

CITY COUNCIL OF THE

City of Annapolis

Ordinance No. _____

Introduced by: _____

AN ORDINANCE concerning

Issuance of General Obligation Bonds

FOR the purpose of authorizing and empowering the City of Annapolis (the “City”) to issue and sell, upon its full faith and credit, general obligation bonds in the aggregate principal amount not to exceed ~~Eight~~¹ Eleven² Million Five Hundred ~~Twenty-Five~~³ Fifty⁴ Thousand Dollars (~~\$8,525,000~~⁵ 11,550,000⁶), 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, to be designated as the “Public Improvements Bonds, 2015 Series” and said bonds to be issued and sold for the public purpose of financing and refinancing certain capital projects of the City as provided in this Ordinance; prescribing the form and tenor of said bonds; determining the method of sale of said bonds and other matters relating to the issuance and sale thereof; providing for the disbursement of the proceeds of said bonds; covenanting to levy and collect all taxes necessary to provide for the payment of the principal of and interest on said bonds; and generally providing for and determining various matters relating to the issuance, sale and delivery of all said bonds.

RECITALS

For convenience of reference, the City of Annapolis, a municipal body corporate and politic of the State of Maryland, is hereinafter sometimes referred to as the “City” or as “Annapolis”.

The authority for the powers herein exercised is contained in Article VII, Section 11 of the Charter of the City (the “Charter”) and in Sections 19-301 through 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended,, such authority being hereinafter sometimes referred to collectively as the “Enabling Act”.

The Enabling Act authorizes and empowers the City to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds in accordance with the procedure prescribed by the Enabling Act, subject to the limitation imposed by the Charter, that no bonds shall be issued by the City if, by the issuance thereof, the total bonded indebtedness of the City incurred, less the amount of sinking funds established for the retirement thereof, would then exceed 10% of the assessed value of all real and personal property in the City taxable for municipal purposes.

1 The Charter further provides that, in computing compliance with such limitation,
2 outstanding bonds or other indebtedness of the City issued pursuant to the authority of any
3 public local law enacted by the General Assembly of Maryland prior to January 1, 1955, or
4 pursuant to the authority of any public general law of the State of Maryland, other than the
5 Enabling Act, together with tax anticipation notes issued pursuant to the Enabling Act, revenue
6 bonds payable as to principal and interest solely from the revenues from revenue-producing
7 projects, and short-term obligations issued pursuant to certain sections of the Charter, shall not
8 be taken into account.

9 Pursuant to Article VII, Section 7 of the Charter, the City Council of the City (the “City
10 Council”), may in its discretion hold a referendum on any such bond issue or may be required to
11 do so as a result of a proper petition of registered voters filed for the purpose after the giving of
12 notice to the City as prescribed in the Charter.

13 The City proposes to spend the proceeds of the bonds authorized pursuant to this
14 Ordinance to (i) finance and refinance the costs of certain public projects of the City, subject to
15 the provisions of this Ordinance and (ii) pay the costs of issuing such bonds.

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

18 Since the adoption of Article XI-E as an amendment of the Constitution of Maryland, the
19 General Assembly of Maryland has passed no law proposing a limitation upon the rate at which
20 taxes may be levied by the City or a limitation upon the amount of bonded indebtedness which
21 may be incurred by the City different from that set forth in the Charter.

22 **NOW, THEREFORE, BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS**
23 **CITY COUNCIL, that:**

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

26 SECTION 2. It is in the best interest of the City to borrow money and incur
27 indebtedness and the City is authorized and empowered to issue and sell, upon its full faith and
28 credit, its general obligation, fully-registered bonds in the aggregate principal amount not to
29 exceed ~~Eight~~⁷ Eleven⁸ Million Five Hundred ~~Twenty-Five~~⁹ Fifty¹⁰ Thousand Dollars
30 (~~\$8,525,000~~¹¹ 11,550,000¹²), to be known as the “Public Improvements Bonds, 2015 Series”
31 (the “Bonds”) or such other designation as deemed appropriate by the Mayor of Annapolis (the
32 “Mayor”) and the City Manager of Annapolis (the “City Manager”) for the purposes¹³ of financing
33 and refinancing the costs of the General Fund public projects listed below (the “Projects”).

<u>TITLE</u>	<u>BOND FUNDING</u>
Landfill Gas Mitigation ¹⁴	\$ 210,000 ¹⁵
Maintenance Facilities	<u>\$</u> ¹⁶ 4,375,000
Police Dept Indoor Range ¹⁷	250,000 ¹⁸
General Roadways ¹⁹	2,000,000 ²⁰
General Sidewalks ²¹	300,000 ²²
City Dock Infrastructure – <u>Bulkhead Replacement</u> ²³	500,000 ²⁴ <u>6,000,000</u> ²⁵
Truxtun Park Skatepark ²⁶	25,000 ²⁷
IT Payroll Time & Attendance System ²⁸	276,132 ²⁹
Total	\$7,936,132 ³⁰ <u>10,375,000</u> ³¹

1 The costs of the Projects shall include (without limitation) the costs of the planning,
 2 construction, reconstruction, demolition, improvement, refurbishing, renovation, restoration,
 3 extension, alteration, installation, repair, acquisition, conversion and modernization of
 4 structures; the acquisition of structures and sites for structures; the acquisition of rights of way
 5 for roads; architectural and engineering services, including preparation of plans, drawings and
 6 specifications; development and restoration of grounds; and all customary and necessary
 7 furnishings and fixed permanent equipment for structures.

8 SECTION 3. The City hereby covenants that any Bonds issued hereunder shall
 9 comply with all limitations of the Charter and that no Bonds shall be issued by the City if, by the
 10 issuance thereof, the total bonded indebtedness of the City incurred, less the amount of sinking
 11 funds established for the retirement thereof, would then exceed 10% of the assessed value of all
 12 real and personal property in the City taxable for municipal purposes.

