

RESOLUTION No. 20-23

RESOLUTION PROVIDING FOR ISSUANCE OF UP TO  
\$2,093,542 GENERAL OBLIGATION WATER QUALITY BONDS  
CONSISTING OF  
\$1,046,771 GENERAL OBLIGATION WATER QUALITY BOND, SERIES 2020A  
\$1,046,771 GENERAL OBLIGATION WATER QUALITY BOND, SERIES 2020B (TAXABLE)

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY (THE "BOARD") PROVIDING FOR THE ISSUANCE AND SALE BY COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND (THE "COUNTY") OF ITS (1) TAX-EXEMPT GENERAL OBLIGATION WATER QUALITY BOND IN THE MAXIMUM PRINCIPAL AMOUNT OF \$1,046,771 (THE "2020A BOND") AND (2) TAXABLE GENERAL OBLIGATION WATER QUALITY BOND IN THE MAXIMUM PRINCIPAL AMOUNT OF \$1,046,771 (THE "2020B BOND" AND, TOGETHER WITH THE 2020A BOND, THE "BONDS"), TO BE ISSUED PURSUANT TO THE AUTHORITY OF SECTIONS 11-401 AND 19-501 TO 19-510 OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, SECTIONS 9-601 TO 9-699 OF THE ENVIRONMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AND THE CODE OF PUBLIC LOCAL LAWS OF WORCESTER COUNTY, MARYLAND, SECTION PW5-204; PROVIDING FOR AND APPROVING LOAN AGREEMENTS WITH THE MARYLAND WATER QUALITY FINANCING ADMINISTRATION (THE "ADMINISTRATION"); PRESCRIBING THE FORMS OF THE BONDS AND LOAN AGREEMENTS; PROVIDING CERTAIN DETAILS RELATING THERETO OR THE METHOD OF DETERMINING SUCH DETAILS; PROVIDING THAT THE BONDS SHALL BE ISSUED AND SOLD UPON THE FULL FAITH AND CREDIT OF THE COUNTY; PROVIDING FOR THE DISBURSEMENT OF THE PROCEEDS OF THE SALE OF THE BONDS BY THE COUNTY FOR THE PURPOSE OF (1) FINANCING ALL OR A PORTION OF THE COSTS OF THE SPRAY IRRIGATION PROJECT FOR THE NEWARK WATER AND WASTEWATER TREATMENT PLANT (THE "PROJECT") AND (2) PAYING ALL COSTS, FEES AND EXPENSES INCURRED BY THE COUNTY IN CONNECTION WITH THE ISSUANCE AND SALE OF THE BONDS; AUTHORIZING THE PRESIDENT OF THE BOARD TO SPECIFY, PRESCRIBE, DETERMINE, PROVIDE FOR OR APPROVE CERTAIN MATTERS, DETAILS, FORMS, DOCUMENTS OR PROCEDURES APPROPRIATE TO THE AUTHORIZATION, SALE, SECURITY, ISSUANCE, DELIVERY, OR PAYMENT OF OR FOR THE BONDS; PROVIDING FOR THE ASSESSMENT AND LEVY IN EACH YEAR, SO LONG AS ANY PORTION OF THE BONDS ARE OUTSTANDING AND UNPAID, OF (1) ASSESSMENTS, CHARGES AND, IF NECESSARY, AD VALOREM TAXES ON ALL ASSESSABLE PROPERTY IN THE NEWARK SANITARY SERVICE AREA FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS AND (2) AN AD VALOREM TAX ON ALL PROPERTY SUBJECT TO TAXATION WITHIN WORCESTER COUNTY, SUFFICIENT, TOGETHER WITH OTHER AVAILABLE FUNDS, TO PROVIDE FUNDS FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS AS THEY SHALL RESPECTIVELY BECOME DUE AND PAYABLE; PROVIDING THAT THE ADMINISTRATION MAY AGREE TO FORGIVE REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE 2020B BOND SUBJECT TO CERTAIN CONDITIONS; AND GENERALLY PROVIDING FOR AND DETERMINING VARIOUS MATTERS IN CONNECTION THEREWITH.

