

1 **..Title**

2 **Issuance of General Obligation Bonds** – For the purpose of authorizing and empowering the
3 City of Annapolis (the “City”) to issue and sell, upon its full faith and credit, general obligation
4 bonds in the aggregate principal amount not to exceed Eleven Million Five Hundred Fifty
5 Thousand Dollars (\$11,550,000), 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, to be designated as the “Public
8 Improvements Bonds, 2015 Series” and said bonds to be issued and sold for the public purpose
9 of financing and refinancing certain capital projects of the City as provided in this Ordinance;
10 prescribing the form and tenor of said bonds; determining the method of sale of said bonds and
11 other matters relating to the issuance and sale thereof; providing for the disbursement of the
12 proceeds of said bonds; covenanting to levy and collect all taxes necessary to provide for the
13 payment of the principal of and interest on said bonds; and generally providing for and
14 determining various matters relating to the issuance, sale and delivery of all said bonds.

15 **..Body**

16
17 **CITY COUNCIL OF THE**
18 **City of Annapolis**

19
20 **Ordinance 16-15**

21
22 **Introduced by: Mayor Pantelides**

23
24 **Referred to**
25 **Finance**

26
27
28 **AN ORDINANCE** concerning

29
30 **Issuance of General Obligation Bonds**

31
32 **FOR** the purpose of authorizing and empowering the City of Annapolis (the “City”) to issue
33 and sell, upon its full faith and credit, general obligation bonds in the aggregate
34 principal amount not to exceed Eleven Million Five Hundred Fifty Thousand Dollars
35 (\$11,550,000), pursuant to Sections 19-301 through 19-309, inclusive, of the Local
36 Government Article of the Annotated Code of Maryland, as amended, and Article VII,
37 Section 11 of the Charter of the City of Annapolis, as amended, to be designated as the
38 “Public Improvements Bonds, 2015 Series” and said bonds to be issued and sold for the
39 public purpose of financing and refinancing certain capital projects of the City as
40 provided in this Ordinance; prescribing the form and tenor of said bonds; determining
41 the method of sale of said bonds and other matters relating to the issuance and sale
42 thereof; providing for the disbursement of the proceeds of said bonds; covenanting to
43 levy and collect all taxes necessary to provide for the payment of the principal of and
44 interest on said bonds; and generally providing for and determining various matters
45 relating to the issuance, sale and delivery of all said bonds.
46

RECITALS

1
2
3 For convenience of reference, the City of Annapolis, a municipal body corporate and
4 politic of the State of Maryland, is hereinafter sometimes referred to as the “City” or as
5 “Annapolis”.

6
7 The authority for the powers herein exercised is contained in Article VII, Section 11 of
8 the Charter of the City (the “Charter”) and in Sections 19-301 through 19-309, inclusive, of the
9 Local Government Article of the Annotated Code of Maryland, as amended, such authority
10 being hereinafter sometimes referred to collectively as the “Enabling Act”.

11
12 The Enabling Act authorizes and empowers the City to borrow money for any proper
13 public purpose and to evidence such borrowing by the issuance and sale of its general
14 obligation bonds in accordance with the procedure prescribed by the Enabling Act, subject to
15 the limitation imposed by the Charter, that no bonds shall be issued by the City if, by the
16 issuance thereof, the total bonded indebtedness of the City incurred, less the amount of sinking
17 funds established for the retirement thereof, would then exceed 10% of the assessed value of
18 all real and personal property in the City taxable for municipal purposes.

19
20 The Charter further provides that, in computing compliance with such limitation,
21 outstanding bonds or other indebtedness of the City issued pursuant to the authority of any
22 public local law enacted by the General Assembly of Maryland prior to January 1, 1955, or
23 pursuant to the authority of any public general law of the State of Maryland, other than the
24 Enabling Act, together with tax anticipation notes issued pursuant to the Enabling Act, revenue
25 bonds payable as to principal and interest solely from the revenues from revenue-producing
26 projects, and short-term obligations issued pursuant to certain sections of the Charter, shall not
27 be taken into account.

28
29 Pursuant to Article VII, Section 7 of the Charter, the City Council of the City (the “City
30 Council”), may in its discretion hold a referendum on any such bond issue or may be required
31 to do so as a result of a proper petition of registered voters filed for the purpose after the giving
32 of notice to the City as prescribed in the Charter.

33
34 The City proposes to spend the proceeds of the bonds authorized pursuant to this
35 Ordinance to (i) finance and refinance the costs of certain public projects of the City, subject to
36 the provisions of this Ordinance and (ii) pay the costs of issuing such bonds.

37
38 The Charter contains no limitations upon the rate at which ad valorem taxes may be
39 levied by the City for the payment of the principal of and interest on said indebtedness.

40
41 Since the adoption of Article XI-E as an amendment of the Constitution of Maryland,
42 the General Assembly of Maryland has passed no law proposing a limitation upon the rate at
43 which taxes may be levied by the City or a limitation upon the amount of bonded indebtedness
44 which may be incurred by the City different from that set forth in the Charter.

45

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

3
 4 SECTION 1. All terms used herein which are defined In the Recitals hereof shall have
 5 the meanings given such terms therein.

