

1 **..Title**

2 **Issuance of General Obligation Bonds**– For the purpose of authorizing and
3 empowering the City of Annapolis (the “City”) to issue and sell, upon its full faith and
4 credit, one or more series of its general obligation bonds in the aggregate principal
5 amount not to exceed \$11,000,000, pursuant to Sections 19-301 through 19-309,
6 inclusive, of the Local Government Article of the Annotated Code of Maryland, as
7 amended, and Article VII, Section 11 of the Charter of the City of Annapolis, as
8 amended, to be designated as the “Public Improvements Bonds, 2016 Series” (the
9 “Bonds”) and to be issued and sold for the public purpose of financing and refinancing
10 certain capital projects of the City as provided in this Ordinance; prescribing the form and
11 tenor of the Bonds; determining the method of sale of the Bonds and other matters
12 relating to the issuance and sale thereof; providing for the disbursement of the proceeds
13 of the Bonds; covenanting to levy and collect all taxes necessary to provide for the
14 payment of the principal of and interest on the Bonds; and generally providing for and
15 determining various matters relating to the issuance, sale and delivery of the Bonds.

16 **..Body**

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

20
21 **Ordinance 44-16**
22 **Introduced by: Mayor Pantelides**

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

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
33 issue and sell, upon its full faith and credit, one or more series of its general obligation
34 bonds in the aggregate principal amount not to exceed \$11,000,000, pursuant to Sections
35 19-301 through 19-309, inclusive, of the Local Government Article of the Annotated
36 Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of
37 Annapolis, as amended, to be designated as the “Public Improvements Bonds, 2016
38 Series” (the “Bonds”) and to be issued and sold for the public purpose of financing and
39 refinancing certain capital projects of the City as provided in this Ordinance; prescribing
40 the form and tenor of the Bonds; determining the method of sale of the Bonds and other
41 matters relating to the issuance and sale thereof; providing for the disbursement of the
42 proceeds of the Bonds; covenanting to levy and collect all taxes necessary to provide for
43 the payment of the principal of and interest on the Bonds; and generally providing for and
44 determining various matters relating to the issuance, sale and delivery of the Bonds.

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 the sum of (i) 4% of the
18 assessed value of all real property in the City taxable for municipal purposes and (ii) 10% of
19 the assessed value of all personal property in the City taxable for municipal purposes.

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

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

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

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

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

46

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, one or more series of its general obligation, fully-registered bonds in the aggregate
 10 principal amount not to exceed Eleven Million Dollars (\$11,000,000), to be known as the
 11 “Public Improvements Bonds, 2016 Series” (the “Bonds”) or such other designation as deemed
 12 appropriate by the Mayor of Annapolis (the “Mayor”) for the purposes of financing and
 13 refinancing the costs of the General Fund public projects listed below (the “Projects”):
 14

<u>TITLE</u>	<u>BOND FUNDING</u>
City-Wide Radio Replacement	\$1,700,000
General Roadways	2,000,000
Energy Performance Audit Recommendations	5,000,000
City Facility Improvements	<u>800,000</u>
Total	\$9,500,000

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

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

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

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

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

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

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

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

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

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

17
18 SECTION 6. The Bonds shall be executed in the name of the City and on its behalf by
19 the Mayor. The signature of the Mayor shall be imprinted on the Bonds manually or by
20 facsimile and a facsimile of the corporate seal of Annapolis shall also be imprinted thereon,
21 attested by the manual signature of the City Clerk of Annapolis (the "City Clerk").

22
23 In the event any official whose signature shall appear on the Bonds shall cease to be
24 such official prior to the delivery of the Bonds, or in the event any such official whose
25 signature shall appear on the Bonds shall have become such after the date of issue thereof, the
26 Bonds shall nevertheless be valid and legally binding obligations of Annapolis in accordance
27 with their terms.

28
29 No Bond shall be valid or obligatory for any purpose unless and until the certificate of
30 authentication substantially in the form set forth in the form of the Bonds in Section 8 of this
31 Ordinance shall have been duly executed by the Bond Registrar, and such executed certificate of
32 the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been
33 authenticated and delivered pursuant to this Ordinance. The Bond Registrar's certificate of
34 authentication on any Bond shall be deemed to have been executed by it if manually signed by an
35 authorized signer of the Bond Registrar, but it shall not be necessary that the same person sign the
36 certificate of authentication on all of the Bonds issued hereunder.