## RECITALS

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

Pursuant to Sections 19-501 to 19-510 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Act"), the County is authorized to borrow money for any proper public purpose and to evidence the borrowing by the issuance and sale of its general obligation bonds in the manner prescribed in the Act.

Pursuant to the Act and Sections 9-601 to 9-699 of the Environment Article of the Annotated Code of Maryland, as amended (the "Sanitary District Act"), the County is authorized to pledge the full faith and credit of the County and issue its general obligation bonds in the manner prescribed in the Sanitary District Act to pay all or a portion of the costs of a project (as defined in the Sanitary District Act), and pursuant to Section PW5-204 of Subtitle II of Title 5 of the Public Works Article of the Code of Public Local Laws of Worcester County ("Section PW5-204") and Section 11-401 of the Local Government Article of the Annotated Code of Maryland, as amended ("Section 11-401"), the County is authorized, among other things, (a) to exercise all the powers of a water or sewer authority or sanitary district or commission, and (b) to acquire, construct, operate and maintain water and sewerage systems as the Board considers to be in the public interest and necessary to protect the general health and welfare. The County has determined that (a) a public need exists to finance the spray irrigation project of the wastewater system in the Newark Sanitary Service Area (the "Project") and (b) the financing of the costs of the Project are proper public purposes which may be financed by the issuance of the County's general obligation bonds pursuant to the Sanitary District Act.

Pursuant to the authority granted to it under the Act, the Sanitary District Act and Section PW5-204, the County also desires (a) to pledge its full faith and credit and taxing power in the issuance and sale of its bonds in the aggregate principal amount of not more than \$2,093,542 (the "Bonds"), and to pledge its full faith and credit and taxing power to the repayment thereof, for the purpose of (i) financing a portion of the costs of the Project and (ii) paying the costs, fees and expenses incurred by the County in connection with the issuance and sale of the Bonds, the amount so borrowed to be used for no other purpose whatsoever except as expressly provided herein or as expressly authorized by the Board, (b) to prescribe the manner of the sale of the Bonds and the terms and conditions under which they shall be offered for sale, to provide for the use of the proceeds of the sale of the Bonds, (c) to provide for and determine various matters in connection therewith and (d) to assess and levy, in each year, so long as any of such bonds are outstanding and unpaid, assessments on an equivalent dwelling unit ("EDU") basis on all properties in the Newark Sanitary Service Area, charges and, if necessary, ad valorem taxes on all real and personal property subject to taxation within first, the Newark Sanitary Service Area and second, Worcester County, sufficient in rate and amount, together with other moneys available therefor, to pay the interest payable in that year on the Bonds and the principal of the Bonds maturing in that year.

Pursuant to the Sanitary District Act, the Act, Section 11-401 and Section PW5-204 (collectively, the "Enabling Legislation"), the Board desires (a) to provide by resolution for the issuance of the County's (i) tax-exempt general obligation bonds in an aggregate principal amount not to exceed \$1,046,771 and (ii) taxable general obligation bonds in an aggregate principal amount not to exceed \$1,046,771, for the above stated purpose and to provide for other matters in reference thereto, (b) to prescribe the manner of the sale of such bonds and the terms and conditions under which they shall be offered for sale, (c) to provide for the use of the proceeds of the sale of such bonds, (d) to provide for the payment of the principal of and interest on such bonds by levying taxes to pay for the same, and (e) to provide for and determine various matters in connection therewith.

Pursuant to and in accordance with the Maryland Water Quality Financing Administration Act, Sections 9-1601 to 9-1622 of the Environmental Article, Annotated Code of Maryland, as amended (the "MWQFA Act"), the Maryland Water Quality Financing Administration (the "Administration") is authorized to make loans to "local governments" (as defined in the MWQFA Act) for the purpose of financing all or a portion of the cost of a "wastewater facility" (as defined in the MWQFA Act), and to buy or refinance debt obligations of "local governments" at or below market rates if such debt obligations were incurred after July 1, 1993. The County is a "local government" and the Project is a "wastewater facility", both as defined in the MWQFA Act.