6
 7 SECTION 2. It is in the best interest of the City to borrow money and incur
 8 indebtedness and the City is authorized and empowered to issue and sell, upon its full faith and
 9 credit, its general obligation, fully-registered bonds in the aggregate principal amount not to
 10 exceed Eleven Million Five Hundred Fifty Thousand Dollars (\$11,550,000), to be known as
 11 the “Public Improvements Bonds, 2015 Series” (the “Bonds”) or such other designation as
 12 deemed appropriate by the Mayor of Annapolis (the “Mayor”) and the City Manager of
 13 Annapolis (the “City Manager”) for the purposes of financing and refinancing the costs of the
 14 General Fund public projects listed below (the “Projects”).

<u>TITLE</u>	<u>BOND FUNDING</u>
Maintenance Facilities	\$4,375,000
City Dock Infrastructure – Bulkhead Replacement	<u>6,000,000</u>
Total	\$10,375,000

15
 16
 17 The costs of the Projects shall include (without limitation) the costs of the planning,
 18 construction, reconstruction, demolition, improvement, refurbishing, renovation, restoration,
 19 extension, alteration, installation, repair, acquisition, conversion and modernization of
 20 structures; the acquisition of structures and sites for structures; the acquisition of rights of way
 21 for roads; architectural and engineering services, including preparation of plans, drawings and
 22 specifications; development and restoration of grounds; and all customary and necessary
 23 furnishings and fixed permanent equipment for structures.

24
 25 SECTION 3. The City hereby covenants that any Bonds issued hereunder shall
 26 comply with all limitations of the Charter and that no Bonds shall be issued by the City if, by
 27 the issuance thereof, the total bonded indebtedness of the City incurred, less the amount of
 28 sinking funds established for the retirement thereof, would then exceed 10% of the assessed
 29 value of all real and personal property in the City taxable for municipal purposes.

30
 31 SECTION 4. The Bonds authorized by this Ordinance shall be dated the date of their
 32 delivery, shall be fully-registered bonds without coupons in the denomination of Five
 33 Thousand Dollars (\$5,000) each or any integral multiple thereof and shall bear interest at the
 34 interest rate or rates fixed at the time of the awarding of the Bonds in accordance with an
 35 executive order of the Mayor and the provisions of this Ordinance as hereinafter provided.
 36 Interest on the Bonds shall be payable semiannually on the dates and in the years as may be
 37 determined by the Mayor in an executive order. The Bonds shall mature, subject to the option
 38 of prior redemption, in annual installments, including any mandatory sinking fund installments,

1 in the years as shall be determined by the Mayor pursuant to an executive order; provided
2 however, that the final maturity of the Bonds shall not exceed 30 years from the date of
3 delivery of the Bonds. Each Bond shall bear interest from the interest payment date next
4 preceding the date on which it is authenticated, unless authenticated upon an interest payment
5 date, in which event it shall bear interest from such interest payment date, or unless
6 authenticated prior to the first interest payment date, in which event it shall bear interest from
7 the date of the Bonds; provided, however, that if at the time of authentication of any bond
8 interest is in default, such bond shall bear interest from the date to which interest has been paid.
9

10 SECTION 5. Certain of the Bonds may be subject to redemption prior to maturity as
11 may be determined by the Mayor in an executive order. The Bonds so subject to redemption, if
12 any, the redemption dates and the redemption prices shall be specified in an executive order by
13 the Mayor.
14

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

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

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

1 presented for redemption at the office of the Bond Registrar and (iv) that interest on the Bonds
2 called for redemption shall cease to accrue on the date fixed for redemption.
3

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

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

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

31 All Bonds shall be issued as fully-registered bonds without coupons and shall be
32 registered in the name or names of the owner or owners thereof; on books kept for such
33 purpose at the principal office of the Bond Registrar. The Bonds initially will be issued in
34 book-entry form without any physical distribution of certificates made to the public. DTC will
35 act as securities depository for the Bonds and the Bonds will be registered in the name of
36 DTC's partnership nominee, Cede & Co. The City reserves the right to terminate maintenance
37 of the Bonds in a book-entry only system and to issue fully certificated bonds. The Mayor or
38 his designee is hereby authorized to appoint a financial institution to act as the Bond Registrar
39 and as paying agent (the "Paying Agent") for the Bonds, unless the Mayor determines after
40 consulting with the financial advisor to the City (the "Financial Advisor") that the City shall
41 act as the Bond Registrar or the Paying Agent or both. Payment of the principal of and interest
42 on the Bonds shall be made to the person appearing on the registration books maintained by the
43 Bond Registrar as the registered owner thereof, such principal to be payable at the principal
44 office of the Paying Agent upon presentation and surrender of such bonds as the same become
45 due and payable, and such interest to be payable by check mailed by the Paying Agent to the
46 persons in whose names the bonds are registered on the regular record date which shall be the

1 fifteenth day of the month immediately preceding each regular interest payment date, or such
2 other day specified in the bond (the "Regular Record Date"), at the registered owner's address
3 as shown on the registration books maintained by the Bond Registrar.
4

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

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

38 (2) The City may make payment of any Defaulted Interest in any other lawful
39 manner not inconsistent with the requirements of any securities exchange on which the Bonds
40 may be listed, and upon such notice as may be required by such exchange, if after notice given
41 by the City to the Paying Agent of the proposed payment pursuant to this paragraph, such
42 payment shall be deemed practicable, and approved in writing, by the Paying Agent.
43

44 SECTION 8. Except as provided hereinafter or in other ordinances of the City
45 adopted prior to the issuance and delivery of the Bonds, all Bonds shall be substantially in the
46 following form, with appropriate insertions as therein indicated and such other modifications as

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

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.

1
2 “Business Day” means a day other than a Saturday, Sunday or day on which banking institutions
3 under the laws of the State governing the Paying Agent are authorized or obligated by law or
4 required by executive order to remain closed.