13 SECTION 4. The Bonds authorized by this Ordinance shall be dated the date of their
 14 delivery, shall be fully-registered bonds without coupons in the denomination of Five Thousand
 15 Dollars (\$5,000) each or any integral multiple thereof and shall bear interest at the interest rate
 16 or rates fixed at the time of the awarding of the Bonds in accordance with an executive order of
 17 the Mayor and the provisions of this Ordinance as hereinafter provided. Interest on the Bonds
 18 shall be payable semiannually on the dates and in the years as may be determined by the
 19 Mayor in an executive order. The Bonds shall mature, subject to the option of prior redemption,
 20 in annual installments, including any mandatory sinking fund installments, in the years as shall

1 be determined by the Mayor pursuant to an executive order; provided however, that the final
2 maturity of the Bonds shall not exceed 30 years from the date of delivery of the Bonds. Each
3 Bond shall bear interest from the interest payment date next preceding the date on which it is
4 authenticated, unless authenticated upon an interest payment date, in which event it shall bear
5 interest from such interest payment date, or unless authenticated prior to the first interest
6 payment date, in which event it shall bear interest from the date of the Bonds; provided,
7 however, that if at the time of authentication of any bond interest is in default, such bond shall
8 bear interest from the date to which interest has been paid.

9 SECTION 5. Certain of the Bonds may be subject to redemption prior to maturity as
10 may be determined by the Mayor in an executive order. The Bonds so subject to redemption, if
11 any, the redemption dates and the redemption prices shall be specified in an executive order by
12 the Mayor.

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

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

29 If the City elects to redeem all or a portion of the Bonds outstanding, it shall give a
30 redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for
31 redemption to each registered owner appearing on the books kept by the Bond Registrar.
32 Notwithstanding the foregoing, so long as all of the Bonds are registered in the name of Cede &
33 Co., as nominee for the Depository Trust Company, New York, New York ("DTC"), such notice
34 shall be given by a secure means (e.g., legible facsimile transmission, registered or certified

1 mail or overnight express delivery) in a timely manner designed to assure that such notice is in
2 DTC possession no later than the close of business on such thirtieth day: provided, however,
3 that the failure to mail the redemption notice or any defect in the notice so mailed or in the
4 mailing thereof shall not affect the validity of the redemption proceedings. The redemption
5 notice shall state (i) whether the Bonds are to be redeemed in whole or in part and, if in part, the
6 maturities and numbers of the Bonds to be redeemed, (ii) the date fixed for redemption and the
7 redemption price or prices, (iii) that the Bonds to be redeemed shall be presented for
8 redemption at the office of the Bond Registrar and (iv) that interest on the Bonds called for
9 redemption shall cease to accrue on the date fixed for redemption.

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

22 SECTION 6. The Bonds shall be executed in the name of the City and on its behalf by
23 the Mayor. The signature of the Mayor shall be imprinted on the Bonds manually or by facsimile
24 and a facsimile of the corporate seal of Annapolis shall also be imprinted thereon, attested by
25 the manual or facsimile signature of the City Clerk of Annapolis (the "City Clerk"), all in
26 accordance with and pursuant to the authority of the Maryland Uniform Facsimile Signature of
27 Public Officials Act, being Sections 2-301 through 2-306 of the State Finance and Procurement
28 Article of the Annotated Code of Maryland.

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

1 All Bonds shall be issued as fully-registered bonds without coupons and shall be
2 registered in the name or names of the owner or owners thereof; on books kept for such
3 purpose at the principal office of the Bond Registrar. The Bonds initially will be issued in
4 book-entry form without any physical distribution of certificates made to the public. DTC will act
5 as securities depository for the Bonds and the Bonds will be registered in the name of DTC's
6 partnership nominee, Cede & Co. The City reserves the right to terminate maintenance of the
7 Bonds in a book-entry only system and to issue fully certificated bonds. The Mayor or his
8 designee is hereby authorized to appoint a financial institution to act as the Bond Registrar and
9 as paying agent (the "Paying Agent") for the Bonds, unless the Mayor determines after
10 consulting with the financial advisor to the City (the "Financial Advisor") that the City shall act as
11 the Bond Registrar or the Paying Agent or both. Payment of the principal of and interest on the
12 Bonds shall be made to the person appearing on the registration books maintained by the Bond
13 Registrar as the registered owner thereof, such principal to be payable at the principal office of
14 the Paying Agent upon presentation and surrender of such bonds as the same become due and
15 payable, and such interest to be payable by check mailed by the Paying Agent to the persons in
16 whose names the bonds are registered on the regular record date which shall be the fifteenth
17 day of the month immediately preceding each regular interest payment date, or such other day
18 specified in the bond (the "Regular Record Date"), at the registered owner's address as shown
19 on the registration books maintained by the Bond Registrar.

20 SECTION 7. Any interest on any Bonds which is payable but is not punctually paid or
21 provision for the payment of which has not been made ("Defaulted Interest") shall forthwith
22 cease to be payable to the registered owner of such Bonds on the relevant Regular Record Date
23 solely by virtue of such registered owner having been such registered owner; and such
24 Defaulted Interest may be paid by the City, at its election in each case, as provided in paragraph
25 (1) or (2) below:

26 (1) The City may elect to make payment of any Defaulted Interest on the Bonds to
27 the persons in whose names such Bonds are registered at the close of business on a record
28 date for the payment of such Defaulted Interest (the "Special Record Date"), which shall be fixed
29 in the following manner. The City shall notify the Paying Agent in writing of the amount of
30 Defaulted Interest proposed to be paid on the Bonds and the date of the proposed payment
31 (which date shall be such as will enable the Paying Agent to comply with the next sentence
32 hereof), and at the same time the City shall deposit or cause to be deposited with the Paying
33 Agent an amount of money equal to the aggregate amount proposed to be paid in respect of
34 such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such