The County has determined that it is in the best interest of the County (1) to finance all or a portion of the costs of the Project by borrowing up to \$2,093,542 (or such lesser principal amount as may be agreed to by the County and the Administration on or prior to the Closing Date (hereinafter defined) as provided in Section 2 below or as determined by the Administration after the Closing Date as provided in a loan agreement) from the Administration pursuant to and in accordance with the MWQFA Act, and (2) to participate thereby in the program established by the Administration to make loans from the Maryland Water Quality Revolving Loan Fund Program created by Section 9-1605 of the MWQFA Act (the "Administration's Water Quality Revolving Loan Fund Program").

Pursuant to the Enabling Legislation and the MWQFA Act, the County desires to provide by resolution for the issuance, sale and delivery of one or more series of bonds for the purposes stated above and to provide for the County to enter into loan agreements with the Administration providing for payment of principal and interest on such bonds and such other fees and charges.

Pursuant to Section 9-1605(d)(9) of the MWQFA Act, the Administration will agree to forgive repayment of the principal amount of the loan evidenced by the 2020B Bond (as defined below) in an amount of \$1,046,771 and the interest payable thereon, so long as the County performs all of its obligations under the loan agreement.

NOW, THEREFORE, in accordance with the Enabling Legislation and the MWQFA Act:

**SECTION 1. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY,** That all terms used herein with an initial capital letter and defined in the Recitals hereof shall have the meanings given such terms therein, unless the context clearly indicates a contrary meaning.

**SECTION 2. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY,** That the County shall borrow upon the full faith and credit of the County an aggregate principal amount of up to \$2,093,542 (or such lesser amount as may be agreed to by the County and the Administration on or prior to the Closing Date or as determined by the Administration after the Closing Date as provided in the Loan Agreements (defined herein)) and issue, sell and deliver upon the full faith and credit of the County, at any time after the adoption of this Resolution, one or more series of its general obligation bonds in such amount, pursuant to the Enabling Legislation and the MWQFA Act; and the proceeds of such bonds shall be used to pay a portion of the costs associated with the Project, to the full extent permitted or required by the Enabling Legislation and the MWQFA Act, as the case may be, and to pay all expenses, including (without limitation) legal fees in connection with the issuance and sale of such bonds.

**SECTION 3. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY,** That the County finds that it is in the best interest of the

citizens of Worcester County that such bonds be issued pursuant to and in accordance with the MWQFA Act and that the County participate in the Administration's Loan Fund Program.

**SECTION 4. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY,** (a) That such bonds shall be issued in the form of two general obligation installment bonds, shall be known as (i) "County Commissioners of Worcester County, Maryland Water Quality Bond, Series 2020A" (the "2020A Bond") and (ii) "County Commissioners of Worcester County, Maryland Water Quality Bond, Series 2020B (Taxable)" (the "2020B Bond" and, together with the 2020A Bond, the "Bonds"), and shall be sold to the Administration by private (negotiated) sale. The County hereby finds and determines that it is in the best interest of the County to sell the Bonds by private (negotiated) sale.

(b) The date of issue of the Bonds shall be the date of execution and delivery of the Loan Agreements (hereinafter defined) each by and between the County and the Administration (the "Closing Date"), and the Bonds shall be dated as of such date of issue.

(c) (i) The loan to the County from the Administration (the "2020A Loan") which is evidenced by the 2020A Bond shall be further evidenced by a Loan Agreement to be executed by and between the County and the Administration (the "2020A Loan Agreement") and (ii) the loan to the County from the Administration (the "2020B Loan") which is evidenced by the 2020B Bond shall be further evidenced by a Loan Agreement to be executed by and between the County and the Administration (the "2020B Loan Agreement" and, together with the 2020A Loan Agreement, the "Loan Agreements"). The Loan Agreements shall be in substantially the forms of the Loan Agreements attached hereto as Exhibit A and made a part hereof (the "Loan Agreement Forms"), and such forms are hereby approved as to form and content. Without limiting the generality of the foregoing the County shall also pay to the Administration the annual Administrative Fee (as defined in each Loan Agreement Form, subject to the terms of the final Loan Agreements).