5
6 This bond shall not be valid or become obligatory for any purpose until this bond shall have been
7 authenticated by an authorized officer of the Bond Registrar.

8
9 This bond is one of a duly authorized issue of general obligation bonds of the City aggregating
10 _____ Dollars (\$_____) in principal amount (the “Bonds”),
11 which are in denominations of \$5,000 or any integral multiple thereof, mature serially in
12 installments on the first day of _____ in each of the years 20_ to 20_, inclusive, and bear
13 interest per annum as follows:

14						
15	Year of	Principal	Interest	Year of	Principal	Interest
16	<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>
17						
18						
19						
20						
21						
22						

23 The Bonds are numbered from one consecutively upwards prefixed by the letter “R” and are of
24 like tenor and effect except as to maturity, number, interest rate, denomination and redemption
25 provisions, and are issued pursuant to and in full conformity with the provisions of Sections 19-
26 301 through 19-309, inclusive, of the Local Government Article of the Annotated Code of
27 Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Annapolis, as
28 amended, and by virtue of due proceedings had and taken by the Mayor and Aldermen of the
29 City of Annapolis particularly an Ordinance adopted on the _____ day of _____,
30 2015 (approved _____ 2015) (the “Ordinance”).

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

38		
39	<u>Redemption Period (both dates inclusive)</u>	<u>Redemption Price</u>
40		
41		

42 If less than all of the outstanding Bonds shall be called for optional redemption, the City shall
43 choose the maturities of the Bonds to be redeemed and the principal amount of each such
44 maturity to be redeemed, in its sole discretion; and if any such maturity consists of term Bonds,
45 the City shall choose the mandatory sinking fund redemption installments of such term Bonds to
46 be reduced and the amount of each such reduction, in its sole discretion. If less than all of the

1 Bonds of any one maturity of this issue shall be called for redemption, the Bonds to be redeemed
2 shall be selected by lot by the Bond Registrar in such manner as, in its discretion, it shall
3 determine.

4
5 When less than all of a bond in a denomination in excess of \$5,000 shall be so redeemed, then,
6 upon the surrender of such bond, there shall be issued to the registered owner thereof, without
7 charge, for the unredeemed balance of the principal amount of such bond, at the option of such
8 owner, Bonds in any of the authorized denominations, the aggregate face amount of such Bonds
9 not to exceed the unredeemed balance of the bond so surrendered, and to bear the same interest
10 rate and to mature on the same date as said unredeemed balance.

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

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

40
41 This bond is transferable only upon the registration books kept at the principal office of the Bond
42 Registrar, by the registered owner hereof in person, or by his attorney duly authorized in writing,
43 upon surrender hereof together with a written instrument of transfer in the form attached hereto
44 and satisfactory to the Bond Registrar duly executed by the registered owner or his duly
45 authorized attorney, and thereupon, within a reasonable time, the City shall issue in the name of
46 the transferee a new registered bond or bonds of any authorized denominations in aggregate

1 principal amount equal to the principal amount of this bond or the unredeemed portion hereof,
2 and maturing on the same date and bearing interest at the same rate. Said new bond or bonds
3 shall be delivered to the transferee only after payment of any tax or governmental charge
4 required to be paid with respect to and any shipping expenses or insurance relating to, such
5 transfer and only after due authentication thereof by an authorized officer of the Bond Registrar.
6 The City shall not be required to issue, transfer or exchange any bond during the period
7 beginning fifteen days before any selection of Bonds to be redeemed and ending on the day of
8 publication and mailing of the notice of redemption or to transfer or exchange any bond called or
9 being called for redemption in whole or in part. The City may deem and treat the person in
10 whose name this bond is registered as the absolute owner hereof for the purpose of receiving
11 payment of or on account of the principal or redemption price hereof and interest due hereon and
12 for all other purposes.

13
14 The full faith and credit and unlimited taxing power of the City are hereby irrevocably pledged to
15 the prompt payment of the principal of and interest on this bond according to its terms, and the
16 City does hereby covenant and agree to pay the principal of this bond and the interest thereon at
17 the dates and in the manner mentioned herein, according to the true intent and meaning hereof.

18
19 It is hereby certified and recited that all conditions, acts and things required by the Constitution
20 or statutes of the State of Maryland, the Charter of the City and the Ordinance to exist, to have
21 happened or to have been performed precedent to or in the issuance of this bond, exist, have
22 happened and have been performed, and that the issue of Bonds of which this is one, together
23 with all other indebtedness of the City, is within every debt and other limit prescribed by said
24 Constitution or statutes or Charter, and that due provision has been made for the levy and
25 collection of an ad valorem tax or taxes upon all legally assessable property within the corporate
26 limits of the City in rate and amount sufficient to provide for the payment, when due, of the
27 principal of and interest on this bond.

28
29 IN WITNESS WHEREOF, this bond has been executed by the facsimile signature of the Mayor
30 of the City, which signature has been imprinted hereon, a facsimile of the corporate seal of the
31 City has been imprinted hereon, attested by the manual or facsimile signature of the City Clerk
32 as of the first day of _____, 2015.

33
34 ATTEST: CITY OF ANNAPOLIS

35
36 _____ By: _____
37 City Clerk Mayor

38
39 CERTIFICATION OF AUTHENTICATION

40
41 The undersigned hereby certifies that this bond is one of the registered Bonds of the City of
42 Annapolis.

