

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

**County Council Of
Howard County, Maryland**

2025 Legislative Session

Legislative Day No. 3

Bill No. 13 -2025

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

Short Title: Bond issuance, sale and delivery - \$15,000,000 bonds – Capital Project C0337

Title: AN ORDINANCE authorizing the issuance, sale and delivery of up to \$15,000,000 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 _____, 2025. 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 _____, 2025 and concluded on _____, 2025.

By order _____
Michelle Harrod, Administrator

This Bill was read the third time on _____, 2025 and Passed, Passed with amendments, _____ Failed _____.

By order _____
Michelle Harrod, Administrator

Approved by the County Executive _____, 2025

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 28-2024 (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, the “Project”) and, in connection with such undertaking, to acquire or pay
8 for, as applicable, necessary property rights and equipment, related site and utility
9 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 (collectively, “Costs of the Project”) in the amounts set forth in the Bond Enabling Law;
16 (b) to enact an ordinance in accordance with Article VI of the Charter of the County (the
17 “Charter”) and other applicable provisions of law providing for the issuance and sale of
18 such bonds; and (c) to levy annually ad valorem taxes upon the assessable property within
19 the geographic boundaries of the County sufficient, together with funds available from
20 other sources, to provide for the payment of the principal of and interest on such bonds
21 until all such bonds shall be redeemed or paid.

22 The County is authorized and empowered by Section 10-203, of the Local
23 Government Article of the Annotated Code of Maryland, as replaced, supplemented or

1 amended (the “Enabling Act”), Section 14-110.4 of the Public Safety Article of the
2 Annotated Code of Maryland (the “MD STORM Act”), and the Charter, to borrow money
3 for any proper public purpose and to evidence such borrowing by the issuance and sale of
4 its general obligation bonds.

5 The federal Safeguarding Tomorrow through Ongoing Risk Mitigation Act (the
6 “STORM Act”), Pub. L. 116-284, Jan. 1, 2021, 134 Stat. 4869 (42 U.S.C. 5135), authorizes
7 the Federal Emergency Management Agency (“FEMA”) to award grants to qualifying
8 states to establish and capitalize state resilient mitigation revolving loan funds for the
9 purpose of providing loans to local governments so that they may carry out mitigation
10 projects. As contemplated by the STORM Act, the General Assembly of the State
11 established the Resilient Maryland Revolving Loan Fund (the “Fund”) to be maintained
12 and administered by the Maryland Department of Emergency Management (the
13 “Department”). The MD STORM Act authorizes the Department, among other things, to
14 make a loan from the Fund to a local government for the purpose of financing all or a
15 portion of a resilience mitigation measure.

16 The County Council has determined that it is in the best interest of the County to
17 issue and sell to the Department at this time a series of general obligation bonds, in order
18 to finance or reimburse Costs of the Project in accordance with, and pursuant to, the
19 authority contained in the Bond Enabling Law, the Enabling Act, the MD STORM Act,
20 and the Charter, and upon the terms and conditions set forth in this Ordinance, the proceeds
21 of which general obligation bonds are to be used and applied as herein set forth.

22 The Department requires that its borrowers identify dedicated sources of revenue
23 within the meaning provided for in each loan agreement that a borrower enters into with

1 the Department. The County pledges its full faith and credit and unlimited taxing power to
2 payment of the Bonds identified in this Ordinance.

3 **Now, therefore, be it enacted by the County Council of Howard County,**
4 **Maryland:**

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

7 **Section 2.** (a) Pursuant to the authority of the Enabling Act, the MD STORM
8 Act, and the Charter, the County hereby determines to issue and sell, upon its full faith and
9 credit, one or more series of general obligation bonds in the original principal amount not to
10 exceed \$15,000,000 and shall be designated as “Howard County, Maryland General
11 Obligation Bond (RMRLF Project), Series 2025” or by such additional or different
12 designation as may be required by the Department (collectively, the “Bonds”) for the public
13 purpose of financing or reimbursing Costs of the Project. The County Executive is hereby
14 authorized and directed to determine and approve the final original principal amount of the
15 Bonds, provided that the final original principal amount of the Bonds shall not exceed the
16 principal amount detailed in this Section 2(a), such determination and approval to be
17 evidenced conclusively by the County Executive’s execution and delivery of the Bonds
18 reflecting such finally determined principal amounts.

19 (b) Proceeds of the Bonds shall be applied to Costs of the Project only as permitted
20 by the Department. The Bonds evidence a loan or loans from the Department.

21 (c) The outstanding general obligation indebtedness of the County on June 30,
22 2024 (exclusive of indebtedness issued or guaranteed by the County that is payable
23 primarily or exclusively from taxes levied in or on, or other revenues of, special taxing

1 areas or districts heretofore established by law and indebtedness issued for self- liquidating
2 and other projects payable primarily or exclusively from the proceeds of the assessments
3 or charges for special benefits or services), plus the \$15,000,000 aggregate principal
4 amount of Bonds authorized hereby is equal to \$1,205,300,000 (not including an additional
5 up to \$248,500,000 aggregate principal amount of consolidated public improvement bonds
6 the County may issue in calendar year 2025). The full cash value assessable base of the
7 County on June 30, 2024 was \$64,022,716,197. As of the date of enactment of this
8 Ordinance, the issuance of the aggregate principal amount of Bonds authorized by this
9 Ordinance is within every debt and other limitation prescribed by the Constitution and
10 Laws of the State of Maryland and the Charter.

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

13 **Section 3.** (a) Each series of the Bonds shall be issued and sold upon the full
14 faith and credit of the County, shall be dated the date of its delivery, shall be numbered RA-
15 1, and shall be issued in the form of single, fully registered installment bond, without coupons
16 attached.

17 (b) Subject to the provisions of subsections (d) and (e) below and the further
18 provisions of this subsection (b), the principal amount of the Bonds advanced under the Loan
19 Agreements (as defined in Section 9(b) hereof) shall be paid in not more than twenty annual
20 installments on the dates and in the amounts as set forth in the applicable Loan Agreement,
21 currently anticipated to begin on February 1, 2027 and to be calculated based on level debt
22 service, which may be revised in accordance with the provisions of the Bonds and the Loan
23 Agreements. The County Executive is hereby authorized and empowered to approve a final

1 amortization schedule for each series of the Bonds prior to the delivery thereof that is
2 approved by the Department, such approval to be evidenced conclusively by the County
3 Executive's execution and delivery of the Bond containing such amortization schedule in
4 accordance with the provisions of this Ordinance.

5 (c) Each series of the Bonds, or so much of the principal amount thereof as shall
6 have been advanced from time to time under the terms of the applicable Loan Agreement,
7 shall bear interest from its dated date at an annual rate of interest equal to 1%. Interest due on
8 the unpaid principal amounts advanced under each Loan Agreement shall accrue on the basis
9 of a 30-day month, 360-day year from the dates of the respective advances of such principal
10 amounts, and, subject to the provisions of subsection (d) below, shall be paid on February 1,
11 2026, and semiannually thereafter on the 1st day of August and February in each year until
12 the principal amount of the Bonds has been paid.

13 (d) The County Executive is hereby authorized and directed to adjust and change
14 the principal payment dates and determine the principal installment amounts (including,
15 without limitation, by providing for a first minimum principal payment on a date specified by
16 the Department and/or by otherwise adjusting the dates on which principal and/or interest will
17 commence and will otherwise be due) and to approve the amortization schedule prepared by
18 the Department to meet the requirements of the Department, provided that the final aggregate
19 original principal amount of the Bonds does not exceed \$15,000,000, such approval and
20 adjustment to be evidenced conclusively by the County Executive's execution and delivery
21 of the Bond or Bonds containing such revised amortization schedule in accordance with the
22 provisions of this Ordinance.

1 (e) Both the principal of and any interest on the Bonds will be paid to the
2 registered owners thereof in lawful money of the United States of America, at the time of
3 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.** The Bonds shall be subject to mandatory prepayment, in whole or in
9 part, as, when and to the extent required by the STORM Act or the MD STORM Act.
10 Otherwise, the Bonds may be prepaid by the County, in whole or in part, only at such times
11 and in such amounts, and upon payment by the County of such prepayment premium or
12 penalty, as the Secretary of the Department, in his or her discretion, may specify and approve.

