

A RESOLUTION ENTITLED  
25-14

A RESOLUTION of Queen Anne’s County, Maryland, for the benefit of Queen’s Anne County Sanitary District, authorizing the issuance of a series of general obligation bonds in the maximum aggregate principal amount outstanding not to exceed Five Million Five Hundred Thousand Dollars (\$5,500,000), under the provisions of Section 19-501 *et seq.* of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume, as amended), and in accordance with Emergency Ordinance No. 25-11 enacted by the Board of County Commissioners of Queen Anne’s County; to be designated “Queen Anne’s County Sanitary District, Water and Wastewater System Improvements Bonds, Series 2025”; prescribing the form and tenor of the bonds and the terms and conditions for the issuance thereof; prescribing the terms and conditions of the bonds and all other details incident to the issuance of the bonds; providing for the levy and collection of ad valorem taxes necessary for the prompt payment of the maturing principal of and interest on the bonds, and providing that the full faith and credit and taxing power of Queen Anne’s County, Maryland shall be irrevocably and unconditionally pledged to the payment of such principal and interest; and generally relating to the issuance, sale, delivery and payment of the bonds.

Section 1. (a) Pursuant to the authority of Section 19-501 *et seq.* of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume, as amended) (the “Enabling Act”) and Emergency Ordinance No. 25-11 enacted by the Board of County Commissioners of Queen Anne’s County, Maryland (the “County”) on August 26, 2025 (Bill No. 25-11) (the “Emergency Ordinance”), the Board of County Commissioners of the County (the “County Commissioners”) hereby determines to incur and assume indebtedness for the public purpose of providing funds to evidence the County’s obligations with respect to the County’s acquisition, for the benefit of the Queen Anne’s County Sanitary District, of certain water and sewer assets of The Commissioners of Sudlersville (the “Assets”), including, without limitation, the obligation to assume certain indebtedness of The Commissioners of Sudlersville (the “Town”) owing to United States of America, acting through the Rural Utilities Service, United States Department of Agriculture (“USDA”), as described in the Emergency Ordinance.

(b) To evidence such incurrence and assumption of indebtedness from the Town, the County hereby determines to issue, upon its full faith and credit, a series of its general obligation bonds in the maximum aggregate principal amount outstanding not to exceed Five Million Five Hundred Thousand Dollars (\$5,500,000), to be designated “Queen Anne’s County Sanitary District, Water and Wastewater System Improvements Bonds, Series 2025” (the “Bonds”). The Bonds will replace the bonds previously issued by the Town to USDA.

Section 2. The Bonds shall be dated the date of their delivery, numbered from one consecutively upward in the order of their respective maturities, and issued as fully registered bonds without coupons in the denominations agreed to by USDA. Based upon preliminary figures from USDA, the Bonds are expected to be issued in the original par amounts solely for the convenience of USDA’s tracking the loans being assumed by the County from the Town, with the expected outstanding principal amounts actually being assumed by the County to be as follows:

<u>Bond</u>	<u>Par Amount</u>	<u>Outstanding Principal Assumed by the County</u>
Water and Wastewater System Improvements Bonds, Series 2025A	\$2,138,000	\$1,752,063
Water and Wastewater System Improvements Bonds, Series 2025B	\$2,430,000	\$2,421,083
Water and Wastewater System Improvements Bonds, Series 2025C	\$250,000	\$216,703
Water and Wastewater System Improvements Bonds, Series 2025D	\$821,000	\$821,000

Except as provided hereinafter or in a Resolution or Resolutions of the County adopted prior to the issuance of the Bonds, the Bonds shall be issued in substantially the form set forth in **Exhibit A**. Appropriate variations and insertions to the Bonds shall be made to provide dates, numbers and amounts, and modifications required by USDA regulations or modifications not materially altering the substance of this Resolution may be made by the President of the County Commissioners. All of the covenants contained in the form of Bonds included in **Exhibit A** are hereby adopted by the County as and for the form of obligation to be incurred by the County, and the covenants and conditions contained therein are hereby made binding upon the County, including the promise to pay therein contained. The Bonds are subject to redemption in accordance with the rules and regulations of USDA.