1 deposit prior to the date of the proposed payment, such money when deposited to be held in
2 trust for the benefit of the persons entitled to such Defaulted Interest as provided in this
3 paragraph. Thereupon the Paying Agent shall fix a Special Record Date for the payment of
4 such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date
5 of the proposed payment after the receipt by the Paying Agent of the notice of the proposed
6 payment. The Paying Agent shall promptly notify the City of such Special Record Date and, in
7 the name of the City, shall cause notice of the proposed payment of such Defaulted Interest and
8 the Special Record Date therefor to be mailed, first-class postage prepaid, to each registered
9 owner at his address as it appears in the registration books maintained by the Bond Registrar
10 not less than 10 days prior to such Special Record Date. The Paying Agent may, in its
11 discretion, in the name of the City, cause a similar notice to be published at least once in a
12 newspaper of general circulation in Annapolis, Maryland but such publication shall not be a
13 condition precedent to the establishment of such Special Record Date. Notice of the proposed
14 payment of such Defaulted Interest and the Special Record Date therefor having been mailed
15 as aforesaid, such Defaulted Interest shall be paid to the registered owners of the Bonds as of
16 the close of business on such Special Record Date.

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

22 SECTION 8. Except as provided hereinafter or in other ordinances of the City
23 adopted prior to the issuance and delivery of the Bonds, all Bonds shall be substantially in the
24 following form, with appropriate insertions as therein indicated and such other modifications as
25 shall be approved by the Mayor, which form and all of the covenants therein contained are
26 hereby adopted by Annapolis as and for the form of obligation to be incurred by Annapolis, and
27 said covenants and conditions are hereby made binding upon Annapolis, including the promise
28 to pay therein contained:
29

No. R-_____

\$_____

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

GENERAL OBLIGATION BOND

PUBLIC IMPROVEMENTS BOND
2015 SERIES

Interest Rate Per Annum Maturity Date Date of Original Issue CUSIP

REGISTERED OWNER: CEDE & CO.

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 first 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 been
 2 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 "Bonds"),
 6 which are in denominations of \$5,000 or any integral multiple thereof, mature serially in
 7 installments on the first day of _____ in each of the years 20_ to 20_, inclusive, and bear
 8 interest per annum as follows:

9

10	Year of	Principal	Interest	Year of	Principal	Interest
11	<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>

12
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 17
 18 The Bonds are numbered from one consecutively upwards prefixed by the letter "R" and are of
 19 like tenor and effect except as to maturity, number, interest rate, denomination and redemption
 20 provisions, and are issued pursuant to and in full conformity with the provisions of Sections
 21 19-301 through 19-309, inclusive, of the Local Government Article of the Annotated Code of
 22 Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Annapolis, as
 23 amended, and by virtue of due proceedings had and taken by the Mayor and Aldermen of the City
 24 of Annapolis particularly an Ordinance adopted on the _____ day of _____, 2015
 25 (approved _____ 2015) (the "Ordinance").

26
 27 The Bonds which mature on or before _____ are not subject to redemption prior to
 28 their maturities. The Bonds which mature on or after _____ are subject to redemption
 29 prior to their maturities on or after _____ at the option of the City either as a whole or
 30 in part at any time, in any order of maturities, at a redemption price expressed as a percentage of
 31 the principal amount of the Bonds to be redeemed, set forth in the table below, together with
 32 interest accrued to the date fixed for redemption:

33

34	<u>Redemption Period (both dates inclusive)</u>	<u>Redemption Price</u>
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35
 36

37 If less than all of the outstanding Bonds shall be called for optional redemption, the City shall
 38 choose the maturities of the Bonds to be redeemed and the principal amount of each such
 39 maturity to be redeemed, in its sole discretion; and if any such maturity consists of term Bonds,
 40 the City shall choose the mandatory sinking fund redemption installments of such term Bonds to
 41 be reduced and the amount of each such reduction, in its sole discretion. If less than all of the
 42 Bonds of any one maturity of this issue shall be called for redemption, the Bonds to be redeemed
 43 shall be selected by lot by the Bond Registrar in such manner as, in its discretion, it shall
 44 determine.

45
 46 When less than all of a bond in a denomination in excess of \$5,000 shall be so redeemed, then,
 47 upon the surrender of such bond, there shall be .issued to the registered owner thereof, without
 48 charge, for the unredeemed balance of the principal amount of such bond, at the option of such
 49 owner, Bonds in any of the authorized denominations, the aggregate face amount of such Bonds
 50 not to exceed the unredeemed balance of the bond so surrendered, and to bear the same interest
 51 rate and to mature on the same date as said unredeemed balance.

1
2 If the City elects to redeem all or a portion of the Bonds outstanding, it shall give a redemption
3 notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption to
4 each registered owner appearing on the books kept by the Bond Registrar. Notwithstanding the
5 foregoing, so long as all of the Bonds are registered in the name of Cede & Co., as nominee for
6 the Depository Trust Company, New York, New York ("DTC"), such notice shall be given by a
7 secure means (e.g. legible facsimile transmission, registered or certified mail or overnight express
8 delivery) in a timely manner designed to assure that such notice is in DTC possession no later
9 than the close of business on such 30th day; provided, however, that the failure to mail the
10 redemption notice or any defect in the notice so mailed or in the mailing thereof shall not affect the
11 validity of the redemption proceedings. The redemption notice shall state (i) whether the Bonds
12 are to be redeemed in whole or in part and, if in part, the maturities and numbers of the Bonds to
13 be redeemed, (ii) the date fixed for redemption and the redemption price or prices, (iii) that the
14 Bonds to be redeemed shall be presented for redemption at the office of the Bond Registrar and
15 (iv) that interest on the Bonds called for redemption shall cease to accrue on the date fixed for
16 redemption.

