

1 **..Title**

2 **Issuance of General Obligation Bonds and Bond Anticipation Notes** - For the purpose of
3 authorizing and empowering the City of Annapolis (the "City") to issue and sell, upon its full faith
4 and credit, (i) one or more series of its general obligation bonds in the aggregate principal
5 amount not to exceed \$7,300,000, pursuant to Sections 19-301 through 19-309, inclusive, of the
6 Local Government Article of the Annotated Code of Maryland, as amended, and Article VII,
7 Section 11 of the Charter of the City of Annapolis, as amended (the "Bonds") and (ii) one or
8 more series of its general obligation bond anticipation notes in anticipation of the issuance of the
9 Bonds in the maximum aggregate principal amount equal to the maximum aggregate principal
10 amount of the Bonds, pursuant to Sections 19-211 through 19-222, inclusive, of the Local
11 Government Article of the Annotated Code of Maryland, as amended (the "Notes"); providing
12 that the Bonds and Notes shall be issued and sold for the public purpose of financing and
13 refinancing certain capital projects of the City as provided in this Ordinance; prescribing the form
14 and tenor of the Bonds and the Notes; providing for the method of sale of the Bonds and Notes
15 and other matters relating to the issuance and sale thereof; providing for the disbursement of
16 the proceeds of the Bonds and Notes; covenanting to levy and collect all taxes necessary to
17 provide for the payment of the principal of and interest on the Bonds and Notes; and generally
18 providing for and determining various matters relating to the issuance, sale and delivery of the
19 Bonds and the Notes.

20 **..Body**

21
22 **CITY COUNCIL OF THE**

23
24 **City of Annapolis**

25 Ordinance No. 25-17

26 Introduced by: Mayor Pantelides

27
28
29
30 **Referred to**
31 **Finance Committee**

32
33
34 **AN ORDINANCE** concerning

35
36 **Issuance of General Obligation Bonds and Bond Anticipation Notes**

37
38 **FOR** the purpose of authorizing and empowering the City of Annapolis (the "City") to issue and
39 sell, upon its full faith and credit, (i) one or more series of its general obligation bonds in the
40 aggregate principal amount not to exceed \$7,300,000, pursuant to Sections 19-301 through 19-
41 309, inclusive, of the Local Government Article of the Annotated Code of Maryland, as
42 amended, and Article VII, Section 11 of the Charter of the City of Annapolis, as amended (the
43 "Bonds") and (ii) one or more series of its general obligation bond anticipation notes in
44 anticipation of the issuance of the Bonds in the maximum aggregate principal amount equal to
45 the maximum aggregate principal amount of the Bonds, pursuant to Sections 19-211 through
46 19-222, inclusive, of the Local Government Article of the Annotated Code of Maryland, as
47 amended (the "Notes"); providing that the Bonds and Notes shall be issued and sold for the
48 public purpose of financing and refinancing certain capital projects of the City as provided in this
49 Ordinance; prescribing the form and tenor of the Bonds and the Notes; providing for the method
50 of sale of the Bonds and Notes and other matters relating to the issuance and sale thereof;
51 providing for the disbursement of the proceeds of the Bonds and Notes; covenanting to levy and

1 collect all taxes necessary to provide for the payment of the principal of and interest on the
2 Bonds and Notes; and generally providing for and determining various matters relating to the
3 issuance, sale and delivery of the Bonds and the Notes.

4
5 RECITALS

6
7 For convenience of reference, the City of Annapolis, a municipal body corporate and
8 politic of the State of Maryland, is hereinafter sometimes referred to as the "City" or as
9 "Annapolis".

10
11 The authority for the powers herein exercised with respect to the City's bonds is
12 contained in Article VII, Section 11 of the Charter of the City (the "Charter"), in Sections 19-
13 301 through 19-309, inclusive, of the Local Government Article of the Annotated Code of
14 Maryland, as amended (the "Bond Enabling Act"); and the authority for the powers herein
15 exercised with respect to the City's bond anticipation notes is contained in Sections 19-211
16 through 19-222, inclusive, of the Local Government Article of the Annotated Code of
17 Maryland, as amended (the "Bond Anticipation Note Act").

18
19 The Charter and the Bond Enabling Act authorize and empower the City to borrow
20 money for any proper public purpose and to evidence such borrowing by the issuance and
21 sale of its general obligation bonds in accordance with the procedure prescribed by the
22 Charter and the Bond Enabling Act, subject to the limitation imposed by the Charter that no
23 bonds shall be issued by the City if, by the issuance thereof, the total bonded indebtedness of
24 the City incurred, less the amount of sinking funds established for the retirement thereof,
25 would then exceed the sum of (i) 4% of the assessed value of all real property in the City
26 taxable for municipal purposes and (ii) 10% of the assessed value of all personal property in
27 the City taxable for municipal purposes. The Charter further provides that, in computing
28 compliance with such limitation, outstanding bonds or other indebtedness of the City issued
29 pursuant to the authority of any public local law enacted by the General Assembly of Maryland
30 prior to January 1, 1955, or pursuant to the authority of any public general law of the State of
31 Maryland, other than the Bond Enabling Act, together with tax anticipation notes issued
32 pursuant to the Charter and applicable State law, revenue bonds payable as to principal and
33 interest solely from the revenues from revenue-producing projects, and short-term obligations
34 issued pursuant to certain sections of the Charter, shall not be taken into account.

35
36 Pursuant to Article VII, Section 7 of the Charter, the City Council of the City (the "City
37 Council"), may in its discretion hold a referendum on any such bond issue or may be required
38 to do so as a result of a proper petition of registered voters filed for the purpose after the
39 giving of notice to the City as prescribed in the Charter.

40
41 The City proposes to spend the proceeds of the Bonds and Notes authorized pursuant
42 to this Ordinance to (i) finance and refinance the costs of certain public projects of the City,
43 subject to the provisions of this Ordinance and (ii) pay (A) the costs of issuing the Bonds and
44 Notes, (B) capitalized interest on the Bonds and/or the Notes and (C) other related costs.

45
46 The Charter contains no limitations upon the rate at which ad valorem taxes may be
47 levied by the City for the payment of the principal of and interest on said indebtedness.

48
49 Since the adoption of Article XI-E as an amendment of the Constitution of Maryland,
50 the General Assembly of Maryland has passed no law proposing a limitation upon the rate at

1 which taxes may be levied by the City or a limitation upon the amount of bonded indebtedness
2 which may be incurred by the City different from that set forth in the Charter.

3
4 **NOW, THEREFORE, BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS**
5 **CITY COUNCIL, that:**

6
7 SECTION 1. All terms used herein which are defined In the Recitals hereof shall
8 have the meanings given such terms therein.

9
10 SECTION 2. It is in the best interest of the City to borrow money and incur
11 indebtedness, and the City is authorized and empowered to issue and sell upon its full faith
12 and credit one or more series of its general obligation, fully-registered bonds in the aggregate
13 principal amount not to exceed Seven Million Three Hundred Thousand Dollars (\$7,300,000),
14 to be known as the "Public Improvements Bonds, Series _____" (the "Bonds"), with the year in
15 which the Bonds are issued in the foregoing blank, or such other designation as deemed
16 appropriate by the Mayor of Annapolis (the "Mayor") for the purposes of financing and
17 refinancing the costs of the public projects listed below (the "Projects"):
18

<u>PROJECTS</u>	<u>BOND FUNDING</u>
Vehicle Replacement	500,000
Main Street Rebricking	2,100,000
Upgrade City Coordinate System	460,100
Traffic Signal Rehabilitation	50,000
Truxtun Park Tennis Courts and Fence	153,403
General Roadways	2,000,000
City Facility Improvements	350,000
Stormwater MS4 Permit Compliance	<u>1,000,000</u>
	\$6,613,503

