

INTRODUCED _____
PUBLIC HEARING _____
COUNCIL ACTION _____
EXECUTIVE ACTION _____
EFFECTIVE DATE _____

**County Council Of
Howard County, Maryland**

2026 Legislative Session

Legislative Day No. 8

Bill No. 42 -2026

Introduced by: The Chairperson at the request of the County Executive

Short Title: Issuance, sale and delivery - \$18,169,588 bonds - Maryland Water
Infrastructure Financing Administration

Title: AN ORDINANCE authorizing the issuance, sale and delivery of up to
\$18,169,588 bonds, pursuant to a bond enabling law; providing that such bonds
shall be general obligations of the County; authorizing the County Executive to
specify, prescribe, determine, provide for or approve the final principal amounts,
maturity schedules, interest rates and redemption provisions for such bonds, and
other matters, details, forms, documents or procedures and to determine the
method of sale of such bonds; providing for the disbursement of the proceeds of
such bonds and for the levying of taxes to pay debt service on such bonds; and
providing for and determining various matters in connection therewith.

Introduced and read first time _____, 2026. Ordered posted and hearing scheduled.

By order _____
Michelle Harrod, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the
Bill was read for a second time at a public hearing on _____, 2026 and concluded on
_____, 2026.

By order _____
Michelle Harrod, Administrator

This Bill was read the third time on _____, 2026 and Passed, Passed with amendments, _____ Failed
_____.

By order _____
Michelle Harrod, Administrator

Approved by the County Executive _____, 2026

Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to
existing law; ~~Strike out~~ indicates material deleted by amendment; Underlining indicates material added by amendment.

1 **Recitals**

2 Howard County, Maryland (the “County”) is authorized pursuant to Council Bill
3 41-2025 (the “Bond Enabling Law”) (a) to borrow on its full faith and credit and issue and
4 sell its bonds, at one time or from time to time, for the purposes of financing, reimbursing
5 or refinancing costs incurred in connection with undertaking a project to improve the
6 County’s Ellicott City Improvements and Enhancements (C0337) (also known as Extended
7 North Tunnel GMP 1 – Loan 2, the “Project”) and, in connection with such undertaking,
8 to acquire or pay for, as applicable, necessary property rights and equipment, related site
9 and utility improvements, and related architectural, engineering, planning, design, bidding,
10 permitting, demolition, removal, acquisition, construction, improvement, installation,
11 modification, renovation, reconstruction, rehabilitation, replacement, equipping,
12 inspection, and construction management expenses, costs of related activities,
13 improvements and appurtenances, related financial, administrative and legal expenses,
14 costs of other related activities, together with costs of issuance of any borrowing therefor,
15 and to the extent permitted by the Maryland Water Infrastructure Financing Administration
16 (the “Administration”), interest during construction and for a reasonable period thereafter
17 (collectively, “Costs of the Project”) in the amounts set forth in the Bond Enabling Law;
18 (b) to enact an ordinance in accordance with Article VI of the Charter of the County (the
19 “Charter”) and other applicable provisions of law providing for the issuance and sale of
20 such bonds; and (c) to levy annually ad valorem taxes upon the assessable property within
21 the geographic boundaries of the County sufficient, together with funds available from
22 other sources, to provide for the payment of the principal of and interest on such bonds
23 until all such bonds shall be redeemed or paid.

1 The County is authorized and empowered by Sections 10-203, of the Local
2 Government Article of the Annotated Code of Maryland, as replaced, supplemented or
3 amended (the “Enabling Act”), Sections 9-1601 to 9-1622, inclusive, of the Environment
4 Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the
5 “MWIFA Act”), and the Charter, to borrow money for any proper public purpose and to
6 evidence such borrowing by the issuance and sale of its general obligation bonds.

7 Title VI of the Federal Pollution Control Act, as amended (the “Clean Water Act”),
8 authorizes the U.S. Environmental Protection Agency (the “EPA”) to award grants to
9 qualifying states to establish and capitalize water pollution control revolving loan funds
10 (“SRFs”) for the purpose of providing loans and certain other forms of financial assistance
11 to finance, among other things, the construction and improvement of publicly-owned
12 wastewater treatment facilities and the implementation of estuary conservation
13 management plans and nonpoint source management programs. As contemplated by the
14 Clean Water Act, the General Assembly of Maryland has amended the MWIFA Act,
15 establishing an SRF designated the Maryland Water Quality Revolving Loan Fund (the
16 “Fund”) to be maintained and administered by the Administration. The MWIFA Act
17 authorizes the Administration, among other things, to make a loan from the Fund to a “local
18 government” (as defined in the MWIFA Act) for the purpose of financing or refinancing
19 all or a portion of the cost of a “wastewater facility” project (as defined in the MWIFA
20 Act). The County is a “local government” within the meaning of the MWIFA Act, and the
21 Project is a “wastewater facility” project within the meaning of the MWIFA Act, and the
22 County has applied to the Administration for a loan or loans from the Fund for Project
23 purposes.

