

1 **..Title**

2 **Issuance of General Obligation Bonds and Bond Anticipation Notes** - For the purpose of
3 authorizing and empowering the City of Annapolis (the “City”) to issue and sell, upon its full faith
4 and credit, (i) one or more series of its general obligation bonds in the aggregate principal amount
5 not to exceed \$23,418,662 (the “Bonds”), pursuant to Sections 19-301 through 19-309, inclusive,
6 of the Local Government Article of the Annotated Code of Maryland, as amended, and Article
7 VII, Section 11 of the Charter of the City of Annapolis, as amended (the “Charter”), (ii) one or
8 more series of its general obligation bond anticipation notes in anticipation of the issuance of the
9 Bonds in the maximum aggregate principal amount equal to the maximum aggregate principal
10 amount of the Bonds (the “Notes”), pursuant to Sections 19-211 through 19-221, inclusive, of the
11 Local Government Article of the Annotated Code of Maryland, as amended and the Charter and
12 (iii) one or more series of its general obligation bonds to refund specified bonds previously issued
13 by the City in the aggregate principal amount not to exceed 120% of the principal amount of bonds
14 to be refunded (the “Refunding Bonds”), pursuant to Section 19-207 and Sections 19-301 through
15 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland, as
16 amended, and the Charter; providing that the Bonds, Notes and Refunding Bonds shall be issued
17 and sold for the public purpose of financing and refinancing certain capital projects of the City as
18 provided in this Ordinance; prescribing the form and tenor of the Bonds, Notes and Refunding
19 Bonds; providing for the method of sale of the Bonds, Notes and Refunding Bonds and other
20 matters relating to the issuance and sale thereof; providing for the disbursement of the proceeds of
21 the Bonds, Notes and Refunding Bonds; covenanting to levy and collect all taxes necessary to
22 provide for the payment of the principal of and interest on the Bonds, Notes and Refunding Bonds;
23 and generally providing for and determining various matters relating to the issuance, sale and
24 delivery of the Bonds, Notes and Refunding Bonds.

25 **..Body**

26 **CITY COUNCIL OF THE**
27 **City of Annapolis**

28 **Ordinance 30-20**

29 **Introduced by: Mayor Buckley**

30 **Co-sponsored by:**

31 **Referred to**

32 **Financial Advisory Commission**

33 **Finance Committee**

34 **90 day Rule: _____**

35 **AN ORDINANCE** concerning

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

37 **FOR** the purpose of authorizing and empowering the City of Annapolis (the “City”) to issue and
38 sell, upon its full faith and credit, (i) one or more series of its general obligation bonds in
39 the aggregate principal amount not to exceed \$23,418,662 (the “Bonds”), pursuant to
40 Sections 19-301 through 19-309, inclusive, of the Local Government Article of the

1 Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of
2 the City of Annapolis, as amended (the “Charter”), (ii) one or more series of its general
3 obligation bond anticipation notes in anticipation of the issuance of the Bonds in the
4 maximum aggregate principal amount equal to the maximum aggregate principal amount
5 of the Bonds (the “Notes”), pursuant to Sections 19-211 through 19-221, inclusive, of the
6 Local Government Article of the Annotated Code of Maryland, as amended and the Charter
7 and (iii) one or more series of its general obligation bonds to refund specified bonds
8 previously issued by the City in the aggregate principal amount not to exceed 120% of the
9 principal amount of bonds to be refunded (the “Refunding Bonds”), pursuant to Section
10 19-207 and Sections 19-301 through 19-309, inclusive, of the Local Government Article
11 of the Annotated Code of Maryland, as amended, and the Charter; providing that the Bonds,
12 Notes and Refunding Bonds shall be issued and sold for the public purpose of financing
13 and refinancing certain capital projects of the City as provided in this Ordinance;
14 prescribing the form and tenor of the Bonds, Notes and Refunding Bonds; providing for
15 the method of sale of the Bonds, Notes and Refunding Bonds and other matters relating to
16 the issuance and sale thereof; providing for the disbursement of the proceeds of the Bonds,
17 Notes and Refunding Bonds; covenanting to levy and collect all taxes necessary to provide
18 for the payment of the principal of and interest on the Bonds, Notes and Refunding Bonds;
19 and generally providing for and determining various matters relating to the issuance, sale
20 and delivery of the Bonds, Notes and Refunding Bonds.