19 The costs of the Projects shall include (without limitation) the costs of the planning,
20 construction, reconstruction, demolition, improvement, refurbishing, renovation, restoration,
21 extension, alteration, installation, repair, acquisition, conversion and modernization of
22 structures; the acquisition of structures and sites for structures; the acquisition of rights of way
23 for roads; architectural and engineering services, including preparation of plans, drawings and
24 specifications; development and restoration of grounds; and all customary and necessary
25 furnishings and fixed permanent equipment for structures. The proceeds of the Bonds may
26 also be used to pay costs of issuance of and capitalized interest on the Bonds and other costs
27 and expenses related to the Bonds.
28

29 SECTION 3. The City hereby covenants that any Bonds issued hereunder shall
30 comply with all limitations of the Charter and that no Bonds shall be issued by the City if, by
31 the issuance thereof, the total bonded indebtedness of the City incurred, less the amount of
32 sinking funds established for the retirement thereof, would then exceed the sum of (i) 4% of
33 the assessed value of all real property in the City taxable for municipal purposes and (ii) 10%
34 of the assessed value of all personal property in the City taxable for municipal purposes.
35

36 SECTION 4. The Bonds authorized by this Ordinance shall be dated the date of their
37 delivery, shall be fully-registered bonds without coupons in the denomination of Five
38 Thousand Dollars (\$5,000) each or any integral multiple thereof and shall bear interest at the

1 interest rate or rates fixed at the time of the awarding of the Bonds in accordance with an
2 executive order of the Mayor and the provisions of this Ordinance as hereinafter provided.
3 Interest on the Bonds shall be payable semiannually on the dates and in the years as may be
4 determined by the Mayor in an executive order. The Bonds shall mature, subject to the option
5 of prior redemption, in annual installments, including any mandatory sinking fund installments,
6 in the years as shall be determined by the Mayor pursuant to an executive order; provided
7 however, that the final maturity of the Bonds shall not exceed 30 years from the date of
8 delivery of the Bonds. Each Bond shall bear interest from the interest payment date next
9 preceding the date on which it is authenticated, unless authenticated upon an interest
10 payment date, in which event it shall bear interest from such interest payment date, or unless
11 authenticated prior to the first interest payment date, in which event it shall bear interest from
12 the date of the Bonds; provided, however, that if at the time of authentication of any bond
13 interest is in default, such bond shall bear interest from the date to which interest has been
14 paid.

15
16 SECTION 5. Certain of the Bonds may be subject to redemption prior to maturity as
17 may be determined by the Mayor in an executive order. The Bonds so subject to redemption,
18 if any, the redemption dates and the redemption prices shall be specified in an executive order
19 by the Mayor.

20
21 The Bonds shall be redeemed only in integral multiples of \$5,000. If less than all of
22 the outstanding Bonds shall be called for optional redemption, the City shall choose the
23 maturities of the Bonds to be redeemed and the principal amount of each such maturity to be
24 redeemed, in its sole discretion; and if any such maturity consists of term Bonds, the City shall
25 choose the mandatory sinking fund redemption installments of such term Bonds to be reduced
26 and the amount of each such reduction, in its sole discretion. If less than all of the Bonds of
27 any one maturity are called for redemption, the particular bonds to be redeemed from such
28 maturity shall be selected by lot by the bond registrar for the Bonds (the "Bond Registrar") in
29 such manner as the Bond Registrar in its sole discretion may determine or under the
30 procedures for book-entry bonds if the Bonds are under a book-entry system.

31
32 When less than all of a Bond in a denomination in excess of \$5,000 shall be so
33 redeemed, then upon the surrender of such Bond, there shall be issued to the registered
34 owner thereof, without charges, for the unredeemed balance of the principal amount of such
35 Bond, at the option of such owner, Bonds in any of the authorized denominations, the
36 aggregate face amount of such Bonds not to exceed the unredeemed balance of the Bond so
37 surrendered, and to bear the same interest rate and to mature on the same date as said
38 unredeemed balance.

39
40 If the City elects to redeem all or a portion of the Bonds outstanding, it shall give or
41 cause to be given a redemption notice by first class mail, postage prepaid, at least 30 days
42 prior to the date fixed for redemption to each registered owner appearing on the books kept by
43 the Bond Registrar. Notwithstanding the foregoing, so long as all of the Bonds are registered
44 in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New
45 York ("DTC"), such notice shall be given by a secure means (e.g., legible facsimile
46 transmission, registered or certified mail or overnight express delivery) in a timely manner
47 designed to assure that such notice is in DTC possession no later than the close of business
48 on such thirtieth day: provided, however, that the failure to mail the redemption notice or any
49 defect in the notice so mailed or in the mailing thereof shall not affect the validity of the
50 redemption proceedings. The redemption notice shall state (i) whether the Bonds are to be
51 redeemed in whole or in part and, if in part, the maturities and numbers of the Bonds to be

1 redeemed, (ii) the date fixed for redemption and the redemption price or prices, (iii) that the
2 Bonds to be redeemed shall be presented for redemption at the office of the Bond Registrar
3 (iv) that interest on the Bonds called for redemption shall cease to accrue on the date fixed for
4 redemption; and (v) other conditions, if any, for the redemption on the date fixed for
5 redemption, including but not limited to the availability of funds for such redemption.
6

7 From and after the date fixed for redemption, if notice has been duly and properly
8 given and if funds sufficient for the payment of the redemption price of the Bonds called for
9 redemption plus accrued interest due thereon are available on such date, the Bonds so called
10 for redemption shall become due and payable at the redemption price or prices provided for
11 redemption of such Bonds on such date, interest on the Bonds shall cease to accrue and the
12 registered owners of the Bonds so called for redemption shall have no rights in respect thereof
13 except to receive payment of the redemption price plus accrued interest to the date fixed for
14 redemption. Upon presentation and surrender of a Bond called for redemption in compliance
15 with the redemption notice, the Bond Registrar shall pay the redemption price of such bond
16 plus accrued interest thereon to the date fixed for redemption. If bonds so called for
17 redemption are not paid upon presentation and surrender as described above, such bonds
18 shall continue to bear interest at the rates stated therein until paid.
19

20 SECTION 6. The Bonds shall be executed in the name of the City and on its behalf
21 by the Mayor. The signature of the Mayor shall be imprinted or otherwise included on the
22 Bonds manually or by facsimile and a facsimile of the corporate seal of Annapolis shall also
23 be imprinted thereon, attested by the manual signature of the City Clerk of Annapolis (the
24 "City Clerk").
25

26 In the event any official whose signature shall appear on the Bonds shall cease to be
27 such official prior to the delivery of the Bonds, or in the event any such official whose
28 signature shall appear on the Bonds shall have become such after the date of issue thereof,
29 the Bonds shall nevertheless be valid and legally binding obligations of Annapolis in
30 accordance with their terms.
31

32 No Bond shall be valid or obligatory for any purpose unless and until the certificate of
33 authentication substantially in the form set forth in the form of the Bonds in Section 8 of this
34 Ordinance shall have been duly executed by the Bond Registrar, and such executed certificate of
35 the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been
36 authenticated and delivered pursuant to this Ordinance. The Bond Registrar's certificate of
37 authentication on any Bond shall be deemed to have been executed by it if manually signed by
38 an authorized signer of the Bond Registrar, but it shall not be necessary that the same person
39 sign the certificate of authentication on all of the Bonds issued hereunder.
40

41 All Bonds shall be issued as fully-registered bonds without coupons and shall be
42 registered in the name or names of the owner or owners thereof; on books kept for such
43 purpose at the principal office of the Bond Registrar. Unless the Mayor otherwise elects, the
44 Bonds initially will be issued in book-entry form without any physical distribution of certificates
45 made to the public. DTC will act as securities depository for the Bonds and the Bonds will be
46 registered in the name of DTC's partnership nominee, Cede & Co. The City reserves the right
47 to terminate maintenance of the Bonds in a book-entry only system and to issue fully
48 certificated bonds.. The Mayor or his designee is hereby authorized to appoint a financial
49 institution to act as the Bond Registrar and as paying agent (the "Paying Agent") for the
50 Bonds, unless the Mayor determines after consulting with the financial advisor to the City (the
51 "Financial Advisor") that the City shall act as the Bond Registrar or the Paying Agent or both.