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

1 (b) If required by the Department, the County hereby pledges any moneys that
2 the County is entitled to receive from the State of Maryland, including the County's share
3 of the income tax revenues collected by the State, to secure its obligations under the Loan
4 Agreements, subject to any limitations on such pledge provided for in the Loan Agreements
5 in accordance with this Section. Such pledge shall be evidenced by and detailed in the
6 Loan Agreements.

7 **Section 6.** Each Bond shall be transferable upon the books of the County at the
8 office of the Director of Finance, by the registered owner in person or by his attorney duly
9 authorized in writing, upon surrender thereof, together with a written instrument of transfer
10 satisfactory to the Director of Finance, duly executed by such registered owner or his duly
11 authorized attorney. The County shall, within a reasonable time, issue in the name of the
12 transferee a new registered bond or bonds of the same series as the bond surrendered, in such
13 denominations as the County shall by resolution or executive order approve, in an aggregate
14 principal amount equal to the unpaid principal amount of the bond or bonds surrendered, and
15 with the same maturity date, installment payment dates, interest rate and forgiveness
16 provisions, as applicable. If more than one bond is issued upon any such transfer of the any
17 series of the Bonds, the installment of principal and interest to be paid on each such bond on
18 each payment date shall be equal to the product of the following formula: the total installment
19 due on each payment date multiplied by a fraction, the numerator of which shall be the
20 principal amount of such bond and the denominator of which shall be the aggregate principal
21 amount of the bonds representing the series of Bonds then outstanding and unpaid. The new
22 bond or bonds shall be delivered to the transferee only after payment of any taxes on and any
23 shipping or insurance expenses relating to such transfer. The County may deem and treat the

1 party in whose name a Bond is registered as the absolute owner thereof for the purpose of
2 receiving payment of or on account of the principal thereof and interest due thereon and for
3 all other purposes. References in this Ordinance to a Bond shall be deemed to refer to any
4 bond or bonds transferred for such Bond in accordance with the provisions of this Section 6,
5 and references in this Ordinance to the registered owner of a Bond shall be deemed to refer to
6 any or all of the registered owners of bonds of such series contemplated by this Section 6, as
7 applicable. Any such new bond issued in transfer or exchange may be executed and sealed
8 as provided in Section 10 hereof with respect to the original execution and delivery of the
9 Bonds, or as otherwise required by then-applicable law, and appropriate changes made by
10 made to the form of the bond delivered in transfer or exchange to account for the dated
11 date of such new bond or bonds and, to the extent applicable, the then-outstanding principal
12 amount of the applicable Bond.

13 **Section 7.** Unless the County Executive provides otherwise by an executive order
14 adopted prior to delivery of the Bonds, each series of the Bonds shall be issued in substantially
15 the form of Exhibit F to the substantially final form of the Loan Agreement that is attached
16 hereto as Exhibit A. Appropriate variations and insertions may be made by the County
17 Executive to provide dates, numbers and amounts, including, without limitation, to reflect
18 matters determined in accordance with Sections 2 and 3 hereof, and other modifications not
19 altering the substance of such forms may be made by the County Executive. All of the
20 covenants contained in the form of Bonds set forth as Exhibit F to the substantially final form
21 of the Loan Agreement attached hereto as Exhibit A, as the Bonds may be finally completed
22 as provided in this Section 7, are hereby adopted by the County as and for the forms of

1 obligations to be incurred by the County, and the covenants and conditions are hereby made
2 binding upon the County, including the promise to pay therein contained

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

13 (b) Each series of the Bonds shall be sold to the Department and the purchase
14 price of the Bond shall be advanced to the County in accordance with the Loan Agreement
15 relating to the such series of Bond (each a “Loan Agreement” and collectively, the “Loan
16 Agreements”), the substantially final form of which is attached hereto as Exhibit A.

17 (c) The County Executive is hereby authorized and directed to complete, execute
18 and deliver the Loan Agreements for and in the name of the County with such changes,
19 insertions and deletions as shall be approved by the County Executive, including, without
20 limitation, to reflect matters determined in accordance with the provisions of this Ordinance,
21 including, without limitation, Sections 2, 3, and 8 hereof, to comply with program
22 requirements of the Department, to account for a different estimated date of completion of the
23 Project or delivery of the Bonds, to complete the exhibits to the substantially final form of the

1 Loan Agreement attached hereto as Exhibit A, or as are determined by the County Executive
2 not to be materially adverse to the interests of the County. The County Executive's approval
3 of any such changes, insertions or deletions shall be evidenced conclusively by the County
4 Executive's execution and delivery of the Loan Agreements in final form.

5 (d) Notwithstanding anything to the contrary contained in this Ordinance,
6 advances under the Loan Agreements or the Bonds, payment or prepayment of the principal
7 of and any interest on the Bonds, and transfers or exchanges of the Bonds shall be made in
8 accordance with the respective Loan Agreement. The County agrees to abide by and perform
9 the covenants and agreements set forth in the Loan Agreements as executed and delivered in
10 accordance with this Section 8 as though such covenants and agreements were set forth in full
11 in this Ordinance.

12 (e) The County is authorized and directed to pay any fees or costs provided for in
13 the Loan Agreements which are not payable from Bond proceeds, including, without
14 limitation, any administrative fees and ongoing fees and expenses, and acknowledges that its
15 obligation to pay such amounts shall be absolute and unconditional to the extent provided in
16 the Loan Agreements.

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

21 (g) Notwithstanding any provisions of this Ordinance, in the event of a
22 discrepancy between the provisions of a Loan Agreement, a Bond, and this Ordinance, the
23 provisions of the Loan Agreement or the Bond, as applicable, shall control.

1 **Section 9.** (a) The County Executive and all other appropriate officials and
2 employees of the County are expressly authorized, empowered and directed (i) to take any
3 and all action necessary to complete and close the sale and delivery of the Bonds to the
4 Department, (ii) subject to any limitations provided for in this Ordinance, to negotiate,
5 approve, execute and deliver all documents, certificates and instruments necessary or
6 appropriate in connection therewith, and (iii) to carry out the transactions contemplated by
7 this Ordinance and any documents, certificates or instruments executed and delivered in
8 connection with the issuance of the Bonds, including, without limitation, the Loan
9 Agreements, to the extent such actions are within the spheres of their respective
10 responsibilities.

11 (b) Each of the County Executive and the Director of Finance is hereby
12 expressly authorized, empowered and directed to take any actions necessary under the Loan
13 Agreements or the Bonds in order to requisition advances on behalf of the County. Each of
14 the County Executive and the Director of Finance is hereby expressly designated as an
15 “authorized officer” for purposes of the Loan Agreements and may take any action, make any
16 determination or grant or withhold any approvals, consents or directions that are delegated to
17 an Authorized Officer under the provisions of the Loan Agreements.

18 **Section 10.** Except as otherwise provided in an Executive Order, the Bonds shall
19 be signed by the County Executive and by the Director of Finance by manual or facsimile
20 signature, and the Bonds shall bear the corporate seal of the County, or a facsimile thereof,
21 attested by the manual or facsimile signature of the Chief Administrative Officer of the
22 County (the “Chief Administrative Officer”). In the event that any officer whose signature
23 shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds,

1 such signature shall nevertheless be valid and sufficient for all purposes, the same as if
2 such officer had remained in office until delivery.

3 **Section 11.** (a) Except as otherwise provided in this Ordinance or in an
4 Executive Order, the Director of Finance is hereby designated and appointed as bond
5 registrar and paying agent for the Bonds and shall maintain books of the County for the
6 registration and transfer of the Bonds. The Director of Finance, either prior to or following
7 the issuance of the Bonds, may designate and appoint the Department of Finance of the
8 County, any officer or employee of the County or one or more banks, trust companies,
9 corporations or other financial institutions, or disclosure firm to act as bond registrar,
10 paying agent, authenticating agent, or disclosure agent.

