad valorem tax on all property subject to taxation within Calvert County sufficient in rate and amount, together with other moneys available therefor, to pay the interest payable in that year on all outstanding bonds and the principal of all bonds maturing in that year.

Pursuant to Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume), the issues of bonds authorized by the Bond Enabling Acts, or portions thereof, may be consolidated with one another, and the County has determined that it is in the best interest of the County to consolidate the issues of bonds authorized by the Bond Enabling Acts.

Pursuant to the Bond Enabling Acts, the Board desires (a) to provide by this resolution for the issuance of the County's general obligation bonds in the aggregate principal amount of \$26,565,000, for the above-stated purposes, (b) to provide for other matters in reference thereto, (c) to prescribe the manner of the sale of such bonds and the terms and conditions under which they shall be offered for sale, (d) to prescribe the form and maturities of such bonds, (e) to provide for the use of the proceeds of the sale of such bonds, (f) to provide for the payment of the principal of and interest on such bonds as such bonds shall respectively mature, by levying

taxes to pay for the same, and (g) to provide for and determine various matters in connection therewith.

In addition, in order to enable the bidders for such bonds to comply with the requirements of paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12, it is necessary that the County enter into a contract to provide certain continuing disclosure information as required by that rule.

The Board desires that certain additional matters concerning such bonds, including, but not limited to, (a) providing for a change in the date or time of sale of such bonds, (b) providing for the acceptance by the County of bids received for such bonds, (c) fixing the interest rate or rates payable on such bonds, (d) ratifying the Preliminary Official Statement of the County prepared and distributed in connection with the issuance and sale of such bonds, (e) providing for changes to the form of such bonds and the Continuing Disclosure Agreement (hereinafter defined) approved pursuant to this Resolution, (f) approving the Official Statement of the County prepared in connection with the issuance and sale of such bonds, and (g) authorizing the execution, issuance and distribution of such Official Statement, be provided by and through one or more resolutions administrative in nature and supplemental hereto (each, a "Supplemental Resolution").

NOW, THEREFORE, in accordance with the Bond Enabling Acts:

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

SECTION 2. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That it is hereby found, determined and declared as follows:

(a) Each of the Projects constitutes a "public facility" within the meaning of the Bond Enabling Acts.

(b) The acquisition, alteration, construction, reconstruction, enlargement, equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading, repair and development of the Projects is in the public interest of the citizens of Calvert County and necessary to protect the general health and welfare of the residents of Calvert County.

SECTION 3. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That (a) pursuant to the authority of the Bond Enabling Acts, the County shall borrow upon the full faith and credit of the County and shall issue and sell upon the full faith and credit of the County, at any time after the adoption of this Resolution, its general obligation bonds in fully registered form in an aggregate principal amount of Twenty Six Million Five Hundred Sixty Five Thousand Dollars (\$26,565,000), such bonds to be designated as "County Commissioners of Calvert County Consolidated Public Improvement Bonds, 2018 Series" (the "Bonds").

The Bonds are hereby consolidated for sale, issuance and delivery as a single issue of bonds pursuant to the authority of Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume). The net proceeds of the sale of the Bonds shall be used to contribute to financing the costs of the Projects and paying costs, fees and expenses, including (without limitation) advertising, printing, financial advisory and legal fees incurred in the issuance and sale of the Bonds (the "Bond Issuance Costs"), all as provided by, and without in any way limiting the provisions of, the Bond Enabling Acts.

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

(c) The Bonds shall mature on the first day of July in consecutive annual principal installments, in the years set forth in Exhibit A hereto, provided that bidders shall have the right to designate in their bids for the Bonds two or more consecutive serial maturities beginning no earlier than July 1, 2034 and in any year thereafter as a term bond which matures on the maturity date of the last serial maturity of the sequence. The stated maturity date for any term bond so designated may not be earlier than June 1, 2035. More than one such sequence of serial maturities may be designated as a term bond. To the extent that the bid of the successful bidder designates one or more term bonds, any resulting change to the maturity schedule for the Bonds shall be approved by Supplemental Resolution.

(d) The Bonds shall bear interest at the rate or rates named by the successful bidder for the Bonds under the terms of the Notice of Sale, the form of which is set forth in Exhibit D attached to this Resolution (the "Notice of Sale"), and such interest shall be payable semiannually on each January 1 and July 1, commencing January 1, 2019, until and including the date of maturity or earlier redemption.

(e) The principal of the Bonds will be payable at the designated office of the Bond Registrar, upon presentation and surrender of the Bonds. Payment of interest on the Bonds shall be made by the Bond Registrar on each interest payment date to the person appearing on the registration books of the County maintained by the Bond Registrar as the registered owner thereof, by check or draft mailed to each such registered owner at the address appearing on such registration books on the record date for the Bonds, which shall be the fifteenth day of the month next preceding each interest payment date. Notwithstanding the foregoing, while the Bonds are registered under a book-entry only system, payment of the principal of and interest on the Bonds shall be made by the Bond Registrar to the Depository (hereinafter defined) or its nominee in accordance with the procedures of the Depository. Each Bond shall bear interest from the interest payment date next preceding the date of registration and authentication of such Bond, unless such Bond is registered and authenticated on an interest payment date, in which case it shall bear interest from such interest payment date, or, unless authenticated prior to the first interest payment date, in which case it shall bear interest from its dated date, or unless, as shown by the records of the Bond

Registrar, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond.

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

(g) The Bonds shall be executed on behalf of the County by the President of the Board by his manual or facsimile signature, and countersigned by the Treasurer, by her manual or facsimile signature, and shall bear the corporate seal of the County or a facsimile thereof, attested by the manual or facsimile signature of the Clerk to the Board. In the event that any official whose signature shall appear on the Bonds shall cease to be such official prior to the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery. The President of the Board, the Treasurer and the Clerk to the Board, by the execution of appropriate signature certificates, shall adopt, as and for their own proper signatures, their respective facsimile signatures on the Bonds if facsimile signatures are used.

SECTION 4. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That certain of the Bonds shall be subject to redemption prior to maturity as follows:

(a) The Bonds maturing on or before July 1, 2028 shall not be subject to redemption prior to their stated maturities. The Bonds maturing on or after July 1, 2029, shall each be subject to redemption prior to their respective maturities, at the option of the County, at any time on or after July 1, 2028, either as a whole or in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed.

(b) The Bonds shall be redeemed only in integral multiples of \$5,000. If less than all of the outstanding Bonds shall be called for redemption, the County shall choose the maturities of the Bonds to be redeemed and the principal amount of each such maturity to be redeemed in its sole discretion. If less than all of the Bonds of any one maturity shall be called for redemption, then the particular Bonds of such maturity to be redeemed shall be chosen by lot by the Bond Registrar in such manner as, in its discretion, it shall determine, except that so long as DTC or its nominee is the sole registered owner of the Bonds, the particular Bonds or portion to be redeemed shall be selected by DTC in such manner as DTC shall determine. Each \$5,000 portion of a Bond shall be treated as a separate Bond in the selection by lot of Bonds to be redeemed.