1 Payment of the principal of and interest on the Bonds shall be made to the person appearing
2 on the registration books maintained by the Bond Registrar as the registered owner thereof,
3 such principal to be payable at the principal office of the Paying Agent upon presentation and
4 surrender of such bonds as the same become due and payable, and such interest to be
5 payable by check mailed by the Paying Agent to the persons in whose names the bonds are
6 registered on the regular record date which shall be the fifteenth day of the month immediately
7 preceding each regular interest payment date, or such other day specified in the bond (the
8 "Regular Record Date"), at the registered owner's address as shown on the registration books
9 maintained by the Bond Registrar.

10
11 SECTION 7. Any interest on any Bond which is payable but is not punctually paid or
12 provision for the payment of which has not been made ("Defaulted Interest") shall forthwith
13 cease to be payable to the registered owner of such Bond on the relevant Regular Record
14 Date solely by virtue of such registered owner having been such registered owner; and such
15 Defaulted Interest may be paid by the City, at its election in each case, as provided in
16 paragraph (1) or (2) below:
17

18 (1) The City may elect to make payment of any Defaulted Interest on the Bonds to
19 the persons in whose names such Bonds are registered at the close of business on a record
20 date for the payment of such Defaulted Interest (the "Special Record Date"), which shall be
21 fixed in the following manner. The City shall notify the Paying Agent in writing of the amount
22 of Defaulted Interest proposed to be paid on the Bonds and the date of the proposed payment
23 (which date shall be such as will enable the Paying Agent to comply with the next sentence
24 hereof), and at the same time the City shall deposit or cause to be deposited with the Paying
25 Agent an amount of money equal to the aggregate amount proposed to be paid in respect of
26 such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such
27 deposit prior to the date of the proposed payment, such money when deposited to be held in
28 trust for the benefit of the persons entitled to such Defaulted Interest as provided in this
29 paragraph. Thereupon the Paying Agent shall fix a Special Record Date for the payment of
30 such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the
31 date of the proposed payment after the receipt by the Paying Agent of the notice of the
32 proposed payment. The Paying Agent shall promptly notify the City of such Special Record
33 Date and, in the name of the City, shall cause notice of the proposed payment of such
34 Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage
35 prepaid, to each registered owner at his address as it appears in the registration books
36 maintained by the Bond Registrar not less than 10 days prior to such Special Record Date.
37 The Paying Agent may, in its discretion, in the name of the City, cause a similar notice to be
38 published at least once in a newspaper of general circulation in Annapolis, Maryland but such
39 publication shall not be a condition precedent to the establishment of such Special Record
40 Date. Notice of the proposed payment of such Defaulted Interest and the Special Record
41 Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the
42 registered owners of the Bonds as of the close of business on such Special Record Date.
43

44 (2) The City may make payment of any Defaulted Interest in any other lawful
45 manner not inconsistent with the requirements of any securities exchange on which the Bonds
46 may be listed, and upon such notice as may be required by such exchange, if after notice
47 given by the City to the Paying Agent of the proposed payment pursuant to this paragraph,
48 such payment shall be deemed practicable, and approved in writing, by the Paying Agent.
49

50 SECTION 8. Except as provided hereinafter or in other ordinances of the City
51 adopted prior to the issuance and delivery of the Bonds, all Bonds shall be substantially in the

1 following form, with appropriate insertions as therein indicated and such other modifications as
2 shall be approved by the Mayor, which form and all of the covenants therein contained are
3 hereby adopted by Annapolis as and for the form of obligation to be incurred by Annapolis,
4 and said covenants and conditions are hereby made binding upon Annapolis, including the
5 promise to pay therein contained:

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF MARYLAND
CITY OF ANNAPOLIS, MARYLAND

GENERAL OBLIGATION BOND

PUBLIC IMPROVEMENTS BOND
____ SERIES

Interest Rate Per Annum	Maturity Date	Date of Original Issue	CUSIP
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REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

CITY OF ANNAPOLIS (the "City"), a municipal corporation created and existing under the laws of the State of Maryland, hereby acknowledges itself indebted, and, for value received, promises to pay to the Registered Owner shown above or registered assigns or legal representatives on the Maturity Date shown above (unless this bond shall be redeemable, shall have been called for prior redemption and payment of the redemption price made or provided for), the Principal Amount shown above or so much thereof as shall not have been paid upon prior redemption in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts upon presentation and surrender of this bond on the date such principal is payable or if such date is not a Business Day (hereinafter defined) then on the next succeeding Business Day at the principal office of the Paying Agent, and to pay to the registered owner hereof by check or draft, mailed to such registered owner at his address as it appears on said registration books (the "Bond Register") maintained by the Bond Registrar interest on said principal amount at the Interest Rate shown above until payment of such principal amount, or until the prior redemption hereof, such interest being payable semiannually on the ____ days of _____ and _____ in each year, in like coin or currency to the registered owner in whose name this bond is registered on the Bond Register as of the close of business on the regular record date, which shall be the fifteenth day [of the month] immediately preceding each regular interest payment date (the "Regular Record Date"). Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on the Regular Record Date, and may be paid to the person in whose name this bond is registered at the close of business on a date fixed by the Paying Agent for such defaulted interest payment (the "Special Record Date"), notice of which is given to the registered owner hereof not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirement of any securities exchange on which the bonds of this series may be listed and upon such notice as may be required by such exchange.

"Business Day" means a day other than a Saturday, Sunday or day on which banking institutions under the laws of the State governing the Paying Agent are authorized or obligated by law or required by executive order to remain closed.

1 This bond shall not be valid or become obligatory for any purpose until this bond shall have
2 been authenticated by an authorized officer of the Bond Registrar.

3
4 This bond is one of a duly authorized issue of general obligation bonds of the City aggregating
5 _____ Dollars (\$_____) in principal amount (the
6 "Bonds").
7

8 The Bonds are numbered from one consecutively upwards prefixed by the letter "R", are in
9 denominations of \$5,000 or any integral multiple thereof and are of like tenor and effect except
10 as to maturity, number, interest rate, denomination and redemption provisions, and are issued
11 pursuant to and in full conformity with the provisions of Sections 19-301 through 19-309,
12 inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended,
13 and Article VII, Section 11 of the Charter of the City of Annapolis, as amended, and by virtue
14 of due proceedings had and taken by the Mayor and Aldermen of the City of Annapolis,
15 particularly Ordinance No. _____ adopted on the _____ day of _____, 2017 (approved
16 _____ 2017) (the "Ordinance").
17

18 The Bonds which mature on or before _____ are not subject to redemption prior
19 to their maturities. The Bonds which mature on or after _____ are subject to
20 redemption prior to their maturities on or after _____ at the option of the City
21 either as a whole or in part at any time, in any order of maturities, at a redemption price
22 expressed as a percentage of the principal amount of the Bonds to be redeemed, set forth in
23 the table below, together with interest accrued to the date fixed for redemption:
24

<u>Redemption Period (both dates inclusive)</u>	<u>Redemption Price</u>
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25
26
27
28 If less than all of the outstanding Bonds shall be called for optional redemption, the City shall
29 choose the maturities of the Bonds to be redeemed and the principal amount of each such
30 maturity to be redeemed, in its sole discretion. If less than all of the Bonds of any one
31 maturity of this issue shall be called for redemption, the Bonds to be redeemed shall be
32 selected by lot by the Bond Registrar in such manner as, in its discretion, it shall determine.
33

34 When less than all of a bond in a denomination in excess of \$5,000 shall be so redeemed,
35 then, upon the surrender of such bond, there shall be .issued to the registered owner thereof,
36 without charge, for the unredeemed balance of the principal amount of such bond, at the
37 option of such owner, Bonds in any of the authorized denominations, the aggregate face
38 amount of such Bonds not to exceed the unredeemed balance of the bond so surrendered,
39 and to bear the same interest rate and to mature on the same date as said unredeemed
40 balance.
41