11 (b) Each advance of the proceeds of the Bonds shall be paid directly to the County
12 and shall be deposited by the Director of Finance or other appropriate County official in the
13 proper municipal accounts, or shall be paid at the direction of the Authorized Officer, or shall
14 be paid as otherwise required by the Department. Advances under the Bonds shall be used
15 and applied by the County exclusively and solely for the public purposes described in Section
16 2 hereof, unless this Ordinance is amended or supplemented to provide for some other use
17 within the limitations of applicable law and with the consent of the Department. Nothing in
18 this Ordinance shall be construed to authorize the expenditure of any moneys except for a
19 proper public purpose. The proceeds of the Bonds are hereby appropriated for the purposes
20 set forth in this Ordinance.

21 **Section 12.** Bonds issued under this Ordinance are hereby specifically exempted
22 from the provisions of Sections 19-205 and 19-206 of the Local Government Article of the
23 Annotated Code of Maryland (2013 Replacement Volume and 2024 Supplement).

1 **Section 13.** Notwithstanding anything to the contrary contained in this Ordinance,
2 the County shall use and apply proceeds of the Bonds only as permitted by the applicable
3 Loan Agreement, the STORM Act and the MD STORM Act.

4 **Section 14.** In accordance with the provisions of Section 402(a) of the Charter,
5 the County Executive is hereby authorized to delegate to the Chief Administrative Officer
6 the power and authority to take any and all actions required or permitted to be taken by the
7 County Executive pursuant to this Ordinance.

8 **Section 15.** If any one or more of the provisions of this Ordinance, including any
9 covenants or agreements provided herein on the part of the County to be performed, should
10 be contrary to law, then such provision or provisions shall be null and void and shall in no
11 way affect the validity of the other provisions of this Ordinance or of the Bonds.

12 **Section 16.** This Ordinance shall take effect on the date of its enactment.

EXHIBIT A

SUBSTANTIALLY FINAL FORM OF THE LOAN AGREEMENT

[See Attached]

**RESILIENT MARYLAND REVOLVING LOAN FUND
LOAN AGREEMENT**

By and Between

MARYLAND DEPARTMENT OF EMERGENCY MANAGEMENT

and

HOWARD COUNTY, MARYLAND

Dated as of **[Month and Day]**, 2025

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RESILIENT MARYLAND REVOLVING LOAN FUND
LOAN AGREEMENT

THIS RESILIENT MARYLAND REVOLVING LOAN FUND LOAN AGREEMENT, made this [insert date], 2025, is by and between the Maryland Department of Emergency Management (the “Department”), a principal department of the State of Maryland (the “State”), and Howard County Maryland, a body corporate and politic (the “Borrower”).

RECITALS

WHEREAS, the federal Safeguarding Tomorrow through Ongoing Risk Mitigation Act (the “STORM Act”), Pub. L. 116-284, Jan. 1, 2021, 134 Stat. 4869 (42 U.S.C. 5135), authorizes the Federal Emergency Management Agency (“FEMA”) to award grants to qualifying states to establish and capitalize state resilient mitigation revolving loan funds for the purpose of providing loans to local governments so that they may carry out mitigation projects.

WHEREAS, as contemplated by the STORM Act, the General Assembly of the State established the Resilient Maryland Revolving Loan Fund (the “Fund”), codified at Section 14-110.4 of the Public Safety Article of the Annotated Code of Maryland (the “MD STORM Act”), to be maintained and administered by the Department. The MD STORM Act authorizes the Department, among other things, to make a loan from the Fund to a local government for the purpose of financing all or a portion of a resilience mitigation measure.

WHEREAS, the Borrower has applied to the Department for a loan from the Fund to assist in the financing of a certain project or projects of the Borrower (the “Project,” as defined herein). The Project is designated for funding by the Department in accordance with regulations issued by FEMA pursuant to the STORM Act. The Department has determined that the making of a loan to the Borrower, for the purpose of assisting with the financing of the Project, is necessary and desirable in the public interest.

NOW THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Department, each intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless specifically provided otherwise or the context otherwise requires, and in addition to those terms defined elsewhere in this Agreement, the following terms have the meanings set forth below when used in this Agreement:

“Agreement” means this Loan Agreement, including the Exhibits attached hereto (each of which are fully incorporated herein) and any subsequent amendments hereto.

“Application” means the application for the Loan submitted by the Borrower to the Department, together with any subsequent amendments thereto.

“Borrower” means the local government that is identified in the first paragraph of this Agreement, and its successors and assigns.

“Default” means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, constitute an Event of Default.

“Default Rate” means the default interest rate specified in Exhibit B of this Agreement.

“Department” means the Maryland Department of Emergency Management, and its successors and assigns.

“Eligible Project Costs” means all those costs of the Project permitted by the STORM Act and MD STORM Act to be funded by a loan from the Fund and which have been approved by the Secretary.

“Event of Default” means any occurrence or event specified in Section 4.01 hereof.

“Financing Documents” means this Agreement, the Note, and any other documents evidencing the Loan, as such documents may be amended from time to time in accordance with the terms thereof.

“Governmental Authority” means the United States, the State, or any of their political subdivisions, agencies, departments, commissions, boards, bureaus or instrumentalities, including any local authority having jurisdiction over the Project, and including FEMA and other federal entities, and the Department.

“Independent Counsel” means any attorney or law firm with attorneys duly admitted to practice law before the highest court of the State who has or have regularly engaged in the practice of law as the primary occupation of such attorney or attorneys for at least five years. Independent Counsel may also serve as bond counsel if qualified to act as bond counsel. The Department may accept Borrower’s governmental counsel (i.e. county counsel) as Independent Counsel in its discretion.

“Loan” means the aggregate amounts which are advanced from time to time (or on such other disbursement schedule as the parties may agree) by the Department to the Borrower pursuant to the terms and provisions of this Agreement and the Financing Documents.

“Loan Closing Date” means the date on which the Note is executed and delivered to the Department.

“Loan Commitment” means that amount which the Department is obligated to lend to the Borrower pursuant to the terms and provisions of this Agreement and subject to the satisfaction of the conditions set forth in this Agreement, as such amount may be adjusted as provided in this Agreement.

“Note” means the bond, note or other obligation executed and delivered by the Borrower to the Department to evidence the Loan, such Note to be substantially in the form attached hereto as Exhibit F, as it may be amended from time to time in accordance with the terms thereof.

“Project” means the project or projects of the Borrower described in Exhibit B to this Agreement.

“Project Budget” means the budget for the Project as set forth in Exhibit C to this Agreement, as revised in accordance with Section 2.02(e).

“Related Financing” means any bond, note, grant, agreement or other instrument or transaction (other than this Agreement or the Note) pursuant to which the Borrower obtains any monies that may be expended to pay costs of the Project.

“Requirement” means any law, ordinance, code, order, rule or regulation of a Governmental Authority.

“Secretary” means the Secretary of the Department.

Section 1.02. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

- (a) words importing the singular number include the plural number and words importing the plural number include the singular number;
- (b) the use of a pronoun of one gender includes correlative words of the other gender and neuter words, and the use of a neuter term includes words of both genders;
- (c) words importing persons include any individual, corporation, partnership, joint venture, association, limited liability company, joint stock company, trust, unincorporated organization, or government or agency or political subdivision thereof;
- (d) the terms “agree” and “agreement” shall include and mean “covenant”, and all agreements contained in this Agreement are intended to constitute covenants and shall be enforceable as such;

- (e) the headings and the Table of Contents set forth in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement or affect its meaning, construction or effect; and
- (f) any reference to a particular Article or Section shall be to such Article or Section of this Agreement unless the context shall otherwise require.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS OF BORROWER

Section 2.01. Representations and Warranties of Borrower. The Borrower represents and warrants, for the benefit of the Department, as follows:

(a) Corporate Organization and Authority. The Borrower:

(i) is a local government, acting through its “governing body,” as set forth in MD Code, Local Government Article, § 101(f), and

(ii) has all requisite power and authority and all necessary licenses and permits required as of the date hereof to own and operate the Project, to enter into this Agreement, to execute and deliver the Note, and to carry out and consummate all transactions contemplated by this Agreement.