1 The County Council has determined that it is in the best interest of the County to
2 issue and sell to the Administration at this time a series of general obligation bonds, in
3 order to finance or reimburse Costs of the Project in accordance with, and pursuant to, the
4 authority contained in the Bond Enabling Law, the Enabling Act, the MWIFA Act, and the
5 Charter, and upon the terms and conditions set forth in this Ordinance, the proceeds of
6 which general obligation bonds are to be used and applied as herein set forth.

7 The Administration requires that its borrowers identify dedicated sources of
8 revenue within the meaning provided for in each loan agreement that a borrower enters
9 into with the Administration. The County pledges its full faith and credit and unlimited
10 taxing power to payment of the Bonds identified in this Ordinance.

11 **Now, therefore, be it enacted by the County Council of Howard County,**
12 **Maryland:**

13 **Section 1.** All terms used herein which are defined in the Recitals hereof shall
14 have the meanings given such terms therein.

15 **Section 2.** (a) Pursuant to the authority of the Enabling Act, the MWIFA Act,
16 and the Charter, the County hereby determines to issue and sell, upon its full faith and credit,
17 a separate series of general obligation bonds in the original principal amount not to exceed
18 \$17,169,588 and shall be designated as “Howard County, Maryland General Obligation Bond
19 (MWIFA Project), Series 2026A” or by such additional or different designation as may be
20 required by the Administration (the “Series 2026A Bond”) and a separate series of general
21 obligation bonds in the original principal amount not to exceed \$1,000,000 and shall be
22 designated as “Howard County, Maryland General Obligation Bond (MWIFA Project), Series
23 2026B” or by such additional or different designation as may be required by the

1 Administration (the “Series 2026B Bond” and together with the Series 2026A Bond, the
2 “Bonds”) for the public purpose of financing or reimbursing Costs of the Project. Payment
3 of the Series 2026B Bond shall be subject to forgiveness by the Administration in accordance
4 with the provisions of Section 4 hereof and the terms of the Series 2026B Bond. The County
5 Executive is hereby authorized and directed to determine and approve the final original
6 principal amount of the Bonds, provided that the final original principal amount of the Series
7 2026A Bond and the final principal amount of the Series 2026B Bond shall not exceed the
8 principal amount detailed in this Section 2(a), such determination and approval to be
9 evidenced conclusively by the County Executive’s execution and delivery of the Bonds
10 reflecting such finally determined principal amounts.

11 (b) Proceeds of the Bonds shall be applied to Costs of the Project only as permitted
12 by the Administration. The Bonds evidence a loan from the Administration that has been
13 given a project name of “Extended North Tunnel GMP 1 – Loan 2” by the Administration.

14 (c) The outstanding general obligation indebtedness of the County on June 30,
15 2026 (exclusive of indebtedness issued or guaranteed by the County that is payable
16 primarily or exclusively from taxes levied in or on, or other revenues of, special taxing
17 areas or districts heretofore established by law and indebtedness issued for self- liquidating
18 and other projects payable primarily or exclusively from the proceeds of the assessments
19 or charges for special benefits or services) is approximately \$1,227,979,000 (adjusted to
20 reflect (A) the issuance of the County’s Consolidated Public Improvement Project Bonds,
21 2026 Series A (Tax-Exempt), Consolidated Public Improvement Refunding Bonds, 2026
22 Series C (Tax-Exempt) and Consolidated Public Improvement Project Bonds, 2026 Series
23 D (Taxable), (B) the refunding of the County’s Consolidated Public Improvement Project

1 and Refunding Bonds, 2016 Series A (Tax-Exempt Bonds) and (C) the issuance of the
2 \$18,169,588 aggregate principal amount of Bonds authorized hereby). The full cash value
3 assessable base of the County on June 30, 2025 was \$67,707,385,173. As of the date of
4 enactment of this Ordinance, the issuance of the aggregate principal amount of Bonds
5 authorized by this Ordinance is within every debt and other limitation prescribed by the
6 Constitution and Laws of the State of Maryland and the Charter.

7 (d) The probable remaining average useful life of the Project is more than 25
8 years, and all of the Bonds shall be payable within such probable average useful life.

9 **Section 3.** (a) The Series 2026A Bond shall be issued and sold upon the full
10 faith and credit of the County, shall be dated the date of its delivery, shall be numbered RA-
11 1, and shall be issued in the form of single, fully registered installment bond, without coupons
12 attached.