(c) If the County shall elect to redeem all or a portion of the Bonds, it shall deliver a redemption notice to the Depository (hereinafter defined) not less than 30 days prior to the date fixed for redemption (the "Redemption Date") (or such fewer number of days as shall

be acceptable to the Depository) by a secure means in accordance with the Depository's applicable operational arrangements. If the book-entry system is discontinued for the Bonds, the County shall give a redemption notice by letter mailed first class, postage prepaid, to the registered owners of the Bonds to be redeemed at their last addresses appearing on the registration books maintained by the Bond Registrar not less than 30 days prior to the Redemption Date. Failure to deliver or mail any such notice with respect to a particular Bond or any defect in such notice, or in the delivery or mailing thereof, shall not affect the validity of the redemption proceedings. Such notice shall specify the issue, numbers and maturities of the Bonds to be redeemed, the Redemption Date and the redemption price, any conditions to such redemption, and shall further state that on such date the Bonds called for redemption will be due and become payable at the designated office of the Bond Registrar and that, from and after such date, interest thereon shall cease to accrue. If for whatever reason it is impossible or impractical to mail such notice of redemption, then the Bond Registrar shall give notice of the call for any redemption by publication at least once in a newspaper of general circulation in the Borough of Manhattan, City and State of New York, or a financial journal of general circulation in the Borough of Manhattan, City and State of New York, and at least once in a daily newspaper of general circulation in the City of Baltimore, Maryland, which notice shall be published at least 30 days prior to the Redemption Date. In the event notice is published as provided above, the mailing of the notice to such registered owners of the Bonds to be redeemed shall not be a condition precedent to redemption, and the failure to mail any such notice to any of such registered owners shall not affect the validity of the proceedings for the redemption of the Bonds.

(d) On the Redemption Date, moneys for the payment of the redemption price plus accrued interest being held by the Bond Registrar and any other conditions to such redemption having been met, the Bonds so called for redemption shall become due and payable at the redemption price provided for redemption of such Bonds on such date, interest on such Bonds so called for redemption shall cease to accrue, and the registered owners of such Bonds so called for redemption shall have no rights in respect thereto except to receive payment of the redemption price thereof, plus accrued interest thereon to the Redemption Date from such moneys held by the Bond Registrar.

(e) If it is determined that a portion, but not all, of the principal amount represented by any Bond is to be called for redemption, the registered owner of such Bond shall forthwith surrender such Bond to the Bond Registrar (i) for payment of the redemption price (including interest to the Redemption Date) of the portion of the principal amount thereof called for redemption, and (ii) in exchange for a new Bond of the unredeemed balance of the principal amount of such Bond, and having the same form and tenor as such Bond; provided, however, that, if and so long as Cede & Co. is the registered owner of all of the Bonds, DTC may make an appropriate notation on the applicable Bonds indicating the date and amounts of such reduction in principal and notify the County in writing of such action. If the Bonds are required to be surrendered to the Bond Registrar, new Bonds representing the unredeemed balance of the principal amount of such Bond shall be issued to the registered owner thereof without charge therefor. If the registered owner of any such Bond shall fail to present such Bond to the Bond Registrar for payment and exchange as aforesaid, such Bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the portion of the principal amount called for redemption (and to that extent only). Interest shall cease to accrue on the portion of the

principal amount of such Bond called for redemption on and after the Redemption Date, and no new Bonds shall be thereafter issued corresponding to such portion.

(f) Any term bond designated by the successful bidder in its bid in accordance with the Notice of Sale 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.

SECTION 5. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That, (a) the proceeds of sale of the Bonds, plus any premium, shall be paid to the Treasurer and shall be placed in the County's Capital Improvement Fund by the Treasurer and designated to various subaccounts for the purpose of paying (i) all or a portion of the costs associated with the acquisition, alteration, construction, reconstruction, enlargement, equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading, repair and development, as applicable, of the Projects and (ii) Bond Issuance Costs.

(b) From such proceeds, the Director of Finance and Budget (the "Director of Finance") shall pay all Bond Issuance Costs, and the balance shall be disbursed by the Director of Finance and used for paying the costs of the Projects. Until needed for such purposes, such proceeds may be invested or reinvested by the Director of Finance in accordance with Title 17 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2017 Supplement); provided that the investment by the County of such proceeds shall be subject to all of the provisions of Section 13 of this Resolution.

(c) Any proceeds remaining unused or unreserved for the purposes described in subparagraph (b) above shall, in the discretion of the Board, be applied to pay principal on the Bonds, except as otherwise may be provided by the Board pursuant to a resolution adopted by the Board.

SECTION 6. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That the payment of interest on the Bonds when due and the principal of the Bonds at maturity shall be backed by the full faith and credit of the County.

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

(b) The President of the Board shall also initiate a system for registration of the Bonds in book-entry form and is hereby authorized to enter into such agreements and to make such modifications to the form of the Bonds (as set forth in Exhibit B hereto) and the form of the

Notice of Sale (as set forth in Exhibit D hereto) as may be necessary to provide for registration of the Bonds in book-entry form with DTC.

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

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

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

(e) Any securities depository selected in accordance with this Resolution and each of its participants and the beneficial owners of the Bonds, by their acceptance of the Bonds, shall agree that the County and its officers and employees shall have no liability for the failure of any such securities depository which may be selected as herein provided to perform its obligations to the participants and the beneficial owners of the Bonds, and neither the County nor any of its officers or employees shall be liable for the failure of any participant or other nominee of the beneficial owners to perform any obligation the participant may incur to a beneficial owner of the Bonds.

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

(a) No Bond shall be valid or obligatory for any purpose unless and until the certificate of authentication substantially in the form set forth in Exhibit B hereto shall have been duly executed by the Bond Registrar, and such executed certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered

pursuant to this Resolution. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder.

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

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

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

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

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the County shall execute and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the County or the Bond Registrar shall make a charge for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Such charge shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Bond Registrar shall not be obligated to make any such exchange or transfer of Bonds after the fifteenth day of the month next preceding an interest payment date on the Bonds, or in case of any proposed redemption of the Bonds, during the 15 days next preceding the date of the mailing of notice of such redemption. The Bond Registrar shall not be required to make any transfer or exchange of any bonds called for redemption.

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

SECTION 9. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That the advertisement and public sale of the Bonds shall be as follows:

(a) The Bonds shall be sold at public sale upon submission of electronic bids using the *PARITY*® bidding system ("*PARITY*®") to the bidder therefor whose bid provides the lowest true interest cost to the County, for cash at not less than par, after public notice by advertisement is published at least once in one or more daily or weekly newspapers having a general circulation in Calvert County, provided that the sale shall be held not sooner than 10 days following the first insertion of said advertisement. The advertisement of sale or the Notice of Sale described below may also be published in such financial journals and at such times as the President of the Board may deem appropriate. The advertisement of sale shall be substantially in the form attached hereto as Exhibit C and made a part hereof, with such changes therein as the President of the Board shall approve or as may be approved by Supplemental Resolution.

(b) The official Notice of Sale for the Bonds shall be substantially in the form attached hereto as Exhibit D and made a part hereof, with such changes therein as the President of the Board shall approve or as may be approved by Supplemental Resolution.

(c) The sale of the Bonds shall be held at 11:00 a.m. local time, on Tuesday, July 24, 2018; provided, however, that the President of the Board is hereby authorized to change the time of the sale or to postpone and reschedule the date of sale in accordance with the Notice of Sale, upon the recommendations of the County's financial advisor and bond counsel. The Bonds shall be sold upon the terms and conditions set forth in the official Notice of Sale.

(d) Notwithstanding the foregoing, the aggregate principal amount of the Bonds, the maturity schedule for the Bonds and the bidding parameters for the Bonds set forth in Exhibit C and Exhibit D may be adjusted if deemed appropriate by the Director of Finance, upon the advice of the County's financial advisor and bond counsel, so long as the maximum limitations on the aggregate principal amount of the Bonds set forth in this Resolution are not exceeded.