37
38 All Bonds shall be issued as fully-registered bonds without coupons and shall be
39 registered in the name or names of the owner or owners thereof; on books kept for such
40 purpose at the principal office of the Bond Registrar. The Bonds initially will be issued in
41 book-entry form without any physical distribution of certificates made to the public. DTC will
42 act as securities depository for the Bonds and the Bonds will be registered in the name of
43 DTC's partnership nominee, Cede & Co. The City reserves the right to terminate maintenance
44 of the Bonds in a book-entry only system and to issue fully certificated bonds. The Mayor or
45 his designee is hereby authorized to appoint a financial institution to act as the Bond Registrar
46 and as paying agent (the "Paying Agent") for the Bonds, unless the Mayor determines after

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

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

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

44
45 (2) The City may make payment of any Defaulted Interest in any other lawful
46 manner not inconsistent with the requirements of any securities exchange on which the Bonds

1 may be listed, and upon such notice as may be required by such exchange, if after notice given
2 by the City to the Paying Agent of the proposed payment pursuant to this paragraph, such
3 payment shall be deemed practicable, and approved in writing, by the Paying Agent.
4

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

No. R-_____
\$_____

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

GENERAL OBLIGATION BOND

PUBLIC IMPROVEMENTS BOND
2016 SERIES

Interest Rate Per Annum Maturity Date Date of Original Issue CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT DOLLARS

CITY OF ANNAPOLIS (the "City"), a municipal corporation created and existing under the laws of the State of Maryland, hereby acknowledges itself indebted, and, for value received, promises to pay to the Registered Owner shown above or registered assigns or legal representatives on the Maturity Date shown above (unless this bond shall be redeemable, shall have been called for prior redemption and payment of the redemption price made or provided for), the Principal Amount shown above or so much thereof as shall not have been paid upon prior redemption in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts upon presentation and surrender of this bond on the date such principal is payable or if such date is not a Business Day (hereinafter defined) then on the next succeeding Business Day at the principal office of the Paying Agent, and to pay to the registered owner hereof by check or draft, mailed to such registered owner at his address as it appears on said registration books (the "Bond Register") maintained by the Bond Registrar interest on said principal amount at the Interest Rate shown above until payment of such principal amount, or until the prior redemption hereof, such interest being payable semiannually on the 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

1 securities exchange on which the bonds of this series may be listed and upon such notice as
2 may be required by such exchange.

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

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

9
10 This bond is one of a duly authorized issue of general obligation bonds of the City aggregating
11 _____ Dollars (\$_____) in principal amount (the
12 “Bonds”).

13
14 The Bonds are numbered from one consecutively upwards prefixed by the letter “R”, are in
15 denominations of \$5,000 or any integral multiple thereof and are of like tenor and effect except
16 as to maturity, number, interest rate, denomination and redemption provisions, and are issued
17 pursuant to and in full conformity with the provisions of Sections 19-301 through 19-309,
18 inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended,
19 and Article VII, Section 11 of the Charter of the City of Annapolis, as amended, and by virtue
20 of due proceedings had and taken by the Mayor and Aldermen of the City of Annapolis,
21 particularly Ordinance No. ____ adopted on the ____ day of _____, 2016 (approved
22 _____ 2016) (the “Ordinance”).

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

<u>Redemption Period (both dates inclusive)</u>	<u>Redemption Price</u>
---	-------------------------

30
31
32
33
34 If less than all of the outstanding Bonds shall be called for optional redemption, the City shall
35 choose the maturities of the Bonds to be redeemed and the principal amount of each such
36 maturity to be redeemed, in its sole discretion. If less than all of the Bonds of any one maturity
37 of this issue shall be called for redemption, the Bonds to be redeemed shall be selected by lot
38 by the Bond Registrar in such manner as, in its discretion, it shall determine.

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

46

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

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

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

1 for the purpose of receiving payment of or on account of the principal or redemption price
2 hereof and interest due hereon and for all other purposes.

3
4 The full faith and credit and unlimited taxing power of the City are hereby irrevocably pledged
5 to the prompt payment of the principal of and interest on this bond according to its terms, and
6 the City does hereby covenant and agree to pay the principal of this bond and the interest
7 thereon at the dates and in the manner mentioned herein, according to the true intent and
8 meaning hereof.

