

LOAN AGREEMENT

By and Between

MARYLAND WATER INFRASTRUCTURE
FINANCING ADMINISTRATION

and

PRINCE GEORGE'S COUNTY, MARYLAND

Dated as of February 20, 2025

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

Section 1.01	Definitions	2
Section 1.02	Rules of Construction	5

ARTICLE II

REPRESENTATIONS AND COVENANTS OF BORROWER

Section 2.01	Representations of Borrower	6
Section 2.02	Particular Covenants of the Borrower	9

ARTICLE III

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

Section 3.01	The Loan.....	12
Section 3.02	Availability of Funds.....	12
Section 3.03	Disbursements and Capitalized Interest.....	12
Section 3.04	Amounts Payable.....	14
Section 3.05	Sources of Payment	15
Section 3.06	Unconditional Obligations.....	16
Section 3.07	Loan Commitment.....	16
Section 3.08	Reduction of Loan Commitment	17
Section 3.09	Disclaimer of Warranties.....	17
Section 3.10	Prepayments	18
Section 3.11	Assignment.....	18

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

Section 4.01	Events of Default.....	18
Section 4.02	Notice of Default	19
Section 4.03	Remedies on Default	19
Section 4.04	Attorneys’ Fees and Other Expenses	19
Section 4.05	Application of Monies.....	19
Section 4.06	No Remedy Exclusive; Waiver; Notice.....	19

ARTICLE V

MISCELLANEOUS

Section 5.01	Notices.....	20
Section 5.02	Binding Effect	20
Section 5.03	Severability.....	20
Section 5.04	Execution in Counterparts	20
Section 5.05	Applicable Law	20
Section 5.06	Captions.....	20
Section 5.07	Further Assurances	20
Section 5.08	Entire Agreement	21
Section 5.09	Amendment of this Agreement.....	21
Section 5.10	Disclaimer of Relationships.....	21
Section 5.11	Effective Date.....	21
Section 5.12	Term of this Agreement.....	21
Section 5.13	Delegation Not to Relieve Obligations.....	21
Section 5.14	Additional Terms.....	21
EXHIBIT A	-- Special Conditions.....	A-1
EXHIBIT B	-- Description of the Loan	B-1
EXHIBIT C	-- Project Budget	C-1
EXHIBIT D	-- Opinion of Borrower’s Counsel	D-1
EXHIBIT E	-- Description of Dedicated Revenues.....	E-1
EXHIBIT F	-- Form of Note.....	F-1

LOAN AGREEMENT

THIS LOAN AGREEMENT, made this 20th day of February, 2025, between the Maryland Water Infrastructure Financing Administration (the “Administration”), a unit of the Department of the Environment (the “Department”) of the State of Maryland (the “State”), and Prince George’s County, Maryland, a body corporate and politic and political subdivision of the State (the “Borrower”).

RECITALS

Title VI of the Federal Water Pollution Control Act (commonly known as the “Clean Water Act”), as amended by the Water Quality Act of 1987 (“Title VI”), authorizes the Environmental Protection Agency (“EPA”) to award grants to qualifying States to establish and capitalize State water pollution control revolving funds (“SRFs”) for the purpose of providing loans and certain other forms of financial assistance (but not grants) to finance, among other things, the construction and improvement of publicly-owned wastewater treatment facilities and the implementation of estuary conservation management plans and nonpoint source management programs.

As contemplated by Title VI, the General Assembly of the State at its 1988 session enacted the Maryland Water Infrastructure Financing Administration Act, codified at Sections 9-1601 through 9-1622 of the Environment Article of the Annotated Code of Maryland, as amended (the “Act”), establishing an SRF designated the Maryland Water Quality Revolving Loan Fund (the “Fund”) to be maintained and administered by the Administration. The Act authorizes the Administration, among other things, to make a loan from the Fund to a “local government” (as defined in the Act) for the purpose of financing all or a portion of the cost of a “wastewater facility” (as defined in the Act).

The Borrower, which is a “local government” within the meaning of the Act, has applied to the Administration 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) which constitutes a “wastewater facility” within the meaning of the Act. The Project is one designated for funding in an Intended Use Plan promulgated by the Administration in accordance with regulations issued by the EPA pursuant to Title VI, and the Project conforms to the applicable “county plan” adopted pursuant to the requirements of Subtitle 5 of Title 9 of the Environment Article of the Annotated Code of Maryland, as amended.

The Director of the Administration has determined that the making of a loan to the Borrower for the purpose of assisting the financing of the Project, on the terms and conditions hereinafter set forth, is necessary and desirable in the public interest, will promote the health, safety and welfare of the inhabitants of the State and the United States by assisting in the prevention of pollution of the environment, and will further the purposes of Title VI and the Act.

The loan to the Borrower is to be evidenced by the Note (as defined herein) of the Borrower issued under, and secured by the Note Indenture (as defined herein). The Note shall not ever constitute within the meaning of any constitutional or charter provision or otherwise (i) an

indebtedness of the Borrower or any other political subdivision of the State of Maryland or (ii) a charge against the general credit or taxing powers of the Borrower. The issuance of the Note is not directly or indirectly or contingently an obligation, moral or other, of the State of Maryland or of any political subdivision thereof, including the Borrower, to levy or pledge any form of taxation whatever for its payment. The Note shall be payable solely from the Pledged Revenues (as defined in Exhibit A of this Agreement) and any other amounts pledged to the payment thereof pursuant to this Agreement, the Note Indenture and any other supplemental indentures. The Note shall constitute a "loan obligation" as defined in the Act.

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 Administration, 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, when used in this Agreement:

“Act” means the Maryland Water Infrastructure Financing Administration Act, Sections 9-1601 through 9-1622 of the Environment Article, Annotated Code of Maryland, and all acts supplemental thereto or amendatory thereof.

“Additional Notes” means bond, note or other obligation of the Borrower issued under and secured by the Note Indenture on parity with the Note.

“Administration” means the Maryland Water Infrastructure Financing Administration, a unit of the Department of the Environment of the State, and its successors and assigns.

“Administrative Fee” means the fee payable by the Borrower pursuant to this Agreement for the general administrative services and other functions and expenses of the Administration.

“Agreement” means this Loan Agreement, including the Exhibits attached hereto and any amendments hereto.

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

“Authorized Officer” means, in the case of the Borrower, any person authorized by law or by a resolution of the governing body of the Borrower to perform any act or execute any document on behalf of the Borrower.

“Board” means the Board of Public Works of the State.

“Bonds” means any series of revenue bonds issued by the Administration under the Act.

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

“Business Day” means a day other than a Saturday, Sunday, or day on which the offices of the Administration or commercial banks in the State are authorized or obligated to remain closed.

“Change Orders” means any amendments or modifications to any Plans and Specifications or any general construction contract for the Project.

“Clean Water Act” means the Water Pollution Control Act of 1972, PL 92-500, as amended, 33 U.S.C. § 1251 et seq., and rules and regulations promulgated thereunder.

“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 interest rate so specified in Exhibit B of this Agreement.

“Department” means the Maryland Department of the Environment, and its successors.

“Director” means the Director of the Administration.

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

“EPA” means the United States Environmental Protection Agency, and its successors.

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

“Fiscal Year” means the period of 12 consecutive months commencing on July 1 in any calendar year and ending on June 30 of the succeeding calendar year.

“Fund” means the Maryland Water Quality Revolving Loan Fund.

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

“Independent Counsel” means any attorney or law firm with attorneys duly admitted to practice law before the highest court of any 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.

“Independent Public Accountant” means an individual, partnership or corporation engaged in the accounting profession, either entitled to practice, or having members or officers entitled to practice, as a certified public accountant under the laws of the State of Maryland and, in fact, independent.