(b) Full Disclosure. There is no fact that the Borrower has not disclosed to the Department in writing, in connection with the Application or otherwise, that materially adversely affects or (so far as the Borrower can now foresee) that will materially adversely affect the properties, activities, prospects or condition (financial or other) of the Borrower or the ability of the Borrower to make all payments due hereunder and otherwise perform its obligations under this Agreement and the Note.

(c) Pending Litigation. There are no proceedings pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower in any court or before any Governmental Authority or arbitration board or tribunal that, if adversely determined, would materially adversely affect the properties, activities, prospects or condition (financial or other) of the Borrower, or the ability of the Borrower to make all payments due hereunder and otherwise perform its obligations under this Agreement and the Note, and that have not been disclosed in writing to the Department in the Application or otherwise.

(d) Borrowing Legal and Authorized. The consummation of the transactions provided for in this Agreement and the Note and compliance by the Borrower with the provisions of this Agreement and the Note:

(i) are within its powers and have been duly authorized by all necessary action on the part of the governing body of the Borrower; and

(ii) will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrances upon any property or assets of the Borrower pursuant to, any indenture, loan agreement or other instrument (other than this Agreement and the Note) to which the Borrower is a party or by which the Borrower may be bound, nor will such action result in any violation of the provisions of laws, ordinances, governmental rules, regulations or court orders to which the Borrower or its properties or operations is subject.

(e) No Defaults. No event has occurred and no condition exists that, upon execution of this Agreement and the Note or receipt of the Loan, would constitute a Default hereunder. The Borrower is not in violation, and has not received notice of any claimed violation, of any term of any agreement or other instrument to which it is a party or by which it or its property may be bound, which violation would materially adversely affect the properties, activities, prospects or condition (financial or other) of the Borrower or the ability of the Borrower to make all payments due hereunder and otherwise perform its obligations under this Agreement and the Note, and that have not been disclosed in writing to the Department in the Application or otherwise.

(f) Governmental Consent; Project Consistency.

(i) The Borrower has obtained all permits and approvals required to date by any Governmental Authority for the making and performance by the Borrower of its obligations under this Agreement and the Note, and for the Project and the financing thereof. No consent, approval or authorization of, or filing, registration or qualification with, any Governmental Authority that has not been obtained is required on the part of the Borrower as a condition to the execution and delivery of this Agreement and the Note or the consummation of any transaction herein contemplated; and

(ii) The Project is consistent with: (A) the local plan of the Borrower as contemplated under Section 5-7A-02 of the State Finance and Procurement Article of the Annotated Code of Maryland, as amended; (B) the State Economic Growth, Resource Protection, and Planning Policy established in Section 5-7A-01 of the State Finance and Procurement Article of the Annotated Code of Maryland, as amended; and (C) all applicable provisions of Subtitle 7B, "Priority Funding Areas," of Title 5 of the State Finance and Procurement Article of the Annotated Code of Maryland, as amended; and

(iii) The Project is and will be consistent with all standards applicable to FEMA grant recipients, including but not limited to the provisions of the National Historic Preservation Act, Section 106, and those set forth in the FEMA Hazard Mitigation Assistance Program and Policy Guide, as amended from time to time.

(g) No Conflicts. No member, officer, or employee of the Borrower, or its designees, or agents, no consultant, no member of the governing body of the Borrower or of any Governmental Authority, who exercises or has exercised any authority over the Project during

such person's tenure, shall have any interest, direct or indirect, in any contract or subcontract, or its proceeds, in any activity, or in any benefit therefrom, which is part of the Project.

(h) Use of Proceeds. The Borrower will apply the proceeds of the Loan from the Department as described in Exhibit B attached hereto and made a part hereof:

(i) to finance all or a portion of the Eligible Project Costs; and

(ii) to reimburse the Borrower for all or a portion of the Eligible Project Costs paid or incurred prior to the date hereof in anticipation of reimbursement by the Department (and subject to compliance with Section 2.02(l) of this Agreement).

(i) Loan Closing Submissions. On or before the Loan Closing Date, the Borrower will cause to be delivered to the Department each of the following items:

(i) an opinion of Independent Counsel, acceptable to the Department, dated as of the Loan Closing Date, substantially in the form set forth in Exhibit E to this Agreement;

(ii) fully executed counterparts of this Agreement and the Note;

(iii) copies of the ordinance, resolution or other official action of the governing body of the Borrower authorizing the execution and delivery of this Agreement and the Note, certified by an appropriate officer of the Borrower;

(iv) copies of all documents set forth on the Document Checklist of the Application (page 1) complete and accurate as of the Closing Date; and

(iv) such other certificates, documents, opinions and information as the Department may require.

Section 2.02. Particular Covenants of the Borrower.

(a) Maintenance of Project. The Borrower shall (i) keep, operate and maintain, or cause to be kept, operated and maintained, the Project in good working order, condition and repair; (ii) make or cause to be made all needed and proper replacements to the Project so that the Project will at all times be in good operating condition, fit and proper for the purposes for which it was originally erected or installed; (iii) not permit any waste of the Project; (iv) observe and comply with, or cause to be observed and complied with, all Requirements; and (v) operate, or cause to be operated, the Project in the manner in which similar projects are operated by persons operating a first-class facility of a similar nature.

(b) Insurance. The Borrower shall maintain or cause to be maintained at its sole cost and expense insurance with respect to the Project, both during its construction and thereafter, against such casualties and contingencies and in such amounts as are customarily maintained by governmental entities similarly situated and as are consistent with sound governmental practice as further set

forth herein. Coverage shall be with insurers licensed to do business in the State of Maryland or under a program of actuarially sound self-insurance as permitted by State law. The County shall provide documentation of such coverage to Department within 30 days of execution of this Agreement (and subsequently upon written request), with such documentation to evidence at a minimum, the types and limits of coverage applicable to the Project.

(c) Sale or Disposition of Project. The Borrower reasonably expects that no portion of the Project will be sold prior to the final maturity date of the Loan. In the event that the Borrower shall sell or otherwise dispose of any portion of the Project prior to the final maturity date of the Loan, then in addition to complying with such other provisions of this Agreement as are applicable, the Borrower shall apply the net proceeds thereof to the prepayment of the Loan or as the Department shall otherwise direct unless the Borrower shall have obtained the prior written consent of the Department to some other proposed application of such net proceeds.

(d) Supplemental Funding. The Borrower acknowledges and agrees that money expended from the Fund is supplemental to and is not intended to take the place of funding that would otherwise be appropriated to local governments for resilience projects, as provided in MD STORM Act, § 14-110.4(k).

(e) Inspections; Information. The Borrower shall permit the Department or its designee to examine, conduct site visits and inspect, at any and all reasonable times (including, without limitation, any time during which the Project is under construction or in operation), the property constituting the Project, to attend all construction progress meetings relating to the Project and to inspect and make copies of any accounts, books and records, including (without limitation) the Borrower's records regarding receipts, disbursements, contracts, investments and any other matters relating to the Project and the financing thereof, and shall supply such reports and information as the Department may reasonably require in connection therewith. Without limiting the generality of the foregoing, the Borrower shall keep and maintain any books, records, and other documents that may be required under applicable federal and State statutes, regulations, guidelines, rules and procedures now or hereafter applicable to loans made by the Department from the Fund, and as may be reasonably necessary to reflect and disclose fully the amount and disposition of the Loan, the total cost of the activities paid for, in whole or in part, with the proceeds of the Loan, and the amount and nature of all expenditures related to such activities which are supplied or to be supplied by other sources. All such books, records and other documents shall be maintained at the offices of the Borrower, as specified on Exhibit B attached hereto, for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of the Department. All such books, records and other documents shall be maintained until the completion of an audit of the Project by FEMA or notification from the State or FEMA that no audit is required.

(f) Completion of the Project; Payment of Excess Costs of the Project. The Borrower shall proceed diligently to complete the Project in accordance with State regulations and with any requirements set forth in the construction and other required permits. The Borrower shall satisfy all applicable Requirements for operation of the Project by the completion of the Project,

and shall commence operation of the Project promptly upon its completion. No substantial changes may be made to the general construction contract or substantial decreases in the Project Budget, or in the construction of the Project without the prior written approval of the Department in its discretion. The Borrower shall pay any amount required for the acquisition, construction and equipping of the Project in excess of the amount available to be loaned to the Borrower hereunder. Upon the completion of the Project, the Borrower shall deliver to the Department a certificate of the Borrower certifying that the Project was completed as of the date set forth in such certificate.