21
22 RECITALS

23
24 For convenience of reference, the City of Annapolis, a municipal body corporate and politic of
25 the State of Maryland, is hereinafter sometimes referred to as the “City” or as “Annapolis”.

26
27 The authority for the powers herein exercised with respect to the City’s bonds is contained in
28 Article VII, Section 11 of the Charter of the City (the “Charter”) and Sections 19-301 through
29 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland, as
30 amended (the “Bond Enabling Act”); the authority for the powers herein exercised with respect
31 to the City’s bond anticipation notes is contained in the Charter and Sections 19-211 through 19-
32 221, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended
33 (the “Bond Anticipation Note Act”); and the authority for the powers herein exercised with
34 respect to the City’s refunding bonds is contained in the Charter, the Bond Enabling Act and
35 Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended
36 (the “Refunding Act”).

37
38 The Charter and the Bond Enabling Act authorize and empower the City to borrow money for
39 any proper public purpose and to evidence such borrowing by the issuance and sale of its general
40 obligation bonds in accordance with the procedure prescribed by the Charter and the Bond
41 Enabling Act, subject to the limitation imposed by the Charter, as modified by Chapter 80, Acts
42 of 2000 by the Maryland General Assembly, that no bonds shall be issued by the City if, by the
43 issuance thereof, the total bonded indebtedness of the City incurred, less the amount of sinking
44 funds established for the retirement thereof, would then exceed the sum of (i) 4% of the assessed
45 value of all real property in the City taxable for municipal purposes and (ii) 10% of the assessed
46 value of all personal property in the City taxable for municipal purposes. The Charter further

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

9 Pursuant to Article VII, Section 11 of the Charter, the City Council of the City (the “City
10 Council”) may in its discretion hold a referendum on any such bond issue or may be required to
11 do so as a result of a proper petition of registered voters filed for the purpose after the giving of
12 notice to the City as prescribed in the Charter.
13

14 The City proposes to spend the proceeds of the Bonds and Notes authorized pursuant to this
15 Ordinance to (i) finance and refinance the costs of certain public projects of the City, subject to
16 the provisions of this Ordinance and (ii) pay (A) the costs of issuing the Bonds and Notes, (B)
17 capitalized interest on the Bonds and the Notes and (C) other related costs. The City proposes to
18 spend the proceeds of the Refunding Bonds authorized pursuant to this Ordinance to (i) refund
19 all or a portion of some or all of the bonds listed on Exhibit II to this Ordinance and (ii) pay the
20 costs of issuing the Refunding Bonds and other related costs.
21

22 The Refunding Act authorizes the City to issue bonds for the purpose of refunding outstanding
23 bonds issued by the City in order to realize debt service savings on either a direct comparison or
24 present value basis, or restructure debt that (1) in the aggregate effects such a reduction in the
25 cost of debt service or (2) is determined to be in the best interests of the City, to be consistent
26 with the City’s long-term financial plan, and to realize a financial objective of the City including
27 improving the relationship of debt service to a source of payment such as taxes, assessments or
28 other charges.
29

30 The Charter contains no limitations upon the rate at which ad valorem taxes may be levied by the
31 City for the payment of the principal of and interest on said indebtedness.
32

33 Since the adoption of Article XI-E as an amendment of the Constitution of Maryland, the General
34 Assembly of Maryland has passed no law proposing a limitation upon the rate at which taxes may
35 be levied by the City or a limitation upon the amount of bonded indebtedness which may be
36 incurred by the City different from that set forth in the Charter.
37

38 **NOW, THEREFORE, BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS**
39 **CITY COUNCIL, that:**
40

41 SECTION 1. All terms used herein which are defined in the Recitals hereof shall have the
42 meanings given such terms therein.
43