**Section 3.** The Bonds shall be issued in the form of four (4) fully registered installment bonds, without coupons attached. The Bonds shall bear interest at federally taxable interest rates not to exceed 2.75% and interest payments shall be made quarterly, commencing in the case of each of the Bonds, as determined by USDA with the approval of the President of the County Commissioners (which approval shall be conclusively evidenced by the President of the County Commissioners executing the Bonds). The scheduled payments of principal on the Bonds, including the maturity date of the Bonds, shall be determined by USDA with the approval of the President of the County Commissioners.

**Section 4.** (a) The Bonds shall be executed in the name of the County and on its behalf by the President of the County Commissioners, whose signature may be by facsimile, and a facsimile of the corporate seal of the County shall be imprinted thereon, attested by the Executive Assistant to the Board of County Commissioners or the County Administrator, whose signature may be by facsimile. The principal of and interest on the Bonds shall be paid by the County by electronic funds transfer, check or draft mailed (by depositing such check or draft, correctly addressed and postage prepaid, in the United States mail before the payment date) to the registered owner at its address as it appears on the books kept for that purpose at the office of the County Administrator in Centreville, Maryland. In the event any official whose signature appears on the

Bonds (or any other agreements executed by the County in connection with the issuance of the Bonds (together with the Bonds, such agreements being collectively referred to as the "Loan Documents")) ceases to be an official prior to the delivery of the Loan Documents, or shall have become such official after the date of this Resolution, the Loan Documents shall, nevertheless, each be valid and legally binding obligations of the County in accordance with their respective terms.

(b) The Bonds are being issued to USDA in connection with the County's acquisition of the Assets pursuant to an Amended Agreement dated July 2, 2025 between the County and the Town. The President of the County Commissioners is authorized and directed to enter into such agreements with USDA, including, without limitation, the Loan Documents, as he shall deem to be in the best interests of the County in order to accomplish the purposes of the Emergency Ordinance and this Resolution.

Section 5. The Bonds are transferable only upon the books of the County at the office of the County Administrator by the registered owner hereof in person or by his/her attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to the County Administrator duly executed by the registered owner or his/her duly authorized attorney. At the expense of any transferor other than the United States of America, the County shall, within a reasonable time, issue in the name of the transferee a new registered bond or bonds, in such denominations of One Thousand Dollars (\$1,000.00) or any larger denominations or such other denominations as the County shall by resolution approve, in an aggregate principal amount equal to the unpaid principal amount of the bond or bonds surrendered and with the same maturities and interest rate. If more than one bond is issued upon any transfer, the installment of principal and interest to be paid on each such bond on each payment date shall be equal to the product of the following formula: the total installment due on each payment date multiplied by a fraction, the numerator of which shall be the principal amount of such bond and the denominator of which shall be the aggregate principal amount of Bonds then outstanding and unpaid. The new bond or bonds shall be delivered to the transferee only after payment of any taxes on and any shipping or insurance expenses relating to such transfer.

Section 6. For the purpose of paying the maturing principal of and interest on the Bonds when due, the Sanitary District has established or shall establish a dedicated source of revenues for the Bonds. In the event that such revenues are insufficient to meet the debt service requirements in any fiscal year in which the Bonds are outstanding, the County shall levy in such year upon all real and tangible personal property within its corporate limits subject to assessment for taxation ad valorem taxes in rate and amount sufficient to meet and pay promptly the principal of and interest on the Bond in each such fiscal year. If the proceeds from the collection of taxes so levied in any such fiscal year are inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up such deficiency. The full faith and credit and unlimited taxing power of the County are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as and when they become due and payable and to the levy and collection of the taxes hereinabove described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the Bonds. The County hereby covenants and agrees with the registered owners of the Bonds to levy and collect the taxes hereinabove described and to take any further action that may be appropriate from time to time during the period that the Bonds

remain outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and the interest due thereon.