(d) The Bonds shall be in substantially the form of bond attached as Exhibit F to the Loan Agreement Forms (the "Bond Forms") with such changes therein as the President of the Board shall approve (such approval to be conclusively evidenced by the execution and delivery of the Bonds by the President of the Board), which forms, together with all of the covenants and conditions therein contained, is hereby adopted by the County as and for the forms and tenure of obligations to be incurred by the County, and such covenants and conditions are hereby made binding upon the County, including the promise to pay therein contained.

(e) (i) The principal amount of the 2020A Bond shall be payable in 30 consecutive annual installments beginning on such date as approved by the President of the Board in the 2020A Loan Agreement, and payable annually thereafter, as approved by the President of the Board in the 2020A Loan Agreement, in the amounts specified in the debt service schedule appended to the 2020A Bond, provided that the President of the Board may make changes in the debt service schedule; provided further that the 2020A Bond shall mature no later than 30 years after the completion date of the Project and the aggregate principal amount of the 2020A Bond shall not exceed \$1,046,771. The principal of the 2020A Bond shall be payable at the principal office of the Administration. The amount of each principal installment shall equal the annual principal payment amounts necessary to amortize the aggregate principal amount of the 2020A Bond on a level debt service basis over a 30 year term, as determined by the Administration.

(ii) Notwithstanding the foregoing, the installments payable on the 2020A Bond shall be reamortized and reduced in accordance with the 2020A Loan Agreement and the 2020A Bond in the event that the total amount of the 2020A Loan advanced to the County is less than the principal amount of the 2020A Bond as originally issued.

(iii) The 2020A Bond shall bear interest on amounts advanced and outstanding under the 2020A Loan Agreement at an annual rate of interest equal to 25% of the average of the Bond Buyer 11-Bond Index for the calendar month preceding the Closing Date, rounded down to the next lowest 0.1% per annum. Such interest shall be payable such dates as approved by the President of the Board in the 2020A Loan Agreement.

(f) The Bonds shall be subject to prepayment and redemption to the extent permitted and in accordance with the respective Loan Agreement.

(g) Pursuant to Section 9-1605(d)(9) of the MWQFA Act, the Administration will forgive repayment of the principal amount of the 2020B Loan and the interest payable thereon, so long as the County performs all of its other obligations under the 2020B Loan Agreement. Upon determination by the Administration that any such other obligations under the 2020B Loan Agreement have not been performed by the County, payment of the principal of the 2020B Loan will be due and payable, together with interest thereon at the annual rate of 100% of the Bond Buyer 11-Bond Index for the calendar month preceding the Closing Date accruing from the date on which such demand is made by the Administration. If the Administration does not demand payment of the principal and interest on the 2020B Loan prior to that date which is the ten (10) year anniversary of the date of issuance of the 2020B Bond, then the Administration shall be deemed to have forgiven repayment of the 2020B Loan and the interest thereon, and the 2020B Bond shall be deemed cancelled and the 2020B Loan and the 2020B Loan Agreement shall be deemed terminated and of no further force and effect.

(h) The County shall pay (i) a late charge for any payment of principal of or interest on the 2020A Bond that is received later than the tenth (10th) day following its due date, in an amount equal to 5% of such payment, and (ii) interest on overdue installments of principal and (to the extent permitted by law) interest at a rate equal to the Default Rate provided for in the 2020A Loan Agreement, which Default Rate shall be equal to 100% of the average of the Bond Buyer 11-Bond Index for the calendar month preceding the Closing Date, provided that the rate determined by such calculation may be rounded down by the Administration in its sole discretion. Amounts payable pursuant to this subsection (h) shall be immediately due and payable to the Administration, and interest at the Default Rate shall continue to accrue on overdue installments of principal and (to the extent permitted by law) interest until such amounts are paid in full.