44 SECTION 2. It is in the best interest of the City to borrow money and incur indebtedness,
45 and the City is authorized and empowered to issue and sell upon its full faith and credit one or
46 more series of its general obligation, fully-registered bonds in the aggregate principal amount not

1 to exceed \$23,418,662, to be known as the “Public Improvements Bonds, Series ___” (the
2 “Bonds”), with the year in which the Bonds are issued in the foregoing blank, or such other
3 designation as deemed appropriate by the Mayor of Annapolis (the “Mayor”) for the purposes of
4 financing and refinancing the costs of the public projects set forth in the table attached to this
5 Ordinance as Exhibit I and incorporated herein (the “Projects”) and costs of issuance of and
6 capitalized interest on the Bonds and other costs and expenses related to the Bonds.

7
8 The table attached to this Ordinance as Exhibit I lists (a) certain capital projects including capital
9 projects that appear in the capital budget of the City for fiscal year ending June 30, 2021 or in the
10 capital budgets for prior fiscal years, which are to be financed in whole or in part with the
11 proceeds of the Bonds or Notes authorized hereunder, (b) the portion of the costs of each Project
12 to be financed hereunder, (c) the source or sources of other funds to finance a portion of the cost
13 of each such Project and (d) the average useful life of each such Project. Totals listed in Exhibit
14 I may not foot due to rounding.

15
16 SECTION 3. The City hereby covenants that any Bonds issued hereunder shall comply with
17 all limitations of the Charter and that no Bonds shall be issued by the City if, by the issuance
18 thereof, the total bonded indebtedness of the City incurred, less the amount of sinking funds
19 established for the retirement thereof, would then exceed the sum of (i) 4% of the assessed value
20 of all real property in the City taxable for municipal purposes and (ii) 10% of the assessed value
21 of all personal property in the City taxable for municipal purposes.

22
23 SECTION 4. The Bonds authorized by this Ordinance shall be dated the date of their
24 delivery, shall be fully-registered bonds without coupons in the denomination of Five Thousand
25 Dollars (\$5,000) each or any integral multiple thereof and shall bear interest at the interest rate
26 or rates fixed at the time of the awarding of the Bonds in accordance with an executive order of
27 the Mayor and the provisions of this Ordinance as hereinafter provided. Interest on the Bonds
28 shall be payable semiannually on the dates and in the years as may be determined by the Mayor
29 in an executive order. The Bonds shall mature, subject to the option of prior redemption, in
30 annual installments, including any mandatory sinking fund installments, in the years as shall be
31 determined by the Mayor pursuant to an executive order; provided however, that the final
32 maturity of the Bonds shall not exceed 30 years from the date of delivery of the Bonds. Each
33 Bond shall bear interest from the interest payment date next preceding the date on which it is
34 authenticated, unless authenticated upon an interest payment date, in which event it shall bear
35 interest from such interest payment date, or unless authenticated prior to the first interest payment
36 date, in which event it shall bear interest from the date of the Bonds; provided, however, that if
37 at the time of authentication any bond interest is in default, such bond shall bear interest from the
38 date to which interest has been paid.

39
40 SECTION 5. Certain of the Bonds may be subject to redemption prior to maturity as may
41 be determined by the Mayor in an executive order. The Bonds so subject to redemption, if any,
42 the redemption dates and the redemption prices shall be specified in an executive order by the
43 Mayor.

44
45 The Bonds shall be redeemed only in integral multiples of \$5,000. If less than all of the
46 outstanding Bonds shall be called for optional redemption, the City shall choose the maturities of

1 the Bonds to be redeemed and the principal amount of each such maturity to be redeemed, in its
2 sole discretion; and if any such maturity consists of term Bonds, the City shall choose the
3 mandatory sinking fund redemption installments of such term Bonds to be reduced and the
4 amount of each such reduction, in its sole discretion. If less than all of the Bonds of any one
5 maturity are called for redemption, the particular bonds to be redeemed from such maturity shall
6 be selected by lot by the bond registrar for the Bonds (the "Bond Registrar") in such manner as
7 the Bond Registrar in its sole discretion may determine or under the procedures for book-entry
8 bonds if the Bonds are under a book-entry system.