“Loan” means the aggregate amounts which are advanced from time to time by the Administration to the Borrower under the Note pursuant to the terms and provisions of this Agreement.

“Loan Closing Date” means the date on which the Note is issued and delivered to, and purchased by the Administration.

“Loan Commitment” means that amount which the Administration 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.

“Loan Year” means the period beginning on the first February 1 on which principal of the Loan is payable and each February 1 thereafter and ending on the immediately succeeding January 31.

“Note” means the bond, note or other obligation issued under the Note Indenture that has been executed and delivered by the Borrower to the Administration to evidence the Loan, such Note to be substantially in the form attached hereto as Exhibit F.

“Note Indenture” has the meaning set forth in Exhibit A of this Agreement.

“Note Trustee” has the meaning set forth in Exhibit A of this Agreement.

“Outstanding Notes” means any currently outstanding bonds, notes or other obligations of the Borrower issued under and secured by the Note Indenture on parity with the Note, identified in Exhibit A to this Agreement.

“Parity Notes” means any bonds, notes or other obligations of the Borrower issued under the Note Indenture on parity with Note, identified in Exhibit A to this Agreement, that have been executed and delivered by the Borrower to the Administration simultaneously with the Note to evidence an additional indebtedness of the Borrower.

“Parity Obligations” means any Parity Notes, any Outstanding Notes and any Additional Notes issued subsequent to issuance of the Note.

“Plans and Specifications” means the final plans and specifications for the construction of the Project prepared by the architect or engineer and approved by the Department, as required by this Agreement, and all amendments and modifications made by an approved Change Order.

“Pledged Revenues” has the meaning set forth in Exhibit A of this Agreement.

“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(d).

“Related Financing” means any bond, note, 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, including, without limitation, a condition set forth in a National Pollution Discharge Elimination System (“NPDES”) permit or in a construction permit issued by the Department.

“Revenues” means the dedicated source of revenues described in Exhibit E attached hereto.

“State” means the State of Maryland.

“Trustee” means the trustee for the Bonds.

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) words of the masculine gender include correlative words of the feminine and neuter genders;

(c) words importing persons include any individual, corporation, partnership, joint venture, association, 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 AND COVENANTS OF BORROWER

Section 2.01. Representations of Borrower. The Borrower represents for the benefit of the Administration as follows:

(a) Corporate Organization and Authority. The Borrower:

(i) is a “local government” as defined in the Act; 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 issue, 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 Administration in writing 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 Revenues, 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 Administration 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, the Note Indenture, any Parity Obligation 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 Administration 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 or 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.

(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.

(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 Administration 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 Administration. Except as provided in Sections 3.01 and 3.03(c) of this Agreement, before each and every advance of the proceeds of the Loan to the Borrower, the Borrower shall submit to the Administration a requisition meeting the requirements of Section 3.03 of this Agreement.

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

(i) an opinion of Independent Counsel, acceptable to the Administration, dated as of the Loan Closing Date, substantially in the form set forth in Exhibit D 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) a certificate, dated as of the Loan Closing Date, signed by an Authorized Officer of the Borrower and in form satisfactory to the Administration, confirming the Borrower's obligations under and representations in the Loan Agreement as of such date; and

(v) such other certificates, documents, opinions and information as the Administration may require.

(j) Parity Obligations. The payment of the Note is secured equally and ratably under the Note Indenture with the payment of principal of and interest on any Parity Obligations. The Note, any Parity Notes, any Outstanding Notes and any subsequently issued Additional Notes shall have a first lien on the Pledged Revenues to the extent set forth in the Note Indenture. Upon issuance of the Note and any Parity Notes described in Exhibit A, the Note and the Parity Notes will be the only Outstanding Notes under the Note Indenture.

Section 2.02. Particular Covenants of the Borrower.

(a) Maintenance of Project; Insurance. 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. 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.

(b) 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, the Borrower shall apply the net proceeds thereof to the prepayment of the Loan or as the Administration shall otherwise direct unless the Borrower shall have obtained the prior written consent of the Administration to some other proposed application of such net proceeds.

(c) Inspections; Information. The Borrower shall permit the Administration or its designee to examine, visit 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) its 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 Administration 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 Administration 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 investments 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 Administration. All such books, records and other documents shall be maintained until the completion of an audit of the Project by the EPA or notification from the State or the EPA that no audit is required.

(d) Completion of the Project; Payment of Excess Costs of the Project. The Borrower shall proceed diligently to complete the Project in accordance with the Plans and Specifications, and in accordance with any requirements set forth in the construction and NPDES 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 Plans and Specifications, the general construction contract or the Project Budget, or in the construction of the Project without the prior written approval of the Administration 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 Administration a certificate of the Borrower certifying that the Project was completed as of the date set forth in such certificate.

(e) Cancellation of Loan. As provided by Section 9-1606(e) of the Act, the Borrower acknowledges and agrees that its obligation to make the payments due hereunder and under the Note is cancelable only upon repayment in full of the Loan, and that neither the Administration, the Secretary of the Department, nor the Board is authorized to forgive the repayment of all or any portion of the Loan, except for loans made in accordance with Section 9-1605(d)(9) of the Act.

(f) Dedicated Source of Revenue. Pursuant to the Clean Water Act, the Borrower has established one or more dedicated sources of revenue for repayment of the Loan, as described in Exhibit E attached hereto as a part hereof.

(g) Indemnification. To the extent permitted by law, the Borrower releases the Administration, the Fund, the Department, the Board and the State from, agrees that the Administration, the Fund, the Department, the Board and the State shall not have any liability for, and agrees to protect, indemnify and save harmless the Administration, the Fund, the Department, the Board and the State 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 Administration, the Fund, the Department, the Board or the State, as a result of or in connection with the Project or the financing thereof. To the extent permitted by law, all money expended by the Administration, the Fund, the Department, the Board or the State 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 obligation of the Borrower and shall be immediately and without notice due and payable by the Borrower to the Administration.

(h) Non-discrimination. The Borrower certifies that it does not discriminate, and covenants that it shall not discriminate, on the basis of (1) political or religious opinion or affiliation, marital status, race, color, creed or national origin, or (2) sex or age, except where sex or age constitutes a bona fide occupational qualification, or (3) the physical or mental handicap of a qualified handicapped individual. At such times as the Administration requests, the Borrower shall submit to the Administration information relating to the Borrower's operations, with regard to political or religious opinion or affiliation, marital status, physical or mental handicap, race, color, creed, sex, age, or national origin, on a form to be prescribed by the Administration.

(i) 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 Clean Water Act, the 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 the EPA, the Board, the Department, the Administration, or other Governmental Authority.

(j) Annual Audit. Within nine (9) months of the end of each Fiscal Year (unless such period is changed to comply with terms of the Administration's financings, or a Requirement, in which case the Administration shall notify the Borrower in writing), the Borrower shall cause financial statements of the Borrower to be prepared with respect to such Fiscal Year 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, an Independent Public Accountant. Such financial statements and report shall be delivered upon completion to the Administration within the nine (9) month period or within thirty (30) days from receipt of a report from the auditor, whichever period is shorter.

(k) Additional Disclosure Information. The Borrower agrees to provide the Administration with such information regarding the Borrower and its finances as the Administration may from time to time request. The Borrower further acknowledges that the Administration may issue one or more series of bonds pursuant to one or more bond indentures, and that any or all of such bonds may be secured in part by repayments of the Borrower with respect to the Loan. The Borrower accordingly agrees to provide to the Administration such information regarding the Borrower and its finances as the Administration may from time to time request for inclusion in the official statements or other offering documents to be distributed in connection with the sale of any such bonds or any annual disclosure document or other informational document prepared from time to time by the Administration to be made available to prospective purchasers or holders of any of such bonds. The Borrower shall also furnish to the Administration 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 Administration promptly in writing of (a) 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 Administration 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 (b) upon request from the Administration, any event set forth in Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C), as such rule may be amended and supplemented.