The Borrower agrees that the provisions of Subchapter IV of Chapter 40, U.S.C., shall apply to construction of Projects financed in whole or part with proceeds of the Loan.

(g) Cancellation of Loan. As provided by the STORM Act, the Borrower acknowledges and agrees that its obligation to make the payments due hereunder and under the Note is cancellable only upon repayment in full of the Loan, and that the Department is not authorized to forgive the repayment of all or any portion of the Loan.

(h) Dedicated Source of Revenue. Pursuant to the STORM Act, the Borrower has established one or more dedicated sources of revenue for repayment of the Loan, as described in Section 3.05 and Exhibit D attached hereto as a part hereof.

(i) Indemnification. To the extent permitted by law, the Borrower releases FEMA, the Department, the Fund, and the State (collectively, the “Indemnified Parties”) from, agrees that the Indemnified Parties shall not have any liability for, and agrees to protect, indemnify and save harmless the Indemnified Parties from and against, any and all liabilities, suits, actions, claims, demands, losses, expenses and costs of every kind and nature incurred by, or asserted or imposed against, the Indemnified Parties as a result of or in connection with the Project or the financing thereof under this Agreement. To the extent permitted by law, all money expended by the Indemnified Parties as a result of such liabilities, suits, actions, claims, demands, losses, expenses or costs, together with interest at the rate provided in the Note from the date of such payment, shall constitute an additional indebtedness of the Borrower and shall be immediately and without notice due and payable by the Borrower to the Department.

(j) Non-discrimination. The parties agree that no individual in the United States shall be excluded from participation in, denied benefits of, subjected to discrimination under, and/or denied employment in the administration of or in connection with any provision of this Agreement because of race, color, religion, sex, national origin, age, disability, sexual orientation, veteran status, genetic predisposition, or any other category protected by federal or state law. The Borrower certifies that it does not discriminate, and covenants that it shall not discriminate, on the basis of any such protected category.

(k) Compliance with Requirements. The Borrower acknowledges that the Loan and this Agreement are subject to, and the Borrower agrees to comply with, all Requirements applicable to the Project and the financing thereof, including (without limiting the generality of the foregoing) the STORM Act, the MD STORM Act, and all other applicable State and federal

statutes and such rules, regulations, orders and procedural guidelines as may be promulgated from time to time by FEMA, the Department, or other Governmental Authority.

(l) Annual Audit. Within nine (9) months of the end of each State fiscal year (“FY”) (unless such period is changed to comply with terms of the Department’s financings, or a Requirement, in which case the Department shall notify the Borrower in writing), the Borrower shall cause financial statements of the Borrower to be prepared with respect to such FY, in accordance with generally accepted accounting principles, applicable to governmental units, consistently applied, which financial statements shall be audited by, and accompanied by a report of, a qualified independent public accountant. Such financial statements and reports shall be delivered upon completion to the Department within the nine (9) month period or within thirty (30) days from receipt of a report from the auditor, whichever period is shorter. The Borrower acknowledges and agrees that it will use accounting, audit, and fiscal procedures conforming to generally accepted accounting principles with respect to the Loan, the Project, and this Agreement. The Borrower will comply with and assist the Department with its compliance with Sections 205(a)(2)(A-B) and 205(h) of the STORM Act.

(m) Additional Disclosure Information. The Borrower agrees to provide the Department with such information regarding the Borrower and its finances as the Department may from time to time request. The Borrower shall also furnish to the Department at its request a certificate of an authorized officer of the Borrower to the effect that any information so provided or included contains no material inaccuracy or omission in light of the purposes for which such information is provided or included. The Borrower agrees to notify the Department promptly in writing of: (i) any changes in the condition or affairs of the Borrower (financial or other) that would cause any information regarding the Borrower so provided or included in an official statement or any subsequent offering document, annual disclosure document or other informational document of the Department that the Borrower has had an opportunity to review and certify as to its accuracy, to contain a material inaccuracy or omission in light of the purposes for which such information is so included; and (ii) upon request from the Department, any event set forth in Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C), as such rule may be amended and supplemented.

(n) Related Financing. The Borrower agrees that the proceeds of any Related Financing shall be expended to pay costs of the Project in addition to the proceeds of the Loan, taking into account the total amount of the proceeds of such Related Financing available to pay costs of the Project and the maximum amount of the Loan Commitment. The Borrower agrees to provide the Department upon its request with such information as the Department deems reasonably necessary to determine whether the Borrower is in compliance with the provisions of this Section.

ARTICLE III

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

Section 3.01. The Loan. Subject to the provisions of this Agreement, the Department hereby agrees to lend Borrower the principal sum of Five Million Dollars (\$5,000,000), plus interest on the unpaid principal, all in accordance with the terms of this Agreement, including but not limited to Exhibit B attached hereto.

Section 3.02. [INTENTIONALLY DELETED]

Section 3.03. [INTENTIONALLY DELETED]

Section 3.04. Amounts Payable.

(a) Loan Payments. The Borrower shall punctually repay the Loan in [semi-annual (twice per calendar year)] installments on the dates in the amounts set forth on Exhibit B and in the manner specified in the Note. Payments shall be received by the Department beginning on [February 1, 2027] and continuing thereafter on [_____] and [_____] of each year until all amounts due hereunder have been fully paid. The outstanding amount of the Loan shall bear interest at a rate per annum equal to the rate or rates of interest set forth in Exhibit B, and shall be payable in accordance with the amortization schedule as specified in Exhibit B attached hereto and more particularly set out in the Note (which amortization schedule is subject to adjustment in accordance with this Agreement and the Note). On or prior to the Loan Closing Date, the Borrower shall execute the Note to evidence such obligation.

(b) Late Charges. In addition to the payments of principal and interest on the Loan required by paragraph (a) of this Section, the Borrower shall pay:

(i) a late charge for any payment of principal or interest on the Loan that is received later than the tenth day following its due date, in an amount equal to two percent (2%) of such payment, and

(ii) interest on any past due payment at a rate equal to the Default Rate set forth in Exhibit B. Amounts payable pursuant to this paragraph (b) shall be immediately due and payable to the Department, and interest at the Default Rate shall continue to accrue on past due installments of principal and (to the extent permitted by law) interest until such amounts are paid in full.

Section 3.05. Sources of Payment.

(a) Dedicated Revenues. In accordance with Section 2.02(g) hereof, the principal of and interest on the Note, and any other amounts due from time to time under this Agreement, shall be payable in the first instance from the dedicated source of revenues described in Exhibit D attached hereto.

(b) General Obligation. In addition, the Note constitutes a general obligation of the Borrower, to the payment of which the full faith and credit and taxing power of the Borrower are pledged.

(c) Security Interest. To the fullest extent part of the dedicated revenue described in subsection (a) above, and as security for the payment of the Note and any other amounts due hereunder, the Borrower hereby pledges the following to the Department and grants a security interest therein to the Department:

(i) to the maximum extent permitted by law, the Borrower's share of any and all income tax revenues collected by the State from time to time that would otherwise be payable to the Borrower, and

(ii) to the maximum extent permitted by law, any and all other tax revenues, grants, and other monies that the Borrower is or may from time to time be entitled to receive from the State or that may at any time be due from the State, or any department, agency, or instrumentality of the State, to the Borrower.

The Borrower further agrees that, upon the occurrence of an Event of Default, among other things, the State Comptroller and the State Treasurer may:

(i) withhold any such amounts that the Borrower is then or may thereafter be entitled to receive; and

(ii) at the direction of the Department, apply the amounts so withheld to the payment of any amounts then due or thereafter becoming due hereunder (including, without limitation, payments under the Note) until the Borrower's obligations hereunder have been fully paid and discharged.