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

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

48
49 The full faith and credit and unlimited taxing power of the City are hereby irrevocably pledged to
50 the prompt payment of the principal of and interest on this bond according to its terms, and the

1 City does hereby covenant and agree to pay the principal of this bond and the interest thereon at
2 the dates and in the manner mentioned herein, according to the true intent and meaning hereof.

3
4 It is hereby certified and recited that all conditions, acts and things required by the Constitution or
5 statutes of the State of Maryland, the Charter of the City and the Ordinance to exist, to have
6 happened or to have been performed precedent to or in the issuance of this bond, exist, have
7 happened and have been performed, and that the issue of Bonds of which this is one, together
8 with all other indebtedness of the City, is within every debt and other limit prescribed by said
9 Constitution or statutes or Charter, and that due provision has been made for the levy and
10 collection of an ad valorem tax or taxes upon all legally assessable property within the corporate
11 limits of the City in rate and amount sufficient to provide for the payment, when due, of the
12 principal of and interest on this bond.

13
14 IN WITNESS WHEREOF, this bond has been executed by the facsimile signature of the Mayor of
15 the City, which signature has been imprinted hereon, a facsimile of the corporate seal of the City
16 has been imprinted hereon, attested by the manual or facsimile signature of the City Clerk as of
17 the first day of _____, 2015.

18
19 ATTEST: CITY OF ANNAPOLIS

20
21
22
23 _____ By: _____
24 City Clerk Mayor

25
26
27
28 CERTIFICATION OF AUTHENTICATION

29
30 The undersigned hereby certifies that this bond is one of the registered Bonds of the City of
31 Annapolis.

32
33 _____
34 _____
35 [Authorized Officer of Bond Registrar]
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(Form of Assignment)

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

Dated: _____

In the presence of:

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

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

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

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

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

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

32

NOTICE OF SALE

\$ _____
CITY OF ANNAPOLIS, MARYLAND
General Obligation Bonds
Public Improvements Bonds, 2015 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, 2015 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 _____ n the following respective years and principal amounts:

Maturing _____*	Principal Amount*	Maturing _____*	Principal Amount*
--------------------	----------------------	--------------------	----------------------

*Preliminary, subject to change. See “Adjustments of Principal Amounts.”

The proceeds of the Bonds will be used to finance the costs of certain public projects of the City and pay the costs of issuing 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 _____.

The Bonds are general obligations of the City and will constitute an irrevocable pledge of its full faith and credit and unlimited taxing power.

1
2 Book-Entry System
3

4 One bond representing each maturity of the Bonds will be issued to and registered in the
5 name of Cede & Co., as nominee of The Depository Trust Company, New York, New York
6 (“DTC”), as registered owner of the Bonds and each such bond shall be held in the custody of
7 DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in
8 book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof.
9 Purchasers will not receive physical delivery of certificates representing their interest in the
10 Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required
11 to deposit the bond certificates representing each maturity with DTC.
12

13 Interest on the Bonds will be payable when due and the principal or redemption price of
14 the Bonds will be payable at maturity or upon earlier redemption to DTC or its nominee as
15 registered owner of the Bonds. Transfer of principal and interest payments to beneficial owners
16 of the Bonds by participants of DTC (“Participants”) will be the responsibility of Participants and
17 other nominees of beneficial owners. The City will not be responsible or liable for such transfers
18 of payments or for maintaining, supervising or reviewing the records maintained by DTC,
19 Participants or persons acting through Participants.
20

21 Optional Redemption
22

23 Bonds maturing on or before _____ are not subject to redemption prior to their
24 stated maturities. Bonds maturing on or after _____ are subject to redemption prior to their
25 maturities at the option of the City on or after _____ either as a whole or in part at any time
26 in any order of maturity at the option of the City, at par plus accrued interest thereon to the date
27 fixed for redemption. In addition, if any such maturity consists of term Bonds, the City shall
28 choose the mandatory sinking fund redemption installments of such term Bonds to be reduced
29 and the amount of each such reduction.
30

31 Adjustments of Principal Amounts
32

33 The preliminary aggregate principal amount of the Bonds and the preliminary principal
34 amount of each annual payment on the Bonds as set forth in this Notice of Sale (the
35 “Preliminary Aggregate Principal Amount” and the “Preliminary Annual Principal Amount”, and
36 collectively the “Preliminary Amounts”) may be revised before the receipt and opening of the
37 bids for their purchase. Such revisions may include the addition or deletion of maturities of the
38 Bonds. ANY SUCH REVISIONS made prior to the opening of the bids (the “Revised Aggregate
39 Principal Amount” and the “Revised Annual Principal Amount”, and collectively the “Revised
40 Amounts”) WILL BE PUBLISHED ON THOMPSON MUNICIPAL MARKET MONITOR (“TM3”)
41 (www.tm3.com) NOT LATER THAN _____ A.M. (PREVAILING EASTERN TIME) ON THE
42 ANNOUNCED DATE FOR RECEIPT OF BIDS FOR THE BONDS.
43

44 In the event that no such revisions are made, the Preliminary Amounts will constitute the
45 Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised
46 Amounts will be used to compare bids and select a winning bidder.
47

48 Such Revised Amounts, among other things, will be used by the City to calculate the
49 final aggregate principal amount of the Bonds and the final principal amount of each annual
50 payment on the Bonds (the “Final Aggregate Principal Amount” and the “Final Principal Amount”
51 of each annual payment, respectively, and collectively, the “Final Amounts”). In determining the

1 Final Amounts the City reserves the right to increase or decrease the aggregate amount of the
 2 Bonds by an amount not to exceed ___% and correspondingly adjust the issue size, with all
 3 calculations to be rounded to the nearest \$5,000.
 4