42 If the City elects to redeem all or a portion of the Bonds outstanding, it shall give a redemption
43 notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for
44 redemption to each registered owner appearing on the books kept by the Bond Registrar.
45 Notwithstanding the foregoing, so long as all of the Bonds are registered in the name of Cede
46 & Co., as nominee for the Depository Trust Company, New York, New York ("DTC"), such
47 notice shall be given by a secure means (e.g. legible facsimile transmission, registered or
48 certified mail or overnight express delivery) in a timely manner designed to assure that such
49 notice is in DTC possession no later than the close of business on such 30th day; provided,
50 however, that the failure to mail the redemption notice or any defect in the notice so mailed or
51 in the mailing thereof shall not affect the validity of the redemption proceedings. The

1 redemption notice shall state (i) whether the Bonds are to be redeemed in whole or in part
2 and, if in part, the maturities and numbers of the Bonds to be redeemed, (ii) the date fixed for
3 redemption and the redemption price or prices, (iii) that the Bonds to be redeemed shall be
4 presented for redemption at the office of the Bond Registrar and (iv) that interest on the Bonds
5 called for redemption shall cease to accrue on the date fixed for redemption.
6

7 From and after the date fixed for redemption, if notice has been duly and properly given and if
8 funds sufficient for the payment of the redemption price of the Bonds called for redemption
9 plus accrued interest due thereon are available on such date, the Bonds so called for
10 redemption shall become due and payable at the redemption price or prices provided for
11 redemption of such Bonds on such date interest on the Bonds shall cease to accrue and the
12 registered owners of the Bonds so called for redemption shall have no rights in respect thereof
13 except to receive payment of the redemption price plus accrued interest to the date fixed for
14 redemption. Upon presentation and surrender of a bond called for redemption in compliance
15 with the redemption notice, the Bond Registrar shall pay the redemption price of such Bond
16 plus accrued interest thereon to the date fixed for redemption. If Bonds so called for
17 redemption are not paid upon presentation and surrender as described above, such Bonds
18 shall continue to bear interest at the rates stated therein until paid.
19

20 This bond is transferable only upon the registration books kept at the principal office of the
21 Bond Registrar, by the registered owner hereof in person, or by his attorney duly authorized in
22 writing, upon surrender hereof together with a written instrument of transfer in the form
23 attached hereto and satisfactory to the Bond Registrar duly executed by the registered owner
24 or his duly authorized attorney, and thereupon, within a reasonable time, the City shall issue in
25 the name of the transferee a new registered bond or bonds of any authorized denominations
26 in aggregate principal amount equal to the principal amount of this bond or the unredeemed
27 portion hereof, and maturing on the same date and bearing interest at the same rate. Said
28 new bond or bonds shall be delivered to the transferee only after payment of any tax or
29 governmental charge required to be paid with respect to and any shipping expenses or
30 insurance relating to, such transfer and only after due authentication thereof by an authorized
31 officer of the Bond Registrar. The City shall not be required to issue, transfer or exchange any
32 bond during the period beginning fifteen days before any selection of Bonds to be redeemed
33 and ending on the day of publication and mailing of the notice of redemption or to transfer or
34 exchange any bond called or being called for redemption in whole or in part. The City may
35 deem and treat the person in whose name this bond is registered as the absolute owner
36 hereof for the purpose of receiving payment of or on account of the principal or redemption
37 price hereof and interest due hereon and for all other purposes.
38

39 The full faith and credit and unlimited taxing power of the City are hereby irrevocably pledged
40 to the prompt payment of the principal of and interest on this bond according to its terms, and
41 the City does hereby covenant and agree to pay the principal of this bond and the interest
42 thereon at the dates and in the manner mentioned herein, according to the true intent and
43 meaning hereof.
44

45 It is hereby certified and recited that all conditions, acts and things required by the Constitution
46 or statutes of the State of Maryland, the Charter of the City and the Ordinance to exist, to have
47 happened or to have been performed precedent to or in the issuance of this bond, exist, have
48 happened and have been performed, and that the issue of Bonds of which this is one,
49 together with all other indebtedness of the City, is within every debt and other limit prescribed
50 by said Constitution or statutes or Charter, and that due provision has been made for the levy
51 and collection of an ad valorem tax or taxes upon all legally assessable property within the

1 corporate limits of the City in rate and amount sufficient to provide for the payment, when due,
2 of the principal of and interest on this bond.

3
4 IN WITNESS WHEREOF, this bond has been executed by the facsimile signature of the
5 Mayor of the City, which signature has been imprinted hereon, a facsimile of the corporate
6 seal of the City has been imprinted hereon, attested by the manual signature of the City Clerk
7 as of the first day of _____, ____.

8
9 ATTEST: CITY OF ANNAPOLIS

10
11
12
13 _____ By: _____
14 City Clerk Mayor

15
16
17 CERTIFICATION OF AUTHENTICATION

18
19 The undersigned hereby certifies that this bond is one of the registered Bonds of the City of
20 Annapolis.

21
22 _____
23 _____
24 [Authorized Officer of Bond Registrar]
25 Date of Authentication: _____

(Form of Assignment)

1
2
3 FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the
4 within bond and all rights thereunder, and does hereby constitute and appoint
5 _____ to transfer the within bond on the books kept for the registration thereof,
6 with full power of substitution in the premises.
7

8 Dated: _____
9

10
11 In the presence of:
12
13 _____
14

15 Notice: The signature to this assignment must correspond with the name as it appears upon
16 the face of the within bond in every particular, without alteration or enlargement or any change
17 whatever.

1 SECTION 9. All of the Bonds authorized by this Ordinance may be sold by
2 solicitation of competitive sealed proposals at public sale in accordance with the provisions of
3 the following Notice of Sale at the principal office of the City, on such date as may be selected
4 by the Mayor, for cash at no less than par, to the bidder therefor whose bid is deemed to be
5 for the best interests of Annapolis. Bids shall be received as provided in the Notice of Sale.
6 The Bonds authorized by this Ordinance may also be sold, if the Mayor, after consultation with
7 the Finance Director and the City's Financial Advisor, determines that it would be in the best
8 interest of the City, at private (negotiated) sale without advertisement, publication, notice of
9 sale, or solicitation of competitive bids. The Mayor shall award the Bonds by executive order.

10
11 Unless a referendum petition shall be filed as provided hereinafter or the Bonds are
12 sold at private (negotiated) sale, the City Clerk is authorized and directed to publish a notice of
13 sale at least twice in a daily or weekly newspaper having general circulation in Annapolis. The
14 first publication of such notice of sale shall be made at least 10 days prior to the date of sale.
15 The City Clerk may give such other notice of the sale of the Bonds, within or without this
16 State, by publication or otherwise, as the Mayor may deem appropriate.

17
18 The Finance Director of Annapolis (the "Finance Director") is hereby authorized and
19 directed to make all necessary arrangements for the tabulation and comparison of the
20 proposals received, including the employment of specially qualified personnel, if necessary, so
21 that he will be able promptly to advise the Mayor as to the proposal which produces the lowest
22 true interest cost for the Bonds sold.

23
24 The Mayor and the Finance Director are hereby authorized to prepare and distribute a
25 preliminary official statement and final official statement in connection with the sale of the
26 Bonds.

27
28 The Notice of Sale, if used for the issue of the Bonds authorized by this Ordinance,
29 shall be in substantially the form hereinafter set forth, with the insertions therein indicated.
30 The terms and conditions stated in such Notice of Sale are hereby adopted and approved as
31 the terms and conditions under which and the manner in which the Bonds shall be sold,
32 issued and delivered at public sale, subject to such insertions, alterations, additions or
33 deletions as the Mayor may deem advisable due to financial or market conditions or other
34 circumstances prevailing at the time based upon the advice of the Financial Advisor.

NOTICE OF SALE

\$ _____
CITY OF ANNAPOLIS, MARYLAND
General Obligation Bonds
Public Improvements Bonds, ____ Series

Electronic bids via the BiDCOMP/Panty Competitive Bidding System ("PARITY") will be received until _____, prevailing Eastern time, on _____ (unless such date or time is changed as described herein) by City of Annapolis (the "City") for the City of Annapolis, Maryland Public Improvements Bonds, ____ Series (the "Bonds").

Terms of the Bonds

The Bonds shall be dated the date of their delivery.