Section 3.06. Unconditional Obligations. The obligations of the Borrower to make payments under the Note as and when due and all other payments required hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project, commercial frustration of purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any Governmental Authority, any failure of the Department or the State to perform or observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Project, this Agreement, or otherwise or any rights of set-off, recoupment, abatement or counterclaim that the Borrower might otherwise have against the Department or the State or any

other party or parties; provided, however, that payments hereunder shall not constitute a waiver of any such rights.

Section 3.07. [INTENTIONALLY DELETED]Section 3.08. Reduction of Loan. The Loan is subject to reduction in accordance with the provisions of this Section 3.08 as follows:

(a) In the event Borrower has not used the full Loan amount as of one year following (i) actual completion of construction of the Project or (ii) the estimated completion date specified on Exhibit B attached hereto, then Borrower shall be obligated to repay to the Department the full amount of such unused funds.

Section 3.09. Disclaimer of Warranties. The Department makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for use of the Project or any portion thereof or any other warranty with respect thereto. In no event shall the Department be liable for any incidental, indirect, special or consequential damages in connection with or arising out of this Agreement or the Project or the existence, furnishing, functioning or use of the Project or any item or products or services provided for in this Agreement.

Section 3.10. Prepayments. The Loan shall be subject to mandatory prepayment, in whole or in part, as, when and to the extent required by the STORM Act or the Maryland STORM Act, this Agreement or the Financing Documents. Otherwise, the Loan may be prepaid by the Borrower, in whole or in part, only at such times and in such amounts, and upon the payment by the Borrower of such prepayment premium or penalty, as the Secretary, in his or her discretion, may specify and approve.

Section 3.11. Assignment. Neither this Agreement nor the Note may be assigned by the Borrower for any reason without the prior written consent of the Department. The Department may transfer, pledge or assign the Note and any or all rights or interests of the Department under this Agreement without the prior consent of the Borrower.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

Section 4.01. Events of Default. If any of the following events occur, it is hereby defined as and declared to be and to constitute an “Event of Default”:

(a) failure by the Borrower to pay any amount required to be paid hereunder or under the Note when due, which failure shall continue for a period of 30 days;

(b) failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement or the separate Loan

Agreement between the Department and MDEM of even date herewith (the “Loan Agreement – [MD Ave Culvert Project]”), other than as referred to in paragraph (a) of this Section (or paragraph 4.01(a) of that Loan Agreement), which failure shall continue for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the Borrower by the Department, unless the Department shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in such notice is correctable but cannot be corrected within the applicable period, the Department will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the Default is corrected;

(c) if (i) at any time any representation made by the Borrower in Section 2.01(f)(ii) is incorrect; or (ii) any other representation made by or on behalf of the Borrower contained in this Agreement, or in any instrument furnished in compliance with or with reference to this Agreement, the Loan Commitment or the Loan, is false or misleading in any material respect on the date on which such representation is made;

(d) if an order, judgment or decree is entered by a court of competent jurisdiction that reasonably jeopardizes Borrower’s compliance with any term of the Financing Documents;

(i) appointing a receiver, trustee, or liquidator for the Borrower;

(ii) granting relief in involuntary proceedings with respect to the Borrower under the federal bankruptcy act; or

(iii) assuming custody or control of the Borrower under the provision of any law for the relief of debtors, and the order, judgment or decree is not set aside or stayed within 60 days from the date of entry of the order, judgment or decree; or

(e) if the Borrower

(i) admits in writing its inability to pay its debts generally as they become due,

(ii) commences voluntary proceedings in bankruptcy or seeking a composition of indebtedness,

(iii) makes an assignment for the benefit of its creditors,

(iv) consents to the appointment of a receiver, or

(v) consents to the assumption of custody or control of the Borrower by any court of competent jurisdiction under any law for the relief of debtors.

Section 4.02. Notice of Default. The Borrower shall give the Department prompt telephonic notice by contacting the Secretary of the Department, followed by prompt written

confirmation, of the occurrence of any event referred to in Sections 4.01(d) or (e) hereof and of the occurrence of any other event or condition that constitutes a Default or an Event of Default at such time as any senior administrative or financial officer of the Borrower becomes aware of the existence thereof.

Section 4.03. Remedies on Default. Whenever any Event of Default referred to in Section 4.01 hereof shall have happened and be continuing, the Department shall have the right to take one or more of the following remedial steps:

(a) declare all amounts due hereunder (including, without limitation, payments under the Note) to be immediately due and payable, and upon notice to the Borrower the same shall become immediately due and payable by the Borrower without further notice or demand; and

(b) take whatever other action at law or in equity that may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the performance and observance of any obligation, agreement or covenant of the Borrower hereunder.

Section 4.04. Attorneys' Fees and Other Expenses. The Borrower shall on demand pay to the Department the reasonable fees and expenses of attorneys and other reasonable expenses incurred in the collection of any sum due hereunder or in the enforcement of performance of any other obligations of the Borrower upon an Event of Default.

Section 4.05. Application of Monies. Any monies collected by the Department pursuant to Section 4.03 hereof shall be applied (a) first, to pay any attorneys' fees or other fees and expenses owed by the Borrower pursuant to Section 4.04 hereof, (b) second, to pay interest due on the Loan, (c) third, to pay principal due on the Loan, (d) fourth, to pay any other amounts due hereunder, and (e) fifth, to pay interest and principal on the Loan and other amounts payable hereunder as such amounts become due and payable.

Section 4.06. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the Department is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Default or Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. No waiver of a provision of this Agreement or waiver of the right of either party to enforce a provision of this Agreement shall be effective unless in writing and signed by an authorized party waiving compliance. In order to entitle the Department to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

ARTICLE V

MISCELLANEOUS

Section 5.01. Notices; Parties' Officers. All notices, requests, objections, waivers, rejections, agreements, approvals, disclosures and consents of any kind made pursuant to this Agreement shall be in writing, unless expressly stated otherwise herein. Any such communication shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the Borrower at the address specified on Exhibit B attached hereto, and to the Department at Maryland Department of Emergency Management, 7229 Parkway Drive, Suite 200, Hanover, MD 21076, Attention: Administrative Office (individual designated in Exhibit B), copy to MDEM Principal Counsel at the same address.

The Borrower and the Department designate the individuals set forth on Exhibit B to serve as Administrative Officers and Finance contacts for this Agreement as of the Effective Date. All general matters between the Department and the Borrower shall be coordinated through the parties' respective Administrative Officers. All financial matters between the Borrower and the Department shall be reserved for the Finance contact. Any party, at its sole discretion, may change its respective Administrative Officer or Finance contact with written notice to the other parties.

Section 5.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Department and the Borrower and their respective successors and assigns.

Section 5.03. Severability. In the event any provision of this Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

Section 5.04. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.05. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 5.06. Captions. The captions or headings in this Agreement are for convenience only and shall not in any way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 5.07. Further Assurances. The Borrower shall, at the request of the Department, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements, certificates and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Agreement and the Note.

Section 5.08. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior oral and written agreements between the parties hereto with respect to the Loan. In the event of any inconsistency between the provisions of this Agreement and anything contained in the Application, the provisions of this Agreement shall prevail.

Section 5.09. Amendment of this Agreement. This Agreement, or any part hereof, may be amended from time to time hereafter only by an instrument in writing jointly executed by the Department and the Borrower.

Section 5.10. Disclaimer of Relationships. The Borrower acknowledges that the obligation of the Department is limited to making the Loan in the manner and on the terms set forth in this Agreement. Nothing in this Agreement and no act of either the Department or of the Borrower in connection with this Agreement or the Project shall be deemed or construed by either of them, or by third persons, to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, or joint venture, or of any association or relationship whatsoever involving the Borrower and the Department.

Section 5.11. Effective Date. The effective date of this Agreement (the “Effective Date”) shall be the date of the Department’s execution.

Section 5.12. Term of this Agreement. Unless sooner terminated pursuant to Article IV of this Agreement, or by the mutual consent of the Borrower and the Department, this Agreement shall continue and remain in full force and effect until the Loan, together with interest and all other sums due and owing in connection with this Agreement or the Loan, have been paid in full to the satisfaction of the Department. Upon payment in full of the Loan together with interest and all other sums due and owing in connection with this Agreement or the Loan from any source whatsoever, this Agreement shall be terminated.