Section 7. In accordance with the requirements of Sections 24-42 through 24-51 of the Queen Anne's County Code (the "County Code"), in particular, Section 24-46 of the County Code, the County hereby finds, determines and confirms that after the issuance of the Bonds and the execution of the Loan Documents, the total bonded indebtedness under said Section 24-46 of the County Code, less the amount of any sinking funds or reserves for bonds previously issued, will not exceed fifteen percent (15%) of the total assessed values of all property in the County subject to unlimited taxation by the County during the fiscal year of the County most recently concluded.

Section 8. At closing, the Bonds in definitive form shall be executed and delivered to USDA. The President of the County Commissioners, the County Administrator, the County Attorney, the Director of Budget and Finance, and any of their designees, and all other officers and employees of the County, are each expressly authorized, empowered and directed to take any and all action necessary, appropriate or helpful to complete and close upon the issuance of the Bonds to USDA.

Section 9. If required by USDA, the County shall establish, hold and maintain a debt service reserve fund (the "Debt Service Reserve Fund"), which Debt Service Reserve Fund is hereby pledged as security for payment of principal and interest on the Bonds. Any required Debt Service Reserve Fund shall be funded by the County in accordance with the requirements of USDA.

*(Signatures appear on following page)*

Section 10. This Resolution shall become effective on the date of its adoption.

COUNTY COMMISSIONERS OF  
QUEEN ANNE'S COUNTY, MARYLAND



Christopher M. Corchiarino, President



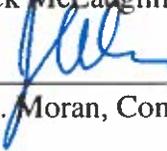
Philip L. Domenil, Vice President



Jack N. Wilson, Jr., Commissioner



J. Patrick McLaughlin, Commissioner



James J. Moran, Commissioner

Adopted on September 23, 2025

FORM OF BOND

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REGISTERED

UNITED STATES OF AMERICA  
STATE OF MARYLAND

QUEEN ANNE’S COUNTY SANITARY DISTRICT  
WATER AND WASTEWATER SYSTEM IMPROVEMENTS BONDS  
SERIES 2025 [A/B/C/D]

Dated Date: \_\_\_\_\_

**PAYMENTS OF PRINCIPAL OF AND INTEREST ON THIS BOND ARE MADE BY ELECTRONIC FUNDS TRANSFER TO THE REGISTERED OWNER AND IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER ALL OR ANY PART OF THE PRINCIPAL OF OR INTEREST ON THIS BOND HAS BEEN PAID**

REGISTERED OWNER: UNITED STATES OF AMERICA, acting through Rural Utilities Service, United States Department of Agriculture

Queen Anne’s County, Maryland, a body politic and corporate and a political subdivision of the State of Maryland (the “County”), for the benefit of its Queen’s Anne County Sanitary District, hereby acknowledges itself indebted and for value received promises to pay to the UNITED STATES OF AMERICA, acting through the Rural Utilities Service, United States Department of Agriculture (“USDA” or “Holder”), the registered owner, the principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) plus interest on the unpaid principal balance from the date hereof at the rate of \_\_\_\_% per annum on the unpaid principal balance. The principal of and interest on this bond shall be paid in quarterly installments of \$\_\_\_\_\_ on \_\_\_\_\_, and the \_\_\_\_ day of each \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ thereafter until the principal of and interest on this bond are fully paid, except that the final installment of the entire indebtedness evidenced by this bond, if not sooner paid, shall be payable on \_\_\_\_\_, 20\_\_ and except that prepayments may be made as provided below.