**SECTION 5. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY,** That the proceeds of the Bonds shall be advanced to the Finance Officer of the County (the "Finance Officer") in accordance with the Loan Agreements. The proceeds of the Bonds shall be used to pay a portion of the costs associated with the Project to the full extent permitted or required by the Enabling Legislation and the MWQFA Act, and to pay all expenses, including (without limitation) (a) legal fees, and (b) any other costs incurred by the County in connection with the issuance and sale of the Bonds to the Administration, and for no other purpose. Each Bond shall constitute a "loan obligation" within the meaning of the MWQFA Act.

**SECTION 6. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY,** (a) That the Bonds shall be executed on behalf of the County by the President of the Board by his manual or facsimile signature and shall bear a facsimile of the corporate seal of the County attested by the manual or facsimile signature of the Chief Administrative Officer of the County (the "Chief Administrative Officer") or such other authorized officer of the County. Notwithstanding the foregoing at least one signature on the Bonds must be manual.

(b) The Loan Agreements shall be signed by the President of the Board by his manual signature, and the Loan Agreements shall bear the corporate seal of the County, attested by the manual signature of the Chief Administrative Officer.

(c) In the event that any official whose signature shall appear on the Bonds or the Loan Agreements shall cease to be such official prior to the delivery of the Bonds or the Loan Agreements, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery.

**SECTION 7. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY,** That the payment of the principal of and interest on the Bonds when due and payable shall be backed by the full faith and credit of the County. However, it is intended that the debt service on the Bonds shall be paid from the sources described in Section 11(b) of this Resolution.

**SECTION 8. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY,** (a) That the President of the Board is hereby authorized, prior to execution and delivery of the Loan Agreements and the Bonds, to make such changes or modifications in the Loan Agreements and/or the Bonds as may be required or deemed appropriate by him in order to accomplish the purpose of the transactions authorized by this Resolution, provided that such changes shall be within the scope of the transactions authorized by this Resolution; and the execution of the Loan Agreements and the Bonds by the President of the Board shall be conclusive evidence of the approval by the President of the Board of all changes or modifications in the form of the Loan Agreements and the Bonds and the due execution of the Loan Agreements and the Bonds on behalf of the County, and the Loan Agreements and the Bonds shall thereupon become binding upon the County in accordance with their respective terms.

(b) The officers of the County authorized to execute the Loan Agreements and the Bonds are expressly authorized to execute and deliver from time to time (1) such amendments to the Loan Agreements as shall be deemed necessary and appropriate by such officers to cure any defect or ambiguity in the Loan Agreements, to add any provision thereto beneficial to the County or to comply with Administration practices and policy from time to time and (2) such amendments to the Bonds (or a new Bond or Bonds in replacement thereof) in accordance with the Loan Agreements and the Bonds as shall be necessary to provide for the reamortization and reduction of the principal installments due under the Bonds in the event that the total amount advanced thereunder shall be less than the maximum principal amount of the Bonds, so long as the amount of any principal installment thereunder in any year shall not be increased.

**SECTION 9. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY,** That the President of the Board, the Chief Administrative Officer, the Finance Officer and other officials of the County are hereby authorized and empowered to do all such acts and things, and to execute, acknowledge, seal and deliver such documents and certificates, as the President of the Board may determine to be necessary to carry out and comply with the provisions of this Resolution, subject to the limitations set forth in the MWQFA Act, the Act and any limitations set forth in this Resolution.