(1) Related Financing. The Borrower agrees that the proceeds of any Related Financing shall be expended to pay costs of the Project on a monthly basis proportionately with 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 Administration upon its request with such information as the Administration deems reasonably necessary to determine whether the Borrower is in compliance with the provisions of this Section 2.02(1).

ARTICLE III

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

Section 3.01. The Loan. Subject to the provisions of Sections 3.02, 3.03 and 3.08 hereof, the Administration hereby agrees to advance amounts under this Agreement to the Borrower, and the Borrower agrees to borrow and accept from the Administration amounts advanced under this Agreement, in an aggregate principal amount not to exceed the maximum amount of the Loan Commitment set forth on Exhibit B attached hereto.

Section 3.02. Availability of Funds. The Administration expects to have, and shall use its best efforts to obtain and maintain, funds in an amount sufficient to make advances to the Borrower in accordance with the “Construction Cash Draw Schedule” included in Exhibit C attached hereto. The Borrower recognizes, however, that the Administration is a governmental entity with limited financial resources and that the Administration’s ability to make such advances may be adversely affected by events or circumstances beyond the Administration’s control. The Borrower accordingly assumes the risk that monies may not be available to make advances of the Loan to the Borrower, and, in such event, the Borrower specifically agrees that the Administration shall have no obligation to lend any amounts to the Borrower in excess of the amount theretofore advanced to the Borrower.

Section 3.03. Disbursements and Capitalized Interest.

(a) Requisitions and Disbursements. Amounts shall be loaned from time to time to pay, or reimburse the Borrower for the payment of, Eligible Project Costs, upon receipt of requisitions of the Borrower. Each such requisition shall (i) state the names of the payees, (ii) describe in reasonable detail the purpose of each payment, (iii) state the amount of each payment (supported by appropriate paid invoices or other evidence satisfactory to the Administration that the amount requisitioned has been paid or has been incurred by the Borrower and is then due), (iv) state that the amount so requisitioned constitutes a part of the Eligible Project Costs, and (v) state that no Default or Event of Default under this Agreement has occurred and is continuing; provided, that this section shall not apply to advances made or deemed to have been made as provided in Section 3.03(c) hereof. The Administration shall not be required to advance monies on more than one day in each month, and the Administration shall not be required to advance monies for the Project sooner than, or in an amount greater than, the schedule of disbursements

for the Project shown on the “Construction Cash Draw Schedule” included in Exhibit C attached hereto. The Administration may require the Borrower to submit requisitions in advance of each such disbursement date in such manner as shall be reasonably acceptable to the Administration.

(b) Conditions Precedent. Before making the first advance of Loan proceeds, the Administration shall receive the following in form and content satisfactory to the Administration:

(i) copies of the Plans and Specifications and of any Change Orders issued through the date of such advance, the general construction contract, and the Project Budget;

(ii) a survey showing the location of existing and proposed easements, rights-of-way and improvements, and the perimeter boundaries of the land upon which the Project will be located, if any Loan proceeds are to be used for acquisition of the land;

(iii) copies of all building permits, if any, pertaining to the Project;

(iv) cost breakdown in trade form showing all subcontracts which represent at least 10 percent of the costs of the Project, and indicating use of the proceeds of the Loan therefor;

(v) a fully executed copy of any contract for the purchase of real property constituting a portion of the Eligible Project Costs described in Exhibit C to this Agreement; and

(vi) evidence satisfactory to the Administration that the conditions (if any) set forth in Exhibit A to this Agreement have been satisfied.

In addition, it shall be a condition precedent to the Administration’s obligation to make any advance of Loan proceeds under this Agreement that no Default or Event of Default shall have occurred and be continuing at the time of any such advance.

(c) Interest During Construction. In the event that the Administration has consented to permit the Borrower to pay interest on the Loan from proceeds of the Loan during all or a portion of the period of time related to construction of the Project (as itemized in Exhibit C to this Agreement) (“Construction Period Interest”), the Administration shall on each February 1 and August 1 during such period advance to the Borrower and immediately apply to the interest then due and owing, an amount equal to the interest on the Loan due on such February 1 or August 1 and not theretofore paid by the Borrower. Any such amount of Construction Period Interest advanced by the Administration shall constitute part of the principal amount of the Loan hereunder immediately upon its advance to the Borrower in accordance with this paragraph. Notwithstanding the advance of any Construction Period Interest to the Borrower in accordance with this Section, the Borrower shall pay directly to the Administration the Administrative Fee on the dates and in

the amounts set forth in Section 3.04(c), and no amounts shall be advanced under the Loan for the payment of the Administrative Fee.

Section 3.04. Amounts Payable.

(a) Loan Payments. The Borrower shall punctually repay the Loan in installments on the dates, in the amounts, and in the manner specified in the Note. 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 and issue the Note to evidence such obligation. In addition, the Borrower shall pay to the Administration an Administrative Fee in accordance with paragraph (c) of this Section.

(b) Late Charges. In addition to the payments of principal of 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 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 set forth in Exhibit B. Amounts payable pursuant to this paragraph (b) 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.

(c) Administrative Fee. (i) On the date specified in Exhibit B for the first payment of the Administrative Fee and on each August 1 thereafter that the Note remains outstanding and unpaid to and including the date of final maturity of the Note (each such date, an “Administrative Fee Payment Date”), the Borrower shall pay to the Administration an Administrative Fee. Subject to paragraph (iv) below, the Administrative Fee for any Administrative Fee Payment Date shall be (A) the Administrative Fee set forth in Exhibit B or (B) after any date on which the outstanding principal amount of the Loan Commitment is reduced by the Administration by a notice in writing to the Borrower in accordance with this Agreement (other than by reason of the repayment of the principal of the Loan), the Administrative Fee set forth in a notice from the Administration to the Borrower in connection with such reduction. Any adjustment of the Administrative Fee in accordance with the foregoing shall be prospective only, and the Administration shall in no event be obligated to refund any portion of any Administrative Fee payment theretofore received from the Borrower.

(ii) In prescribing the Administrative Fee for purposes of paragraph (i) above, the Administration shall employ the following formula, it being understood that any determinations as to the application of such formula shall be within the discretion of the Administration and any Administrative Fee Payment prescribed by the Administration in accordance with the foregoing shall be conclusive and binding upon the Administration and the Borrower: the Administrative Fee equals (A) the aggregate amount of all scheduled payments of principal of and interest on the Note, multiplied by the Percentage Rate (defined in paragraph (iii)

below) then in effect, (B) divided by the total number of scheduled Administrative Fee Payment Dates. For example, if the aggregate amount of all scheduled payments of principal of and interest on the Note were \$5,000,000 and the Percentage Rate were 5%, and the total number of scheduled Administrative Fee Payment Dates were 31, the Administrative Fee to be paid each year would equal:

$$\frac{\$5,000,000 \times .05}{31} = \$8,064.52$$

(iii) The Percentage Rate for each Fiscal Year shall be fixed as a uniform rate for all borrowers receiving loans from the Fund in order to provide sufficient revenues to pay the expenses of the Administration, as approved in the operating budget of the State by the General Assembly of the State; provided, however, that in no event shall the Percentage Rate exceed five percent (5%). In each Fiscal Year, the Administration shall review the Percentage Rate then in effect and adjust it for the immediately succeeding Fiscal Year to reflect its approved budget for the immediately succeeding Fiscal Year, a retainage of not more than ten percent (10%) for an operating reserve within the Administration's general account, and other factors as reasonably determined by the Secretary. No later than June 1 following the end of the Session of the General Assembly in each Fiscal Year, the Administration shall notify the Borrower of the newly established Percentage Rate, which shall be the Percentage Rate applicable to the immediately succeeding Fiscal Year, and of any change in the amount of the Administrative Fee payable by the Borrower in such Fiscal Year as a result of the application of such Percentage Rate..