5 In the event of any such adjustment, no rebidding or recalculation of the bid submitted
 6 will be required or permitted. If necessary, the total purchase price of the Bonds will be
 7 increased or decreased in direct proportion to the ratio that the adjustment bears to the
 8 aggregate principal amount of the Bonds specified herein; and the Bonds of each maturity, as
 9 adjusted, will bear interest at the same rate and must have the same initial reoffering yields as
 10 specified in the bid of the successful bidder. However, the award will be made to the bidder
 11 whose bid produces the lowest true interest cost, calculated as specified in the section entitled
 12 "Basis of Award" herein. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR
 13 CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A
 14 RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE
 15 LIMITS. IN READJUSTING THE PRINCIPAL AMOUNT OF THE BONDS FOLLOWING THE
 16 AWARD, THE CITY WILL HOLD CONSTANT THE BIDDER'S GROSS SPREAD PER \$1,000
 17 BONDS AS INDICATED IN THE ORIGINAL BID. In this process, however, the City reserves
 18 the right to adjust the actual dollar amount of Bidder's gross spread resulting from an upward or
 19 downward adjustment of the principal amount of the Bonds.
 20

21 Change of Bid Date or Time and Closing Date

22
 23 The City reserves the right to change, from time to time, the date or time established for
 24 the receipt of bids and will undertake to notify prospective bidders via notification published on
 25 TM3.
 26

27 A change of the bid date or time will be announced via TM3 not later than ____ p.m.,
 28 prevailing Eastern Time, on the last business day prior to any announced date for receipt of
 29 bids, and an alternative sale date and time will be announced via TM3 at that time or at a later
 30 date.
 31

32 On any such alternative date and time for receipt of bids, the City will accept electronic
 33 bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this
 34 Notice of Sale, except for the changes in the date and time for receipt of bids and any other
 35 changes announced via TM3.
 36

37 The City reserves the right to change the scheduled delivery date for the Bonds. See
 38 "Delivery" below.
 39

40 Bid Parameters

41
 42 No bid of less than 100% of par or more than ___% on an "all-or-none" basis, no oral bid
 43 and no bid for less than all of the Bonds described in this Notice of Sale, will be considered. The
 44 Bonds are expected to be awarded by approximately ____ p.m., prevailing Eastern Time, on
 45 _____. All proposals shall remain firm until the time of award.
 46

47 Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of 1%,
 48 the highest rate may not exceed the lowest rate by more than ____% and no interest rate may
 49 exceed ____%. A zero rate may not be named. No Bond shall bear more than one rate of
 50 interest which rate shall be uniform for the life of such Bond.
 51

1
2
3
4 Basis of Award
5

6 The Mayor of the City will not accept and will reject any bid for less than all of the Bonds.
7 The City will award all of the Bonds to one bidder. The City reserves the right to reject any and
8 all bids and to waive any irregularities in any of the bids. The judgment of the City shall be final
9 and binding upon all bidders with respect to the form and adequacy of any proposal received
10 and as to its conformity with the terms of this Notice of Sale.

11
12 The Bonds will be awarded to the bidder naming the lowest true interest cost (TIC) for
13 the Bonds in any legally acceptable proposal and offering to pay not less than par. The lowest
14 true interest cost with respect to the Bonds will be determined by doubling the semiannual
15 interest rate, compounded semiannually, necessary to discount the debt service payments from
16 the payment dates to the date of the Bonds and to the amount bid.

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

28
29 Procedures for Electronic Bidding
30

31 Bidders to Submit Bids by PARITY
32

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

39
40 Disclaimer
41

42 Each prospective electronic bidder shall be solely responsible to submit its bid via
43 PARITY as described above. Each prospective electronic bidder shall be solely responsible to
44 make necessary arrangements to access PARITY for the purpose of submitting its bid in a
45 timely manner and in compliance with the requirements of this Notice of Sale. Neither the City
46 nor PARITY shall have any duty or obligation to provide or assure access to PARITY to any
47 prospective bidder, and neither the City nor PARITY shall be responsible for proper operation
48 of, or have any liability for any delays or interruptions of, or any damages caused by PARITY.
49 The City is using PARITY as a communication mechanism, and not as the City's agent, to
50 conduct the electronic bidding for the Bonds. The City is not bound by any advice and
51 determination of PARITY to the effect that any particular bid complies with the terms of this

1 Notice of Sale and in particular the "Bid Parameters" set forth herein. All costs and expenses
2 incurred by prospective bidders in connection with their submission of bids via PARITY are the
3 sole responsibility of the bidders; the City is not responsible, directly or indirectly, for any of such
4 costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or
5 withdrawing a bid for the Bonds, such bidder should telephone i-Deal LLC at (212) 849-5021
6 and notify Davenport & Company LLC by facsimile at (866) 932-6660.

7 8 Electronic Bidding Procedures

9
10 Electronic bids must be submitted for the purchase of the Bonds (all or none) via
11 PARITY. Bids will be communicated electronically to the City at 11:00 a.m., prevailing Eastern
12 time, on _____, 2015. Prior to that time, a prospective bidder may (1) submit the proposed
13 terms of its bid via PARITY, (2) modify the proposed terms of its bid, in which event the
14 proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute
15 its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated
16 electronically via PARITY to the City, each bid will constitute an irrevocable offer to purchase
17 the Bonds on the terms therein provided. For purposes of the electronic bidding process, the
18 time as maintained on PARITY shall constitute the official time.

19 20 Good Faith Deposit

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

32
33 A bidder may submit a financial surety bond from an insurance company acceptable to
34 the City, the claims paying ability of which is rated AAA by Standard & Poor's, a Division of the
35 McGraw-Hill Companies, Inc., or Aaa by Moody's Investors Service, Inc. and licensed to issue
36 such a bond in the State of Maryland and such surety bond must be submitted to the Director of
37 Finance of the City prior to _____ a.m., prevailing Eastern Time, on the date of sale. The
38 financial surety bond must identify each bidder whose good faith deposit is guaranteed by such
39 financial surety bond. If the Bonds are awarded to a bidder utilizing a financial surety bond, then
40 the successful bidder is required to submit its good faith deposit to the Director of Finance of the
41 City not later than 12:00 noon, prevailing Eastern Time, on the next business day following the
42 award either in the form of a wire transfer as described above in accordance with the City's
43 instructions to such successful bidder. If such good faith deposit is not received by that time, the
44 financial surety bond may be drawn by the City to satisfy the good faith deposit requirement.