43
44 _____
45 _____
46 [Authorized Officer of Bond Registrar]

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

9
10 Dated: _____

11
12
13 In the presence of:
14
15 _____

16
17 Notice: The signature to this assignment must correspond with the name as it appears upon the
18 face of the within bond in every particular, without alteration or enlargement or any change
19 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 pursuant to an executive order for cash at no less than par, to the bidder therefor
5 whose bid is deemed to be for the best interests of Annapolis. Bids shall be received as
6 provided in the Notice of Sale. The Bonds authorized by this Ordinance may also be sold, if
7 the Mayor determines that it would be in the best interest of the City, at private (negotiated)
8 sale without advertisement, publication, notice of sale, or solicitation of competitive bids. The
9 Mayor shall award the sale of the Bonds by executive order.

10
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
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 proposals
20 received, including the employment of specially qualified personnel, if necessary, so that he
21 will be able promptly to advise the Mayor as to the proposal which produces the lowest true
22 interest cost for the Bonds sold.

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

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

35

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:

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

*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 O-16-15.

1
2 The Bonds are general obligations of the City and will constitute an irrevocable pledge
3 of its full faith and credit and unlimited taxing power.
4

5
6
7 **Book-Entry System**
8

9 One bond representing each maturity of the Bonds will be issued to and registered in
10 the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York
11 (“DTC”), as registered owner of the Bonds and each such bond shall be held in the custody of
12 DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made
13 in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof.
14 Purchasers will not receive physical delivery of certificates representing their interest in the
15 Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be
16 required to deposit the bond certificates representing each maturity with DTC.
17

18 Interest on the Bonds will be payable when due and the principal or redemption price of
19 the Bonds will be payable at maturity or upon earlier redemption to DTC or its nominee as
20 registered owner of the Bonds. Transfer of principal and interest payments to beneficial
21 owners of the Bonds by participants of DTC (“Participants”) will be the responsibility of
22 Participants and other nominees of beneficial owners. The City will not be responsible or
23 liable for such transfers of payments or for maintaining, supervising or reviewing the records
24 maintained by DTC, Participants or persons acting through Participants.
25

26 **Optional Redemption**
27

28 Bonds maturing on or before _____ are not subject to redemption prior to their
29 stated maturities. Bonds maturing on or after _____ are subject to redemption prior to
30 their maturities at the option of the City on or after _____ either as a whole or in part at
31 any time in any order of maturity at the option of the City, at par plus accrued interest thereon
32 to the date fixed for redemption. In addition, if any such maturity consists of term Bonds, the
33 City shall choose the mandatory sinking fund redemption installments of such term Bonds to
34 be reduced and the amount of each such reduction.
35

36 **Adjustments of Principal Amounts**
37

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

1 EASTERN TIME) ON THE ANNOUNCED DATE FOR RECEIPT OF BIDS FOR THE
2 BONDS.
3

4 In the event that no such revisions are made, the Preliminary Amounts will constitute
5 the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the
6 Revised Amounts will be used to compare bids and select a winning bidder.
7

8 Such Revised Amounts, among other things, will be used by the City to calculate the
9 final aggregate principal amount of the Bonds and the final principal amount of each annual
10 payment on the Bonds (the "Final Aggregate Principal Amount" and the "Final Principal
11 Amount" of each annual payment, respectively, and collectively, the "Final Amounts"). In
12 determining the Final Amounts the City reserves the right to increase or decrease the aggregate
13 amount of the Bonds by an amount not to exceed ___% and correspondingly adjust the issue
14 size, with all calculations to be rounded to the nearest \$5,000.
15

16 In the event of any such adjustment, no rebidding or recalculation of the bid submitted
17 will be required or permitted. If necessary, the total purchase price of the Bonds will be
18 increased or decreased in direct proportion to the ratio that the adjustment bears to the
19 aggregate principal amount of the Bonds specified herein; and the Bonds of each maturity, as
20 adjusted, will bear interest at the same rate and must have the same initial reoffering yields as
21 specified in the bid of the successful bidder. However, the award will be made to the bidder
22 whose bid produces the lowest true interest cost, calculated as specified in the section entitled
23 "Basis of Award" herein. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID
24 OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS
25 A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN
26 THESE LIMITS. IN READJUSTING THE PRINCIPAL AMOUNT OF THE BONDS
27 FOLLOWING THE AWARD, THE CITY WILL HOLD CONSTANT THE BIDDER'S
28 GROSS SPREAD PER \$1,000 BONDS AS INDICATED IN THE ORIGINAL BID. In this
29 process, however, the City reserves the right to adjust the actual dollar amount of Bidder's
30 gross spread resulting from an upward or downward adjustment of the principal amount of the
31 Bonds.
32

33 Change of Bid Date or Time and Closing Date

34
35 The City reserves the right to change, from time to time, the date or time established for
36 the receipt of bids and will undertake to notify prospective bidders via notification published
37 on TM3.
38

39 A change of the bid date or time will be announced via TM3 not later than ____ p.m.,
40 prevailing Eastern Time, on the last business day prior to any announced date for receipt of
41 bids, and an alternative sale date and time will be announced via TM3 at that time or at a later
42 date.
43

44 On any such alternative date and time for receipt of bids, the City will accept electronic
45 bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this

1 Notice of Sale, except for the changes in the date and time for receipt of bids and any other
2 changes announced via TM3.

3
4 The City reserves the right to change the scheduled delivery date for the Bonds. See
5 “Delivery” below.