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

19
20 IN WITNESS WHEREOF, this bond has been executed by the facsimile signature of the
21 Mayor of the City, which signature has been imprinted hereon, a facsimile of the corporate seal
22 of the City has been imprinted hereon, attested by the manual signature of the City Clerk as of
23 the first day of _____, 2016.

24
25 ATTEST: CITY OF ANNAPOLIS

26
27
28
29 _____ By: _____
30 City Clerk Mayor

31
32
33 CERTIFICATION OF AUTHENTICATION

34
35 The undersigned hereby certifies that this bond is one of the registered Bonds of the City of
36 Annapolis.

37
38 _____
39 _____
40 [Authorized Officer of Bond Registrar]

41 Date of Authentication: _____

(Form of Assignment)

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

7
8 Dated: _____
9

10
11 In the presence of:
12
13 _____
14

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

1 SECTION 9. All of the Bonds authorized by this Ordinance may be sold by
2 solicitation of competitive sealed proposals at public sale in accordance with the provisions of
3 the following Notice of Sale at the principal office of the City, on such date as may be selected
4 by the Mayor 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 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 and the Finance Director are hereby authorized to prepare and distribute a
25 preliminary official statement and final official statement in connection with the sale of the
26 Bonds.

27
28 The Notice of Sale if used for the issue of the Bonds authorized by this Ordinance 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.

NOTICE OF SALE

\$ _____
CITY OF ANNAPOLIS, MARYLAND
General Obligation Bonds
Public Improvements Bonds, 2016 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, 2016 Series (the “Bonds”).

Terms of the Bonds

The Bonds shall be dated the date of their delivery.

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

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

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 No. _____. The Bonds are general obligations of the City and will constitute an irrevocable pledge of its full faith and credit and unlimited taxing power.

Book-Entry System

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

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

18 Optional Redemption

19

20 Bonds maturing on or before _____ are not subject to redemption prior to their
21 stated maturities. Bonds maturing on or after _____ are subject to redemption prior to
22 their maturities at the option of the City on or after _____ either as a whole or in part at
23 any time in any order of maturity at the option of the City, at par plus accrued interest thereon
24 to the date fixed for redemption.
25

26 Change of Bid Date or Time and Closing Date

27

28 The City reserves the right to change, from time to time, the date or time established for
29 the receipt of bids and will undertake to notify prospective bidders via notification published
30 on TM3. A change of the bid date or time will be announced via TM3 not later than ____
31 p.m., prevailing Eastern Time, on the last business day prior to any announced date for receipt
32 of bids, and an alternative sale date and time will be announced via TM3 at that time or at a
33 later date. On any such alternative date and time for receipt of bids, the City will accept
34 electronic bids for the purchase of the Bonds, such bids to conform in all respects to the
35 provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids
36 and any other changes announced via TM3. The City reserves the right to change the
37 scheduled delivery date for the Bonds. See “Delivery” below.
38

39 Bid Parameters

40

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

1 Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of
2 1%, the highest rate may not exceed the lowest rate by more than ____% and no interest rate
3 may exceed ____%. A zero rate may not be named. No Bond shall bear more than one rate of
4 interest which rate shall be uniform for the life of such Bond.

5 6 Basis of Award

7
8 The Mayor of the City will not accept and will reject any bid for less than all of the
9 Bonds. The City will award all of the Bonds to one bidder. The City reserves the right to
10 reject any and all bids and to waive any irregularities in any of the bids. The judgment of the
11 City shall be final and binding upon all bidders with respect to the form and adequacy of any
12 proposal received and as to its conformity with the terms of this Notice of Sale. The Bonds
13 will be awarded to the bidder naming the lowest true interest cost (TIC) for the Bonds in any
14 legally acceptable proposal and offering to pay not less than par. The lowest true interest cost
15 with respect to the Bonds will be determined by doubling the semiannual interest rate,
16 compounded semiannually, necessary to discount the debt service payments from the payment
17 dates to the date of the Bonds and to the amount bid.

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

30 31 Procedures for Electronic Bidding

32 33 Bidders to Submit Bids by PARITY

34
35 Bids for the Bonds must be submitted electronically via PARITY pursuant to this
36 Notice of Sale until _____, prevailing Eastern time, on the sale date but no bid will be
37 received after the time for receiving bids specified above. To the extent any instructions or
38 directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of
39 Sale shall control. For further information about PARITY, potential bidders may contact i-
40 Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-
41 5021.