Section 3.05. Sources of Payment.

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

(b) Limited Obligations. The Note is a limited obligation of the Borrower, the principal of and premium, if any, and interest on which are payable solely from the Pledged

Revenues and money on deposit in certain funds and accounts created by the Note Indenture, as provided in the Note Indenture. THE NOTE AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT OF THE BORROWER OR A PLEDGE OF THE FAITH AND CREDIT OF THE BORROWER, THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE AND SHALL NOT BE CONSIDERED OBLIGATIONS OF THE BORROWER FOR PURPOSES OF ANY DEBT LIMITATION IMPOSED UNDER ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION.

(c) State Withholding. As further security for the payment of the Note and any other amounts due hereunder, the Borrower hereby pledges the following to the Administration and grants a security interest therein to the Administration: (i) as authorized by Section 9-1606(d) of the Act, 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 Administration, 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, from the sources identified in Section 3.05, 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 Administration, 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 Administration, 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. Loan Commitment. The Borrower acknowledges and agrees that the monies attributable to the Borrower's Loan Commitment are the property of the Administration and are held by the Administration to provide for advances to be made to the Borrower in accordance with this Agreement or to be otherwise disposed of by the Administration in accordance with this Agreement.

Section 3.08. Reduction of Loan Commitment. The Loan Commitment is subject to reduction in accordance with the provisions of this Section 3.08.

(a) Any portion of the Loan Commitment not advanced to the Borrower under Section 3.03 of this Agreement at the later of (1) two years from the date of this Agreement and (2) the earlier of one year following (i) actual completion of construction of the Project or (ii) the estimated completion date specified on Exhibit B attached hereto, shall no longer be available to be advanced to the Borrower and the amount of the Loan Commitment shall be reduced by an amount equal to the portion of the Loan Commitment not advanced, unless otherwise agreed to by the Administration in writing.

(b) The Administration may reduce the amount of the Loan Commitment if the Administration should for any reason determine that it will be unable to fund the full amount of the Loan Commitment (including, without limitation, a determination that the Eligible Project Costs to be paid with proceeds of the Loan are expected to be less than the maximum amount of the Loan Commitment), or if it determines that the Borrower is not proceeding satisfactorily and expeditiously with the Project in accordance with schedules and plans provided to the Administration, or if it determines that the Borrower is no longer able to make the certifications required under Section 3.03 in connection with the submission of requisitions.

(c) Any reduction in the amount of the Loan Commitment shall not affect the obligation of the Borrower to repay the Loan in accordance with the provisions of this Agreement and the Note.

(d) The Administration shall advise the Borrower in writing of any reduction in the amount of the Loan Commitment. Such notice shall specify the reason for and the amount of the reduction. In the event of any such reduction, the Borrower shall repay the Loan in accordance with such revised principal amortization schedule (prepared by applying such amount to reduce the installments of principal due under the Note in inverse order of payment, such that any such reduction is applied first to the last installment of principal due under the Note) as may be prescribed by the Administration in accordance with the provisions of the Note executed in connection therewith. The Administration may require, and the Borrower shall deliver, such certificates, documents, opinions and other evidence as the Administration may deem necessary or advisable in connection with any such reduction in the Loan Commitment. If a new Note is delivered in connection with any such reduction, the Administration shall cancel the Note initially delivered to the Administration by the Borrower pursuant to this Agreement.

Section 3.09. Disclaimer of Warranties. The Administration 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 Administration 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 EPA's State Revolving Fund Program Regulations. 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 Director, 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 Administration. The Administration may transfer, pledge or assign the Note and any or all rights or interests of the Administration under this Agreement without the prior consent of the Borrower, subject to the provisions of the Note Indenture with respect to the Note.

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 20 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, other than as referred to in paragraph (a) of this Section, 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 Administration, unless the Administration 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 Administration 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 (i) appointing a receiver, trustee, or liquidator for the Borrower or for the Revenues; (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 or of all or any substantial portion of the Revenues 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 or of all or any substantial portion of the Revenues 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 Administration prompt telephonic notice by contacting the Director of the Administration, followed by prompt written confirmation, of the occurrence of any event referred to in Section 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 Administration shall have the right to take one or more of the following remedial steps, subject to the provisions of the Note Indenture:

(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 Administration the reasonable fees and expenses of attorneys and the Trustee 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 Administration 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 Administration 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. In order to entitle the Administration 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. 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 Administration at Maryland Water Infrastructure Financing Administration, 1800 Washington Blvd., Baltimore, Maryland 21230-1718, Attention: Director.

Section 5.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Administration 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 of Maryland.

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 Administration, 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 Administration and the Borrower, and if applicable, only to the extent permitted by any bond indenture secured by the Loan.

Section 5.10. Disclaimer of Relationships. The Borrower acknowledges that the obligation of the Administration 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 Administration or of the Borrower 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 Administration.

Section 5.11. Effective Date. The effective date of this Agreement shall be the Loan Closing Date, provided this Agreement shall have been executed and delivered by all of the parties hereto on or prior to such date.

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 Administration, 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 Administration. 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 the Project shall not relieve the Borrower of any obligations under this Agreement and any other documents executed in connection with the Loan.

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.

[Remainder of page intentionally left blank; signatures follow.]

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



LENDER:

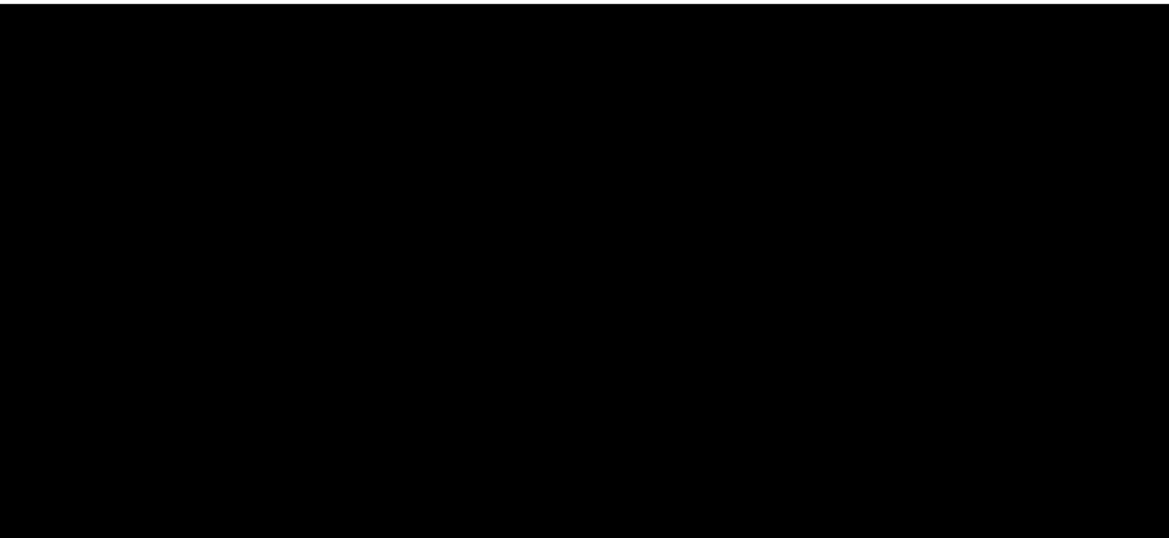
MARYLAND WATER INFRASTRUCTURE
FINANCING ADMINISTRATION

(SEAL)