45
46 Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance
47 of the terms of the good faith deposit requirement.

48
49 The good faith deposit will be retained by the City until the delivery of the Bonds, at
50 which time the good faith deposit will be applied against the purchase price of the Bonds or the
51 good faith deposit will be retained by the City as partial liquidated damages in the event of the

1 failure of the successful bidder to take up and pay for such Bonds in compliance with the terms
2 of this Notice of Sale and of its bid. No interest on the good faith deposit will be paid by the City.
3 The balance of the purchase price must be wired in federal funds to the account detailed in the
4 closing memorandum, simultaneously with delivery of the Bonds.

5 6 Approving Legal Opinion

7
8 The approving legal opinion of Miles & Stockbridge P.C., Bond Counsel, will be
9 furnished to the purchasers without cost. There will also be furnished the usual closing papers
10 and, in addition, a certificate signed by appropriate officers of the City, certifying that there is no
11 litigation pending or, to the knowledge of the signers of such certificate, threatened affecting the
12 validity of the Bonds and that on the date of the Official Statement mentioned below and at the
13 time of delivery of the Bonds the statements and information contained in such Official
14 Statement which are made and provided by the City are and will be true, correct and complete in
15 all material respects and the Official Statement does not and will not omit any statement or
16 information which is required to be stated therein or necessary to make the statements and
17 information therein, in the light of the circumstances under which they were made, not
18 misleading or incomplete in any material respect.

19 20 Preliminary Official Statement; Continuing Disclosure

21
22 The City has deemed the Preliminary Official Statement with respect to the Bonds dated
23 _____ (the "Preliminary Official Statement") to be final as of its date for purposes of
24 Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), except for
25 the omission of certain information permitted to be omitted by the Rule. The City agrees to
26 deliver to the successful bidder for its receipt no later than seven business days after the date of
27 sale of the Bonds such quantities of the final official statement as the successful bidder shall
28 request; provided, that the City shall deliver up to ___ copies of such official statement without
29 charge to the successful bidder.

30
31 The City has made certain covenants for the benefit of the holders from time to time of
32 the Bonds to provide certain continuing disclosure, in order to assist bidders for the Bonds in
33 complying with the Rule. Such covenants are described in the Preliminary Official Statement.

34 35 Delivery

36
37 The Bonds will be delivered on or about _____ through the facilities of DTC in
38 New York, New York, against payment therefor in federal or other immediately available funds.

39 40 Reoffering Price Certificate

41
42 SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE
43 SUCCESSFUL BIDDER SHALL FURNISH TO THE CITY A CERTIFICATE ACCEPTABLE TO
44 BOND COUNSEL TO THE EFFECT THAT (I) THE SUCCESSFUL BIDDER HAS MADE A
45 BONA FIDE PUBLIC OFFERING OF EACH MATURITY OF THE BONDS AT THE INITIAL
46 REOFFERING PRICES, (II) AS OF THE DATE OF THE SALE OF THE BONDS, THE
47 SUCCESSFUL BIDDER REASONABLY EXPECTED TO SELL A SUBSTANTIAL AMOUNT
48 OF EACH MATURITY OF THE BONDS TO THE PUBLIC (EXCLUDING BOND HOUSES,
49 BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE REOFFERING
50 PRICES, AND (III) A SUBSTANTIAL AMOUNT OF EACH MATURITY OF THE BONDS WAS
51 SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER

1 INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES OR SUCH
2 OTHER FACTS REGARDING THE ACTUAL SALE OF THE BONDS AS BOND COUNSEL
3 SHALL REQUEST, AS DESCRIBED BELOW. Bond Counsel advises that (I) such certificate
4 must be made on the best knowledge, information and belief of the successful bidder, (ii) the
5 sale to the public of 10% or more in par amount of each maturity of the Bonds at the initial
6 reoffering prices would be sufficient to certify as of the sale of a substantial amount of the Bonds
7 and (iii) reliance on other facts as a basis for such certification would require evaluation by Bond
8 Counsel to assure compliance with the statutory requirement to avoid the establishment of an
9 artificial price for the Bonds.

10
11 Miscellaneous

12
13 It is expected that CUSIP numbers will be printed on the Bonds. However, the validity,
14 sale, delivery or acceptance of the Bonds will not be affected in any manner by any failure to
15 print, or any error in printing, the CUSIP numbers on the Bonds, or any of them.

16
17 The right to reject any or all bids, or to waive any irregularity or informality in any bid, is
18 reserved.

19
20
21
22 CITY OF ANNAPOLIS, MARYLAND

23
24
25
26 By: /s/ _____
27 Mayor

28
29
30
31 By: /s/ _____
32 Director of Finance

33
34
35
36 SECTION 10. If any Bonds are sold pursuant to the foregoing Notice of Sale, the award
37 shall be made by order of the Mayor. Such action of the Mayor shall also fix Such action of the
38 Mayor shall also fix the final principal amount of each maturity of the Bonds and the interest rate
39 or rates payable on the Bonds in accordance with the accepted proposal. The Mayor shall also
40 be authorized to make all changes necessary to the form of the Bonds to comply with a
41 book-entry only system. The proceeds of the Bonds shall be paid to the Finance Director. Upon
42 approval of the appropriate vouchers, in accordance with the established procedure of the City,
43 the Finance Director shall pay, from the proceeds of the Bonds in his hands, all expenses
44 incurred in the issuance of the Bonds, including costs of advertising, printing, document
45 reproduction and counsel fees and expenses. The balance of said proceeds shall be credited
46 by the Finance Director to the several accounts on his books for the Projects described above

1 and the Finance Director shall make disbursements for such Projects in accordance with the
2 established procedure of Annapolis. Prior to expenditure of such proceeds, the same or any
3 part thereof shall be invested by the Finance Director, with the approval of the Mayor, in any
4 authorized investment of the City. If the funds derived from the sale of the Bonds shall exceed
5 the amount needed to finance any of the Projects described in this Ordinance, or if the City
6 Council determines that the public interest requires a change in the capital improvements
7 program of Annapolis, the funds so borrowed and not expended for the public improvements
8 provided by this Ordinance shall be set apart in a separate fund by the Finance Director and
9 applied in payment of the debt service on the Bonds, unless the City Council shall adopt an
10 ordinance allocating such funds to some other public capital improvement project or projects of
11 the City.