42 43 Disclaimer

44
45 Each prospective electronic bidder shall be solely responsible to submit its bid via
46 PARITY as described above. Each prospective electronic bidder shall be solely responsible to

1 make necessary arrangements to access PARITY for the purpose of submitting its bid in a
2 timely manner and in compliance with the requirements of this Notice of Sale. Neither the
3 City nor PARITY shall have any duty or obligation to provide or assure access to PARITY to
4 any prospective bidder, and neither the City nor PARITY shall be responsible for proper
5 operation of, or have any liability for any delays or interruptions of, or any damages caused by
6 PARITY. The City is using PARITY as a communication mechanism, and not as the City's
7 agent, to conduct the electronic bidding for the Bonds. The City is not bound by any advice
8 and determination of PARITY to the effect that any particular bid complies with the terms of
9 this Notice of Sale and in particular the "Bid Parameters" set forth herein. All costs and
10 expenses incurred by prospective bidders in connection with their submission of bids via
11 PARITY are the sole responsibility of the bidders; the City is not responsible, directly or
12 indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty
13 in submitting, modifying, or withdrawing a bid for the Bonds, such bidder should telephone i-
14 Deal LLC at (212) 849-5021 and notify Davenport & Company LLC by facsimile at (866)
15 932-6660.

16 17 Electronic Bidding Procedures

18
19 Electronic bids must be submitted for the purchase of the Bonds (all or none) via
20 PARITY. Bids will be communicated electronically to the City at _____, prevailing
21 Eastern time, on _____, 2016. Prior to that time, a prospective bidder may (1) submit the
22 proposed terms of its bid via PARITY, (2) modify the proposed terms of its bid, in which event
23 the proposed terms as last modified will (unless the bid is withdrawn as described herein)
24 constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are
25 communicated electronically via PARITY to the City, each bid will constitute an irrevocable
26 offer to purchase the Bonds on the terms therein provided. For purposes of the electronic
27 bidding process, the time as maintained on PARITY shall constitute the official time.

28 29 Good Faith Deposit

30
31 A good faith deposit in the amount of \$_____ is required of the winning
32 bidder for the Bonds. The winning bidder for the Bonds is required to submit such good faith
33 deposit payable to the order of the City in the form of a wire transfer in federal funds as
34 instructed by Davenport & Company LLC, the City's Financial Advisor. The winning bidder
35 shall submit the good faith deposit not more than two hours after verbal award is made. The
36 winning bidder should provide as quickly as it is available, evidence of wire transfer by
37 providing the City the federal funds reference number. If the winning bidder fails to comply
38 with the good faith deposit requirement as described herein, that bidder is nonetheless
39 obligated to pay to the City the sum of \$_____ as liquidated damages due to the
40 failure of the winning bidder to timely deposit the good faith deposit.

41
42 Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of
43 the terms of the good faith deposit requirement.

44
45 The good faith deposit will be retained by the City until the delivery of the Bonds, at
46 which time the good faith deposit will be applied against the purchase price of the Bonds or the

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

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
11 no litigation pending or, to the knowledge of the signers of such certificate, threatened
12 affecting the validity of the Bonds and that on the date of the Official Statement mentioned
13 below and at the time of delivery of the Bonds the statements and information contained in
14 such Official Statement which are made and provided by the City are and will be true, correct
15 and complete in all material respects and the Official Statement does not and will not omit any
16 statement or information which is required to be stated therein or necessary to make the
17 statements and information therein, in the light of the circumstances under which they were
18 made, not misleading or incomplete in any material respect.

19 Preliminary Official Statement; Continuing Disclosure

20

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

35

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

40 Reoffering Price Certificate

41

42
43 SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE
44 SUCCESSFUL BIDDER SHALL FURNISH TO THE CITY A CERTIFICATE
45 ACCEPTABLE TO BOND COUNSEL TO THE EFFECT THAT (I) THE SUCCESSFUL
46 BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF EACH MATURITY OF