ATTEST:

BORROWER:

PRINCE GEORGE'S COUNTY, MARYLAND



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

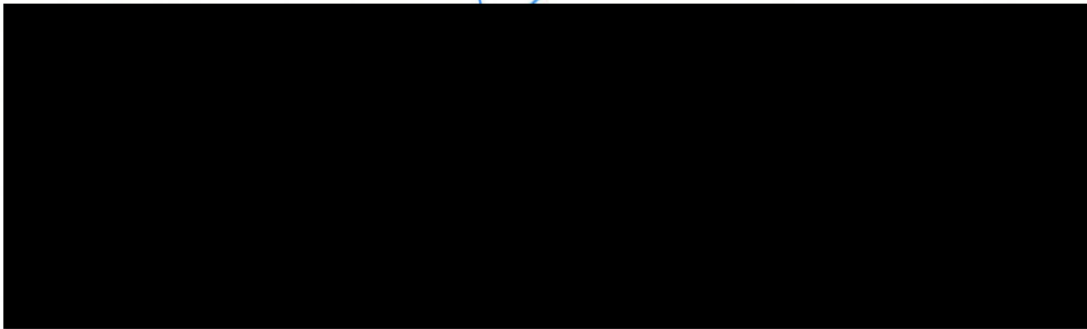
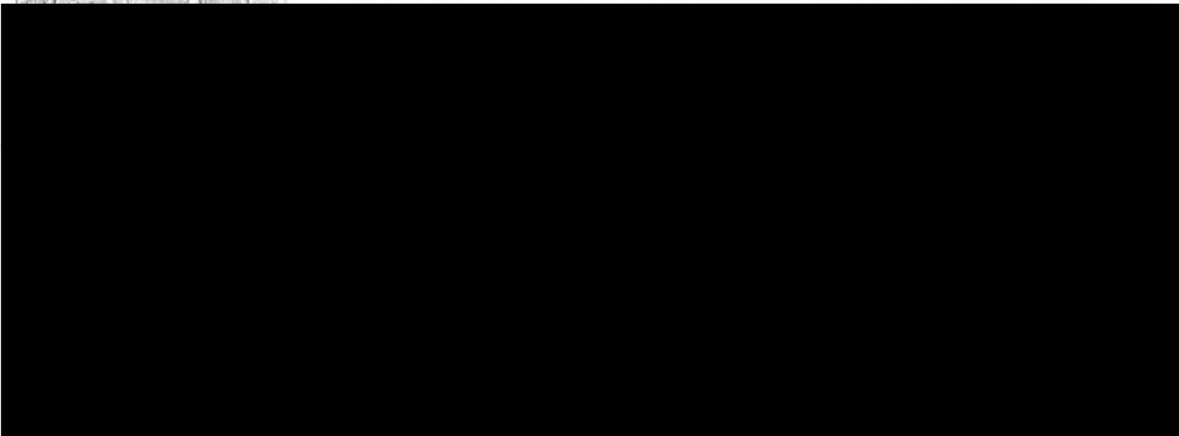
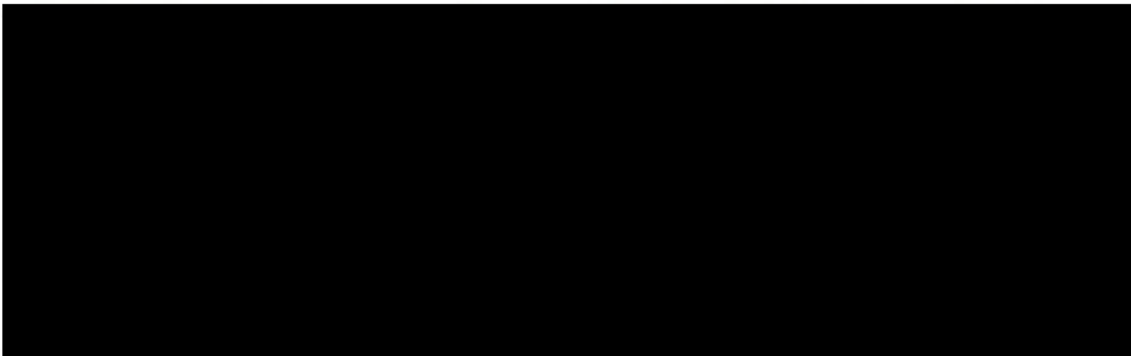


EXHIBIT A
to Loan Agreement

Borrower Name: Prince George’s County, Maryland
Address: 1301 McCormick Drive, Suite 1100
Largo, Maryland 20774-5416
Attention: Stephen J. McGibbon, Director, Office of Finance

Project Name: Urban Stormwater Retrofit Public-Private Partnership – Loan 3 (Phases 3, 4 & 5)

CONDITIONS TO INITIAL ADVANCE UNDER SECTION 3.03(b)(vi) OF LOAN AGREEMENT:

NONE

ADDITIONAL TERMS APPLICABLE TO LOAN AGREEMENT:

The provisions of this Exhibit A shall be deemed to be a part of the foregoing Loan Agreement dated as of February 20, 2025 (the “Agreement”), between the Borrower and the Maryland Water Infrastructure Financing Administration (the “Administration”) 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. Capitalized terms used herein without definition shall have the meaning provided in the Agreement.

1. The first regularly scheduled payment of interest on the Loan shall be due on August 1, 2025.
2. “Note Indenture” means the Indenture of Trust dated as of September 1, 2019, by and between the Borrower and the Note Trustee, as previously amended and supplemented, and as further amended and supplemented by the Second Supplemental Indenture of Trust dated as of February 1, 2025, by and between the Borrower and the Note Trustee, as the same may be further amended and supplemented from time to time.
3. “Note Trustee” means Zions Bancorporation, National Association (dba Zions Bank), its successors and assigns.

EXHIBIT A
to Loan Agreement

Borrower Name: Prince George’s County, Maryland
Address: 1301 McCormick Drive, Suite 1100
Largo, Maryland 20774-5416
Attention: Stephen J. McGibbon, Director, Office of Finance

Project Name: Urban Stormwater Retrofit Public-Private Partnership – Loan 3 (Phases 3, 4 & 5)

ADDITIONAL TERMS APPLICABLE TO LOAN AGREEMENT (CONT.):

4. “Pledged Revenues” means (i) Revenues deposited by Prince George’s County into the Pledged Revenue Fund and the proceeds of the Notes and Subordinate Obligations and all moneys and securities on deposit in the funds and accounts created by the Note Indenture, except moneys and securities on deposit in the Rebate Fund and amounts on deposit in accounts of the Debt Service Reserve Fund pledged exclusively to the payment of debt service on Parity Obligations other than the Note, and (ii) upon the occurrence of an Event of Default, as defined in the Agreement, the Borrower’s share and entitlement to receipt of certain tax revenues, grants and other monies due to the Borrower from the State, or any department, agency, or instrumentality of the State, as described in Section 3.05(c) of the Agreement.

The terms “Revenues,” “Notes,” and “Subordinate Obligations” have the respective meaning assigned to each term in the Note Indenture. The terms “Pledged Revenue Fund” and “Rebate Fund” mean the funds created by and so designated under the Note Indenture.

5. Outstanding Notes: The following are currently Outstanding Notes under the Note Indenture:
- a. the Prince George’s County, Maryland Water Quality Revenue Note, Series 2019A, in the maximum stated principal amount of \$46,500,000, issued 09/25/2019 and maturing 02/01/2050;
 - b. the Prince George’s County, Maryland Water Quality Revenue Note, Series 2019B, in the maximum stated principal amount of \$1,500,000, issued 09/25/2019 and maturing 09/25/2029; and
 - c. the Prince George’s County, Maryland Water Quality Revenue Note, Series 2023 (Taxable), in the maximum stated principal amount of \$65,000,000, issued 12/20/2023 and maturing 02/01/2054.
6. Parity Notes: The Borrower is not issuing any other series of notes simultaneously with the issuance of the Note.