SECTION 10. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That promptly after the sale of the Bonds, the interest rate or rates payable thereon, the aggregate principal amount of the Bonds to be issued, and the maturity schedule for the Bonds shall be fixed by a Supplemental Resolution of the Board

according to the terms and conditions of the sale, and the Bonds shall thereupon be suitably prepared and delivered to the Bond Registrar for completion, authentication and delivery to DTC for the account of the successful bidder therefor as provided in the Notice of Sale. Any such Supplemental Resolution shall be adopted by the Board and shall be effective on the day of the sale of the Bonds and shall further provide for the following: (a) acceptance by the County of a bid received for the purchase of the Bonds pursuant to the terms and conditions of the Notice of Sale; (b) ratification of the Preliminary Official Statement of the County prepared and distributed in connection with the issuance and sale of the Bonds; (c) providing for changes, if any, to the forms of the Bonds and the Continuing Disclosure Agreement; (d) approval of the Official Statement of the County prepared in connection with the issuance and sale of the Bonds; (e) authorization of the execution, issuance and distribution of the Official Statement; and (f) such other matters as the Board shall deem necessary or advisable to consummate the transactions contemplated by this Resolution.

SECTION 11. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That Manufacturers and Traders Trust Company, Buffalo, New York, is hereby designated and appointed as the Bond Registrar and Paying Agent for the Bonds (the "Bond Registrar"). The Bond Registrar shall maintain books of the County for the registration and transfer of the Bonds. The President of the Board is hereby authorized and directed to execute and deliver an agreement with the Paying Agent and Registrar (the "Paying Agent Agreement"), in such form and containing such provisions as the President of the Board deems necessary and appropriate (as evidenced by his execution and delivery of such Paying Agent Agreement). The President of the Board, the Director of Finance and their designees are each authorized to take all actions on behalf of the County pursuant to the Paying Agent Agreement. The County may from time to time, either prior to or following the issuance of the Bonds, designate and appoint one or more alternate or substitute bond registrars, paying agents, co-paying agents or authenticating agents for the Bonds, and any such alternate or substitute shall be deemed to be the Bond Registrar or an alternate Bond Registrar for all purposes specified in the resolution appointing such substitute or alternate. Any such designation and appointment shall be made by the Board by resolution; and the exercise of such power or appointment, no matter how often, shall not be an exhaustion thereof.

SECTION 12. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That for the purpose of paying interest on the Bonds and also for the purpose of paying the principal of the Bonds as and when they respectively mature and are payable, there is hereby assessed and levied and there shall hereafter be assessed, levied and collected in each year, so long as any of the Bonds are outstanding and unpaid, an ad valorem tax on all property subject to taxation within Calvert County sufficient in rate and amount (together with other moneys available therefor) to pay the interest on all of the Bonds then issued and outstanding as the same becomes due and payable and to pay the principal of the Bonds as the same shall respectively mature, and the full faith and credit and the unlimited taxing power of the County are hereby irrevocably pledged to the prompt payment of the principal of and interest on the Bonds as and when the same respectively mature.

SECTION 13. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That the County covenants and agrees with the registered owners from time to time of the Bonds, as follows:

(a) The County hereby covenants that it will take, or refrain from taking, any and all actions necessary to comply with the applicable provisions of Section 103 and Sections 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended (the "Code") and the Income Tax Regulations thereunder, in order to preserve the status of the interest on the Bonds as excluded from gross income for Federal income tax purposes.

(b) Without limiting the generality of the foregoing covenant, (i) the County will not use or permit the use of any of the proceeds of the Bonds or any of the funds of the County in such manner as would cause the interest on the Bonds to be included in gross income for Federal income tax purposes, (ii) the County will regulate the investment of the proceeds of the Bonds so as not to cause any of the Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code and the Income Tax Regulations thereunder, (iii) the County will, if and to the extent necessary, make periodic determinations of the rebate amount and timely pay any rebate amount, or installment thereof, to the United States of America, (iv) the County will prepare and timely file Internal Revenue Service Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, and (v) the President of the Board and/or the Director of Finance are hereby authorized and directed to prepare or cause to be prepared and to execute any certificate or other document which may be required in order to assure compliance with the applicable provisions of Section 103 and Sections 141 through 150, inclusive, of the Code, and the Income Tax Regulations thereunder.

SECTION 14. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That in order to enable the bidders for the Bonds to comply with the requirements of paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), the County shall execute and deliver, on or before the date of issuance and delivery of the Bonds, a Continuing Disclosure Agreement in substantially the form attached hereto as Exhibit E, with such changes therein as the President of the Board may approve, and the terms and conditions of such Continuing Disclosure Agreement are incorporated by reference herein and made a part hereof. Certain of the events listed in Section 4(a) of such Continuing Disclosure Agreement have been included for compliance with Rule 15c2-12 but are not relevant for the Bonds, specifically those events relating to debt service reserves, credit enhancements and liquidity providers, and property or other collateral.

SECTION 15. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That the provisions of this Resolution are severable, and if any provision, sentence, clause, section or part hereof is held to be illegal, invalid, or unconstitutional or inapplicable to any person or circumstance, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections, or parts of this Resolution or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Resolution would have been passed if such illegal, invalid or unconstitutional provision, sentence, clause, section or part had not been included herein, and if the person or circumstances to which this Resolution or any part hereof are inapplicable had been specifically exempted herefrom.

SECTION 16. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That the provisions of this Resolution shall

constitute a contract between the County and the purchasers of the Bonds so long as the Bonds or any portion thereof hereby authorized remains unpaid.

SECTION 17. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That this Resolution shall take effect immediately.

DONE, this 5th day of June, 2018, by the Board of County Commissioners for Calvert County, Maryland, sitting in regular session.

Aye: 4
Nay: 0
Absent/Abstain: 1 - Slauchenhaupt

ATTEST:

Maureen L. Frederick
Maureen L. Frederick,
Clerk to the Board of
County Commissioners
of Calvert County

COUNTY COMMISSIONERS OF
CALVERT COUNTY

By: _____
Evan K. Slauchenhaupt Jr., President

Tom Hajl
Tom Hajl, Vice President

Mike Hart
Mike Hart, County Commissioner

Pat Nutter
Pat Nutter, County Commissioner

Steven R. Weems
Steven R. Weems, County Commissioner

Approved for legal sufficiency
on May 31, 2018 by

Cheryl O'Donnell Guth
Cheryl O'Donnell Guth
McGuireWoods LLP
Bond Counsel

Received for Record June 6, 2018
at 9:04 o'clock A.M. Same day
recorded in Liber KPS No. 54
Folio 348 COUNTY COMMISSIONERS
ORDINANCES AND RESOLUTION.

Garry P. Smith

BK000054PG360

RESOLUTION NO. 29-18

SUBJECT: Issuance and Sale of Bonds, Disbursement of
Proceeds and Levy of Ad Valorem Taxes
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EXHIBIT A

SCHEDULE OF MATURITIES OF THE BONDS

<u>Payment Date</u> (July 1)	<u>Principal</u> <u>Payable</u>	<u>Payment Date</u> (July 1)	<u>Principal</u> <u>Payable</u>
2019	\$1,220,000	2032	\$2,270,000
2020	1,270,000	2033	2,340,000
2021	1,320,000	2034	50,000
2022	1,385,000	2035	50,000
2023	1,460,000	2036	50,000
2024	1,535,000	2037	55,000
2025	1,615,000	2038	55,000
2026	1,700,000	2039	55,000
2027	1,785,000	2040	60,000
2028	1,875,000	2041	60,000
2029	1,975,000	2042	65,000
2030	2,070,000	2043	65,000
2031	2,180,000		

This bond is one of an issue of bonds of the County in the aggregate principal amount of \$26,565,000, all dated as of the Dated Date set forth above, and known as "Consolidated Public Improvement Bonds, 2018 Series" (the "Bonds").