6
7 Bid Parameters

8
9 No bid of less than 100% of par or more than ___% on an “all-or-none” basis, no oral
10 bid and no bid for less than all of the Bonds described in this Notice of Sale, will be
11 considered. The Bonds are expected to be awarded by approximately ___ p.m., prevailing
12 Eastern Time, on _____. All proposals shall remain firm until the time of award.

13
14 Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of
15 1%, the highest rate may not exceed the lowest rate by more than ___% and no interest rate
16 may exceed ___%. A zero rate may not be named. No Bond shall bear more than one rate of
17 interest which rate shall be uniform for the life of such Bond.

18
19 Basis of Award

20
21 The Mayor of the City will not accept and will reject any bid for less than all of the
22 Bonds. The City will award all of the Bonds to one bidder. The City reserves the right to
23 reject any and all bids and to waive any irregularities in any of the bids. The judgment of the
24 City shall be final and binding upon all bidders with respect to the form and adequacy of any
25 proposal received and as to its conformity with the terms of this Notice of Sale.

26
27 The Bonds will be awarded to the bidder naming the lowest true interest cost (TIC) for
28 the Bonds in any legally acceptable proposal and offering to pay not less than par. The lowest
29 true interest cost with respect to the Bonds will be determined by doubling the semiannual
30 interest rate, compounded semiannually, necessary to discount the debt service payments from
31 the payment dates to the date of the Bonds and to the amount bid.

32
33 Where the proposals of two or more bidders result in the same lowest true interest cost
34 for any Bonds, such Bonds may be apportioned between such bidders, but if this shall not be
35 acceptable, the City shall have the right to award all of such Bonds to one bidder. There will
36 be no auction. The right is reserved to the City to reject any or all proposals and to waive any
37 irregularity or informality in any proposal. The City’s judgment shall be final and binding
38 upon all bidders with respect to the form and adequacy of any proposal received and as to its
39 conformity to the terms of this Notice of Sale. Any award of the Bonds may be made as late as
40 ___ p.m., prevailing Eastern Time, on the sale date. All bids remain firm until an award is
41 made. Upon notice of such award, the winning bidder shall advise the City of the initial
42 reoffering prices to the public of each maturity of the Bonds and the names of the members of
43 the underwriting groups.

44
45
46

1 Procedures for Electronic Bidding

2
3 Bidders to Submit Bids by PARITY

4
5 Bids for the Bonds must be submitted electronically via PARITY pursuant to this
6 Notice of Sale until _____ a.m., prevailing Eastern time, on the sale date but no bid will be
7 received after the time for receiving bids specified above. To the extent any instructions or
8 directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of
9 Sale shall control. For further information about PARITY, potential bidders may contact i-
10 Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-
11 5021.

12
13 Disclaimer

14
15 Each prospective electronic bidder shall be solely responsible to submit its bid via
16 PARITY as described above. Each prospective electronic bidder shall be solely responsible to
17 make necessary arrangements to access PARITY for the purpose of submitting its bid in a
18 timely manner and in compliance with the requirements of this Notice of Sale. Neither the
19 City nor PARITY shall have any duty or obligation to provide or assure access to PARITY to
20 any prospective bidder, and neither the City nor PARITY shall be responsible for proper
21 operation of, or have any liability for any delays or interruptions of, or any damages caused by
22 PARITY. The City is using PARITY as a communication mechanism, and not as the City’s
23 agent, to conduct the electronic bidding for the Bonds. The City is not bound by any advice
24 and determination of PARITY to the effect that any particular bid complies with the terms of
25 this Notice of Sale and in particular the “Bid Parameters” set forth herein. All costs and
26 expenses incurred by prospective bidders in connection with their submission of bids via
27 PARITY are the sole responsibility of the bidders; the City is not responsible, directly or
28 indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty
29 in submitting, modifying, or withdrawing a bid for the Bonds, such bidder should telephone i-
30 Deal LLC at (212) 849-5021 and notify Davenport & Company LLC by facsimile at (866)
31 932-6660.

32
33 Electronic Bidding Procedures

34
35 Electronic bids must be submitted for the purchase of the Bonds (all or none) via
36 PARITY. Bids will be communicated electronically to the City at 11:00 a.m., prevailing
37 Eastern time, on _____, 2015. Prior to that time, a prospective bidder may (1) submit the
38 proposed terms of its bid via PARITY, (2) modify the proposed terms of its bid, in which event
39 the proposed terms as last modified will (unless the bid is withdrawn as described herein)
40 constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are
41 communicated electronically via PARITY to the City, each bid will constitute an irrevocable
42 offer to purchase the Bonds on the terms therein provided. For purposes of the electronic
43 bidding process, the time as maintained on PARITY shall constitute the official time.
44
45
46

1 Good Faith Deposit

2
3 A good faith deposit in the amount of \$_____ is required of the winning
4 bidder for the Bonds. The winning bidder for the Bonds is required to submit such good faith
5 deposit payable to the order of the City in the form of a wire transfer in federal funds as
6 instructed by Davenport & Company LLC, the City's Financial Advisor, or a financial surety
7 bond. The winning bidder shall submit the good faith deposit not more than two hours after
8 verbal award is made. The winning bidder should provide as quickly as it is available,
9 evidence of wire transfer by providing the City the federal funds reference number. If the
10 winning bidder fails to comply with the good faith deposit requirement as described herein,
11 that bidder is nonetheless obligated to pay to the City the sum of \$_____ as
12 liquidated damages due to the failure of the winning bidder to timely deposit the good faith
13 deposit.
14