13 (b) Subject to the provisions of subsections (d) and (e) below and the further
14 provisions of this subsection (b), the principal amount of the Series 2026A Bond advanced
15 under the 2026A Loan Agreement (as defined in Section 9(b) hereof) shall be paid in twenty-
16 nine annual (29) installments on the dates and in the amounts as set forth in the 2026A Loan
17 Agreement, currently anticipated to begin on February 1, 2027 and to be calculated based on
18 level debt service, which may be revised in accordance with the provisions of the Series
19 2026A Bond and the 2026A Loan Agreement. The County Executive is hereby authorized
20 and empowered to approve a final amortization schedule for the Series 2026A Bond prior to
21 the delivery thereof that is approved by the Administration, such approval to be evidenced
22 conclusively by the County Executive's execution and delivery of the Series 2026A Bond
23 containing such amortization schedule in accordance with the provisions of this Ordinance.

1 (c) The Series 2026A Bond, or so much of the principal amount thereof as shall
2 have been advanced from time to time under the terms of the 2026A Loan Agreement, shall
3 bear interest from its dated date at an annual rate of interest equal to 50% of the average of
4 the Bond Buyer 11-Bond Index for the month prior to the month in which the Series 2026A
5 Bond is delivered, provided that, the rate determined by such calculation may be rounded
6 down by the Administration in its sole discretion. Interest due on the unpaid principal
7 amounts advanced under the 2026A Loan Agreement shall accrue on the basis of a 30-day
8 month, 360-day year from the dates of the respective advances of such principal amounts,
9 and, subject to the provisions of subsection (d) below, shall be paid on February 1, 2027, and
10 semiannually thereafter on the 1st day of August and February in each year until the principal
11 amount of the Series 2026A Bond has been paid.

12 (d) The County Executive is hereby authorized and directed to adjust and change
13 the principal payment dates and determine the principal installment amounts (including,
14 without limitation, by providing for a first minimum principal payment on a date specified by
15 the Administration and/or by otherwise adjusting the dates on which principal and/or interest
16 will commence and will otherwise be due) and to approve the amortization schedule prepared
17 by the Administration on a roughly level debt service basis, all as required by the
18 Administration in order to meet the requirements of Section 9-1605(d)(1) of the MWIFA Act
19 or to meet other requirements of the Administration, provided that the final original principal
20 amount of the Series 2026A Bond does not exceed \$17,169,588, such approval and
21 adjustment to be evidenced conclusively by the County Executive's execution and delivery
22 of the Series 2026A Bond containing such revised amortization schedule in accordance with
23 the provisions of this Ordinance.

1 (e) If the Administration determines at any time following delivery of the Series
2 2026A Bond to reduce the maximum amount of the Loan Commitment (as defined in the
3 2026A Loan Agreement) relating to the Series 2026A Bond in accordance with Section 3.08
4 of the 2026A Loan Agreement, the Maximum Principal Amount (as defined in the Series
5 2026A Bond) of the Series 2026A Bond shall be reduced accordingly and such Maximum
6 Principal Amount as so reduced shall be amortized as provided in the 2026A Loan
7 Agreement. In such event, as determined by the Administration, the County may execute and
8 deliver (in the manner provided for herein for the original delivery of the Series 2026A Bond)
9 a new Series 2026A Bond evidencing such reduction in the Loan Commitment relating to the
10 Series 2026A Bond and/or the County Executive may execute and deliver any certificates,
11 documents or instruments as the Administration may require pursuant to Section 3.08 of the
12 2026A Loan Agreement.

13 (f) The County shall pay (i) a late charge for any payment of principal of or
14 interest on the Series 2026A Bond that is received later than the tenth (10th) day following its
15 due date, in an amount equal to 5% of such payment, and (ii) interest on overdue installments
16 of principal and (to the extent permitted by law) interest at the Default Rate provided for in
17 the 2026A Loan Agreement, which Default Rate shall be equal to 100% of the average of the
18 weekly Bond Buyer 11-Bond Index for the calendar month prior to the month in which the
19 Series 2026A Bond is delivered, provided that the rate determined by such calculation may
20 be rounded down by the Administration in its sole discretion. Amounts payable pursuant to
21 this subsection (f) shall be immediately due and payable to the Administration and interest at
22 the Default Rate shall continue to accrue on overdue installments of principal and (to the
23 extent permitted by law) interest until such amounts are paid in full.

1 (g) Both the principal of and any interest on the Series 2026A Bonds will be paid
2 to the registered owners thereof in lawful money of the United States of America, at the time
3 of payment, and will be paid by electronic funds transfer, or by check or draft mailed (by
4 depositing such check or draft, correctly addressed and postage prepaid, in the United States
5 mail before the payment date) to the registered owners at such addresses as the registered
6 owners may designate from time to time by notice in writing delivered to the Director of
7 Finance of the County (the “Director of Finance”).

8 **Section 4.** (a) The Series 2026B Bond shall be issued and sold upon the full
9 faith and credit of the County, shall be dated the date of its delivery, shall be numbered RB-
10 1, and shall be issued in the form of single, fully registered installment bond, without coupons
11 attached.