Interest on the Bonds is payable on _____, _____ and semiannually thereafter on _____ and _____ until maturity. The Bonds will mature on _____ in the following respective years and principal amounts:

Maturing _____	Principal <u>Amount</u>	Maturing _____	Principal <u>Amount</u>
-------------------	----------------------------	-------------------	----------------------------

The proceeds of the Bonds will be used to finance the costs of certain public projects of the City and to pay costs of issuance of and capitalized interest on the Bonds and other costs and expenses related to the Bonds..

Authority

The Bonds are issued pursuant to Sections 19-301 through 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Annapolis, as amended. The Bonds are authorized pursuant to Ordinance No. _____. The Bonds are general obligations of the City and will constitute an irrevocable pledge of its full faith and credit and unlimited taxing power.

Book-Entry System

One bond representing each maturity of the Bonds will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such bond shall be held in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made

1 in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof.
2 Purchasers will not receive physical delivery of certificates representing their interest in the
3 Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be
4 required to deposit the bond certificates representing each maturity with DTC.
5

6 Interest on the Bonds will be payable when due and the principal or redemption price
7 of the Bonds will be payable at maturity or upon earlier redemption to DTC or its nominee as
8 registered owner of the Bonds. Transfer of principal and interest payments to beneficial
9 owners of the Bonds by participants of DTC ("Participants") will be the responsibility of
10 Participants and other nominees of beneficial owners. The City will not be responsible or
11 liable for such transfers of payments or for maintaining, supervising or reviewing the records
12 maintained by DTC, Participants or persons acting through Participants.
13

14 Optional Redemption

15
16 Bonds maturing on or before _____ are not subject to redemption prior to their
17 stated maturities. Bonds maturing on or after _____ are subject to redemption prior to
18 their maturities at the option of the City on or after _____ either as a whole or in part at
19 any time in any order of maturity at the option of the City, at par plus accrued interest thereon
20 to the date fixed for redemption.
21

22 Change of Bid Date or Time and Closing Date

23
24 The City reserves the right to change, from time to time, the date or time established
25 for the receipt of bids and will undertake to notify prospective bidders via notification published
26 on TM3. A change of the bid date or time will be announced via TM3 not later than ____ p.m.,
27 prevailing Eastern Time, on the last business day prior to any announced date for receipt of
28 bids, and an alternative sale date and time will be announced via TM3 at that time or at a later
29 date. On any such alternative date and time for receipt of bids, the City will accept electronic
30 bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of
31 this Notice of Sale, except for the changes in the date and time for receipt of bids and any
32 other changes announced via TM3. The City reserves the right to change the scheduled
33 delivery date for the Bonds. See "Delivery" below.
34

35 Bid Parameters

36
37 No bid of less than 100% of par or more than ____% on an "all-or-none" basis, no oral
38 bid and no bid for less than all of the Bonds described in this Notice of Sale, will be
39 considered. The Bonds are expected to be awarded by approximately ____ p.m., prevailing
40 Eastern Time, on _____. All proposals shall remain firm until the time of award.
41

42 Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of
43 1%, the highest rate may not exceed the lowest rate by more than ____% and no interest rate
44 may exceed ____%. A zero rate may not be named. No Bond shall bear more than one rate
45 of interest which rate shall be uniform for the life of such Bond.
46

47 Basis of Award

48
49 The Mayor of the City will not accept and will reject any bid for less than all of the
50 Bonds. The City will award all of the Bonds to one bidder. The City reserves the right to
51 reject any and all bids and to waive any irregularities in any of the bids. The judgment of the

1 City shall be final and binding upon all bidders with respect to the form and adequacy of any
2 proposal received and as to its conformity with the terms of this Notice of Sale. The Bonds
3 will be awarded to the bidder naming the lowest true interest cost (TIC) for the Bonds in any
4 legally acceptable proposal and offering to pay not less than par. The lowest true interest cost
5 with respect to the Bonds will be determined by doubling the semiannual interest rate,
6 compounded semiannually, necessary to discount the debt service payments from the
7 payment dates to the date of the Bonds and to the amount bid.
8

9 Where the proposals of two or more bidders result in the same lowest true interest cost
10 for any Bonds, such Bonds may be apportioned between such bidders, but if this shall not be
11 acceptable, the City shall have the right to award all of such Bonds to one bidder. There will
12 be no auction. The right is reserved to the City to reject any or all proposals and to waive any
13 irregularity or informality in any proposal. The City's judgment shall be final and binding upon
14 all bidders with respect to the form and adequacy of any proposal received and as to its
15 conformity to the terms of this Notice of Sale. Any award of the Bonds may be made as late
16 as ____ p.m., prevailing Eastern Time, on the sale date. All bids remain firm until an award is
17 made. Upon notice of such award, the winning bidder shall advise the City of the initial
18 reoffering prices to the public of each maturity of the Bonds and the names of the members of
19 the underwriting groups.
20

21 Procedures for Electronic Bidding

22 Bidders to Submit Bids by PARITY

23 Bids for the Bonds must be submitted electronically via PARITY pursuant to this Notice
24 of Sale until _____, prevailing Eastern time, on the sale date but no bid will be
25 received after the time for receiving bids specified above. To the extent any instructions or
26 directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale
27 shall control. For further information about PARITY, potential bidders may contact i-Deal LLC
28 at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.
29
30

31 Disclaimer

32 Each prospective electronic bidder shall be solely responsible to submit its bid via
33 PARITY as described above. Each prospective electronic bidder shall be solely responsible
34 to make necessary arrangements to access PARITY for the purpose of submitting its bid in a
35 timely manner and in compliance with the requirements of this Notice of Sale. Neither the City
36 nor PARITY shall have any duty or obligation to provide or assure access to PARITY to any
37 prospective bidder, and neither the City nor PARITY shall be responsible for proper operation
38 of, or have any liability for any delays or interruptions of, or any damages caused by PARITY.
39 The City is using PARITY as a communication mechanism, and not as the City's agent, to
40 conduct the electronic bidding for the Bonds. The City is not bound by any advice and
41 determination of PARITY to the effect that any particular bid complies with the terms of this
42 Notice of Sale and in particular the "Bid Parameters" set forth herein. All costs and expenses
43 incurred by prospective bidders in connection with their submission of bids via PARITY are the
44 sole responsibility of the bidders; the City is not responsible, directly or indirectly, for any of
45 such costs or expenses. If a prospective bidder encounters any difficulty in submitting,
46 modifying, or withdrawing a bid for the Bonds, such bidder should telephone i-Deal LLC at
47 (212) 849-5021 and notify Davenport & Company LLC by facsimile at (866) 932-6660.
48
49

1 Electronic Bidding Procedures
2

3 Electronic bids must be submitted for the purchase of the Bonds (all or none) via
4 PARITY. Bids will be communicated electronically to the City at _____, prevailing
5 Eastern time, on _____, _____. Prior to that time, a prospective bidder may (1) submit the
6 proposed terms of its bid via PARITY, (2) modify the proposed terms of its bid, in which event
7 the proposed terms as last modified will (unless the bid is withdrawn as described herein)
8 constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are
9 communicated electronically via PARITY to the City, each bid will constitute an irrevocable
10 offer to purchase the Bonds on the terms therein provided. For purposes of the electronic
11 bidding process, the time as maintained on PARITY shall constitute the official time.
12

13 Good Faith Deposit
14

15 A good faith deposit in the amount of \$_____ is required of the winning
16 bidder for the Bonds. The winning bidder for the Bonds is required to submit such good faith
17 deposit payable to the order of the City in the form of a wire transfer in federal funds as
18 instructed by Davenport & Company LLC, the City's Financial Advisor. The winning bidder
19 shall submit the good faith deposit not more than two hours after verbal award is made. The
20 winning bidder should provide as quickly as it is available, evidence of wire transfer by
21 providing the City the federal funds reference number. If the winning bidder fails to comply
22 with the good faith deposit requirement as described herein, that bidder is nonetheless
23 obligated to pay to the City the sum of \$_____ as liquidated damages due to the
24 failure of the winning bidder to timely deposit the good faith deposit.
25