EXHIBIT A
to Loan Agreement

Borrower Name: Prince George's County, Maryland
Address: 1301 McCormick Drive, Suite 1100
Largo, Maryland 20774-5416
Attention: Stephen J. McGibbon, Director, Office of Finance

Project Name: Urban Stormwater Retrofit Public-Private Partnership – Loan 3 (Phases 3, 4 & 5)

ADDITIONAL TERMS APPLICABLE TO LOAN AGREEMENT (CONT.):

7. The Note is secured by a Debt Service Reserve Fund (as defined in the Note Indenture) to the extent described in the Note Indenture.
8. The Borrower agrees to comply with the Davis-Bacon Act requirements of Section 513 of the Federal Water Pollution Control Act for the entirety of construction contract costs of the Project, and shall include specific language regarding compliance in its contracts and subcontracts.
9. The Borrower agrees to comply with the Use of American Iron and Steel requirement of federal law, which provides that all of the iron and steel products used in the Project are produced in the United States, unless a waiver is granted.
10. The Borrower agrees to comply with EPA's Final Financial Assistance Conflict of Interest Policy, and report any instances of actual or potential conflicts of interest in the award, administration, or monitoring of subawards arising from procurements or other actions. Any conflicts of interest must be immediately disclosed to the Administration within 30 days of discovery for further guidance.
The EPA's Final Financial Assistance Conflict of Interest Policy is found at: <https://www.epa.gov/grants/epas-final-financial-assistance-conflict-interest-policy>
11. If this Project is financed with the use of federal funds under CFDA # 66.458, the Borrower may be subject to a single audit to be undertaken by an independent auditor in accordance with uniform administrative requirements, cost principles, and audit requirements for federal awards, 2 C.F.R. § 200.501 (see generally, Subpart F – Audit Requirements of 2 C.F.R. Part 200). The Borrower hereby agrees to obtain such single audit, if required by the Single Audit Act.

EXHIBIT A
to Loan Agreement

Borrower Name: Prince George’s County, Maryland
Address: 1301 McCormick Drive, Suite 1100
Largo, Maryland 20774-5416
Attention: Stephen J. McGibbon, Director, Office of Finance

Project Name: Urban Stormwater Retrofit Public-Private Partnership – Loan 3 (Phases 3, 4 & 5)

ADDITIONAL TERMS APPLICABLE TO LOAN AGREEMENT (CONT.):

12. Borrower agrees to comply with 2 CFR 200.216, which requires that EPA recipients and subrecipients, including borrowers under EPA funded revolving loan fund programs, are prohibited from obligating or expending loan or grant funds to procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
13. The Borrower agrees to comply with all federal requirements applicable to the assistance received (including those imposed by the Infrastructure Investment and Jobs Act, Public Law No. 117-58) which the Borrower understands includes, but is not limited to, the following requirements: that all of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States (“Build America, Buy America Requirements”) unless (i) the Borrower has requested and obtained a waiver pertaining to the Project that has been approved by the Administration, or the Project is otherwise covered by a general applicability waiver; or (ii) all of the contributing federal agencies have otherwise advised the Borrower in writing that the Build America, Buy America Requirements are not applicable to the Project.

EXHIBIT A
to Loan Agreement

Borrower Name: Prince George’s County, Maryland
Address: 1301 McCormick Drive, Suite 1100
Largo, Maryland 20774-5416
Attention: Stephen J. McGibbon, Director, Office of Finance

Project Name: Urban Stormwater Retrofit Public-Private Partnership – Loan 3 (Phases 3, 4 & 5)

14. The Borrower further agrees to comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by EPA and/or the State, such as performance indicators of program deliverables, information on costs and project progress. The Borrower understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the applicable legal requirements and this Agreement may result in a Default or Event of Default hereunder and the Administration may exercise remedies available to it on default, including but not limited to declaring all amounts due hereunder and under the Note immediately due and payable, terminating and/or requiring repayment of grants, cooperative agreements, direct assistance or other types of financial assistance, and/or other remedial actions.

15. The Borrower must disclose, in a timely manner, in writing to the EPA, the Administration, and the EPA Office of Inspector General all violations of civil False Claims Act violations and Federal criminal law violations involving fraud, bribery, or gratuity violations in connection with the Loan (including any contracts or subcontracts thereunder). The “credible evidence” standard shall be used. This is commonly defined as information “that is worthy of belief, trustworthy evidence.” Using this standard means that the Borrower does not need to make a firm legal determination that a civil or criminal law has been violated before they are required to disclose the violation to the Administration, EPA, and the EPA OIG. Disclosures to the EPA OIG should be made using the form located at https://www.epaoig.gov/sites/default/files/document/2023-04/disclosure_fillable_form_3-5-21.pdf. The form can be completed online or emailed to OIG.Hotline@epa.gov. The Borrower is also required to report certain civil, criminal, or administrative proceedings to SAM.gov. Failure to make required disclosures can result in any of the remedies described in 2 CFR 200.339. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313).

EXHIBIT B
to Loan Agreement

Borrower Name: Prince George's County, Maryland
Address: 1301 McCormick Drive, Suite 1100
Largo, Maryland 20774-5416
Attention: Stephen J. McGibbon, Director, Department of Finance
Project Name: Urban Stormwater Retrofit Public-Private Partnership – Loan 3 (Phases 3, 4 & 5)

DESCRIPTION OF THE LOAN

- (1) Project Name(s): Urban Stormwater Retrofit Public-Private Partnership Loan 3 (Phases 3, 4 & 5)
- (2) Maximum Principal Amount of Loan Commitment: \$80,000,000.00
- (3) Rate of Interest: 2.00% (Based upon 50% of the January 2025 average of the Bond Buyer 11-Bond Index)
- (4) Amortization Schedule:
 - (a) 30 years
\$1,000 Mini Principal Payment Date: August 1, 2025
Date of First of 30 Amortizing Principal Payments: February 1, 2026
 - (b) Level Principal ____; or
Level Debt Service X; or
Other _____
- (5) Annual Administrative Fee: \$ 178,287.87, beginning August 1, 2025.
- (6) Estimated Completion Date of Project(s): 10/24/24
- (7) Default Rate: 4.06% (Based upon the January 2025 average of the Bond Buyer 11-Bond Index)
- (8) Description of Project: This project entails the planning, design, and construction of multiple projects that utilize a wide array of structural treatment options ranging from small rain gardens to large urban retrofit solutions involving suburban drain inlet modifications, pond retrofits, County right-of-way Best Management Practices as well as green streets and high-flow media treatment options. These efforts are intended to achieve compliance with the County's Municipal Separate Storm Sewer System Discharge Permit and the Chesapeake Bay Watershed Implementation Plan. The goal is to retrofit or install Best

Management Practices to store or treat stormwater runoff to reduce pollutant loads (e.g., nitrogen, phosphorus, sediments) and mitigate flooding to improve water quality in local watersheds and the Chesapeake Bay.