12 (b) The principal of the Series 2026B Bond advanced under the Series 2026B
13 Loan Agreement (as defined in Section 9(b) hereof) shall be payable upon demand by the
14 Administration in accordance with the Series 2026B Loan Agreement, together with interest
15 at an annual rate equal to 100% of the average of the Bond Buyer 11-Bond Index for the
16 calendar month prior to the month in which the Series 2026B Bond is delivered (provided that
17 the rate determined by such calculation may be rounded down by the Administration in its
18 sole discretion), accruing from the date on which such demand is made by the Administration,
19 which demand may be made at any time prior to that date which is the ten (10) year
20 anniversary of the date of delivery of the Series 2026B Bond. Prior to any such date of
21 demand, the Series 2026B Bond shall bear interest at the rate of zero percent (0.00%) per
22 annum.

1 (c) The County shall pay a late charge for any payment of principal of or interest
2 on the Series 2026B Bond that is received later than the thirtieth (30th) day following the date
3 of demand for payment of the Series 2026B Bond, in an amount equal to 5% of such payment.

4 (d) If the Administration determines at any time following delivery of the Series
5 2026B Bond to reduce the maximum amount of the Loan Commitment (as defined in the
6 2026B Loan Agreement) relating to the Series 2026B Bond in accordance with Section 3.08
7 of the 2026B Loan Agreement, the Maximum Principal Amount (as defined in the Series
8 2026B Bond) of the Series 2026B Bond shall be reduced accordingly and such Maximum
9 Principal Amount as so reduced shall be amortized as provided in the 2026B Loan Agreement.

10 In such event, as determined by the Administration, the County may execute and deliver (in
11 the manner provided for herein for the original delivery of the Series 2026B Bond) a new
12 Series 2026B Bond evidencing such reduction in the Loan Commitment relating to the Series
13 2026B Bond and/or the County Executive may execute and deliver any certificates,
14 documents or instruments as the Administration may require pursuant to Section 3.08 of the
15 2026B Loan Agreement.

16 (e) PURSUANT TO THE CLEAN WATER ACT AND SECTION 9-
17 1605(d)(14) OF THE MWIFA ACT, THE ADMINISTRATION SHALL FORGIVE
18 REPAYMENT OF A PORTION OF THE PRINCIPAL AMOUNT OF THE LOAN (AS
19 DEFINED IN THE 2026B LOAN AGREEMENT) UNDER ARTICLE III OF THE 2026B
20 LOAN AGREEMENT AND THE SERIES 2026B BOND SO LONG AS THE COUNTY
21 PERFORMS ALL OF ITS OTHER OBLIGATIONS UNDER THE 2026B LOAN
22 AGREEMENT. UPON DETERMINATION BY THE ADMINISTRATION THAT ANY
23 SUCH OTHER OBLIGATIONS UNDER THE SERIES 2026B LOAN AGREEMENT

1 HAVE NOT BEEN PERFORMED BY THE COUNTY, PAYMENT OF THE PRINCIPAL
2 OF THE LOAN EVIDENCED BY THE SERIES 2026B BOND AND THE INTEREST
3 THEREON FROM THE DATE OF DEMAND AT THE RATE DETERMINED IN
4 ACCORDANCE WITH SUBSECTION (b) ABOVE WILL BE DUE AND PAYABLE
5 UPON DEMAND. IF THE ADMINISTRATION HAS NOT DEMANDED PAYMENT OF
6 THE PRINCIPAL OF AND INTEREST ON THE SERIES 2026B BOND BY THAT DATE
7 WHICH IS THE TEN (10) YEAR ANNIVERSARY OF THE DATE OF DELIVERY OF
8 THE SERIES 2026B BOND, THEN THE ADMINISTRATION SHALL BE DEEMED TO
9 HAVE FORGIVEN REPAYMENT OF THE LOAN EVIDENCED BY THE SERIES
10 2026B BOND, THE SERIES 2026B BOND SHALL BE DEEMED CANCELLED AND
11 THE LOAN EVIDENCED BY THE SERIES 2026B BOND AND THE SERIES 2026B
12 LOAN AGREEMENT SHALL BE DEEMED TERMINATED AND OF NO FURTHER
13 FORCE AND EFFECT.

14 (f) Both the principal of and any interest on the Series 2026B Bonds will be paid
15 to the registered owners thereof in lawful money of the United States of America, at the time
16 of payment, and will be paid by electronic funds transfer, or by check or draft mailed (by
17 depositing such check or draft, correctly addressed and postage prepaid, in the United States
18 mail before the payment date) to the registered owners at such addresses as the registered
19 owners may designate from time to time by notice in writing delivered to the Director of
20 Finance.

21 **Section 5.** The Series 2026A Bond shall be subject to mandatory prepayment, in
22 whole or in part, as, when and to the extent required by the United States Environmental
23 Protection Agency's (and its successors) State Revolving Fund Program Regulations.