26 Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance
27 of the terms of the good faith deposit requirement.
28

29 The good faith deposit will be retained by the City until the delivery of the Bonds, at
30 which time the good faith deposit will be applied against the purchase price of the Bonds or
31 the good faith deposit will be retained by the City as partial liquidated damages in the event of
32 the failure of the successful bidder to take up and pay for such Bonds in compliance with the
33 terms of this Notice of Sale and of its bid. No interest on the good faith deposit will be paid by
34 the City. The balance of the purchase price must be wired in federal funds to the account
35 detailed in the closing memorandum, simultaneously with delivery of the Bonds.
36

37 Approving Legal Opinion
38

39 The approving legal opinion of Miles & Stockbridge P.C., Bond Counsel, will be
40 furnished to the purchasers without cost. There will also be furnished the usual closing
41 papers and, in addition, a certificate signed by appropriate officers of the City, certifying that
42 there is no litigation pending or, to the knowledge of the signers of such certificate, threatened
43 affecting the validity of the Bonds and that on the date of the Official Statement mentioned
44 below and at the time of delivery of the Bonds the statements and information contained in
45 such Official Statement which are made and provided by the City are and will be true, correct
46 and complete in all material respects and the Official Statement does not and will not omit any
47 statement or information which is required to be stated therein or necessary to make the
48 statements and information therein, in the light of the circumstances under which they were
49 made, not misleading or incomplete in any material respect.
50

1 Preliminary Official Statement; Continuing Disclosure
2

3 The City has deemed the Preliminary Official Statement with respect to the Bonds
4 dated _____ (the "Preliminary Official Statement") to be final as of its date for
5 purposes of Rule 15c2-12 of the United States Securities and Exchange Commission (the
6 "Rule"), except for the omission of certain information permitted to be omitted by the Rule.
7 The City agrees to deliver to the successful bidder for its receipt no later than seven business
8 days after the date of sale of the Bonds such quantities of the final official statement as the
9 successful bidder shall request; provided, that the City shall deliver up to ___ copies of such
10 official statement without charge to the successful bidder.
11

12 The City has made certain covenants for the benefit of the holders from time to time of
13 the Bonds to provide certain continuing disclosure, in order to assist bidders for the Bonds in
14 complying with the Rule. Such covenants are described in the Preliminary Official Statement.
15

16 Delivery
17

18 The Bonds will be delivered on or about _____ through the facilities of DTC in
19 New York, New York, against payment therefor in federal or other immediately available
20 funds.
21

22 Reoffering Price Certificate
23

24 SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE
25 SUCCESSFUL BIDDER SHALL FURNISH TO THE CITY A CERTIFICATE ACCEPTABLE
26 TO BOND COUNSEL TO THE EFFECT THAT (I) THE SUCCESSFUL BIDDER HAS MADE A
27 BONA FIDE PUBLIC OFFERING OF EACH MATURITY OF THE BONDS AT THE INITIAL
28 REOFFERING PRICES, (II) AS OF THE DATE OF THE SALE OF THE BONDS, THE
29 SUCCESSFUL BIDDER REASONABLY EXPECTED TO SELL A SUBSTANTIAL AMOUNT
30 OF EACH MATURITY OF THE BONDS TO THE PUBLIC (EXCLUDING BOND HOUSES,
31 BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE REOFFERING
32 PRICES, (III) A SUBSTANTIAL AMOUNT OF EACH MATURITY OF THE BONDS WAS
33 SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER
34 INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES OR SUCH
35 OTHER FACTS REGARDING THE ACTUAL SALE OF THE BONDS AS BOND COUNSEL
36 SHALL REQUEST, AS DESCRIBED BELOW, AND (IV) COMPLIANCE WITH THE ISSUE
37 PRICE REGULATIONS THEN IN EFFECT. Bond Counsel advises that (I) such certificate
38 must be made on the best knowledge, information and belief of the successful bidder, (ii) the
39 sale to the public of 10% or more in par amount of each maturity of the Bonds at the initial
40 reoffering prices would be sufficient to certify as of the sale of a substantial amount of the
41 Bonds and (iii) reliance on other facts as a basis for such certification would require evaluation
42 by Bond Counsel to assure compliance with the statutory requirement to avoid the
43 establishment of an artificial price for the Bonds.
44

45 Miscellaneous
46

47 It is expected that CUSIP numbers will be printed on the Bonds. However, the validity,
48 sale, delivery or acceptance of the Bonds will not be affected in any manner by any failure to
49 print, or any error in printing, the CUSIP numbers on the Bonds, or any of them.
50

1 SECTION 10. If any Bonds are sold pursuant to the foregoing Notice of Sale, the
2 award shall be made by order of the Mayor. Such action of the Mayor shall also fix the final
3 principal amount of each maturity of the Bonds and the interest rate or rates payable on the
4 Bonds in accordance with the accepted proposal. The Mayor shall also be authorized to
5 make all changes necessary to the form of the Bonds to comply with a book-entry only
6 system.
7

8 SECTION 11. The proceeds of the Bonds shall be paid to the Finance Director. The
9 first proceeds of the Bonds in anticipation of the sale of which Notes (as defined herein) were
10 issued shall be applied to the payment of the principal of and interest on such Notes. Upon
11 approval of the appropriate vouchers, in accordance with the established procedure of the
12 City, the Finance Director shall pay, from the proceeds of the Bonds in his hands, all
13 expenses incurred in the issuance of the Bonds, including costs of advertising, printing,
14 document reproduction and counsel fees and expenses. The balance of such proceeds shall
15 be credited by the Finance Director to the several accounts on his books for the Projects
16 described above and the Finance Director shall make disbursements for such Projects in
17 accordance with the established procedure of Annapolis. Prior to expenditure of such
18 proceeds, the same or any part thereof shall be invested by the Finance Director, with the
19 approval of the Mayor, in any authorized investment of the City. If the funds derived from the
20 sale of the Bonds shall exceed the amount needed to finance any of the Projects described in
21 this Ordinance, or if the City Council determines that the public interest requires a change in
22 the capital improvements program of Annapolis, the funds so borrowed and not expended for
23 the public improvements and other costs provided by this Ordinance shall be set apart in a
24 separate fund by the Finance Director and applied in payment of the debt service on the
25 Bonds, unless the City Council shall adopt an ordinance allocating such funds to some other
26 public capital improvement project or projects of the City.
27

28 SECTION 12. In order to provide for the payment of the principal of and interest on the
29 Bonds hereby authorized when due, there shall be appropriated in the next ensuing fiscal year
30 of Annapolis and in each fiscal year thereafter, so long as any of the Bonds are outstanding
31 and unpaid, or until sufficient funds have been accumulated and irrevocably set aside for the
32 purpose, an amount sufficient to meet the debt service on the Bonds coming due in such fiscal
33 year and there shall be levied ad valorem taxes upon all property within the corporate limits of
34 the City subject to assessment for full City taxes, in rate and amount sufficient in each such
35 year to fund such appropriations and to provide for the payment when due of the principal of
36 and interest on all Bonds maturing in each such fiscal year. In the event the proceeds from
37 the taxes so levied in each such fiscal year shall prove inadequate for the above purposes,
38 additional taxes shall be levied in the subsequent fiscal year to make up any deficiency.
39

40 Thereafter, prior to each interest payment date, the Finance Director shall deposit with the
41 Paying Agent, from the tax proceeds above described, the amounts needed to pay the
42 principal of and interest on the Bonds coming due on each such interest payment date, All
43 moneys so deposited with the Paying Agent shall be deemed and treated by the Paying Agent
44 as trust funds for the use and benefit of the holders from time to time of the Bonds hereby
45 authorized. Any such trust funds so held by the Paying Agent for the payment of particular
46 Bonds for periods of more than two years from the payment dates of such Bonds shall, upon
47 the expiration of any such two-year period and the failure of the holders of such Bonds to
48 present the same for payment within such period, shall be returned by the Paying Agent to the
49 City and, thereafter, the holders of any such Bonds shall have claims only against the City for
50 payment of the obligations held by them and the Paying Agent shall be relieved of the trust
51 hereby imposed.