Section 5.13. Delegation Not to Relieve Obligations. The delegation by the Borrower of the planning, construction or carrying out of any part of the Project shall not relieve the Borrower of any obligations under this Agreement and the Financing Documents.

Section 5.14. Additional Terms. This Agreement shall also be subject to the additional terms, if any, set forth in Exhibit A hereto. The terms, if any, set forth in Exhibit A shall be deemed to be a part of this Agreement as if set forth in full herein. In the case of any conflict between the terms set forth in Exhibit A and any term of this Agreement, the terms set forth in Exhibit A shall be controlling.

Section 5.15. Signatures. Signatures provided by facsimile or other electronic means, for example, and not by way of limitation, in Adobe.PDF sent by electronic mail, shall be deemed to be original signatures.

Section 5.16. Disputes. If any dispute shall arise between the parties with respect to the performance or administration of this Agreement, the amount or non-payment of any payments

to be made under the terms of this Agreement, or otherwise, the matter shall first be referred to the Administrative Officers named herein. If the Administrative Officers are unable after a reasonable time and good faith efforts at negotiation to reach an agreement, they shall refer the dispute to the heads of their respective Department or local government. The Secretary of the Department and the County Executive for the Borrower shall then attempt to resolve the dispute. If the dispute is not resolved, the parties are free to exercise all other legal and equitable rights.

Section 5.17. Records. The parties shall retain all records relating to the subject of this Agreement for three (3) years after the termination of this Agreement pursuant to Code of Maryland Regulations 14.18.02, et seq., and 2 Code of Federal Regulations § 200.333.

Section 5.18. Non-Assignment. The Borrower may not, during the term of this Agreement, delegate, assign or subcontract all or any part of its rights, obligations or duties under this Agreement without the express prior written consent of the Department. Any attempted assignment or delegation made without such consent will be null and void and constitutes grounds for immediate termination of this Agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the day and year first above written.

(SEAL)

LENDER:

WITNESS:

**MARYLAND DEPARTMENT OF
EMERGENCY MANAGEMENT**

Name:

Name:

Title:

Title:

(SEAL)

Approved for form and legal sufficiency

this ____ day of _____, 2025

Name:

Assistant Attorney General

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first written above.

HOWARD COUNTY, MARYLAND,

By: _____
Name: Calvin Ball
Title: County Executive

(SEAL)

WITNESS:

Brandee Ganz
Chief Administrative Officer

APPROVED FOR SUFFICIENCY OF FUNDS:

this ____ day of _____, 2025

Rafiu O. Ighile, Director
Department of Finance

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

this ____ day of _____, 2025

Gary W. Kuc
County Solicitor

Reviewing Attorney:

Kristen Bowen Perry
Deputy County Solicitor

EXHIBIT A
Special Conditions

The provisions of this Exhibit A shall be deemed to be incorporated in and made a part of the foregoing Agreement as if set forth in full therein. In the case of any conflict between this Exhibit A and any provision thereof, the provisions of this Exhibit A shall be controlling, notwithstanding any other provisions contained in the Agreement.

1. [NONE]

EXHIBIT B

Description of the Loan; Use of Proceeds

Borrower Name: Howard County, Maryland

Address: 3430 Court House Drive, Ellicott City, MD 21043-4300

Attention: Rafiu O. Ighile, Director of Finance

Project Name: [North Tunnel]

DESCRIPTION OF THE LOAN: Five Million Dollars (\$5,000,000) loan from the Resilient Maryland Revolving Loan Fund

(1) Project Name(s): ____ [North Tunnel]

(2) Maximum Principal Amount of Loan Commitment:
\$5,000,000

(3) Rate of Interest: 1%

(4) Amortization Schedule: 20 years (maximum permitted under STORM Act). [Attach schedule.]

(6) Estimated Completion Date of Project(s): September 2027

(7) Default Rate: 2%

(8) Description of Project (must be for permissible purposes under STORM Act and Maryland law): The Extended North Tunnel project is one of the key components of Howard County's overall Safe and Sound Flood Mitigation Plan to protect Historic Ellicott City from intense and frequent storm events as the result of climate change. The project entails the construction of an approximately 18 feet diameter 5,300 feet long rock tunnel with three drop shaft locations to convey large storm flows, like the flooding events that occurred in July 2016 and May 2018. The tunnel starts from Papillon Road, runs under the Historic Ellicott City and CSX Railroad to Patapsco River. The project will result in additional stormwater conveyance, reduce the risk of building and roadway flooding and damage, minimize threat to public safety, and provide resiliency from the impacts of climate change.

(9) Address for Borrower's Office(s) Where Books and Records Are Kept, if different from address printed above: Same as above.

EXHIBIT C

Project Budget; Eligible Project Costs

Borrower Name: Howard County, Maryland

Address: 3430 Court House Drive, Ellicott City, MD 21043-4300

Attention: Rafiu O. Ighile, Director of Finance

Project Name: [North Tunnel]

PROJECT BUDGET: [To be added]

Breakdown of Eligible Project Costs:

A. Portion of Eligible Project Costs to be directly financed: \$5,000,000

B. Portion of Eligible Project Costs for which Borrower will be reimbursed at Closing, which the Borrower hereby certifies were paid or incurred prior to the date of the Agreement, in anticipation of being reimbursed through a loan from the Department (and subject to compliance with all applicable provisions of the Agreement): \$0,00

C. Related Financing. The Project will also be funded by other general obligation bonds, including those sold to Maryland Water Infrastructure Financing Administration and the United States Environmental Protection Agency, grants, County pay-go funding, and stormwater utility. See the County's capital budget for proposed sources and uses of funds for the Project.

EXHIBIT D

Dedicated Revenues/Security

Borrower Name: Howard County, Maryland

Address: 3430 Court House Drive, Ellicott City, MD 21043-4300

Attention: Rafiu O. Ighile, Director of Finance

Project Name: [North Tunnel]

DESCRIPTION OF DEDICATED REVENUES

The Loan Application and Section 205(f)(1)(A)(iii) of the STORM Act requires recipients of a loan from the Fund to establish a dedicated source of revenue for repayment of the loan. Permissible revenue sources can include: property taxes, sales and use taxes, fees and permits, or other permitted programs. As set forth in Section 8.2 of the Application, it is expected that the dedicated revenues set forth below constitute security for the Loan.

The primary revenues for repayment of the proposed loan will come from all applicable enterprise revenue plus any and all general fund revenue, as needed to pay debt service.

The specification of a dedicated source or sources of revenues above is not intended to constitute an undertaking by the Borrower to pledge, segregate or otherwise set aside any specific funds of the Borrower with the expectation that such funds would be used to pay the debt service on the Loan. The Borrower will provide such documentation and updates as MDEM may request from time to time to demonstrate the availability for repayment of the Loan of these dedicated source(s) of repayment.

EXHIBIT E

Form of Borrower's Counsel

OPINION OF BORROWER'S COUNSEL

[LETTERHEAD OF COUNSEL TO BORROWER]

[CLOSING DATE]

Maryland Department of Emergency Management
7229 Parkway Drive, Suite 200
Hanover, MD 21075
ATTN: Secretary

Ladies and Gentlemen:

I am County Solicitor of Howard County, Maryland, a body politic and corporate and a political subdivision of the State of Maryland (the "Borrower") in connection with the loan (the "Loan") by the Maryland Department of Emergency Management (the "Department") to the Borrower of funds to finance all or a portion of the costs of a project (the "Project") described in Exhibit B to the Loan Agreement dated as of _____, 202_ (the "Agreement") by and between the Department and the Borrower with respect to the \$5,000,000 Howard County, Maryland General Obligation Bond (RMRLF Project), Series 2025[] (the "Bond").