1 Otherwise, the Series 2026A Bond may be prepaid by the County, in whole or in part, only at
2 such times and in such amounts, and upon payment by the County of such prepayment
3 premium or penalty, as the Director of the Administration, in his or her discretion, may specify
4 and approve.

5 **Section 6.** (a) For the purpose of paying the principal of and interest on the
6 Bonds when due and payable, there is hereby levied and there shall hereafter be levied in
7 each fiscal year that any of the Bonds are outstanding, ad valorem taxes on real and tangible
8 personal property and intangible property subject to taxation by the County without
9 limitation of rate or amount and, in addition, upon such other intangible property as may
10 be subject to taxation by the County within limitations prescribed by law, in an amount
11 sufficient, together with funds available from other sources, to pay such principal and
12 interest and the full faith and credit and the unlimited taxing power of the County are hereby
13 irrevocably pledged to the punctual payment of the principal of and interest on the Bonds
14 as and when the same respectively become due.

15 (b) As authorized by Section 9-1606(d) of the MWIFA Act, the County hereby
16 pledges any moneys that the County is entitled to receive from the State of Maryland,
17 including the County's share of the income tax revenues collected by the State, to secure
18 its obligations under the Loan Agreements, subject to any limitations on such pledge
19 provided for in the Loan Agreements in accordance with this Section. Such pledge shall
20 be evidenced by and detailed in the Loan Agreements.

21 **Section 7.** The Series 2026A Bond shall be transferable only after the first
22 principal payment date as set forth in such Series 2026A Bond or the date upon which the
23 Maximum Principal Amount of the Series 2026A Bond has been borrowed, whichever is

1 earlier and the Series 2026B Bond shall be transferable only after the date upon which the
2 Maximum Principal Amount of the Series 2026B Bond has been borrowed. Each Bond shall
3 be transferable upon the books of the County at the office of the Director of Finance, by the
4 registered owner in person or by his attorney duly authorized in writing, upon surrender
5 thereof, together with a written instrument of transfer satisfactory to the Director of Finance,
6 duly executed by such registered owner or his duly authorized attorney. The County shall,
7 within a reasonable time, issue in the name of the transferee a new registered bond or bonds
8 of the same series as the bond surrendered, in such denominations as the County shall by
9 resolution or executive order approve, in an aggregate principal amount equal to the unpaid
10 principal amount of the bond or bonds surrendered, and with the same maturity date,
11 installment payment dates, interest rate and forgiveness provisions, as applicable. If more
12 than one bond is issued upon any such transfer of the Series 2026A Bond, the installment of
13 principal and interest to be paid on each such bond on each payment date shall be equal to the
14 product of the following formula: the total installment due on each payment date multiplied
15 by a fraction, the numerator of which shall be the principal amount of such bond and the
16 denominator of which shall be the aggregate principal amount of the bonds representing the
17 Series 2026A Bond then outstanding and unpaid. The new bond or bonds shall be delivered
18 to the transferee only after payment of any taxes on and any shipping or insurance expenses
19 relating to such transfer. The County may deem and treat the party in whose name a Bond is
20 registered as the absolute owner thereof for the purpose of receiving payment of or on account
21 of the principal thereof and interest due thereon and for all other purposes. References in this
22 Ordinance to a Bond shall be deemed to refer to any bond or bonds transferred for such Bond
23 in accordance with the provisions of this Section 7, and references in this Ordinance to the

1 registered owner of a Bond shall be deemed to refer to any or all of the registered owners of
2 bonds of such series contemplated by this Section 7, as applicable. Any such new bond
3 issued in transfer or exchange may be executed and sealed as provided in Section 11 hereof
4 with respect to the original execution and delivery of the Bonds, or as otherwise required
5 by then-applicable law, and appropriate changes made by made to the form of the bond
6 delivered in transfer or exchange to account for the dated date of such new bond or bonds
7 and, to the extent applicable, the then-outstanding principal amount of the applicable Bond.

8 **Section 8.** Unless the County Executive provides otherwise by an executive order
9 adopted prior to delivery of the Bonds, (i) the Series 2026A Bond shall be issued in
10 substantially the form of Exhibit F to the substantially final form of the 2026A Loan
11 Agreement that is attached hereto as Exhibit A and (i) the Series 2026B Bond shall be issued
12 in substantially the form of Exhibit F to the substantially final form of the 2026B Loan
13 Agreement that is attached hereto as Exhibit B. Appropriate variations and insertions may be
14 made by the County Executive to provide dates, numbers and amounts, including, without
15 limitation, to reflect matters determined in accordance with Sections 2, 3 and 4 hereof, and
16 other modifications not altering the substance of such forms may be made by the County
17 Executive. All of the covenants contained in the form of Bonds set forth as Exhibit F to the
18 respective form of the substantially final form of the Loan Agreements attached hereto as
19 Exhibit A and Exhibit B, respectively, as the Bonds may be finally completed as provided in
20 this Section 8, are hereby adopted by the County as and for the forms of obligations to be
21 incurred by the County, and the covenants and conditions are hereby made binding upon the
22 County, including the promise to pay therein contained