1 THE BONDS AT THE INITIAL REOFFERING PRICES, (II) AS OF THE DATE OF THE
2 SALE OF THE BONDS, THE SUCCESSFUL BIDDER REASONABLY EXPECTED TO
3 SELL A SUBSTANTIAL AMOUNT OF EACH MATURITY OF THE BONDS TO THE
4 PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES)
5 AT THEIR RESPECTIVE REOFFERING PRICES, AND (III) A SUBSTANTIAL AMOUNT
6 OF EACH MATURITY OF THE BONDS WAS SOLD TO THE PUBLIC (EXCLUDING
7 BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE
8 INITIAL REOFFERING PRICES OR SUCH OTHER FACTS REGARDING THE ACTUAL
9 SALE OF THE BONDS AS BOND COUNSEL SHALL REQUEST, AS DESCRIBED
10 BELOW. Bond Counsel advises that (I) such certificate must be made on the best knowledge,
11 information and belief of the successful bidder, (ii) the sale to the public of 10% or more in par
12 amount of each maturity of the Bonds at the initial reoffering prices would be sufficient to
13 certify as of the sale of a substantial amount of the Bonds and (iii) reliance on other facts as a
14 basis for such certification would require evaluation by Bond Counsel to assure compliance
15 with the statutory requirement to avoid the establishment of an artificial price for the Bonds.

16
17 Miscellaneous

18
19 It is expected that CUSIP numbers will be printed on the Bonds. However, the validity,
20 sale, delivery or acceptance of the Bonds will not be affected in any manner by any failure to
21 print, or any error in printing, the CUSIP numbers on the Bonds, or any of them.

22
23 The right to reject any or all bids, or to waive any irregularity or informality in any bid,
24 is reserved.

25
26 CITY OF ANNAPOLIS, MARYLAND

27
28
29 By: /s/ _____
30 Mayor

31
32
33 By: /s/ _____
34 Finance Director

1 SECTION 10. If any Bonds are sold pursuant to the foregoing Notice of Sale, the
2 award shall be made by order of the Mayor. Such action of the Mayor shall also fix the final
3 principal amount of each maturity of the Bonds and the interest rate or rates payable on the
4 Bonds in accordance with the accepted proposal. The Mayor shall also be authorized to make
5 all changes necessary to the form of the Bonds to comply with a book-entry only system. The
6 proceeds of the Bonds shall be paid to the Finance Director. Upon approval of the appropriate
7 vouchers, in accordance with the established procedure of the City, the Finance Director shall
8 pay, from the proceeds of the Bonds in his hands, all expenses incurred in the issuance of the
9 Bonds, including costs of advertising, printing, document reproduction and counsel fees and
10 expenses. The balance of said proceeds shall be credited by the Finance Director to the several
11 accounts on his books for the Projects described above and the Finance Director shall make
12 disbursements for such Projects in accordance with the established procedure of Annapolis.
13 Prior to expenditure of such proceeds, the same or any part thereof shall be invested by the
14 Finance Director, with the approval of the Mayor, in any authorized investment of the City. If
15 the funds derived from the sale of the Bonds shall exceed the amount needed to finance any of
16 the Projects described in this Ordinance, or if the City Council determines that the public
17 interest requires a change in the capital improvements program of Annapolis, the funds so
18 borrowed and not expended for the public improvements provided by this Ordinance shall be
19 set apart in a separate fund by the Finance Director and applied in payment of the debt service
20 on the Bonds, unless the City Council shall adopt an ordinance allocating such funds to some
21 other public capital improvement project or projects of the City.
22

23 SECTION 11. In order to provide for the payment of the principal of and interest on the
24 Bonds hereby authorized when due, there shall be appropriated in the next ensuing fiscal year
25 of Annapolis and in each fiscal year thereafter, so long as any of the Bonds are outstanding and
26 unpaid, or until a sufficient funds had been accumulated and irrevocably set aside for the
27 purpose, an amount sufficient to meet the debt service on the Bonds coming due in such fiscal
28 year and there shall be levied ad valorem taxes upon all property within the corporate limits of
29 the City subject to assessment for full City taxes, in rate and amount sufficient in each such
30 year to fund such appropriations and to provide for the payment when due of the principal of
31 and interest on all Bonds maturing in each such fiscal year. In the event the proceeds from the
32 taxes so levied in each such fiscal year shall prove inadequate for the above purposes,
33 additional taxes shall be levied in the subsequent fiscal year to make up any deficiency.
34