**SECTION 10. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY,** (a) That the Finance Officer is hereby designated and appointed as bond registrar and paying agent for the Bonds (the "Bond Registrar"). The Bond Registrar shall maintain books of the County for the registration and transfer of the Bonds. The Bonds may not be registered to bearer. In addition, the County may from time to time, either prior to or following the issuance of the Bonds, designate and appoint any other officer or employee of the County or one or more banks, trust companies, corporations or other financial institutions to act as a substitute or alternate bond registrar, paying

agent or authenticating agent for the Bonds, and any such substitute or alternate shall be deemed to be the Bond Registrar or an alternate Bond Registrar for all purposes specified in the resolution appointing such substitute or alternate. Any such appointment shall be made by the Board by resolution; and the exercise of such power of appointment, no matter how often, shall not be an exhaustion thereof.

(b) The Bonds shall be transferable upon the terms and conditions set forth therein.

SECTION 11. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, (a) That for the purpose of paying the principal of and interest on the Bonds as and when due and payable, there is hereby assessed and levied, and there shall hereafter be assessed and levied and collected in each year, so long as any portion of the Bonds is outstanding and unpaid, an ad valorem tax on all property subject to taxation within Worcester County sufficient in rate and amount, together with other available funds (including without limitation, those described in subsection (b) below) to pay the principal of and interest on the Bonds as the same become due and payable, and the full faith and credit and the unlimited taxing power of the County are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as and when due and payable.

(b) For the purpose of paying interest on the Bonds and also for the purpose of paying the principal of such portion of the Bonds as and when the same become due and payable, there is hereby assessed and levied, and there shall hereafter be assessed and levied and collected in each year, so long as any of such portion of the Bonds are outstanding and unpaid, assessments on an EDU basis on all properties in the Newark Sanitary Service Area in rate and amount sufficient to pay principal of and interest on such portion of the Bonds then outstanding as and when due and payable.

(c) Notwithstanding the foregoing provisions of this Section 11, the County may apply to the payment of the principal of and interest on the Bonds as and when the same respectively are due and payable, funds received by the County from the State of Maryland, the United States of America, any agency or instrumentality of either or from any other source.

(d) As authorized by Section 9-1606(d) of the MWQFA Act, the County hereby pledges any moneys that the County is entitled to receive from the State of Maryland, including the County's share of income tax revenues collected by the State of Maryland, to secure its obligations under the Loan Agreements. Such pledge will be evidenced by and detailed in the Loan Agreements.

SECTION 12. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That the County covenants and agrees with the registered owners from time to time of the 2020A Bond as follows:

(a) The County covenants that it will not make or (to the extent that it exercises control or direction) permit to be made, any use of the proceeds of the 2020A Bond or any moneys, securities or other obligations on deposit to the credit of the County or otherwise which may be deemed by the Internal Revenue Service to be proceeds of the 2020A Bond pursuant to the Internal Revenue Code of 1986, as amended, and Income Tax Regulations thereunder (collectively, the "Code"), which would cause the 2020A Bond to be an "arbitrage bond" or a "private activity bond" within the meaning of the Code.

(b) The County further covenants that it will comply with those provisions of the Code which are applicable to the 2020A Bond on the date of issuance of the 2020A Bond and which may subsequently lawfully be made applicable to the 2020A Bond. To the extent that provisions of the Code apply to only a portion of the 2020A Bond, proceeds of the 2020A Bond or other moneys, securities or other obligations deemed to be proceeds, it is intended that the covenants of the County contained in this Section

12 be construed so as to require the County to comply with the provisions of the Code only to the extent of such applicability.

(c) The County further covenants that it will make such use of the proceeds of the 2020A Bond, regulate the investment of the proceeds thereof (to the extent that it exercises control or direction), and take such other and further action as may be required to maintain the excludibility from gross income for federal income tax purposes of interest on the 2020A Bond.

(d) The County further covenants that it will not (i) take any action, (ii) fail to take any action, or (iii) make any use of the proceeds of the 2020A Bond which would cause the interest on the 2020A Bond to be or become includible in gross income for federal income tax purposes in the hands of the registered owner of the 2020A Bond. All officers, employees and agents of the County are hereby authorized and directed to take such actions, and to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the 2020A Bond, as may be necessary or appropriate from time to time to comply with, or to evidence the County's compliance with, the covenants set forth in this Section.