1 **Section 9.** (a) As authorized by the MWIFA Act, the Bond Enabling Law,
2 and the Charter, the County hereby determines to sell the Bonds to the Administration by
3 private sale, without public bidding, which sale by private sale is hereby deemed by the
4 County to be in its best interest and in the interest of its citizens due, in part, to the benefit of
5 the structures of the Bonds as draw-down obligations, the low interest rate for the Bonds and
6 the potential forgiveness of the Series 2026B Bond. Therefore, and pursuant to the authority
7 of the MWIFA Act, the Bond Enabling Law, and the Charter, the Bonds shall be sold to the
8 Administration by private sale, without public bidding, for a price of the par amount of such
9 Bond or so much of the par amount of such Bond as is advanced to the County (such purchase
10 price to be advanced in accordance with the Loan Agreements, as defined in subsection (b)
11 below). Each Bond is referred to in the applicable Loan Agreement as the “Note.”

12 (b) The Series 2026A Bond shall be sold to the Administration and the purchase
13 price of the Series 2026A Bond shall be advanced to the County in accordance with the Loan
14 Agreement relating to the Series 2026A Bond (the “2026A Loan Agreement”), the
15 substantially final form of which is attached hereto as Exhibit A. The Series 2026B Bond
16 shall be sold to the Administration and the purchase price of the Series 2026B Bond shall be
17 advanced to the County in accordance with the Loan Agreement relating to the Series 2026B
18 Bond (the “2026B Loan Agreement”), the substantially final form of which is attached hereto
19 as Exhibit B. The Series 2026A Loan Agreement and the Series 2026B Loan Agreement are
20 referred to herein collectively as the “Loan Agreements” and individually as a “Loan
21 Agreement.”

22 (c) The substantially final form of the Loan Agreements attached hereto as
23 Exhibit A and Exhibit B reflect the expectation, as of the date of this Ordinance, that the final

1 original principal amount of the Series 2026A Bond will be \$17,169,588, that the final original
2 principal amount of the Series 2026B Bond will be \$1,000,000. The County Executive is
3 hereby authorized and directed to complete, execute and deliver the Loan Agreements for and
4 in the name of the County with such changes, insertions and deletions as shall be approved by
5 the County Executive, including, without limitation, to reflect matters determined in
6 accordance with the provisions of this Ordinance, including, without limitation, Sections 2, 3,
7 4 and 9 hereof, to comply with program requirements of the Administration, to account for a
8 different estimated date of completion of the Project or delivery of the Bonds, to complete the
9 exhibits to the substantially final form of the Loan Agreements attached hereto as Exhibits A
10 and B, or as are determined by the County Executive not to be materially adverse to the
11 interests of the County. The County Executive's approval of any such changes, insertions or
12 deletions shall be evidenced conclusively by the County Executive's execution and delivery
13 of the Loan Agreements in final form.

14 (d) Notwithstanding anything to the contrary contained in this Ordinance,
15 advances under the Loan Agreements or the Bonds, payment or prepayment of the principal
16 of and any interest on the Bonds, and transfers or exchanges of the Bonds shall be made in
17 accordance with the respective Loan Agreement. The County agrees to abide by and perform
18 the covenants and agreements set forth in the Loan Agreements as executed and delivered in
19 accordance with this Section 9 as though such covenants and agreements were set forth in full
20 in this Ordinance.

21 (e) The County is authorized and directed to pay any fees or costs provided for in
22 the Loan Agreements which are not payable from Bond proceeds, including, without
23 limitation, any administrative fees and ongoing fees and expenses, and acknowledges that its

1 obligation to pay such amounts shall be absolute and unconditional to the extent provided in
2 the Loan Agreements.

3 (f) The County acknowledges that the provisions of Article IV of each Loan
4 Agreement (Events of Default and Remedies) allow for, among other remedies, all payments
5 on the applicable Bond to be declared immediately due and payable upon the occurrence of
6 an Event of Default provided for in such Loan Agreement.

7 (g) Notwithstanding any provisions of this Ordinance, in the event of a
8 discrepancy between the provisions of a Loan Agreement, the Series 2026A Bond or the
9 Series 2026B Bond and this Ordinance, the provisions of the Loan Agreement, the Series
10 2026A Bond or the Series 2026B Bond, as applicable, shall control.