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

Not Applicable

EXHIBIT C
to Loan Agreement

Borrower Name: Prince George’s County, Maryland
 Address: 1301 McCormick Drive, Suite 1100
Largo, Maryland 20774-5416
 Attention: Stephen J. McGibbon, Director, Office of Finance

Project Name: Urban Stormwater Retrofit Public-Private Partnership – Loan 3 (Phases 3, 4 & 5)

PROJECT BUDGET

Breakdown of Eligible Project Costs:

A. Portion of Eligible Project Costs to be directly financed:

<u>Description</u>	<u>Allocated Amount of Loan*</u>
Eligible Project Costs include administrative and legal expenses, planning/design engineering fees, construction costs, construction phase engineering/inspection fees and contingencies	
Subtotal Loan:	<u>\$ 45,060,578.00</u>

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 Administration (and subject to compliance with Section 3.03(a) of the Agreement):

<u>Description</u>	<u>Allocated Amount of Loan</u>
Eligible Project Costs include administrative and legal expenses, planning/design engineering fees, construction costs, construction phase engineering/inspection fees and contingencies	
Total Reimbursement at Closing:	<u>\$ 34,939,422.00</u>
Total Loan:	<u>\$ 80,000,000.00</u>

EXHIBIT C
to Loan Agreement

Borrower Name: Prince George’s County, Maryland
Address: 1301 McCormick Drive, Suite 1100
Largo, Maryland 20774-5416
Attention: Stephen J. McGibbon, Director, Office of Finance

Project Name: Urban Stormwater Retrofit Public-Private Partnership – Loan 3 (Phases 3, 4 & 5)

C. Construction Cash Draw Schedule*

<u>Federal Quarter</u>	<u>Cash Disbursements*</u>
FFY 25 Q2 (Jan 25 – Mar 25)	\$ 34,939,422.00
FFY 25 Q3 (Apr 25 – June 25)	\$ 45,060,578.00
FFY 25 Q4 (July 25 – Sept 25)	\$ 0

Total Disbursements: \$ 80,000,000.00

* SUBJECT TO CHANGE WITH CONSENT OF THE ADMINISTRATION IN ITS DISCRETION UNDER SECTION 2.02(d) OF THIS AGREEMENT

OPINION OF BORROWER'S COUNSEL

[LETTERHEAD OF COUNSEL TO BORROWER]

[CLOSING DATE]

Maryland Water Infrastructure
Financing Administration
1800 Washington Blvd.
Baltimore, Maryland 21230-1718

Ladies and Gentlemen:

We are counsel to [NAME OF BORROWER], a [body politic and corporate and a political subdivision] [municipal corporation] [other appropriate description] of the State of Maryland (the "Borrower") in connection with the loan (the "Loan") by Maryland Water Infrastructure Financing Administration (the "Administration") 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 ____, 2025 (the "Agreement") by and between the Administration and the Borrower. Capitalized terms used herein without definition shall have the meaning provided in the Agreement.

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 the \$_____ Prince George's County, Maryland Water Infrastructure Revenue Note, Series 2025, dated _____, 2025 (the "Note") issued by the Borrower. The Agreement and the Note are referred to herein collectively as the "Loan 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 Loan Documents and perform its obligations thereunder.

(b) The Borrower has duly authorized, executed and delivered the Loan Documents and, assuming due authorization, execution and delivery of the Agreement by the Administration, the Loan Documents constitute legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms.

(c) The Note is a limited obligation of the Borrower payable solely from the Pledged Revenues and moneys on deposit in certain funds and accounts created by the Note Indenture, as provided therein. THE NOTE AND THE INTEREST THEREON DO NOT CONSTITUTE A DEBT OF THE BORROWER OR A PLEDGE OF THE FAITH AND CREDIT OF THE BORROWER, THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE AND SHALL NOT BE CONSIDERED OBLIGATIONS OF THE BORROWER FOR PURPOSES OF ANY DEBT LIMITATION IMPOSED UNDER ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION.

(d) The Loan 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 Loan 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 Loan 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 Loan 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 Loan Documents, which has not been disclosed in writing to the Administration.

We hereby authorize Bond Counsel to the Administration to rely on this opinion as if we had addressed this opinion to them in addition to you.

Very truly yours,

EXHIBIT E
to Loan Agreement

Borrower Name: Prince George’s County, Maryland
Address: 1301 McCormick Drive, Suite 1100
Largo, Maryland 20774-5416
Attention: Stephen J. McGibbon, Director, Office of Finance

Project Name: Urban Stormwater Retrofit Public-Private Partnership – Loan 3 (Phases 3, 4 & 5)

DESCRIPTION OF DEDICATED REVENUES*

Fees collected by Prince George’s County (the “County”) in accordance with Title 4 of the Environment Article of the Annotated Code of Maryland, as amended, and Sections 10-301 to 10-305, inclusive, of the Prince George’s County Code, as amended (the “PGC Stormwater Code”), and deposited in the Local Watershed Protection and Restoration Fund established by the County pursuant to the Section 10-301 of the PGC Stormwater Code.

* The identification of the dedicated source or sources of revenues above is intended to specify a source or sources of revenues available in sufficient amount to provide for the payment of the costs of operating and maintaining the Project as well as the payment of the costs of debt service of any borrowing incurred to finance the Project. 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.

\$(MAX. AMT.)

R-1

REGISTERED

UNITED STATES OF AMERICA
STATE OF MARYLAND

[NAME OF BORROWER]
WATER INFRASTRUCTURE REVENUE NOTE, SERIES 20____
Dated _____, 20__

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

REGISTERED OWNER: Maryland Water Infrastructure Financing
Administration

_____, a [body politic and corporate] [municipal corporation] [other appropriate description] of the State of Maryland (the “Borrower”), hereby acknowledges itself obligated to pay to the Registered Owner shown above, the principal amount of \$____ (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 _____, 20__ (the “Loan Agreement”) by and between the Borrower and the Maryland Water Infrastructure Financing Administration (the “Administration”) related to this Note (as defined herein) of the Borrower, plus interest on the unpaid principal advanced under the terms of the Loan Agreement at the rate set forth below in paragraph 3(a).

Both the principal of and interest on this Note 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 [INSERT BORROWER’S AUTHORIZED OFFICER].

This Note is issued pursuant to and in full conformity with the provisions of [INSERT BORROWER’S LOCAL ACT(S)] and the Maryland Water Infrastructure Financing

Administration Act (codified as Sections 9-1601 to 9-1622, inclusive, of the Environment Article of the Annotated Code of Maryland, as amended), and by virtue of due proceedings had and taken by the Borrower, particularly [AN ORDINANCE AND OR A RESOLUTION] (numbered __) [INSERT BORROWER’S AUTHORIZING ORDINANCE OR RESOLUTION] adopted by Borrower (collectively, the “Enabling Acts”).

This Note, together with the Loan Agreement, evidences the Loan (as defined in the Loan Agreement) to the Borrower from the Maryland Water Infrastructure Financing Administration. In accordance with the Loan Agreement, the principal amount of the Loan, being the amount denominated as principal under this Note, is subject to reduction or adjustment by the Administration in accordance with the Loan Agreement.

1. Note.

(a) This note is one of a duly authorized series of revenue notes of the Borrower designated as the “[Borrower’s Name] WATER INFRASTRUCTURE REVENUE NOTE, SERIES 20__” (this “Note”), in the maximum principal amount of _____ Dollars (\$_____), dated _____, 20__.

(b) 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 of paragraph 1(c) 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>
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	
2031		2041	
2032		2042	
2033		2043	
2034		2044	
2035		2045	

(c) If the Administration determines at any time to reduce the maximum amount of the Loan Commitment (as defined in the Loan Agreement) in accordance with Section 3.08 of the Loan Agreement, the Maximum Principal Amount shall be reduced accordingly and the Maximum Principal Amount as so reduced shall be amortized in accordance with Section 3.08 of the Loan Agreement. The Administration 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 Note as and when the same shall become due.

(d) Notwithstanding the foregoing, all outstanding unpaid principal amounts advanced under the Loan Agreement, if not previously due hereunder, shall be due on that date which is the earlier of the end of the useful life of the Project (as defined in the Loan Agreement) as determined by the Administration in its sole and absolute discretion or [30] years after the date of completion of the Project, as certified by the Borrower to the Administration pursuant to Section 2.02(d) of the Loan Agreement.