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

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

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

16 SECTION 12. This Ordinance and the question of the issuance of Bonds hereunder
17 shall not be submitted to a referendum of the registered voters of Annapolis, as permitted by
18 law, unless, within 10 days after the passage of this Ordinance, there shall be served upon the
19 Mayor a notice signed by not fewer than 200 of the registered voters of Annapolis, advising
20 that a petition for a referendum on the issuance of the Bonds is being circulated by one or more
21 of the persons signing said notice and unless, within 20 days after the delivery of such notice,
22 there shall also be filed with the Mayor a petition or petitions requesting the holding of such a
23 referendum, properly signed as required by the Charter, by not fewer than 25% of the
24 registered voters of Annapolis, as shown by the registered voters books of Annapolis,
25 maintained by the Board of Supervisors of Elections of the City (the "Board of Supervisors").
26 In view of the foregoing, no action shall be taken by Annapolis pursuant to this Ordinance for a
27 period of 10 days following its passage. If, within such ten-day period, the notice above
28 described is filed as aforesaid, then no action shall be taken by Annapolis pursuant to this
29 Ordinance for a period of 20 days following the filing of such notice. If, within such twenty-
30 day period, a petition for referendum, as above-described, shall be filed as aforesaid, then no
31 action shall be taken by Annapolis under this Ordinance unless and until the Mayor shall
32 receive written advice from the City Attorney and the Board of Supervisors that such
33 referendum petition does not meet the requirements of the Charter or unless and until the
34 referendum requested in such petition shall be duly held in accordance with law and the Board
35 of Supervisors shall certify to Annapolis that, in the election at which such referendum is held,
36 a majority of the registered voters of Annapolis voting on the question referred duly cast their
37 ballots in favor of the issuance of the Bonds hereby authorized. If this Ordinance shall be
38 ratified or approved on any such referendum, then the Mayor and the City Clerk may proceed
39 with the issuance of the Bonds hereby authorized, without further action by Annapolis.
40

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

1
2 SECTION 14. In addition to the insertions and variations prescribed by this Ordinance,
3 the Mayor is hereby authorized to make such further modifications in such forms as will not
4 alter the substance of such forms. In connection with the issuance of any Bonds pursuant to
5 this Ordinance, the City is hereby authorized to enter into one or more agreements as the
6 Mayor shall deem necessary or appropriate for the issuance, sale, delivery or security of such
7 Bonds, which may include (without limitation) (i) underwriting, purchase or placement
8 agreements for Bonds sold at private (negotiated) sale in accordance with the provisions of this
9 Ordinance; (ii) trust agreements with commercial banks or trust companies providing for the
10 issuance and security of such Bonds; (iii) any dealer, remarketing or similar agreements
11 providing for the placement or remarketing of such Bonds; (iv) agreements providing for any
12 credit or liquidity facilities supporting any Bonds; (v) agreements with commercial banks or
13 trust companies providing for the deposit of proceeds of any Bonds; and (vi) continuing
14 disclosure agreements, including any such agreements required to enable the underwriters of
15 any Bonds to meet the requirements of paragraph (b)(5) of Rule 15c2-12 promulgated by the
16 United States Securities and Exchange Commission (the "Rule"). Each such agreement shall
17 be in such form as shall be determined by the Mayor by executive order. The execution and
18 delivery of each such agreement by the Mayor shall be conclusive evidence of the approval of
19 the form of such agreement on behalf of the City.
20

21 SECTION 15. The provisions of this Section 15 shall only be applicable with
22 respect to Bonds which are issued pursuant to this Ordinance with the expectation that interest
23 on such Bonds will be excludable from gross income for federal income tax purposes.
24

25 The Mayor and the Finance Director shall be the officers of the City responsible for the
26 issuance of such Bonds within the meaning of the "Arbitrage Regulations" (defined herein).
27

28 The Mayor and the Finance Director shall also be the officers of the City responsible
29 for the execution and delivery (on the date of issuance of such Bonds) of a certificate of the
30 City (the "Tax Certificate and Compliance Agreement") which complies with the requirements
31 of Section 148 of the Internal Revenue Code of 1986, as amended ("Section 148"), and the
32 applicable regulations thereunder (the "Arbitrage Regulations"), and such officials are hereby
33 authorized and directed to execute the Tax Certificate and Compliance Agreement and to
34 deliver the same to Bond Counsel on the date of the issuance of such Bonds.
35