The Bonds are issued pursuant to the authority of Chapter 236 of the Laws of Maryland of 2001, Chapter 597 of the Laws of Maryland of 2007, Chapter 135 of the Laws of Maryland of 2010, Chapter 56 of the Laws of Maryland of 2013, Chapter 43 of the Laws of Maryland of 2014, Chapter 27 of the Laws of Maryland of 2015, Chapter 182 of the Laws of Maryland of 2016 and Chapter 117 of the Laws of Maryland of 2018 (collectively, the "Enabling Acts") and in accordance with Resolution No. __-18, as supplemented by Resolution No. __-18 (collectively, the "Resolution"), each adopted by the Board of County Commissioners of Calvert County (the "Board").

The proceeds of the Bonds will be applied (a) to finance all or a portion of the costs associated with the acquisition, alternation, construction, reconstruction, enlargement, equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading, repair and development of: (1) Fire, Rescue and EMS Building and Apparatus, (2) the Public Safety 800 MHz System, (3) Prince Frederick Loop Road, (4) Countywide paving projects, (5) Northern High School Replacement, (6) Prince Frederick Sewer Line Replacement, (7) Dowell Road Wastewater Pump Station Improvements, (8) the Detention Center, (9) Ward Farm Recreation and (10) the Linda L. Kelley Animal Shelter, and (b) to pay costs, fees and expenses, including advertising, printing, financial advisory and legal fees, incurred in the issuance and sale of the Bonds.

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

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

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

The Bonds maturing on or before July 1, 2028 are not subject to redemption prior to their maturities. The Bonds maturing on or after July 1, 2029, shall be subject to redemption prior to their respective maturities, at the option of the County, at any time on or after July 1, 2028, either as a whole or in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed.

[if serial bonds are designated as term bonds by the successful bidder, insert mandatory redemption provisions here]

If less than all of the outstanding Bonds shall be called for redemption, the County shall choose the maturities of the Bonds to be redeemed and the principal amount of each such maturity to be redeemed, in its sole discretion. If less than all of the Bonds of any one maturity shall be called for redemption, then the particular Bonds of such maturity to be redeemed shall be chosen by lot by the Bond Registrar in such manner as, in its discretion, it shall determine. Each \$5,000 portion of a Bond shall be treated as a separate Bond in the selection by lot of Bonds to be redeemed.

Notice of call for redemption shall be delivered to DTC not less than 30 days prior to the date fixed for redemption (the "Redemption Date") by a secure means as prescribed in the Resolution. If the book-entry system is discontinued for the Bonds, the County shall give a redemption notice by letter mailed first class, postage prepaid, to the registered owners of the Bonds to be redeemed at their last addresses appearing on the registration books maintained by the Bond Registrar not less than 30 days prior to the Redemption Date. Failure to deliver or mail any such notice with respect to a particular Bond or any defect in such notice, or in the delivery or mailing thereof, shall not affect the validity of the redemption proceedings. On the date designated for redemption, moneys for the payment of the redemption price plus accrued interest being held by the Bond Registrar, and if all other conditions to such redemption are met, the Bonds so called for redemption shall become due and payable at the redemption price provided for redemption of such Bonds on such date, interest on such Bonds so called for redemption shall cease to accrue, and the registered owners of such Bonds so called for redemption shall have no rights in respect thereto except to receive payment from such moneys held by the Bond Registrar of the redemption price thereof, plus accrued interest thereon to the Redemption Date. If a portion of any bond shall be called for redemption, a new bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

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

So long as all of the Bonds shall be maintained in Book-Entry Form with DTC or another depository in accordance with the Resolutions: (1) in the event that fewer than all Bonds of any one maturity shall be called for redemption, the depository, and not the Bond Registrar, will select the particular accounts from which Bonds or portions thereof will be redeemed in accordance with its standard procedures for redemption of obligations such as the Bonds; (2) in the event that part, but not all, of this bond shall be called for redemption, the

holder of this bond may elect not to surrender this Bond in exchange for a new bond in accordance with the provisions hereof and in such event shall make a notation indicating the principal amount of such redemption and the date thereof on the Payment Grid attached hereto; and (3) payments of principal or redemption price of and interest on this bond shall be payable to the depository or its assigns in accordance with the provisions of the Resolutions. For all purposes, the principal amount of this bond outstanding at any time shall be equal to the lesser of (A) the principal sum shown on the face hereof and (B) such principal sum reduced by the principal amount of any partial redemption of this bond following which the holder of this bond has elected not to surrender this bond in accordance with the provisions hereof. The failure of the holder hereof to note the principal amount of any partial redemption on the Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation of the County hereunder. THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.

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 Acts and the Resolution, and that the issue of bonds, of which this is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the State of Maryland.

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

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

IN WITNESS WHEREOF, County Commissioners of Calvert County has caused this bond to be signed by the President of the Board of County Commissioners of Calvert County by his manual or facsimile signature and countersigned by the Treasurer of the County by her manual or facsimile signature, and has caused the corporate seal of the County to be imprinted or otherwise reproduced hereon and attested by the manual or facsimile signature of its Clerk to the Board of County Commissioners of Calvert County, all as of the Dated Date set forth above.

Countersigned:

COUNTY COMMISSIONERS OF CALVERT COUNTY

[Manual or Facsimile Signature]

By: [Manual or Facsimile Signature]

Treasurer

[Handwritten Signature]
V.P. ~~President~~ of the Board of County Commissioners of Calvert County

[SEAL]

ATTEST:

[Handwritten Signature]

[Manual or Facsimile Signature]

Clerk to the Board of County Commissioners of Calvert County

CERTIFICATE OF AUTHENTICATION

This bond is one of the County Commissioners of Calvert County Consolidated Public Improvement Bonds, 2018 Series described in the Resolution referred to herein.

Date of Registration
and Authentication:

Manufacturers and Traders Trust Company,
Bond Registrar

August 7, 2018

By _____
Authorized Signature

BK 00054 PG 367

RESOLUTION NO. 29-18

SUBJECT: Issuance and Sale of Bonds, Disbursement of
Proceeds and Levy of Ad Valorem Taxes
Page 20 of 51

ASSIGNMENT

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

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

the within bond, and hereby irrevocably constitutes and appoints

_____ or its successor as Bond Registrar to transfer the within bond

on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

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

Name of Registered Owner
NOTICE: Signature must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

(Please insert Social Security or other Identifying Number of Assignee)

PAYMENT GRID

<u>Date of Payment</u>	<u>Principal Amount Paid</u>	<u>Principal Amount Outstanding</u>	<u>Holder Signature</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

FORM OF ADVERTISEMENT OF SALE

\$26,565,000*
COUNTY COMMISSIONERS OF CALVERT COUNTY
CONSOLIDATED PUBLIC IMPROVEMENT BONDS,
2018 SERIES

Electronic Bids via **PARITY®** will be received for the above-captioned issue of general obligation bonds (the “Bonds”) of County Commissioners of Calvert County (the “County”) by the Director of Finance and Budget of the County, 1st Floor, Courthouse, 175 Main Street, Prince Frederick, Maryland 20678, until 11:00 o’clock a.m., local time, on Tuesday, July 24, 2018.