1
2 To assure the performance by the City of the provisions of this Section, the full faith
3 and credit and unlimited taxing power of the City are hereby irrevocably pledged to the
4 payment to maturity of the principal of and interest on the Bonds as and when the same
5 respectively mature and become payable and to the levy and collection of the taxes
6 hereinabove described as and when such taxes may become necessary in order to provide
7 sufficient funds to meet the debt service requirements of the Bonds. This pledge is made
8 hereby for the benefit of the holders, from time to time, of the Bonds.
9

10 The City hereby solemnly covenants and agrees with each holder of any of the Bonds
11 to levy and collect the taxes hereinabove described and to take any other action that may be
12 appropriate from time to time during the period that any of the Bonds remain outstanding and
13 unpaid to provide the funds necessary to make principal and interest payments thereon when
14 due.
15

16 SECTION 13. This Ordinance and the question of the issuance of Bonds hereunder
17 shall not be submitted to a referendum of the registered voters of Annapolis, as permitted by
18 law, unless, within 10 days after the passage of this Ordinance, there shall be served upon the
19 Mayor a notice signed by not fewer than 200 of the registered voters of Annapolis, advising
20 that a petition for a referendum on the issuance of the Bonds is being circulated by one or
21 more of the persons signing said notice and unless, within 20 days after the delivery of such
22 notice, there shall also be filed with the Mayor a petition or petitions requesting the holding of
23 such a referendum, properly signed as required by the Charter, by not fewer than 25% of the
24 registered voters of Annapolis, as shown by the registered voters books of Annapolis,
25 maintained by the Board of Supervisors of Elections of the City (the "Board of Supervisors").
26 In view of the foregoing, no action shall be taken by Annapolis pursuant to this Ordinance for a
27 period of 10 days following its passage. If, within such ten-day period, the notice above
28 described is filed as aforesaid, then no action shall be taken by Annapolis pursuant to this
29 Ordinance for a period of 20 days following the filing of such notice. If, within such twenty-day
30 period, a petition for referendum, as above-described, shall be filed as aforesaid, then no
31 action shall be taken by Annapolis under this Ordinance unless and until the Mayor shall
32 receive written advice from the City Attorney and the Board of Supervisors that such
33 referendum petition does not meet the requirements of the Charter or unless and until the
34 referendum requested in such petition shall be duly held in accordance with law and the Board
35 of Supervisors shall certify to Annapolis that, in the election at which such referendum is held,
36 a majority of the registered voters of Annapolis voting on the question referred duly cast their
37 ballots in favor of the issuance of the Bonds hereby authorized. If this Ordinance shall be
38 ratified or approved on any such referendum, then the Mayor and the City Clerk may proceed
39 with the issuance of the Bonds hereby authorized, without further action by Annapolis.
40

41 SECTION 14. CUSIP numbers may be printed on the Bonds; provided, however, that
42 the printing of CUSIP numbers on the Bonds (even if incorrect) shall have no legal effect and
43 shall not in any way affect the enforceability or validity of any Bond. Any expenses in relation
44 to the printing of CUSIP numbers on the Bonds, including any CUSIP Service Bureau charge
45 for the assignment of such numbers, in the discretion of the Finance Director, may be paid for
46 by the City from the proceeds of the Bonds.
47

48 SECTION 15. In addition to the insertions and variations prescribed by this Ordinance,
49 the Mayor is hereby authorized to make such further modifications in such forms as will not
50 materially alter the substance of such forms. In connection with the issuance of any Bonds
51 pursuant to this Ordinance, the City is hereby authorized to enter into one or more

1 agreements as the Mayor shall deem necessary or appropriate for the issuance, sale, delivery
2 or security of such Bonds, which may include (without limitation) (i) underwriting, purchase or
3 placement agreements for Bonds sold at private (negotiated) sale in accordance with the
4 provisions of this Ordinance; (ii) trust agreements with commercial banks or trust companies
5 providing for the issuance and security of such Bonds; (iii) any dealer, remarketing or similar
6 agreements providing for the placement or remarketing of such Bonds; (iv) agreements
7 providing for any credit or liquidity facilities supporting any Bonds; (v) agreements with
8 commercial banks or trust companies providing for the deposit of proceeds of any Bonds; and
9 (vi) continuing disclosure agreements, including any such agreements required to enable the
10 underwriters of any Bonds to meet the requirements of paragraph (b)(5) of Rule 15c2-12
11 promulgated by the United States Securities and Exchange Commission (the "Rule"). Each
12 such agreement shall be in such form as shall be determined by the Mayor by executive
13 order. The execution and delivery of each such agreement by the Mayor shall be conclusive
14 evidence of the approval of the form of such agreement on behalf of the City.
15

16 SECTION 16. The provisions of this Section 16 shall only be applicable with
17 respect to Bonds which are issued pursuant to this Ordinance with the expectation that
18 interest on such Bonds will be excludable from gross income for federal income tax purposes.
19

20 The Mayor and the Finance Director shall be the officers of the City responsible for the
21 issuance of such Bonds within the meaning of the "Arbitrage Regulations" (defined herein).
22

23 The Mayor and the Finance Director shall also be the officers of the City responsible
24 for the execution and delivery (on the date of issuance of such Bonds) of a certificate of the
25 City (the "Tax Certificate and Compliance Agreement") which complies with the requirements
26 of Section 148 of the Internal Revenue Code of 1986, as amended ("Section 148"), and the
27 applicable regulations thereunder (the "Arbitrage Regulations"), and such officials are hereby
28 authorized and directed to execute the Tax Certificate and Compliance Agreement and to
29 deliver the same to Bond Counsel on the date of the issuance of such Bonds.
30

31 The City shall set forth in the Tax Certificate and Compliance Agreement its
32 reasonable expectations as to relevant facts, estimates and circumstances relating to the use
33 of the proceeds of such Bonds, or of any moneys, securities or other obligations to the credit
34 of any account of the City which may be deemed to be proceeds of such Bonds pursuant to
35 Section 148 or the Arbitrage Regulations (collectively, "Tax-Exempt Bond Proceeds"). The
36 City covenants with each of the holders of any of such Bonds that the facts, estimates and
37 circumstances set forth in the Tax Certificate and Compliance Agreement will be based on the
38 City's reasonable expectations on the date of issuance of such Bonds and will be, to the best
39 of the certifying officials' knowledge, true and correct as of that date.
40

41 The City covenants with each of the registered owners of any of such Bonds that it will
42 not make, or (to the extent that it exercises control or direction) permit to be made, any use of
43 the Tax-Exempt Bond Proceeds which would cause such Bonds to be "arbitrage bonds" within
44 the meaning of Section 148 and the Arbitrage Regulations. The City further solemnly
45 covenants that it will comply with Section 148 and the regulations thereunder which are
46 applicable to such Bonds on the date of issuance of such Bonds and which may subsequently
47 lawfully be made applicable to such Bonds as long as such Bonds remain outstanding and
48 unpaid. The Mayor and the Finance Director are hereby authorized and directed to prepare or
49 cause to be prepared and to execute any certification, opinion or other document, including,
50 without limitation, the Tax Certificate and Compliance Agreement, which may be required to

1 assure that such Bonds will not be deemed to be “arbitrage bonds” within the meaning of
2 Section 148 and the regulations thereunder.
3

4 The City further covenants with each of the registered owners of any of such Bonds (i)
5 that it will not take any action or (to the extent that it exercises control or direction) permit any
6 action to be taken that would cause such Bonds or a portion of such Bonds to be “federally
7 guaranteed” within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as
8 amended, and (ii) that it will not make, or (to the extent that it exercises control or direction)
9 permit to be made, any use of the proceeds of such Bonds or a portion of such proceeds that
10 would cause such Bonds or a portion of such Bonds to be “private activity bonds” within the
11 meaning of Section 141 of the Internal Revenue Code of 1986, as amended.
12