15 A bidder may submit a financial surety bond from an insurance company acceptable to
16 the City, the claims paying ability of which is rated AAA by Standard & Poor's, a Division of
17 the McGraw-Hill Companies, Inc., or Aaa by Moody's Investors Service, Inc. and licensed to
18 issue such a bond in the State of Maryland and such surety bond must be submitted to the
19 Director of Finance of the City prior to _____ a.m., prevailing Eastern Time, on the date of
20 sale. The financial surety bond must identify each bidder whose good faith deposit is
21 guaranteed by such financial surety bond. If the Bonds are awarded to a bidder utilizing a
22 financial surety bond, then the successful bidder is required to submit its good faith deposit to
23 the Director of Finance of the City not later than 12:00 noon, prevailing Eastern Time, on the
24 next business day following the award either in the form of a wire transfer as described above
25 in accordance with the City's instructions to such successful bidder. If such good faith deposit
26 is not received by that time, the financial surety bond may be drawn by the City to satisfy the
27 good faith deposit requirement.
28

29 Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of
30 the terms of the good faith deposit requirement.
31

32 The good faith deposit will be retained by the City until the delivery of the Bonds, at
33 which time the good faith deposit will be applied against the purchase price of the Bonds or the
34 good faith deposit will be retained by the City as partial liquidated damages in the event of the
35 failure of the successful bidder to take up and pay for such Bonds in compliance with the terms
36 of this Notice of Sale and of its bid. No interest on the good faith deposit will be paid by the
37 City. The balance of the purchase price must be wired in federal funds to the account detailed
38 in the closing memorandum, simultaneously with delivery of the Bonds.
39

40 Approving Legal Opinion

41
42 The approving legal opinion of Miles & Stockbridge P.C., Bond Counsel, will be
43 furnished to the purchasers without cost. There will also be furnished the usual closing papers
44 and, in addition, a certificate signed by appropriate officers of the City, certifying that there is
45 no litigation pending or, to the knowledge of the signers of such certificate, threatened
46 affecting the validity of the Bonds and that on the date of the Official Statement mentioned

1 below and at the time of delivery of the Bonds the statements and information contained in
2 such Official Statement which are made and provided by the City are and will be true, correct
3 and complete in all material respects and the Official Statement does not and will not omit any
4 statement or information which is required to be stated therein or necessary to make the
5 statements and information therein, in the light of the circumstances under which they were
6 made, not misleading or incomplete in any material respect.

7
8 Preliminary Official Statement; Continuing Disclosure

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

18
19 The City has made certain covenants for the benefit of the holders from time to time of
20 the Bonds to provide certain continuing disclosure, in order to assist bidders for the Bonds in
21 complying with the Rule. Such covenants are described in the Preliminary Official Statement.

22
23 Delivery

24
25 The Bonds will be delivered on or about _____ through the facilities of DTC
26 in New York, New York, against payment therefor in federal or other immediately available
27 funds.

28
29 Reoffering Price Certificate

30
31 SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE
32 SUCCESSFUL BIDDER SHALL FURNISH TO THE CITY A CERTIFICATE
33 ACCEPTABLE TO BOND COUNSEL TO THE EFFECT THAT (I) THE SUCCESSFUL
34 BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF EACH MATURITY OF
35 THE BONDS AT THE INITIAL REOFFERING PRICES, (II) AS OF THE DATE OF THE
36 SALE OF THE BONDS, THE SUCCESSFUL BIDDER REASONABLY EXPECTED TO
37 SELL A SUBSTANTIAL AMOUNT OF EACH MATURITY OF THE BONDS TO THE
38 PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES)
39 AT THEIR RESPECTIVE REOFFERING PRICES, AND (III) A SUBSTANTIAL AMOUNT
40 OF EACH MATURITY OF THE BONDS WAS SOLD TO THE PUBLIC (EXCLUDING
41 BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE
42 INITIAL REOFFERING PRICES OR SUCH OTHER FACTS REGARDING THE ACTUAL
43 SALE OF THE BONDS AS BOND COUNSEL SHALL REQUEST, AS DESCRIBED
44 BELOW. Bond Counsel advises that (I) such certificate must be made on the best knowledge,
45 information and belief of the successful bidder, (ii) the sale to the public of 10% or more in par
46 amount of each maturity of the Bonds at the initial reoffering prices would be sufficient to

1 certify as of the sale of a substantial amount of the Bonds and (iii) reliance on other facts as a
2 basis for such certification would require evaluation by Bond Counsel to assure compliance
3 with the statutory requirement to avoid the establishment of an artificial price for the Bonds.
4

5 Miscellaneous
6

7 It is expected that CUSIP numbers will be printed on the Bonds. However, the validity,
8 sale, delivery or acceptance of the Bonds will not be affected in any manner by any failure to
9 print, or any error in printing, the CUSIP numbers on the Bonds, or any of them.
10