In this connection, we have reviewed such records, certificates, and other documents as we have considered necessary or appropriate for the purposes of this opinion, including, without limitation, the Agreement and related financing documents. The Agreement and the Bond are referred to herein collectively as the "Financing Documents". Based on such review, and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

- (a) The Borrower is a validly created and existing body politic and corporate and a political subdivision of the State of Maryland, possessing authority to acquire, construct and operate the Project and to enter into the Financing Documents and perform its obligations thereunder.
- (b) The Borrower has duly authorized, executed and delivered the Financing Documents and, assuming due authorization, execution and delivery of the Agreement by the Department, the Financing Documents constitute legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms.
- (c) The Bond is a general obligation of the Borrower to which its full faith and credit and taxing power are pledged, and for the payment of which the Borrower is empowered and directed to levy ad valorem taxes unlimited as to rate and amount upon all real and tangible personal property and certain intangible personal property subject to assessment for unlimited Borrower taxation. To provide for the payment of the principal of and interest on the Bonds, the Borrower has covenanted to levy or cause to be levied ad valorem taxes upon all the assessable property

within the corporate limits of the Borrower, in rate and amount sufficient for that purpose in each fiscal year in which provision must be made for the payment of such principal and interest.

(d) The Financing Documents and the enforceability thereof are subject to bankruptcy, insolvency, moratorium, reorganization and other state and federal laws affecting the enforcement of creditors' rights and to general principles of equity.

(e) To the best of our knowledge after reasonable investigation, the Borrower has all necessary licenses, approvals and permits required to date under federal, state and local law to own, construct and acquire the Project.

(f) Neither the execution and delivery of the Financing Documents, nor the consummation of the transactions contemplated thereby, nor the acquisition and construction of the Project, nor the fulfillment of or compliance with the terms and conditions of the Financing Documents, conflicts with or results in a breach of or default under any of the terms, conditions or provisions of the charter or laws governing the Borrower (including any limit on indebtedness) or, to the best of our knowledge after reasonable investigation, any agreement, contract or other instrument, or law, ordinance, regulation, or judicial or other governmental order, to which the Borrower is now a party or by which the Borrower or its properties are otherwise subject or bound, and the Borrower is not otherwise in violation of any of the foregoing in a manner material to the transactions contemplated by the Financing Documents.

(g) To the best of our knowledge after reasonable investigation, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court, governmental agency or public board or body pending or threatened against or affecting the Borrower that, if adversely determined, would materially affect the ability of the Borrower to perform its obligations under the Financing Documents, which has not been disclosed in writing to the Department. We hereby authorize bond counsel to the Department or State to rely on this opinion as if we had addressed this opinion to them in addition to you.

Very truly yours,

Signature block

EXHIBIT F

Form of Note

\$5,000,000

R-1

REGISTERED

UNITED STATES OF AMERICA
STATE OF MARYLAND

**HOWARD COUNTY, MARYLAND
GENERAL OBLIGATION BOND
(RMRLF Project),
Series 2025[___]**

Dated _____, 2025

PAYMENTS OF PRINCIPAL AND INTEREST ON THIS BOND ARE MADE BY CHECK, DRAFT OR 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: Maryland Department of Emergency Management, a principal department of the State of Maryland

HOWARD COUNTY, MARYLAND, a body politic and corporate, organized and existing under the Constitution and laws of the State of Maryland (the "Borrower"), hereby acknowledges itself obligated to pay to the Registered Owner shown above, the principal amount of \$5,000,000 (the "Maximum Principal Amount") or so much thereof as shall have been advanced from time to time under the terms of the Loan Agreement dated as of _____, 2025 (the "Loan Agreement") by and between the Borrower and the Maryland Department of Emergency Management (the "Department"), plus interest on the unpaid principal advanced under the terms of the Loan Agreement at the rate of One percent (1.00%) per annum.

The principal advanced under the Loan Agreement shall be paid in installments on the dates and in the amounts as set forth in the following schedule, as such schedule may be amended in accordance with the terms hereof:

<u>Due</u> <u>[February 1]</u>	<u>Principal</u> <u>Amount</u>	<u>Due</u> <u>[February 1]</u>	<u>Principal</u> <u>Amount</u>
2027		2037	
2028		2038	
2029		2039	
2030		2040	
2031		2041	
2032		2042	
2033		2043	
2034		2044	
2035		2045	
2036			

If the Department determines at any time to reduce the maximum amount of the Loan (as defined in the Loan Agreement) in accordance with Section 3.08 of the Loan Agreement, the Maximum Principal Amount shall be reduced accordingly. The Department shall deliver, and the Borrower shall acknowledge in writing, a certificate setting forth such reamortized payment schedule, which shall be attached hereto and shall replace and supersede for all purposes the foregoing payment schedule. Any such reduction shall not affect the obligation of the Borrower to pay the principal of and interest on this bond as and when the same shall become due.

Notwithstanding the foregoing, all outstanding unpaid principal amounts advanced under the Loan Agreement, if not previously due hereunder, shall be due on _____.

Interest due on the unpaid principal amounts advanced under the Loan Agreement shall accrue on the basis of a 30-day month, 360-day year from the date of the respective advances of such principal amount, and shall be paid on [____], and [semiannually] thereafter on the [____] day of [____] and [____] in each year until the principal amount hereof has been paid.

This bond is subject to (i) a late charge for any payment of principal or interest that is received later than the tenth day following its due date and (ii) interest on overdue installments of principal and (to the extent permitted by law) interest at a rate equal to the Default Rate (as defined in the Loan Agreement) in accordance with Section 3.04(b) of the Loan Agreement. Interest at the Default Rate shall accrue on the basis of a 30-day month, 360-day year.

This bond is subject to prepayment only in accordance with Section 3.10 of the Loan Agreement.

Both the principal of and interest on this bond will be paid to the registered owner in lawful money of the United States of America, at the time of payment, and will be paid by electronic funds transfer, or by 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 such address as the registered owner may designate from time to time by a notice in writing delivered to the Director of Finance of the Borrower (the "Director of Finance").

This bond is issued pursuant to and in full conformity with the provisions of Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2024 Supplement), the Howard County Charter and the Maryland Storm Act (codified as Section 14-110.4 of the Public Safety Article of the Annotated Code of Maryland, as amended), and by virtue of due proceedings had and taken by the Borrower, particularly Council Bill No. 28-2024 passed by the County Council of Howard County, Maryland (the “County Council”) on May 22, 2024 and approved by the County Executive of Howard County, Maryland (the “County Executive”) on May 29, 2024 and effective on July 29, 2024 (the “Enabling Act”) and Council Bill No. [__]-2025 passed by the County Council on [____], 2025 and approved by the County Executive and effective on [____], 2025 (the “Bond Ordinance” and collectively with the Enabling Act, the “Ordinance”).

This bond, together with the Loan Agreement, evidences the Loan (as defined in the Loan Agreement) to the Borrower from the Maryland Department of Emergency Management. In accordance with the Loan Agreement, the principal amount of the Loan, being the amount denominated as principal under this bond, is subject to reduction or adjustment by the Department in accordance with the Loan Agreement.

The full faith and credit and unlimited taxing power of the Borrower are hereby irrevocably pledged to the prompt payment of the principal of and interest on this bond according to its terms, and the Borrower does hereby covenant and agree to pay the principal of and interest on this bond at the dates and in the manner prescribed herein.

This bond is transferable only after the first principal payment date as set forth above or the date upon which the Maximum Principal Amount has been borrowed, whichever is earlier, upon the books of the Borrower at the office of the Director of Finance by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to the Director of Finance, duly executed by the registered owner or his duly authorized attorney. The Borrower shall, within a reasonable time, issue in the name of the transferee a new registered bond or bonds, in such denominations as the Borrower 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 such 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 Borrower 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.

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 Borrower in his or her individual capacity, and neither the members of the County Council 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.

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 Howard County Charter and the Ordinance 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 Borrower, is within every debt and other limit prescribed by said Constitution or statutes and the Howard County Charter.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, this bond has been executed by the manual signature of the County Executive and the seal of the Borrower has been affixed hereto, attested by the manual signature of the Chief Administrative Officer, all as of the _____ day of _____, 2025.

[SEAL]

HOWARD COUNTY, MARYLAND

ATTEST:

Calvin Ball
County Executive

Brandee Ganz
Chief Administrative Officer

Rafiu O. Ighile
Director of Finance