11 **Section 10.** (a) As soon as may be practicable after the adoption of this Ordinance,
12 the Bonds shall be suitably prepared in definitive form, executed and delivered to the
13 Administration on date or dates mutually acceptable to the Administration and the County
14 Executive. The County Executive and all other appropriate officials and employees of the
15 County are expressly authorized, empowered and directed (i) to take any and all action
16 necessary to complete and close the sale and delivery of the Bonds to the Administration, (ii)
17 subject to any limitations provided for in this Ordinance, to negotiate, approve, execute and
18 deliver all documents, certificates and instruments necessary or appropriate in connection
19 therewith, and (iii) to carry out the transactions contemplated by this Ordinance and any
20 documents, certificates or instruments executed and delivered in connection with the issuance
21 of the Bonds, including, without limitation, the Loan Agreements, to the extent such actions
22 are within the spheres of their respective responsibilities.

1 (b) Each of the County Executive and the Director of Finance is hereby
2 expressly authorized, empowered and directed to take any actions necessary under the Loan
3 Agreements or the Bonds in order to requisition advances on behalf of the County. Each of
4 the County Executive and the Director of Finance is hereby expressly designated as an
5 “Authorized Officer” for purposes of the Loan Agreements and may take any action, make
6 any determination or grant or withhold any approvals, consents or directions that are delegated
7 to an Authorized Officer under the provisions of the Loan Agreements.

8 **Section 11.** Except as otherwise provided in an Executive Order, the Bonds shall
9 be signed by the County Executive and by the Director of Finance by manual or facsimile
10 signature, and the Bonds shall bear the corporate seal of the County, or a facsimile thereof,
11 attested by the manual or facsimile signature of the Chief Administrative Officer of the
12 County (the “Chief Administrative Officer”). In the event that any officer whose signature
13 shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds,
14 such signature shall nevertheless be valid and sufficient for all purposes, the same as if
15 such officer had remained in office until delivery.

16 **Section 12.** (a) Except as otherwise provided in this Ordinance or in an
17 Executive Order, the Director of Finance is hereby designated and appointed as bond
18 registrar and paying agent for the Bonds and shall maintain books of the County for the
19 registration and transfer of the Bonds. The Director of Finance, either prior to or following
20 the issuance of the Bonds, may designate and appoint the Department of Finance of the
21 County, any officer or employee of the County or one or more banks, trust companies,
22 corporations or other financial institutions, or disclosure firm to act as bond registrar,
23 paying agent, authenticating agent, or disclosure agent.

1 (b) Each advance of the proceeds of the Bonds shall be paid directly to the County
2 and shall be deposited by the Director of Finance or other appropriate County official in the
3 proper municipal accounts, or shall be paid at the direction of the Authorized Officer, or shall
4 be paid as otherwise required by the Administration. Advances under the Bonds shall be used
5 and applied by the County exclusively and solely for the public purposes described in Section
6 2 hereof, unless this Ordinance is amended or supplemented to provide for some other use
7 within the limitations of applicable law and with the consent of the Administration. Nothing
8 in this Ordinance shall be construed to authorize the expenditure of any moneys except for a
9 proper public purpose. The proceeds of the Bonds are hereby appropriated for the purposes
10 set forth in this Ordinance.

11 **Section 13.** Bonds issued under this Ordinance are hereby specifically exempted
12 from the provisions of Sections 19-205 and 19-206 of the Local Government Article of the
13 Annotated Code of Maryland (2013 Replacement Volume and 2025 Supplement).

14 **Section 14.** Notwithstanding anything to the contrary contained in this Ordinance,
15 the County shall use and apply proceeds of the Bonds only as permitted by the applicable
16 Loan Agreement, the Clean Water Act and the MWIFA Act.

17 **Section 15.** The County hereby covenants with each of the holders of the Series
18 2026A Bond, the interest on which is expected to be excludable from federal income
19 taxation (such Series 2026A Bond being referred to herein collectively as “Tax-Exempt
20 Obligations”), that it will not use, or suffer or permit to be used, the proceeds received from
21 sale of such Tax-Exempt Obligations, or any moneys on deposit to the credit of any account
22 of the County which may be deemed to be proceeds of such Tax-Exempt Obligations,
23 pursuant to Section 148 (“Section 148”) of the Internal Revenue Code of 1986, as amended

1 (the “Code”), and applicable regulations thereunder, which use would cause such Tax-
2 Exempt Obligations to be “arbitrage bonds” within the meaning of Section 148 and the
3 regulations thereunder. The County further covenants that it will comply with Section 148
4 and the regulations thereunder which are applicable to Tax-Exempt Obligations on the date
5 of issuance of such Tax-Exempt Obligations and which may subsequently lawfully be
6 made applicable to such Tax-Exempt Obligations. The County Executive, the County
7 Administrative Officer and the Director of Finance shall be officers of the County
8 responsible for issuing any Tax-Exempt Obligations. The County Executive or the
9 Director of Finance is hereby authorized and directed to prepare or cause to be prepared
10 and to execute, any certification, opinion or other document which may be required to
11 assure that such Tax-Exempt Obligations will not be deemed to be “arbitrage bonds” within
12 the meaning of Section 148 and the regulations thereunder.