The Bonds will be dated the date of their initial delivery. Interest on the Bonds will be payable semiannually on each January 1 and July 1, commencing January 1, 2019, until maturity or prior redemption. The Bonds will be issued in serial form in the aggregate principal amount of \$26,565,000* and will mature on July 1 in the following years and in the following principal amounts:

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>
2019	\$1,220,000	2032	\$2,270,000
2020	1,270,000	2033	2,340,000
2021	1,320,000	2034	50,000
2022	1,385,000	2035	50,000
2023	1,460,000	2036	50,000
2024	1,535,000	2037	55,000
2025	1,615,000	2038	55,000
2026	1,700,000	2039	55,000
2027	1,785,000	2040	60,000
2028	1,875,000	2041	60,000
2029	1,975,000	2042	65,000
2030	2,070,000	2043	65,000
2031	2,180,000		

The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to adjustment by the County after the receipt of bids for their purchase as described in the official Notice of Sale.

The Bonds maturing on or before July 1, 2028 are not subject to redemption prior to their maturities. The Bonds maturing on or after July 1, 2029, shall be subject to redemption prior to their respective maturities, at the option of the County, at any time on or after July 1, 2028, either as a whole or in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed.

*Preliminary, subject to change.

Bidders may designate in their bid two or more consecutive serial maturities beginning no earlier than July 1, 2034 and in any year thereafter as a term bond which matures on the maturity date of the last serial maturity of the sequence. The stated maturity date for any term bond so designated may not be earlier than July 1, 2035. More than one such sequence of serial maturities may be designated as a term bond. 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.

The issuance of the Bonds is authorized by Chapter 236 of the Laws of Maryland of 2001, Chapter 597 of the Laws of Maryland of 2007, Chapter 135 of the Laws of Maryland of 2010, Chapter 56 of the Laws of Maryland of 2013, Chapter 43 of the Laws of Maryland of 2014, Chapter 27 of the Laws of Maryland of 2015, Chapter 182 of the Laws of Maryland of 2016 and Chapter 117 of the Laws of Maryland of 2018. The proceeds of the Bonds will be applied (a) to finance all or a portion of the costs associated with the acquisition, alteration, construction, reconstruction, enlargement, equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading, repair and development of: (1) Fire, Rescue and EMS Building and Apparatus, (2) the Public Safety 800 MHz System, (3) Prince Frederick Loop Road, (4) Countywide paving projects, (5) Northern High School Replacement, (6) Prince Frederick Sewer Line Replacement, (7) Dowell Road Wastewater Pump Station Improvements, (8) the Detention Center, (9) Ward Farm Recreation and (10) the Linda L. Kelley Animal Shelter and (b) to pay all costs, fees and expenses, including advertising, printing, financial advisory and legal fees, incurred in the issuance and sale of the Bonds.

Bidders must bid at least 100% of par, but no more than 115% of par, for the Bonds and must specify the rate or rates of interest to be paid thereon in multiples of 1/8 or 1/20 of 1%. Bidders may specify more than one rate of interest, but not more than one interest rate for any maturity, nor a zero rate. The difference between the maximum and minimum interest rates so specified may not be greater than 3.00% and no interest rate that exceeds 5.00% may be specified. Split or supplemental interest rates may not be specified. The Bonds will be awarded to the bidder offering the lowest true interest cost to the County, such interest cost to be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid.

The County reserves the right to postpone, from time to time, the date established for the receipt of bids or to change the bidding constraints on the Bonds. 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. The official Notice of Sale contains specific provisions regarding the announcement of any such postponement and alternative sale date.

The Bonds will be issued in fully registered book-entry form. The Depository Trust Company, New York, New York, will act as securities depository for the Bonds.

The Bonds are general obligation bonds of the County, and will constitute an irrevocable pledge of its full faith and credit and unlimited taxing power. The issuance of such Bonds will be subject to approval of legality by McGuireWoods LLP, Baltimore, Maryland, Bond Counsel, and their opinion will be delivered, without charge, to the successful bidder for the Bonds.

BK 00054 PG 371

RESOLUTION NO. 29-18

SUBJECT: Issuance and Sale of Bonds, Disbursement of
Proceeds and Levy of Ad Valorem Taxes
Page 24 of 51

The Preliminary Official Statement concerning this sale of Bonds and the official Notice of Sale will be supplied to prospective bidders upon request made in writing to Timothy Hayden, Director of Finance and Budget, Courthouse, 175 Main Street, Prince Frederick, Maryland 20678, or to the County's the financial advisor for the issuance of the Bonds, Davenport & Company LLC, 8600 LaSalle Road, The Oxford Building, Suite 618, Towson, Maryland 21286, or by telephone (410) 296-9426.

The right is reserved to reject any and all bids.

COUNTY COMMISSIONERS OF
CALVERT COUNTY

By: Evan K. Slaughenhaupt, Jr.,
President of the Board
of County Commissioners

FORM OF NOTICE OF SALE

NOTICE OF SALE

\$26,565,000*

**COUNTY COMMISSIONERS OF CALVERT COUNTY
 CONSOLIDATED PUBLIC IMPROVEMENT BONDS,
 2018 SERIES**

Electronic Bids via **PARITY®** will be received for the above-captioned issue of general obligation bonds (the “Bonds”) of County Commissioners of Calvert County (the “County”) by the Director of Finance and Budget of the County, 1st Floor, Courthouse, 175 Main Street, Prince Frederick, Maryland 20678, until 11:00 o’clock a.m. local time on Tuesday,

July 24, 2018.

Dated Date and Interest Payment Dates. The Bonds will be dated their date of initial delivery. Interest on the Bonds will be payable semiannually on each January 1 and July 1, commencing January 1, 2019, until maturity or prior redemption.

Principal Amounts and Principal Payment Dates. The Bonds will be issued in serial form in the aggregate principal amount of \$26,565,000* and will mature on July 1 in the following years and in the following principal amounts:

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>
2019	\$1,220,000	2032	\$2,270,000
2020	1,270,000	2033	2,340,000
2021	1,320,000	2034	50,000
2022	1,385,000	2035	50,000
2023	1,460,000	2036	50,000
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2026	1,700,000	2039	55,000
2027	1,785,000	2040	60,000
2028	1,875,000	2041	60,000
2029	1,975,000	2042	65,000
2030	2,070,000	2043	65,000
2031	2,180,000		

*Preliminary, subject to change

Adjustments. The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to reduction by the County after the receipt of bids for their purchase. The final aggregate principal amount and maturity schedule for the Bonds will be communicated to the successful bidder by 5:00 p.m. local time on the date of sale and will not reduce the aggregate principal amount of the Bonds by more than the premium bid by the successful bidder. The dollar amount bid for principal by the successful bidder will be adjusted to reflect any reduction in the aggregate principal amount of the bonds, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

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

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

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

Authorization and Use of Proceeds. The issuance of the Bonds is authorized by Chapter 236 of the Laws of Maryland of 2001, Chapter 597 of the Laws of Maryland of 2007, Chapter 135 of the Laws of Maryland of 2010, Chapter 56 of the Laws of Maryland of 2013, Chapter 43 of the Laws of Maryland of 2014, Chapter 27 of the Laws of Maryland of 2015, Chapter 182 of the Laws of Maryland of 2016 and Chapter 117 of the Laws of Maryland of 2018. The proceeds of the Bonds will be applied (a) to finance all or a portion of the costs associated with the acquisition, alteration, construction, reconstruction, enlargement, equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading, repair and development of (1) Fire, Rescue and EMS Building and Apparatus, (2) the Public Safety 800 MHz System, (3) Prince Frederick Loop Road, (4) Countywide paving projects, (5) Northern High School Replacement, (6) Prince

Frederick Sewer Line Replacement, (7) Dowell Road Wastewater Pump Station Improvements, (8) the Detention Center, (9) Ward Farm Recreation and (10) the Linda L. Kelley Animal Shelter and (b) to pay all costs, fees and expenses, including advertising, printing, financial advisory and legal fees, incurred in the issuance and sale of the Bonds.