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

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

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

1 SECTION 6. The Bonds shall be executed in the name of the City and on its behalf by
2 the Mayor. The signature of the Mayor shall be imprinted or otherwise included on the Bonds
3 manually or by facsimile and a facsimile of the corporate seal of Annapolis shall also be imprinted
4 thereon, attested by the manual signature of the City Clerk of Annapolis (the "City Clerk").
5

6 In the event any official whose signature shall appear on the Bonds shall cease to be such official
7 prior to the delivery of the Bonds, or in the event any such official whose signature shall appear
8 on the Bonds shall have become such after the date of issue thereof, the Bonds shall nevertheless
9 be valid and legally binding obligations of Annapolis in accordance with their terms.
10

11 No Bond shall be valid or obligatory for any purpose unless and until the certificate of
12 authentication substantially in the form set forth in the form of the Bonds in Section 8 of this
13 Ordinance shall have been duly executed by the Bond Registrar, and such executed certificate of
14 the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been
15 authenticated and delivered pursuant to this Ordinance. The Bond Registrar's certificate of
16 authentication on any Bond shall be deemed to have been executed by it if manually signed by
17 an authorized signer of the Bond Registrar, but it shall not be necessary that the same person sign
18 the certificate of authentication on all of the Bonds issued hereunder.
19

20 All Bonds shall be issued as fully-registered bonds without coupons and shall be registered in the
21 name or names of the owner or owners thereof, on books kept for such purpose at the principal
22 office of the Bond Registrar. Unless the Mayor otherwise elects, the Bonds initially will be issued
23 in book-entry form without any physical distribution of certificates made to the public. DTC will
24 act as securities depository for the Bonds and the Bonds will be registered in the name of DTC's
25 partnership nominee, Cede & Co. The City reserves the right to terminate maintenance of the
26 Bonds in a book-entry only system and to issue fully certificated bonds. The Mayor or his or her
27 designee is hereby authorized to appoint a financial institution to act as the Bond Registrar and
28 as paying agent (the "Paying Agent") for the Bonds, unless the Mayor determines after consulting
29 with the financial advisor to the City (the "Financial Advisor") that the City shall act as the Bond
30 Registrar or the Paying Agent or both. Payment of the principal of and interest on the Bonds
31 shall be made to the person appearing on the registration books maintained by the Bond Registrar
32 as the registered owner thereof, such principal to be payable at the principal office of the Paying
33 Agent upon presentation and surrender of such bonds as the same become due and payable, and
34 such interest to be payable by check mailed by the Paying Agent to the persons in whose names
35 the bonds are registered on the regular record date which shall be the 15th day of the month
36 immediately preceding each regular interest payment date, or such other day specified in the bond
37 (the "Regular Record Date"), at the registered owner's address as shown on the registration books
38 maintained by the Bond Registrar.
39

40 SECTION 7. Any interest on any Bond which is payable but is not punctually paid or
41 provision for the payment of which has not been made ("Defaulted Interest") shall forthwith cease
42 to be payable to the registered owner of such Bond on the relevant Regular Record Date solely
43 by virtue of such registered owner having been such registered owner; and such Defaulted Interest
44 may be paid by the City, at its election in each case, as provided in paragraph (1) or (2) below:
45

46 (1) The City may elect to make payment of any Defaulted Interest on the Bonds

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

24
25 (2) The City may make payment of any Defaulted Interest in any other lawful
26 manner not inconsistent with the requirements of any securities exchange on which the Bonds
27 may be listed, and upon such notice as may be required by such exchange, if after notice given
28 by the City to the Paying Agent of the proposed payment pursuant to this paragraph, such payment
29 shall be deemed practicable, and approved in writing, by the Paying Agent.