**SECTION 13. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY,** (a) (i) That the Board hereby finds that the Project constitutes a "proper public purpose" within the meaning of Section 19-503 of the Local Government Article of the Annotated Code of Maryland, and (ii) the completion of the Project is in the public interest of the citizens of Worcester County and necessary to protect the general health and welfare of the residents of Worcester County.

(b) The Board also hereby finds that (i) the Project is a "project" within the meaning of Section 9-601(j) of the Sanitary District Act and (ii) the completion of the Project is in the public interest of the citizens of Worcester County and necessary to protect the general health and welfare of the residents of Worcester County.

(c) The Board also hereby finds that the issuance of the Bonds complies with the debt capacity limitations of Resolution No. 07-1 adopted January 16, 2007.

**SECTION 14. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY,** That subsequent to the issuance, sale and delivery of the Bonds, regardless of the date on which such Bonds are issued, the President of the Board, on behalf of the County, or the Vice President of the Board, on behalf of the County and only in the absence and unavailability of the President of the Board, by approval order or otherwise, may take such action and execute and approve on behalf of the County any amendments to the documents executed on behalf of the County in connection with the issuance, sale and delivery of the Bonds and the borrowing of the proceeds thereof from the Administration, pursuant to the provisions of such documents, subject to any approval by the Board as may be required pursuant to federal tax law and any approval by the Administration as may be required pursuant to such documents.

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

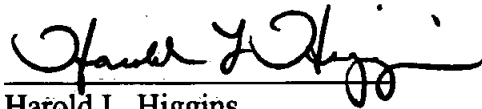
**FORM OF LOAN AGREEMENT**

SECTION 16. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, That this Resolution shall become effective as of the date of its passage and approval by the Board. The provisions of this Resolution shall constitute a contract between the County and the Administration or any successor registered owner of the Bonds so long as the Bonds or any portion thereof remains unpaid.

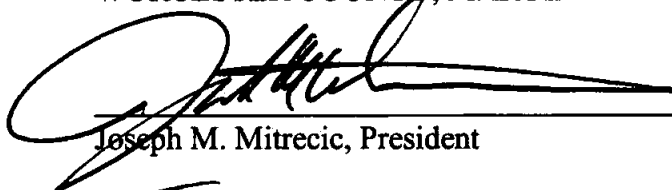
Passed and Approved this 18<sup>TH</sup> day of AUGUST, 2020:

ATTEST:

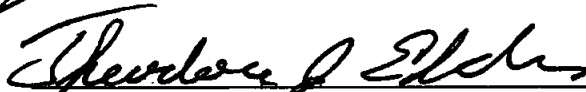
COUNTY COMMISSIONERS OF  
WORCESTER COUNTY, MARYLAND



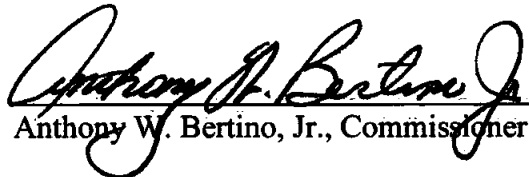
Harold L. Higgins,  
Chief Administrative Officer



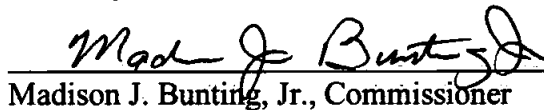
Joseph M. Mitrecic, President



Theodore J. Elder, Vice President



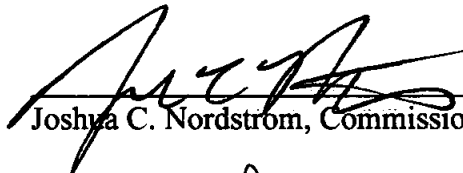
Anthony W. Bertino, Jr., Commissioner



Madison J. Bunting, Jr., Commissioner



James C. Church, Commissioner



Joshua C. Nordstrom, Commissioner



Diana Purnell, Commissioner