36 The City shall set forth in the Tax Certificate and Compliance Agreement its reasonable
37 expectations as to relevant facts, estimates and circumstances relating to the use of the
38 proceeds of such Bonds, or of any moneys, securities or other obligations to the credit of any
39 account of the City which may be deemed to be proceeds of such Bonds pursuant to Section
40 148 or the Arbitrage Regulations (collectively, "Tax-Exempt Bond Proceeds"). The City
41 covenants with each of the holders of any of such Bonds that the facts, estimates and
42 circumstances set forth in the Tax Certificate and Compliance Agreement will be based on the
43 City's reasonable expectations on the date of issuance of such Bonds and will be, to the best of
44 the certifying officials' knowledge, true and correct as of that date.
45

1 The City covenants with each of the registered owners of any of such Bonds that it will
2 not make, or (to the extent that it exercises control or direction) permit to be made, any use of
3 the Tax-Exempt Bond Proceeds which would cause such Bonds to be “arbitrage bonds” within
4 the meaning of Section 148 and the Arbitrage Regulations. The City further solemnly
5 covenants that it will comply with Section 148 and the regulations thereunder which are
6 applicable to such Bonds on the date of issuance of such Bonds and which may subsequently
7 lawfully be made applicable to such Bonds as long as such Bonds remain outstanding and
8 unpaid. The Mayor and the Finance Director are hereby authorized and directed to prepare or
9 cause to be prepared and to execute any certification, opinion or other document, including,
10 without limitation, the Tax Certificate and Compliance Agreement, which may be required to
11 assure that such Bonds will not be deemed to be “arbitrage bonds” within the meaning of
12 Section 148 and the regulations thereunder.
13

14 The City further covenants with each of the registered owners of any of such Bonds (i)
15 that it will not take any action or (to the extent that it exercises control or direction) permit any
16 action to be taken that would cause such Bonds or a portion of such Bonds to be “federally
17 guaranteed” within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as
18 amended, and (ii) that it will not make, or (to the extent that it exercises control or direction)
19 permit to be made, any use of the proceeds of such Bonds or a portion of such proceeds that
20 would cause such Bonds or a portion of such Bonds to be “private activity bonds” within the
21 meaning of Section 141 of the Internal Revenue Code of 1986, as amended.
22

23 The Mayor may make such covenants or agreements in connection with the issuance of
24 such Bonds as he shall deem advisable in order to assure the registered owners of such Bonds
25 that interest thereon shall be and remain excludable from gross income for federal income tax
26 purposes and such covenants or agreements shall be binding on the City so long as the
27 observance by the City of any such covenants or agreements is necessary in connection with
28 the maintenance of the exclusion of the interest on such Bonds from gross income for federal
29 income tax purposes. The foregoing covenants or agreements may include such covenants or
30 agreements on behalf of the City regarding compliance with the provisions of the Internal
31 Revenue Code of 1986, as amended, as the Mayor shall deem advisable in order to assure the
32 registered owners of such Bonds that the interest thereon is and shall remain excludable from
33 gross income for federal income tax purposes, including (without limitation) covenants or
34 agreements relating to the investment of Tax-Exempt Bond Proceeds, the payment of certain
35 earnings resulting from such investment to the United States, limitations on the times within
36 which, and the purposes for which, Tax-Exempt Bond Proceeds may be expended, or the use
37 of specified procedures for accounting for and segregating Tax-Exempt Bond Proceeds.
38

39 Any covenant or agreement made by the Mayor pursuant to this section may be set
40 forth in or authorized by the Tax Certificate and Compliance Agreement or an order executed
41 by the Mayor.
42

43 SECTION 16. The Mayor or his designee is expressly authorized to approve the form
44 of, and execute and deliver and on behalf of the City, a continuing disclosure agreement to
45 assist bidders in complying with the Rule.
46

1 SECTION 17. This Ordinance shall take effect from the date of its approval by the
2 Mayor, on or following the date of its final adoption and, thereafter, within not more than three
3 calendar days of such approval, notice of the adoption of this Ordinance shall be duly given by
4 publication of the title hereof at least once in "The Capital," or another newspaper published and
5 of general circulation in the City.
6
7

8 EXPLANATION

9 CAPITAL LETTERS indicate matter added to existing law.

10 [brackets] indicate matter stricken from existing law.

11 Underlining indicates amendments.