Optional Redemption. The Bonds maturing on or before July 1, 2028 are not subject to redemption prior to their maturities. The Bonds maturing on or after July 1, 2029 shall be subject to redemption prior to their respective maturities, at the option of the County, at any time on or after July 1, 2028, either as a whole or in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed. The procedures for redemption of the Bonds, including the requirements for giving notice of such redemption, are described in the Preliminary Official Statement (hereinafter defined) and are incorporated herein by reference.

TERMS OF SALE

Electronic Bids. Electronic bids will be received via **PARITY®** pursuant to this Notice of Sale until 11:00 a.m. local time on the date of sale, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY®** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY®**, potential bidders may contact **PARITY®** at (212) 849-5021. Bidders may only submit bids electronically via **PARITY®**.

Each prospective bidder shall be solely responsible to submit its bids via **PARITY®** as described above. Each prospective bidder shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor **PARITY®** shall have any duty or obligation to provide or assure access to **PARITY®** to any prospective bidder, and neither the County nor **PARITY®** shall be responsible for proper operation of, or have any liability for delays or interruptions of, or any damages caused by, **PARITY®**. The County is using **PARITY®** as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. The County is not bound by any advice and determination of **PARITY®** to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid parameters set forth herein. All costs and expenses incurred by prospective bidders in connection with their submissions of bids via **PARITY®** are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Bonds, such bidder should telephone **PARITY®** at (212) 849-5021 and notify the County's Financial Advisor, Davenport & Company LLC, by facsimile at (866) 932-6660 and by telephone at (410) 296-9426.

Electronic bids must be submitted for the purchase of the Bonds (all or none) via **PARITY®**. Bids will be communicated electronically to the County at 11:00 a.m. local time, on July 24, 2018. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via **PARITY®**, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via **PARITY®** to the County, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. *For*

*purposes of the electronic bidding process and the time for submitting sealed bids, the time as maintained on **PARITY**® shall constitute the official time.*

Designation of Term Bonds. Bidders may designate in their bid two or more consecutive serial maturities beginning no earlier than July 1, 2034 and in any year thereafter as a term bond which matures on the maturity date of the last serial maturity of the sequence. The stated maturity date for any term bond so designated may not be earlier than July 1, 2035. More than one such sequence of serial maturities may be designated as a term bond. 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.

Bidding Constraints. Each bidder shall submit one bid via **PARITY**® on an “all-or-none” basis. Each bid must specify the rate or rates of interest to be paid on the Bonds, in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%). Bidders may specify more than one rate of interest to be borne by the Bonds, but all Bonds maturing on the same date must bear interest at the same rate. Bidders may not specify (1) any interest rate for any Bonds which exceeds the interest rate stated in such bid for any other Bonds by more than 3.00%, (2) any interest rate that exceeds 5.00%, or (3) a zero rate of interest. Bidders are requested to specify the true interest cost (computed in accordance with the terms of this Notice of Sale) in their bids for the Bonds. A bid for the purchase of the Bonds at a price of less than 100% of par or more than 115% of par, or a bid for the Bonds that specifies split or supplemental interest rates, will not be considered. The County will also not consider and will reject any bid for the purchase of less than all of the Bonds. All bids must be unconditional.

By submitting a bid for the Bonds, the bidder agrees, if it is the successful bidder for the Bonds, (1) to provide full and complete pricing information with respect to the Bonds to the County in a timely manner so that the County may fulfill its obligation relating to the delivery of the Official Statement to the purchaser of the Bonds within seven business days following the award, including, without limitation, the offering price(s), interest rate(s), selling compensation, delivery dates and other similar information; (2) to comply with the requirements of SEC Rule 15c2-12 (“Rule 15c2-12”), applicable federal and state securities laws and the applicable rules of the Municipal Securities Rulemaking Board (the “MSRB”) in connection with the offer and sale of the Bonds; and (3) within three business days after the final Official Statement becomes available, to cause copies thereof to be filed with the MSRB.

Good Faith Deposit. A good faith deposit (the “Deposit”) is required in connection with the sale and bid for the Bonds. The Deposit may be provided in the form of (i) a federal funds wire transfer in the amount of \$500,000 to be submitted to the County by the successful bidder not later than 3:00 p.m. local time (the “Deposit Deadline”) on the date of sale or (ii) a financial surety bond (a “Surety Bond”) from an insurance company acceptable to the County and licensed to issue such a bond in the State of Maryland in the amount of \$500,000, each option as described in more detail below. The Deposit of the successful bidder will be retained by the County to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages.

If a federal funds wire transfer is used, the County shall distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Deposit Deadline. If the Deposit is not received by the Deposit Deadline, the

award of the sale of the Bonds to the successful bidder may be cancelled by the County in its discretion without any financial liability of the County to the successful bidder or any limitation whatsoever on the County's right to sell the Bonds to a different purchaser upon such terms and conditions as the County shall deem appropriate.

If a Surety Bond is used, it must be submitted to the County prior to 5:00 p.m. local time on the day prior to the date for receipt of bids, and must be in form and substance acceptable to the County, including (without limitation) identifying the bidder whose Deposit is guaranteed by such Surety Bond. If the Bonds are awarded to a bidder utilizing a Surety Bond, then such successful bidder is required to submit its Deposit to the County not later than 12:00 p.m. local time on the next business day following the award in accordance with wire instructions delivered by the County to such bidder. If such Deposit is not received by that time, the Surety Bond may be drawn by the County to satisfy the Deposit requirement.

Award of Bonds. The County will not consider and will reject any bid for the purchase of less than all of the Bonds. THE RIGHT IS RESERVED TO REJECT ANY AND ALL BIDS AND TO WAIVE ANY IRREGULARITY OR NON-CONFORMITY IN ANY BID. Bids will be opened promptly after 11:00 o'clock a.m. local time (as determined in accordance with the time as maintained on *PARITY*®) on July 24, 2018. The award, if made, will be made as promptly as possible after the bids are opened to the bidder offering the lowest interest rate to the County. The lowest interest rate shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid. The TIC shall be as determined by the financial advisor to the County based on the terms of this Notice of Sale and all amendments thereto and on each bid as submitted. If two or more bidders offer to purchase the Bonds at the same lowest true interest cost, then such award will be made to the bidder offering the highest premium. If two or more bidders offer to purchase the Bonds at the same lowest true interest cost, with the same premium, the Bonds will be awarded by lot to one of such bidders. The judgment of the County shall be final and binding upon all bidders with respect to the form and adequacy of any bid received and as to its conformity to the terms of this Notice of Sale.

Establishment of Issue Price. The successful bidder shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A-1 or Exhibit A-2, as applicable, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the County and Bond Counsel. All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County's financial advisor identified herein and any notice or report to be provided to the County may be provided to the County's financial advisor.

The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(1) the County shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

- (2) all bidders shall have an equal opportunity to bid;
- (3) the County may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

By submitting a bid, each bidder (i) confirms that its bid is a firm offer for the purchase of the Bonds identified in this Notice of Sale, on the terms set forth in its bid and this Notice of Sale, except as permitted by this Notice of Sale and (ii) represents that it has an established industry reputation for underwriting new issuances of municipal bonds.

In the event that the competitive sale requirements are not satisfied, the County shall so advise the successful bidder. The County may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the County if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The County shall promptly advise the successful bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the County determines to apply the hold-the-offering-price rule to any maturity of the Bonds.

Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The successful bidder shall promptly advise the County when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the successful bidder agrees to promptly report to the County the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

The County acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date that the Bonds are awarded by the County to the successful bidder.