11 The right to reject any or all bids, or to waive any irregularity or informality in any bid,
12 is reserved.
13
14
15

16 CITY OF ANNAPOLIS, MARYLAND
17
18
19

20 By: /s/ _____
21 Mayor
22

23
24
25 By: /s/ _____
26 Director of Finance
27
28
29

30 SECTION 10. If any Bonds are sold pursuant to the foregoing Notice of Sale, the
31 award shall be made by order of the Mayor. Such action of the Mayor shall also fix Such
32 action of the Mayor shall also fix the final principal amount of each maturity of the Bonds and
33 the interest rate or rates payable on the Bonds in accordance with the accepted proposal. The
34 Mayor shall also be authorized to make all changes necessary to the form of the Bonds to
35 comply with a book-entry only system. The proceeds of the Bonds shall be paid to the Finance
36 Director. Upon approval of the appropriate vouchers, in accordance with the established
37 procedure of the City, the Finance Director shall pay, from the proceeds of the Bonds in his
38 hands, all expenses incurred in the issuance of the Bonds, including costs of advertising,
39 printing, document reproduction and counsel fees and expenses. The balance of said proceeds
40 shall be credited by the Finance Director to the several accounts on his books for the Projects
41 described above and the Finance Director shall make disbursements for such Projects in
42 accordance with the established procedure of Annapolis. Prior to expenditure of such
43 proceeds, the same or any part thereof shall be invested by the Finance Director, with the
44 approval of the Mayor, in any authorized investment of the City. If the funds derived from the
45 sale of the Bonds shall exceed the amount needed to finance any of the Projects described in
46 this Ordinance, or if the City Council determines that the public interest requires a change in

1 the capital improvements program of Annapolis, the funds so borrowed and not expended for
2 the public improvements provided by this Ordinance shall be set apart in a separate fund by the
3 Finance Director and applied in payment of the debt service on the Bonds, unless the City
4 Council shall adopt an ordinance allocating such funds to some other public capital
5 improvement project or projects of the City.
6

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

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

32 To assure the performance by the City of the provisions of this Section, the full faith
33 and credit and unlimited taxing power of the City are hereby irrevocably pledged to the
34 payment to maturity of the principal of and interest on the Bonds as and when the same
35 respectively mature and become payable and to the levy and collection of the taxes
36 hereinabove described as and when such taxes may become necessary in order to provide
37 sufficient funds to meet the debt service requirements of the Bonds. This pledge is made
38 hereby for the benefit of the holders, from time to time, of the Bonds.
39

40 The City hereby solemnly covenants and agrees with each holder of any of the Bonds to
41 levy and collect the taxes hereinabove described and to take any other action that may be
42 appropriate from time to time during the period that any of the Bonds remain outstanding and
43 unpaid to provide the funds necessary to make principal and interest payments thereon when
44 due.
45

1 SECTION 12. This Ordinance and the question of the issuance of Bonds hereunder
2 shall not be submitted to a referendum of the registered voters of Annapolis, as permitted by
3 law, unless, within 10 days after the passage of this Ordinance, there shall be served upon the
4 Mayor a notice signed by not fewer than 200 of the registered voters of Annapolis, advising
5 that a petition for a referendum on the issuance of the Bonds is being circulated by one or more
6 of the persons signing said notice and unless, within 20 days after the delivery of such notice,
7 there shall also be filed with the Mayor a petition or petitions requesting the holding of such a
8 referendum, properly signed as required by the Charter, by not fewer than 25% of the
9 registered voters of Annapolis, as shown by the registered voters books of Annapolis,
10 maintained by the Board of Supervisors of Elections of the City (the "Board of Supervisors").
11 In view of the foregoing, no action shall be taken by Annapolis pursuant to this Ordinance for a
12 period of 10 days following its passage. If, within such ten-day period, the notice above
13 described is filed as aforesaid, then no action shall be taken by Annapolis pursuant to this
14 Ordinance for a period of 20 days following the filing of such notice. If, within such twenty-
15 day period, a petition for referendum, as above-described, shall be filed as aforesaid, then no
16 action shall be taken by Annapolis under this Ordinance unless and until the Mayor shall
17 receive written advice from the City Attorney and the Board of Supervisors that such
18 referendum petition does not meet the requirements of the Charter or unless and until the
19 referendum requested in such petition shall be duly held in accordance with law and the Board
20 of Supervisors shall certify to Annapolis that, in the election at which such referendum is held,
21 a majority of the registered voters of Annapolis voting on the question referred duly cast their
22 ballots in favor of the issuance of the Bonds hereby authorized. If this Ordinance shall be
23 ratified or approved on any such referendum, then the Mayor and the City Clerk may proceed
24 with the issuance of the Bonds hereby authorized, without further action by Annapolis.
25

26 SECTION 13. That CUSIP numbers may be printed on the Bonds; provided, however,
27 that the printing of CUSIP numbers on the Bonds (even if incorrect) shall have no legal effect
28 and shall not in any way affect the enforceability or validity of any Bond. Any expenses in
29 relation to the printing of CUSIP numbers on the Bonds, including any CUSIP Service Bureau
30 charge for the assignment of such numbers, in the discretion of the Finance Director, may be
31 paid for by the City from the proceeds of the Bonds.
32

33 SECTION 14. In addition to the insertions and variations prescribed by this Ordinance,
34 the Mayor is hereby authorized to make such further modifications in such forms as will not
35 alter the substance of such forms. In connection with the issuance of any Bonds pursuant to
36 this Ordinance, the City is hereby authorized to enter into one or more agreements as the
37 Mayor shall deem necessary or appropriate for the issuance, sale, delivery or security of such
38 Bonds, which may include (without limitation) (i) underwriting, purchase or placement
39 agreements for Bonds sold at private (negotiated) sale in accordance with the provisions of this
40 Ordinance; (ii) trust agreements with commercial banks or trust companies providing for the
41 issuance and security of such Bonds; (iii) any dealer, remarketing or similar agreements
42 providing for the placement or remarketing of such Bonds; (iv) agreements providing for any
43 credit or liquidity facilities supporting any Bonds; (v) agreements with commercial banks or
44 trust companies providing for the deposit of proceeds of any Bonds; and (vi) continuing
45 disclosure agreements, including any such agreements required to enable the underwriters of
46 any Bonds to meet the requirements of paragraph (b)(5) of Rule 15c2-12 promulgated by the

1 United States Securities and Exchange Commission (the “Rule”). Each such agreement shall
2 be in such form as shall be determined by the Mayor by executive order. The execution and
3 delivery of each such agreement by the Mayor shall be conclusive evidence of the approval of
4 the form of such agreement on behalf of the City.