(e) THIS NOTE IS A LIMITED OBLIGATION OF THE BORROWER, THE PRINCIPAL OF AND PREMIUM, IF AN, AND INTEREST ON WHICH ARE PAYABLE SOLELY FROM THE PLEDGED REVENUES (AS DEFINED IN THE LOAN AGREEMENT). THIS NOTE AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT OF THE BORROWER OR A PLEDGE OF THE FAITH AND CREDIT OF THE BORROWER, THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE AND SHALL NOT BE CONSIDERED AN OBLIGATION OF THE BORROWER FOR PURPOSES OF ANY DEBT LIMITATION IMPOSED UNDER ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION.

2. Note Indenture; Pledged Revenues. This Note is duly authorized and issued by the Borrower under (i) the Enabling Acts, and (ii) the Note Indenture (as defined in the Loan Agreement), to finance and refinance the eligible costs of the Project, to fund the Debt Service Reserve Fund in the amount required under the Note Indenture and to pay certain costs of issuance. This Note is payable as to principal, interest and premium, if any, solely from Pledged Revenues (as defined in the Loan Agreement). The terms of this Note include those stated in the Note Indenture and the Loan Agreement and this Note is subject to all such terms. Reference is made hereby to the Note Indenture for a description of the funds, revenues and charges pledged thereunder, the nature and extent of the security created or to be created thereby, and the rights, limitations of rights, obligations, duties and immunities of the Borrower, the Note Trustee (as defined in the Loan Agreement) and the holders of this Note. By the acceptance of this Note, the holder hereof assents to all of the provisions of the Note Indenture and the Loan Agreement. Certified copies of the Note Indenture are on file at the principal corporate trust office of the Note Trustee and at the offices of the Borrower in _____, Maryland. All capitalized terms used in this Note and not defined herein shall have the meanings set forth in the Loan Agreement unless a different meaning is clearly intended from the context.

3. Interest Rate; Late Charge.

(a) The unpaid principal of this Note advanced under the terms of the Loan Agreement shall bear interest at the rate of _____ per centum (___%) per annum. Interest 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 _____, 20__, and semiannually thereafter on the 1st day of [February] and [August] in each year until the principal amount hereof has been paid.

(b) This Note is subject to (i) a late charge for any payment of principal or interest that is received later than the tenth (10th) 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.

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

5. Authorized Denominations. This Note is issuable as a fully registered note without coupon in the denominations authorized under the Note Indenture.

6. Parity Obligations; Additional Notes. [The Borrower previously issued the Outstanding Notes (as defined in the Loan Agreement) that are currently outstanding under the Note Indenture.] [Simultaneously with the issuance of this Note, the Borrower is issuing its _____ Water Infrastructure Revenue Note, Series 20__ (the “Series 20__ Note”) and its _____ Water Infrastructure Revenue Note, Series 20__ (the “Series 20__ Note”).] The Note Indenture also provides for the issuance from time to time of Additional Notes (as defined in the Note Indenture) within the limitations and provisions set forth in the Note Indenture. This Note, [the Series __ Note, the Series __ Note,] the Outstanding Notes and any Additional Notes (collectively, the “Parity Obligations”) issued within the limitations and provisions of the Note Indenture shall be secured equally and ratably by the Pledged Revenues and other monies pledged by the Borrower as security under the Note Indenture, to the extent provided therein. This Note shall be secured by a subaccount within the Debt Service Reserve Fund. If any Parity Obligations are secured by such subaccount within the Debt Service Reserve Fund securing this Note, this Note and such Parity Obligations shall be secured equally and ratably by such subaccount within the Debt Service Reserve Fund, to the extent provided in the Note Indenture.

7. Transfer and Exchange. This Note is transferable only after the first principal payment date set forth above in paragraph 1(b) or the date upon which the Maximum Principal Amount has been borrowed, whichever is earlier, upon the books of the Borrower at the designated office of the Note Trustee 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 Note Trustee, duly executed by the registered owner or the duly authorized attorney of the registered owner. The Borrower shall, within a reasonable time, issue in the name of the transferee a new registered note or notes, in such denominations as the Borrower shall by resolution approve, in an aggregate principal amount equal to the unpaid principal amount of the note or notes surrendered of the same series and with the same installment payment dates, maturity and interest rate. If more than one note is issued upon any such transfer, the installment of principal and interest to be paid on each such note 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 note and the denominator of which shall be the aggregate principal amount of notes then outstanding and unpaid. The new note or notes 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 and the Note Trustee may deem and treat the party in whose name this Note 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.

8. Acceleration; Defeasance.

(a) In certain events, on the conditions, in the manner and with the effect set forth in the Note Indenture, the principal of all the notes then outstanding under the Note Indenture may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

(b) The Note Indenture prescribes the manner in which it may be discharged and provides that notes, bonds or any other debt obligations secured thereby shall be deemed to be paid if moneys or certain cash or Government Obligations (as defined in the Note Indenture) or Defeased Municipal Obligations (as defined in the Note Indenture), the principal of and interest on which, when due, will be sufficient to pay the principal or redemption price of and interest on such notes to the date of maturity or redemption thereof, shall have been deposited with the Note Trustee.

9. Persons Deemed Owner; Restrictions upon Actions by Individual Holder.

(a) The Borrower and the Note Trustee may deem and treat the person in whose name this Note is registered as the absolute owner hereof (whether or not this Note shall be overdue and notwithstanding any notation of ownership or other writing hereon made by anyone other than the Borrower or the Note Trustee) for the purpose of receiving payment of or on account of the principal or redemption price of this Note, and for all other purposes except as otherwise provided herein with respect to the payment of interest on this Note, and neither the Borrower nor the Note Trustee shall be affected by any notice to the contrary. All such payments so made to any such registered owner, or upon the order of such registered owner, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable under this Note.

(b) The Registered Owner of this Note shall have no right to enforce the provisions of the Note Indenture, or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Note Indenture, or to institute, appear in or defend any suit or other proceeding with respect hereto, except as provided in the Note Indenture.

10. Modifications. Modifications or alterations of the Note Indenture may be made

only to the extent and in the circumstances permitted by the Note Indenture.

11. Negotiability. As declared by the Enabling Acts, this Note shall be and be deemed to be for all purposes a negotiable instrument subject only to the provisions for registration and registration of transfer stated herein.

12. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Maryland.

13. Notices. Except as otherwise provided in the Note Indenture and this Note, when the Note Trustee is required to give notice to the Registered Owner of this Note, such notice shall be mailed by first class mail to the Registered Owner of this Note at such Registered Owner's address as it appears on the registration books maintained by the Note Trustee. Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by the addressee.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Maryland, the Enabling Acts and the Note Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Note, exist, have happened and have been performed, and that the issuance of this Note, together with all other indebtedness of the Borrower, is within every debt and other limit prescribed by said Constitution or statutes.

[This Note shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Note Indenture until it shall have been authenticated by the execution by the Note Trustee of the Certificate of Authentication endorsed hereon.]

IN WITNESS WHEREOF, this Note has been executed by the manual signature of the [INSERT AUTHORIZED OFFICERS] and the seal of the Borrower has been affixed hereto, attested by the manual signature of the [INSERT AUTHORIZED OFFICER], all as of the ___ day of _____, 20__.

(SEAL)

ATTEST:

[NAME OF BORROWER]

[AUTHORIZED OFFICER]

By: _____
[AUTHORIZED OFFICER]

Certificate of Authentication

Date of Authentication: _____, 20__

This Note is one of the notes of the series designated herein and issued under the provisions of the within-mentioned Note Indenture.

_____,
as Note Trustee

By: _____
Authorized Signatory