Postponement of Sale; Change in Bidding Constraints. The County reserves the right to postpone, from time to time, the date or time established for the receipt of the bids or to change the bidding constraints on the Bonds. Any such postponement or change in bidding constraints will be announced on TM3 News Service by notice given not later than 1:00 p.m. local time, on the last business day 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 on TM3 News Service at least 48 hours prior to such alternative sale date. In addition, the County reserves the right, on the date established for the receipt of bids, to reject all bids and establish a subsequent alternative sale date. On any such alternative sale date, any bidder may submit an electronic bid via *PARITY*® for the purchase of the Bonds in conformity in all respects with the provisions of this Notice of Sale except for the date of sale and except for the changes announced on TM3 News Service at or before the time the sale date and time are announced.

Bond Insurance. In the event that all or any part of the Bonds are initially reoffered with bond insurance secured by the successful bidder, the successful bidder shall notify promptly the Director of Finance and Budget of the County at the time of sale of such event and shall provide him with any information he reasonably requests regarding such bond insurance, including the amounts paid for such insurance. The County will, at the request and expense of the successful bidder, include customary language in the Official Statement and the form of the Bonds regarding the insurance policy upon receipt of such opinions or certificates as the County reasonably may request regarding the accuracy of any information to be included in the Official Statement and the binding nature of the obligations contained in the insurance policy with respect to the Bonds. The County shall have no obligation to provide the successful bidder or the issuer of the bond insurance

policy with any other documents or opinions relating to the Bonds. Neither the failure of the Bonds to be insured by such bond insurance policy nor any change in the ratings provided by any rating agency with respect to the issuer of such bond insurance policy occurring between the time of the award of the Bonds and the time the Bonds are delivered shall relieve the successful bidder of its contractual obligation to purchase the Bonds.

Legal Opinion. The issuance of the Bonds will be subject to delivery of the approving opinion of McGuireWoods LLP, Baltimore, Maryland, and copies of their opinion shall be substantially in the form set forth in the Preliminary Official Statement (hereinafter defined). The opinion will be delivered, without charge, to the successful bidder for the Bonds.

CUSIP Numbers. It is anticipated that the CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number 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 Bonds. The Bonds will be delivered on August 7, 2018 or as soon as practicable thereafter, at the expense of the County, for the account of the successful bidder, through the facilities of DTC in New York, New York, upon payment of the amount of the successful bid (including any premium), less the deposit theretofore made. Payment for the Bonds shall be made in federal funds. The Bonds will be issued by means of book-entry system with no physical distribution of bond certificates made to the public. The successful bidder for the Bonds, as a condition to delivery of the Bonds of such issue, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., its partnership nominee.

If the County advises the bidders that the bid for the Bonds constitutes a Qualified Competitive Bid, the winning bidder shall be required to provide to the County information to establish the initial expected offering prices for each maturity of the Bonds for federal income tax purposes by completing a certificate acceptable to Bond Counsel in substantially the form set forth in Exhibit A-1 to this Notice of Sale, with appropriate completions, amendments and attachments.

If the County advises the bidders that the bid for the Bonds constitutes a Nonqualified Competitive Bid, the winning bidder shall be required to provide to the County information and assurances to establish the initial sale prices or the initial offering prices, as applicable, for each maturity of the Bonds for federal income tax purposes by completing a certification acceptable to Bond Counsel in substantially the form set forth in Exhibit A-2 to this Notice of Sale, with appropriate completions, omissions and attachments.

Closing Documents. The Bonds will be accompanied by the customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending against the County affecting the validity of the Bonds. It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, such successful bidder shall be furnished a certificate or certificates of the President of the Board and the Director of Finance and Budget of the County to the effect that, to the best of their knowledge and belief, the Official Statement (hereinafter defined) (and any amendment or supplement thereto) (except for information relating to DTC and its book-entry system and any information furnished by the successful bidder, as to which no view will be expressed) as of the date of sale and as of the date of

delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in the Official Statement (and any amendment or supplement thereto).

Preliminary Official Statement. The Preliminary Official Statement of the County concerning the Bonds (the "Preliminary Official Statement") has been "deemed final" by the County as of its date for purposes of Rule 15c2-12 but is subject to revision, amendment and completion in the final Official Statement.

Official Statement. As soon as practicable after the award of the Bonds to the successful bidder therefor on the day of sale, the County will authorize the final Official Statement for the Bonds (the "Official Statement"). By submitting its bid for the Bonds, the successful bidder agrees to provide the County with pricing information and such other information as the County may require in order that the County may provide the successful bidder with a final Official Statement in compliance with Rule 15c2-12. Whether or not any such information is included in the Official Statement (and any amendment or supplement thereto), such successful bidder shall be responsible to the County and its officials in all respects for the accuracy, fairness and completeness of such information, and for all decisions made with respect to the use or omission of such information in any re-offering of the Bonds, including the presentation or exclusion of any such information in any documents, including the Official Statement. Within seven (7) business days after the award of the Bonds to the successful bidder, the County will deliver to the successful bidder an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement. The successful bidder will also be furnished, without cost, with up to 150 copies of the Official Statement and any amendments or supplements thereto. The successful bidder may obtain additional copies at the successful bidder's own expense.

The County will undertake to provide the successful bidder with further additional information to be included in the Official Statement, when in the opinion of the County or of Bond Counsel, such additional information constitutes a material change to the Official Statement. The County will take such steps as are necessary to arrange for amending and supplementing the Official Statement in connection with the disclosure of such additional information; provided, however, that the County shall have no obligation to provide such additional information after the date which is 25 days after the "end of the underwriting period," as such term is defined in Rule 15c2-12.

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

BK00054 PG 382

RESOLUTION NO. 29-18

SUBJECT: Issuance and Sale of Bonds, Disbursement of
Proceeds and Levy of Ad Valorem Taxes

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Additional Information. The Preliminary Official Statement of County Commissioners of Calvert County, Maryland, concerning the Bonds and copies of this Notice of Sale may be obtained from Timothy Hayden, Director of Finance and Budget, Courthouse, 175 Main Street, Prince Frederick, Maryland 20678, or from the County's Financial Advisor, Davenport & Company LLC, 8600 LaSalle Road, The Oxford Building, Suite 618, Towson, Maryland 21286 (410-296-9426).

COUNTY COMMISSIONERS OF
CALVERT COUNTY

By: Evan K. Slaughenhaupt, Jr.,
President of the Board
of County Commissioners

EXHIBIT A-1 TO
NOTICE OF SALE§ _____
County Commissioners of Calvert County
Consolidated Public Improvement Bonds, 2018 Series**ISSUE PRICE CERTIFICATE**
(Qualified Competitive Bid)

The undersigned, on behalf of [NAME OF PURCHASER] (the "Purchaser"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Reasonably Expected Initial Offering Price.***

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

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

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

2. ***Defined Terms.***

(a) *Issuer* means County Commissioners of Calvert County.

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

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2018.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant

to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as Purchaser
By: _____
Title: _____

Dated: _____, 2018

BK00054PG385

RESOLUTION NO. 29-18

SUBJECT: Issuance and Sale of Bonds, Disbursement of
Proceeds and Levy of Ad Valorem Taxes
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SCHEDULE A
Expected Offering Prices of the Bonds

BK 00054 PG 386

RESOLUTION NO. 29-18

SUBJECT: Issuance and Sale of Bonds, Disbursement of
Proceeds and Levy of Ad Valorem Taxes
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SCHEDULE B
Copy of Bid

EXHIBIT A-2 TO
NOTICE OF SALE

§ _____
County Commissioners of Calvert County
Consolidated Public Improvement Bonds, 2018 Series

ISSUE PRICE CERTIFICATE
(Nonqualified Competitive Bid)

The undersigned, on behalf of [NAME OF PURCHASER] (the "Purchaser"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the 10% Maturities.*** As of the date of this Certificate, for each Maturity of the 10% Maturities Bonds, the first price at which a Substantial Amount of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Undersold Maturities.***

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

(b) As set forth in the Notice of Sale and bid award, each Underwriter has agreed in writing that, for each Maturity of the Undersold Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Offering Period for such Maturity, nor would it permit a related party to do so. Pursuant to such agreement, Purchaser has neither offered nor sold any Maturity of the Undersold Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Offering Period. Each of the other Underwriters has represented that it would not offer or sell any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for such Maturity during the Offering Period.