5
6 SECTION 15. The Mayor and the Finance Director shall be the officers of the City
7 responsible for the issuance of the Bonds within the meaning of the “Arbitrage Regulations”
8 (defined herein).

9
10 The Mayor and the Finance Director shall also be the officers of the City responsible
11 for the execution and delivery (on the date of issuance of the Bonds) of a certificate of the City
12 (the “Tax Certificate and Compliance Agreement”) which complies with the requirements of
13 Section 148 of the Internal Revenue Code of 1986, as amended (“Section 148”), and the
14 applicable regulations thereunder (the “Arbitrage Regulations”), and such officials are hereby
15 authorized and directed to execute the Tax Certificate and Compliance Agreement and to
16 deliver the same to Bond Counsel on the date of the issuance of the Bonds.

17
18 The City shall set forth in the Tax Certificate and Compliance Agreement its reasonable
19 expectations as to relevant facts, estimates and circumstances relating to the use of the
20 proceeds of the Bonds, or of any moneys, securities or other obligations to the credit of any
21 account of the City which may be deemed to be proceeds of the Bonds pursuant to Section 148
22 or the Arbitrage Regulations (collectively, “Bond Proceeds”). The City covenants with each of
23 the holders of any of the Bonds that the facts estimates and circumstances set forth in the Tax
24 Certificate and Compliance Agreement will be based on the City’s reasonable expectations on
25 the date of issuance of the Bonds and will be, to the best of the certifying officials’ knowledge,
26 true and correct as of that date.

27
28 In the event that Bonds are issued pursuant to this Ordinance with the expectation that
29 interest on such Bonds will be excludable from gross income for federal income tax purposes,
30 the City covenants with each of the registered owners of any of the Bonds that it will not make,
31 or (to the extent that it exercises control or direction) permit to be made, any use of the Bond
32 Proceeds which would cause the Bonds to be “arbitrage bonds” within the meaning of Section
33 148 and the Arbitrage Regulations. The City further solemnly covenants that it will comply
34 with Section 148 and the regulations thereunder which are applicable to the Bonds on the date
35 of issuance of the Bonds and which may subsequently lawfully be made applicable to the
36 Bonds as long as the Bonds remain outstanding and unpaid. The Mayor, the City Manager and
37 the Finance Director are hereby authorized and directed to prepare or cause to be prepared and
38 to execute any certification, opinion or other document, including, without limitation, the Tax
39 Certificate and Compliance Agreement, which may be required to assure that the Bonds will
40 not be deemed to be “arbitrage bonds” within the meaning of Section 148 and the regulations
41 thereunder.

42
43 The City further covenants with each of the registered owners of any of the Bonds (i)
44 that it will not take any action or (to the extent that it exercises control or direction) permit any
45 action to be taken that would cause the Bonds or a portion of the Bonds to be “federally
46 guaranteed” within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as

1 amended, and (ii) that it will not make, or (to the extent that it exercises control or direction)
2 permit to be made, any use of the proceeds of the Bonds or a portion of such proceeds that
3 would cause the Bonds or a portion of the Bonds to be “private activity bonds” within the
4 meaning of Section 141 of the Internal Revenue Code of 1986, as amended.
5

6 In the event that the Bonds are being issued hereunder with the expectation that interest
7 on such Bonds will be excludable from gross income for federal income tax purposes, the
8 Mayor may make such covenants or agreements in connection with the issuance of such Bonds
9 as he shall deem advisable in order to assure the registered owners of such Bonds that interest
10 thereon shall be and remain excludable from gross income for federal income tax purposes and
11 such covenants or agreements shall be binding on the City so long as the observance by the
12 City of any such covenants or agreements is necessary in connection with the maintenance of
13 the exclusion of the interest on such Bonds from gross income for federal income tax purposes.
14 The foregoing covenants or agreements may include such covenants or agreements on behalf
15 of the City regarding compliance with the provisions of the Internal Revenue Code of 1986, as
16 amended, as the Mayor shall deem advisable in order to assure the registered owners of the
17 Bonds that the interest thereon is and shall remain excludable from gross income for federal
18 income tax purposes, including (without limitation) covenants or agreements relating to the
19 investment of Bond Proceeds, the payment of certain earnings resulting from such investment
20 to the United States, limitations on the times within which, and the purposes for which, Bond
21 Proceeds may be expended, or the use of specified procedures for accounting for and
22 segregating Bond Proceeds. Any covenant or agreement made by the Mayor pursuant to this
23 paragraph may be set forth in or authorized by the Tax Certificate and Compliance Agreement
24 or an order executed by the Mayor.
25

26 SECTION 16. The Mayor or his designee is expressly authorized to approve the form
27 of, and execute and deliver and on behalf of the City, a continuing disclosure agreement to
28 assist bidders in complying with the Rule.
29

30 SECTION 17. 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 EXPLANATION

38 CAPITAL LETTERS indicate matter added to existing law.

39 [brackets] indicate matter stricken from existing law.

40 Underlining indicates amendments.