Both the principal of and interest on this bond will be paid in lawful money of the United States of America, at the time of payment, and will be paid by electronic funds transfer through the Rural Utilities Service Preauthorized Debt payment process to the registered owner hereof (located at 1221 College Park Drive, Suite 200, Dover, DE 19904) as it appears on the books kept for the registration and registration of transfers of the bond at the office of the County Administrator of the County (the “County Administrator”).

This bond replaces the [Commissioners/Town] of Sudlersville [Water/Wastewater] System Improvements Bond of \_\_\_\_\_ (the "Prior Bond"). The obligations of the Prior Bond have been assigned by the Town of Sudlersville, Maryland (the "Town") to the County, and the County has assumed such obligations from the Town. With the approval of Holder, such assignment and assumption is evidenced by this replacement bond. As of the date of this bond, the principal amount outstanding hereunder is \$\_\_\_\_\_.

This bond is issued pursuant to and in full conformity with the provisions of Sections 19-501 *et seq.* of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume, as amended) (the "Enabling Act"), Emergency Ordinance No. 25-11 enacted by the County Commissioners of Queen Anne's County, Maryland (the "County Commissioners") on August 26, 2025 (the "Public Local Law"), and by virtue of due proceedings had and taken by the County, particularly the Resolution adopted by the County Commissioners on September 23, 2025 (the "Resolution").

The full faith and credit and unlimited taxing power of the County are hereby irrevocably pledged to the prompt payment of the principal of and interest on this bond according to its terms, and the County does hereby covenant and agree to pay the principal of and interest on this bond at the dates and in the manner prescribed herein. The County shall levy or cause to be levied upon all property within its corporate limits subject to assessment for County taxation, ad valorem taxes in rate and amount sufficient in each year in which this bond is outstanding to provide for the payment of the principal of and interest on this bond.

This bond is transferable only upon the books of the County at the office of the County Administrator by the registered owner hereof in person or by his/her attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to the County Administrator duly executed by the registered owner or his/her duly authorized attorney. At the expense of any transferor other than the United States of America, the County shall, within a reasonable time, issue in the name of the transferee a new registered bond or bonds, in such denominations of One Thousand Dollars (\$1,000.00) or any larger denominations or such other denominations as the County shall by resolution approve, in an aggregate principal amount equal to the unpaid principal amount of the bond or bonds surrendered and with the same maturities and interest rate. If more than one bond is issued upon any transfer, the installment of principal and interest to be paid on each such bond on each payment date shall be equal to the product of the following formula: the total installment due on each payment date multiplied by a fraction, the numerator of which shall be the principal amount of such bond and the denominator of which shall be the aggregate principal amount of bonds then outstanding and unpaid. The new bond or bonds shall be delivered to the transferee only after payment of any taxes on and any shipping or insurance expenses relating to such transfer.

The County may deem and treat the party in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

The County has the right to prepay scheduled installments, or any portion thereof, at any time at par without premium or penalty in accordance with the rules and regulations of USDA.

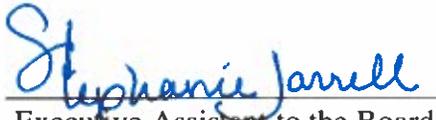
It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Maryland and the Enabling Act, the Queen Anne's County Code, the Public Local Law and the Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this bond, exist, have happened and have been performed, and that the issuance of this bond, together with all other indebtedness of the County, is within every debt and other limit prescribed by said Constitution, Queen Anne's County Code or statutes.

IN WITNESS WHEREOF, this bond has been executed by the manual signature of the President of the County Commissioners and the seal of the County has been affixed hereto, attested by the manual signature of the Executive Assistant to the Board of County Commissioners, all as of the Dated Date.

(SEAL)

COUNTY COMMISSIONERS OF  
QUEEN ANNE'S COUNTY, MARYLAND

ATTEST:

  
Executive Assistant to the Board  
of County Commissioners

By:   
President of the County Commissioners of  
Queen Anne's County, Maryland