3. ***Defined Terms.***

(a) ***10% Maturities*** means those Maturities of the Bonds shown in Schedule A hereto as the "10% Maturities."

(b) ***Issuer*** means County Commissioners of Calvert County.

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

(d) *Offering Period* means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([_____,2018]), or (ii) the date on which the Purchaser has sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.

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

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2018.

(g) *Substantial Amount* means ten percent (10%).

(h) *Undersold Maturities* means those Maturities of the Bonds shown in Schedule B hereto as the "Undersold Maturities."

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

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as
Purchaser
By: _____
Title: _____

Dated: _____, 2018

00054PG389

RESOLUTION NO. 29-18

SUBJECT: Issuance and Sale of Bonds, Disbursement of
Proceeds and Levy of Ad Valorem Taxes
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SCHEDULE A
Sale Prices of the 10% Maturities

000546390

RESOLUTION NO. 29-18

SUBJECT: Issuance and Sale of Bonds, Disbursement of
Proceeds and Levy of Ad Valorem Taxes
Page 43 of 51

SCHEDULE B
Initial Offering Prices of the Undersold Maturities

00054 PG 391

RESOLUTION NO. 29-18

SUBJECT: Issuance and Sale of Bonds, Disbursement of
Proceeds and Levy of Ad Valorem Taxes
Page 44 of 51

SCHEDULE C
Pricing Wire

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement"), is executed and delivered by County Commissioners of Calvert County (the "County") in connection with the issuance of its \$26,565,000 County Commissioners of Calvert County Consolidated Public Improvement Bonds, 2018 Series (the "Bonds"). The County, intending to be legally bound hereby and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby covenant and agree as follows:

Section 1. Purpose of this Disclosure Agreement.

This Disclosure Agreement is being executed and delivered by the County for the benefit of the owners and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule (defined below). The County's obligations hereunder shall be limited to those required by written undertaking pursuant to the Rule.

Section 2. Definitions.

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

"EMMA" means the Electronic Municipal Market Access system of the MSRB as provided at <http://www.emma.msrb.org>, or any similar system that is acceptable to or as may be specified by the Securities and Exchange Commission from time to time.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor organization.

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

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, any successor provisions of similar import promulgated by the Securities and Exchange Commission in the future, and any applicable no-action letters and other authoritative interpretations of Rule 15c2-12 released by the Securities and Exchange Commission.

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

(a) The County shall provide to the MSRB in an electronic format as prescribed by the MSRB, directly or through an intermediary, annual financial information and operating data as

set forth in Schedule A to this Continuing Disclosure Agreement, such information and data to be updated as of the end of the preceding fiscal year and made available within 275 days after the end of the fiscal year, commencing with the fiscal year ending June 30, 2018.

(b) The County shall provide to the MSRB in an electronic format as prescribed by the MSRB, directly or through an intermediary, annual audited financial statements for the County, such information to be made available within 275 days after the end of the County's fiscal year, commencing with the fiscal year ending June 30, 2018, unless the audited financial statements are not available on or before such date, in which event said financial statements will be provided promptly when and if available. In the event that audited financial statements are not available within 275 days after the end of the County's fiscal year (commencing with the fiscal year ending June 30, 2018), the County will provide unaudited financial statements within such time period.

(c) (1) Except as otherwise provided in this paragraph (c), the presentation of the financial information referred to in paragraph (a) and in paragraph (b) shall be made in accordance with the same accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the final official statement for the Bonds.

(2) The County may make changes to the presentation of the financial information required in paragraph (a) and in paragraph (b) necessitated by changes in Generally Accepted Accounting Principles.

(3) The County may otherwise modify the presentation of the financial information required herein, provided that this Disclosure Agreement is amended in accordance with Section 6 hereof.

(d) If the County is unable to provide the annual financial information and operating data within the applicable time periods specified in (a) and (b) above, the County shall send in a timely manner a notice of such failure to the MSRB in an electronic format as prescribed by the MSRB.

(e) The County hereby represents and warrants that it has not failed to comply with any prior disclosure undertaking made pursuant to the Rule.

Section 4. Reporting of Significant Events.

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following Listed Events with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;

(vii) modifications to rights of owners of the Bonds, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the obligated person;

(xiii) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event, the County shall file in a timely manner, not in excess of ten (10) business days after the occurrence of such event, directly or through an intermediary, a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB.

(c) For the purposes of the event identified in subparagraph (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

Section 5. Termination of Reporting Obligations; EMMA

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

(b) All documents provided to the MSRB pursuant to this Disclosure Agreement shall be submitted to EMMA and shall be accompanied by identifying information as prescribed by the MSRB.

Section 6. Amendments.

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

Section 7. Additional Information.

Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including disclaimers or any other information in any disclosure made pursuant to Section 4(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure made pursuant to Section 3(a) or (b) hereof or notice of occurrence of a Listed Event.

Section 8. Governing Law.

This Disclosure Agreement, and any claim made with respect to the performance by the County of its obligations hereunder, shall be governed by, subject to, and construed according to the Federal securities laws, where applicable, and the laws of the State of Maryland, without reference to the choice of law principles thereof.

Section 9. Limitation of Forum.

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

Section 10. Limitation on Remedies.

The County shall be given written notice at the address set forth below of any claimed failure by the County to perform its obligations under this Disclosure Agreement, and the County shall be given 45 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the County shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the County shall be given to the Director of Finance and Budget, Courthouse, 175 Main Street, Prince Frederick, Maryland 20678 or at such alternate address as shall be specified by the County in disclosures made pursuant to Section 3(a) or (b) hereof or a notice of occurrence of a Listed Event.

Section 11. Relationship to Bonds.

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

Section 12. Beneficiaries.

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

Section 13. Severability.

In case any section or provision of this Disclosure Agreement or any covenant, stipulation, obligation, agreement, or action, or any part thereof, made, assumed, entered into or taken under this Disclosure Agreement, or any application thereof, is for any reason held to be illegal or invalid or is at any time inoperable, such illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Disclosure Agreement, or any other covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into or taken under this Disclosure Agreement, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained therein.

Section 14. Entire Agreement.

This Disclosure Agreement contains the entire agreement of the County with respect to the subject matter hereof and supersedes all prior arrangements and understandings with respect thereto; provided, however, that this Disclosure Agreement shall be interpreted and construed with reference to and in pari materia with the Rule.

Section 15. Captions.

The captions or headings herein shall be solely for convenience of reference and shall in no way define, limit or describe the scope or intent of any provisions or sections hereof.

IN WITNESS WHEREOF, this Continuing Disclosure Agreement is being executed by County Commissioners of Calvert County as of this 5th day of June, 2018.

COUNTY COMMISSIONERS OF
CALVERT COUNTY

[SEAL]

By: 
V.P. _____
President of the Board of
County Commissioners

ATTEST:


Clerk

Schedule A

- (1) Summary of County Revenues and Expenditures
- (2) Summary of Outstanding Bonded Indebtedness
- (3) Assessed Values, Tax Rates, Tax Levies and Collections