12 SECTION 11. In order to provide for the payment of the principal of and interest on the
13 Bonds hereby authorized when due, there shall be appropriated in the next ensuing fiscal year
14 of Annapolis and in each fiscal year thereafter, so long as any of the Bonds are outstanding and
15 unpaid, or until a sufficient funds had been accumulated and irrevocably set aside for the
16 purpose, an amount sufficient to meet the debt service on the Bonds coming due in such fiscal
17 year and there shall be levied ad valorem taxes upon all property within the corporate limits of
18 the City subject to assessment for full City taxes, in rate and amount sufficient in each such year
19 to fund such appropriations and to provide for the payment when due of the principal of and
20 interest on all Bonds maturing in each such fiscal year. In the event the proceeds from the taxes
21 so levied in each such fiscal year shall prove inadequate for the above purposes, additional
22 taxes shall be levied in the subsequent fiscal year to make up any deficiency.

23 Thereafter, prior to each interest payment date, the Finance Director shall deposit with the
24 Paying Agent, from the tax proceeds above described, the amounts needed to pay the principal
25 of and interest on the Bonds coming due on each such interest payment date, All moneys so
26 deposited with the Paying Agent shall be deemed and treated by the Paying Agent as trust
27 funds for the use and benefit of the holders from time to time of the Bonds hereby authorized.
28 Any such trust funds so held by the Paying Agent for the payment of particular Bonds for periods
29 of more than two years from the payment dates of such Bonds shall, upon the expiration of any
30 such two-year period and the failure of the holders of such Bonds to present the same for
31 payment within such period, shall be returned by the Paying Agent to the City and, thereafter,
32 the holders of any such Bonds shall have claims only against the City for payment of the
33 obligations held by them and the Paying Agent shall be relieved of the trust hereby imposed.

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

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

13 SECTION 12. This Ordinance and the question of the issuance of Bonds hereunder
14 shall not be submitted to a referendum of the registered voters of Annapolis, as permitted by
15 law, unless, within 10 days after the passage of this Ordinance, there shall be served upon the
16 Mayor a notice signed by not fewer than 200 of the registered voters of Annapolis, advising that
17 a petition for a referendum on the issuance of the Bonds is being circulated by one or more of
18 the persons signing said notice and unless, within 20 days after the delivery of such notice,
19 there shall also be filed with the Mayor a petition or petitions requesting the holding of such a
20 referendum, properly signed as required by the Charter, by not fewer than 25% of the registered
21 voters of Annapolis, as shown by the registered voters books of Annapolis, maintained by the
22 Board of Supervisors of Elections of the City (the "Board of Supervisors"). In view of the
23 foregoing, no action shall be taken by Annapolis pursuant to this Ordinance for a period of 10
24 days following its passage. If, within such ten-day period, the notice above described is filed as
25 aforesaid, then no action shall be taken by Annapolis pursuant to this Ordinance for a period of
26 20 days following the filing of such notice. If, within such twenty-day period, a petition for
27 referendum, as above-described, shall be filed as aforesaid, then no action shall be taken by
28 Annapolis under this Ordinance unless and until the Mayor shall receive written advice from the
29 City Attorney and the Board of Supervisors that such referendum petition does not meet the
30 requirements of the Charter or unless and until the referendum requested in such petition shall
31 be duly held in accordance with law and the Board of Supervisors shall certify to Annapolis that,
32 in the election at which such referendum is held, a majority of the registered voters of Annapolis
33 voting on the question referred duly cast their ballots in favor of the issuance of the Bonds
34 hereby authorized. If this Ordinance shall be ratified or approved on any such referendum, then

1 the Mayor and the City Clerk may proceed with the issuance of the Bonds hereby authorized,
2 without further action by Annapolis.

3 SECTION 13. That CUSIP numbers may be printed on the Bonds; provided, however,
4 that the printing of CUSIP numbers on the Bonds (even if incorrect) shall have no legal effect
5 and shall not in any way affect the enforceability or validity of any Bond. Any expenses in
6 relation to the printing of CUSIP numbers on the Bonds, including any CUSIP Service Bureau
7 charge for the assignment of such numbers, in the discretion of the Finance Director, may be
8 paid for by the City from the proceeds of the Bonds.

9 SECTION 14. In addition to the insertions and variations prescribed by this Ordinance,
10 the Mayor is hereby authorized to make such further modifications in such forms as will not alter
11 the substance of such forms. In connection with the issuance of any Bonds pursuant to this
12 Ordinance, the City is hereby authorized to enter into one or more agreements as the Mayor
13 shall deem necessary or appropriate for the issuance, sale, delivery or security of such Bonds,
14 which may include (without limitation) (i) underwriting, purchase or placement agreements for
15 Bonds sold at private (negotiated) sale in accordance with the provisions of this Ordinance; (ii)
16 trust agreements with commercial banks or trust companies providing for the issuance and
17 security of such Bonds; (iii) any dealer, remarketing or similar agreements providing for the
18 placement or remarketing of such Bonds; (iv) agreements providing for any credit or liquidity
19 facilities supporting any Bonds; (v) agreements with commercial banks or trust companies
20 providing for the deposit of proceeds of any Bonds; and (vi) continuing disclosure agreements,
21 including any such agreements required to enable the underwriters of any Bonds to meet the
22 requirements of paragraph (b)(5) of Rule 15c2-12 promulgated by the United States Securities
23 and Exchange Commission (the "Rule"). Each such agreement shall be in such form as shall be
24 determined by the Mayor by executive order. The execution and delivery of each such
25 agreement by the Mayor shall be conclusive evidence of the approval of the form of such
26 agreement on behalf of the City.