13 The Mayor may make such covenants or agreements in connection with the issuance
14 of such Bonds as he shall deem advisable in order to assure the registered owners of such
15 Bonds that interest thereon shall be and remain excludable from gross income for federal
16 income tax purposes and such covenants or agreements shall be binding on the City so long
17 as the observance by the City of any such covenants or agreements is necessary in
18 connection with the maintenance of the exclusion of the interest on such Bonds from gross
19 income for federal income tax purposes. The foregoing covenants or agreements may include
20 such covenants or agreements on behalf of the City regarding compliance with the provisions
21 of the Internal Revenue Code of 1986, as amended, as the Mayor shall deem advisable in
22 order to assure the registered owners of such Bonds that the interest thereon is and shall
23 remain excludable from gross income for federal income tax purposes, including (without
24 limitation) covenants or agreements relating to the investment of Tax-Exempt Bond Proceeds,
25 the payment of certain earnings resulting from such investment to the United States,
26 limitations on the times within which, and the purposes for which, Tax-Exempt Bond Proceeds
27 may be expended, or the use of specified procedures for accounting for and segregating Tax-
28 Exempt Bond Proceeds.
29

30 Any covenant or agreement made by the Mayor pursuant to this section may be set
31 forth in or authorized by the Tax Certificate and Compliance Agreement or an order executed
32 by the Mayor.
33

34 SECTION 17. The Mayor or his designee is expressly authorized to approve the form
35 of, and execute and deliver and on behalf of the City, a continuing disclosure agreement to
36 assist bidders in complying with the Rule.
37

38 SECTION 18. Bonds issued under this Ordinance are hereby specifically exempted
39 from the provisions of Sections 19-205 and 19-206 of the Local Government Article of the
40 Annotated Code of Maryland.
41

42 SECTION 19. Bonds authorized under this Ordinance may be combined for purposes
43 of sale with bonds of the City authorized under other prior or future ordinances of the City.
44

45 SECTION 20. The City is also hereby authorized, pursuant to the Bond Anticipation
46 Note Act and Article VII, Section 11 of the Charter, to issue and sell one or more series of its
47 general obligation bond anticipation notes (the “Notes”) in the maximum aggregate principal
48 amount equal to the maximum aggregate principal amount of the Bonds to finance or
49 refinance the Projects, and to pay costs of issuance of the Notes, not more than 12 months’
50 interest on the Notes and other related costs in anticipation of the issuance of the Bonds

1 authorized to be issued and sold under this Ordinance, subject to the provisions of this
2 Ordinance.

3
4 SECTION 21. Except as otherwise expressly provided in this Ordinance, the Notes
5 shall be issued in the same manner as the Bonds issued pursuant to this Ordinance and shall
6 have the terms and provisions determined in an executive order of the Mayor, and the Mayor
7 is hereby authorized to make the determinations with respect to any Notes as if such Notes
8 were Bonds.

9
10 All Notes authorized hereby shall mature on or before that date which is 30 years after
11 the date of the first Note issued pursuant to this Ordinance.

12
13 The Mayor is hereby authorized to determine the form of any Notes issued hereunder.
14 The execution and delivery of the Notes as herein provided shall be conclusive evidence of
15 the approval of the form of such Notes on behalf of the City.

16
17 SECTION 22. The Notes hereby authorized may be sold for cash at no less than par,
18 plus accrued interest to the date of delivery. The Notes may bear interest at fixed or variable
19 rates as determined by executive order of the Mayor. Authority is hereby conferred on the
20 Mayor to sell the Notes through a public sale or through a private (negotiated) sale, without
21 solicitation of competitive bids, as the Mayor, after consultation with the Finance Director and
22 the City's Financial Advisor, shall determine to be in the best interests of the City. Any sale of
23 the Notes hereunder by private negotiation is hereby determined to be in the best interests of
24 the City.

25
26 If the Mayor shall determine in accordance with this Section to sell any Notes at a
27 public sale through the solicitation of competitive bids, then the Mayor may sell such Notes in
28 accordance with such procedures as shall be determined by the Mayor.

29
30 SECTION 23. Notes issued under this Ordinance are hereby specifically exempted
31 from the provisions of Sections 19-205 and 19-206 of the Local Government Article of the
32 Annotated Code of Maryland.

33
34 SECTION 24. The City hereby covenants and agrees with the holders of the Notes
35 issued under this Ordinance to issue the Bonds in anticipation of the sale of which such Notes
36 are issued when, and as soon as, the reason for deferring the issuance thereof no longer
37 exists, and to pay the principal of and interest on such Notes from the first proceeds of such
38 Bonds. This covenant shall be binding upon the City notwithstanding any limitation set forth in
39 this Ordinance. If the City shall not, for any reason, issue and sell such Bonds as aforesaid,
40 or if the proceeds from the sale of such Bonds shall be insufficient to pay the principal of and
41 interest on any Notes, then the tax or other revenue which the City Council shall have
42 previously determined to apply to the payment of such Bonds and the interest thereon shall be
43 applied to the payment of the interest on and principal of such Notes. The foregoing
44 provisions shall not be construed so as to prohibit the City from paying the principal or
45 redemption price of and interest on any Note issued hereunder from the proceeds of the sale
46 of any other Note issued hereunder or from any other funds legally available for that purpose.

47
48 If the City shall not, for any reason, issue and sell any Bonds in anticipation of which
49 any Notes are issued, or if the proceeds from the sale of such Bonds shall be insufficient to
50 pay the principal of or interest on such Notes, then the City shall include in the levy in each
51 and every fiscal year that any of such Notes are outstanding ad valorem taxes upon all

1 property within the corporate limits of the City subject to assessment for full City taxes, in rate
2 and amount sufficient in each such year to fund such appropriations and to provide for the
3 payment when due of the principal of and interest on all Notes maturing in each such fiscal
4 year. In the event the proceeds from the taxes so levied in each such fiscal year shall prove
5 inadequate for the above purposes, additional taxes shall be levied in the subsequent fiscal
6 year to make up any deficiency.
7

8 To assure the performance by the City of the provisions of this Section, the full faith
9 and credit and unlimited taxing power of the City are hereby irrevocably pledged to the
10 payment to maturity of the principal of and interest on the Notes hereby authorized as and
11 when the same respectively mature and become payable and to the levy and collection of the
12 taxes hereinabove described as and when such taxes may become necessary in order to
13 provide sufficient funds to meet the debt service requirements of the Notes hereby authorized
14 to be issued. This pledge is made hereby for the benefit of the holders, from time to time, of
15 the Notes hereby authorized.
16

17 To the extent permitted by law, interest on the Notes hereby authorized may be
18 capitalized and paid from the proceeds of the sale of such Notes or from the proceeds of the
19 sale of the Bonds in anticipation of the sale of which such Notes are issued.
20

21 SECTION 25. The proceeds of Notes issued pursuant to this Ordinance may be used
22 to pay, at maturity, or at the time of redemption, the principal or redemption price of, or the
23 principal or redemption price of and interest on, Notes ('Refinanced Notes') previously issued
24 pursuant to this Ordinance. If, and to the extent that, the proceeds from the issuance and sale
25 of Notes are used to repay the principal of Refinanced Notes, such Notes shall constitute a
26 continuance and reissuance of the indebtedness represented by the Refinanced Notes and
27 authorized by this Ordinance and shall not constitute additional indebtedness hereunder or
28 under any other authority.
29

30 SECTION 26. This Ordinance shall take effect from the date of its approval by the
31 Mayor, on or following the date of its final adoption and, thereafter, within not more than three
32 calendar days of such approval, notice of the adoption of this Ordinance shall be duly given by
33 publication of the title hereof at least once in "The Capital," or another newspaper published
34 and of general circulation in the City.
35

36
37 ADOPTED this _____ day of _____, 2017.

38
39 ATTEST: THE ANNAPOLIS CITY COUNCIL

40
41
42
43 _____
44 Regina C. Watkins-Eldridge, MMC
45 City Clerk

46
47 By: _____
48 Michael J. Pantelides, Mayor

49 EXPLANATION
50 CAPITAL LETTERS indicate matter added to existing law.
51 [brackets] indicate matter stricken from existing law.
Underlining indicates amendments.