13 The County is hereby authorized to take any and all actions as may be necessary or
14 desirable to assure that interest on Tax-Exempt Bonds is and remains excludable from gross
15 income for federal income tax purposes.

16 The County is hereby authorized to take any and all actions as may be necessary or
17 desirable to assure that any Bonds authorized by this Ordinance are allowed a tax credit,
18 that the County is entitled to a subsidy from the United States of America or any agency or
19 instrumentality thereof with respect to such Bonds or the interest payable thereon, or that
20 any such Bond or the interest thereon is entitled to any other available benefits under the
21 Code (any such Bonds being referred to herein as “Tax Advantaged Obligations”). Any
22 such actions may be authorized by an order of the County Executive.

1 The County Executive is hereby authorized to make such covenants or agreements
2 in connection with the issuance of any Tax-Exempt Obligations or Tax Advantaged
3 Obligations as he shall deem advisable in order to assure (i) the holders of any such Tax-
4 Exempt Obligations that interest thereon shall be and remain exempt from federal income
5 taxation, (ii) the holders of any such Tax Advantaged Obligations that such Tax
6 Advantaged Obligations will be entitled to such benefits, and (iii) that the County is entitled
7 to any subsidy available for any such Tax Advantaged Obligations. Such covenants or
8 agreements shall be binding on the County so long as the observance by the County of any
9 such covenants or agreements is necessary in connection with the maintenance of the
10 exemption from federal income taxation of the interest on such Tax-Exempt Obligations
11 or the entitlement of such Tax Advantaged Obligations to such benefits, respectively. The
12 foregoing covenants and agreements may include (without limitation) covenants or
13 agreements on behalf of the County relating to the investment of proceeds of such Tax-
14 Exempt Obligations or Tax Advantaged Obligations, the rebate of certain earnings
15 resulting from such investment to the United States of America (or the payment of penalties
16 in lieu of such rebate), limitations on the times within which, and the purposes for which,
17 such proceeds may be expended or the utilization of specified procedures for accounting
18 for and segregating such proceeds. Any covenant or agreement made by the County
19 Executive pursuant to this paragraph in an order or certificate executed by the County
20 Executive shall be binding upon the County.

21 In furtherance of the foregoing, in order to qualify for and maintain the tax-exempt
22 status of any Tax-Exempt Obligations or the benefits inuring with respect to any Tax
23 Advantaged Obligation, the County Executive shall be authorized to make any elections or

1 designations permitted or required under the Code, to apply for an allocation from the State
2 of Maryland or the federal government in the case of Bonds or Notes subject to any volume
3 limitation and to apply for any tax credit, to take such actions as shall be necessary to permit
4 any tax credit to be stripped and sold separately from the ownership interest in any Tax
5 Advantaged Bond and to claim any cash subsidy with respect to any Tax Advantaged
6 Obligation. It is confirmed that the County Executive is authorized to declare official intent
7 to reimburse expenditures from proceeds of Tax Advantaged Obligations.

8 For purposes of establishing compliance with Section 148 of the Code regarding
9 the expenditure of proceeds of Tax-Exempt Obligations or Tax Advantaged Obligations,
10 the source of Capital Projects Fund monies for capital expenditures may be specifically
11 attributed to funds deposited to the Capital Projects Fund as a reimbursement from the
12 proceeds of County debt issuances in accordance with a certificate executed by the County
13 Executive.

14 It is confirmed that bond premium, consisting of net bond proceeds from the sale
15 of bonds sold at a price above par, may be allocated for expenditure purposes permitted
16 under provisions of federal income tax law pertaining to excludability of interest on the
17 bonds from gross income or the tax status of Tax Advantaged Obligations, as applicable.

18 **Section 16.** In accordance with the provisions of Section 402(a) of the Charter,
19 the County Executive is hereby authorized to delegate to the Chief Administrative Officer
20 the power and authority to take any and all actions required or permitted to be taken by the
21 County Executive pursuant to this Ordinance.

22 **Section 17.** If any one or more of the provisions of this Ordinance, including any
23 covenants or agreements provided herein on the part of the County to be performed, should

1 be contrary to law, then such provision or provisions shall be null and void and shall in no
2 way affect the validity of the other provisions of this Ordinance or of the Bonds.

3 **Section 18.** This Ordinance shall take effect on the date of its enactment.

EXHIBIT A

SUBSTANTIALLY FINAL FORM OF THE LOAN AGREEMENT
RELATING TO THE SERIES 2026A BOND

[See Attached]

EXHIBIT B

SUBSTANTIALLY FINAL FORM OF THE LOAN AGREEMENT
RELATING TO THE SERIES 2026B BOND

[See Attached]