27 SECTION 15. The Mayor and the Finance Director shall be the officers of the City
28 responsible for the issuance of the Bonds within the meaning of the "Arbitrage Regulations"
29 (defined herein).

30 The Mayor and the Finance Director shall also be the officers of the City responsible for
31 the execution and delivery (on the date of issuance of the Bonds) of a certificate of the City (the
32 "Tax Certificate and Compliance Agreement") which complies with the requirements of Section
33 148 of the Internal Revenue Code of 1986, as amended ("Section 148"), and the applicable
34 regulations thereunder (the "Arbitrage Regulations"), and such officials are hereby authorized

1 and directed to execute the Tax Certificate and Compliance Agreement and to deliver the same
2 to Bond Counsel on the date of the issuance of the Bonds.

3 The City shall set forth in the Tax Certificate and Compliance Agreement its reasonable
4 expectations as to relevant facts, estimates and circumstances relating to the use of the
5 proceeds of the Bonds, or of any moneys, securities or other obligations to the credit of any
6 account of the City which may be deemed to be proceeds of the Bonds pursuant to Section 148
7 or the Arbitrage Regulations (collectively, "Bond Proceeds"). The City covenants with each of
8 the holders of any of the Bonds that the facts estimates and circumstances set forth in the Tax
9 Certificate and Compliance Agreement will be based on the City's reasonable expectations on
10 the date of issuance of the Bonds and will be, to the best of the certifying officials' knowledge,
11 true and correct as of that date.

12 In the event that Bonds are issued pursuant to this Ordinance with the expectation that
13 interest on such Bonds will be excludable from gross income for federal income tax purposes,
14 the City covenants with each of the registered owners of any of the Bonds that it will not make,
15 or (to the extent that it exercises control or direction) permit to be made, any use of the Bond
16 Proceeds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section
17 148 and the Arbitrage Regulations. The City further solemnly covenants that it will comply with
18 Section 148 and the regulations thereunder which are applicable to the Bonds on the date of
19 issuance of the Bonds and which may subsequently lawfully be made applicable to the Bonds
20 as long as the Bonds remain outstanding and unpaid. The Mayor, the City Manager and the
21 Finance Director are hereby authorized and directed to prepare or cause to be prepared and to
22 execute any certification, opinion or other document, including, without limitation, the Tax
23 Certificate and Compliance Agreement, which may be required to assure that the Bonds will not
24 be deemed to be "arbitrage bonds" within the meaning of Section 148 and the regulations
25 thereunder.

26 The City further covenants with each of the registered owners of any of the Bonds (i) that
27 it will not take any action or (to the extent that it exercises control or direction) permit any action
28 to be taken that would cause the Bonds or a portion of the Bonds to be "federally guaranteed"
29 within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended, and
30 (ii) that it will not make, or (to the extent that it exercises control or direction) permit to be made,
31 any use of the proceeds of the Bonds or a portion of such proceeds that would cause the Bonds
32 or a portion of the Bonds to be "private activity bonds" within the meaning of Section 141 of the
33 Internal Revenue Code of 1986, as amended.

1 In the event that the Bonds are being issued hereunder with the expectation that interest
2 on such Bonds will be excludable from gross income for federal income tax purposes, the Mayor
3 may make such covenants or agreements in connection with the issuance of such Bonds as he
4 shall deem advisable in order to assure the registered owners of such Bonds that interest
5 thereon shall be and remain excludable from gross income for federal income tax purposes and
6 such covenants or agreements shall be binding on the City so long as the observance by the
7 City of any such covenants or agreements is necessary in connection with the maintenance of
8 the exclusion of the interest on such Bonds from gross income for federal income tax purposes.
9 The foregoing covenants or agreements may include such covenants or agreements on behalf
10 of the City regarding compliance with the provisions of the Internal Revenue Code of 1986, as
11 amended, as the Mayor shall deem advisable in order to assure the registered owners of the
12 Bonds that the interest thereon is and shall remain excludable from gross income for federal
13 income tax purposes, including (without limitation) covenants or agreements relating to the
14 investment of Bond Proceeds, the payment of certain earnings resulting from such investment
15 to the United States, limitations on the times within which, and the purposes for which, Bond
16 Proceeds may be expended, or the use of specified procedures for accounting for and
17 segregating Bond Proceeds. Any covenant or agreement made by the Mayor pursuant to this
18 paragraph may be set forth in or authorized by the Tax Certificate and Compliance Agreement
19 or an order executed by the Mayor.

20 SECTION 16. The Mayor or his designee is expressly authorized to approve the form
21 of, and execute and deliver and on behalf of the City, a continuing disclosure agreement to
22 assist bidders in complying with the Rule.

23 SECTION 17. This Ordinance shall take effect from the date of its approval by the
24 Mayor, on or following the date of its final adoption and, thereafter, within not more than three
25 calendar days of such approval, notice of the adoption of this Ordinance shall be duly given by
26 publication of the title hereof at least once in "The Capital," or another newspaper published and
27 of general circulation in the City.

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35 ADOPTED this _____ day of _____, 2015.
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ATTEST:

THE ANNAPOLIS CITY COUNCIL

Regina C. Wakins-Eldridge, MMC, City Clerk

By: _____
Michael J. Pantelides, Mayor

EXPLANATION

CAPITAL LETTERS indicate matter added to existing law.

[brackets] indicate matter stricken from existing law.

Underlining indicates amendments.