30
31 SECTION 8. Except as provided hereinafter or in other ordinances of the City adopted prior
32 to the issuance and delivery of the Bonds, all Bonds shall be substantially in the following form,
33 with appropriate insertions as therein indicated and such other modifications as shall be approved
34 by the Mayor, which form and all of the covenants therein contained are hereby adopted by
35 Annapolis as and for the form of obligation to be incurred by Annapolis, and said covenants and
36 conditions are hereby made binding upon Annapolis, including the promise to pay therein
37 contained:
38

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

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

7 The Bonds are numbered from one consecutively upwards prefixed by the letter “R”, are in
8 denominations of \$5,000 or any integral multiple thereof and are of like tenor and effect except
9 as to maturity, number, interest rate, denomination and redemption provisions, and are issued
10 pursuant to and in full conformity with the provisions of Sections 19-301 through 19-309,
11 inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended, and
12 Article VII, Section 11 of the Charter of the City of Annapolis, as amended, and by virtue of due
13 proceedings had and taken by the Mayor and Aldermen of the City of Annapolis, particularly
14 Ordinance No. ____ adopted on the ___ day of _____, 2020 (approved _____, 2020)
15 (the “Ordinance”).
16

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

<u>Redemption Period (both dates inclusive)</u>	<u>Redemption Price</u>
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24
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26
27 If less than all of the outstanding Bonds shall be called for optional redemption, the City shall
28 choose the maturities of the Bonds to be redeemed and the principal amount of each such
29 maturity to be redeemed, in its sole discretion. If less than all of the Bonds of any one maturity
30 of this issue shall be called for redemption, the Bonds to be redeemed shall be selected by lot
31 by the Bond Registrar in such manner as, in its discretion, it shall determine.
32

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

40 If the City elects to redeem all or a portion of the Bonds outstanding, it shall give a redemption
41 notice by first class mail, postage prepaid, at least 20 days prior to the date fixed for redemption
42 to each registered owner appearing on the books kept by the Bond Registrar. Notwithstanding
43 the foregoing, so long as all of the Bonds are registered in the name of Cede & Co., as nominee
44 for the Depository Trust Company, New York, New York (“DTC”), such notice shall be given
45 by a secure means (e.g. legible facsimile transmission, registered or certified mail or overnight
46 express delivery) in a timely manner designed to assure that such notice is in DTC possession

1 no later than the close of business on such 20th day; provided, however, that the failure to mail
2 the redemption notice or any defect in the notice so mailed or in the mailing thereof shall not
3 affect the validity of the redemption proceedings. The redemption notice shall state (i) whether
4 the Bonds are to be redeemed in whole or in part and, if in part, the maturities and numbers of
5 the Bonds to be redeemed, (ii) the date fixed for redemption and the redemption price or prices,
6 (iii) that the Bonds to be redeemed shall be presented for redemption at the office of the Bond
7 Registrar and (iv) that interest on the Bonds called for redemption shall cease to accrue on the
8 date fixed for redemption.

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

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

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

45
46 It is hereby certified and recited that all conditions, acts and things required by the Constitution

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

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

ATTEST: CITY OF ANNAPOLIS

City Clerk

By: _____
Mayor

CERTIFICATION OF AUTHENTICATION

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

[Authorized Officer of Bond Registrar]

Date of Authentication: _____

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(Form of Assignment)

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

Dated:

In the presence of:

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

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

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

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

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

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

34
35
36
37 NOTICE OF SALE

38
39 \$ _____
40 CITY OF ANNAPOLIS, MARYLAND
41 General Obligation Bonds

42 Public Improvements Bonds, _____ Series

43
44 Electronic bids via the BiDCOMP/Parity Competitive Bidding System ("PARITY") will be
45 received until _____, prevailing Eastern time, on _____ (unless such date or time is

1 changed as described herein) by City of Annapolis (the “City”) for the City of Annapolis,
2 Maryland Public Improvements Bonds, _____ Series (the “Bonds”).

3
4 Terms of the Bonds

5
6 The Bonds shall be dated the date of their delivery and in the denomination of Five Thousand
7 Dollars (\$5,000) each or any integral multiple thereof.

8
9 Interest on the Bonds is payable on _____, 2020 and semiannually thereafter on
10 _____ and _____ until maturity. The Bonds will mature on _____, _____ in
11 the following respective years and principal amounts:

12
13 Maturing Principal Maturing Principal
14 _____ Amount _____ Amount

15
16
17
18 The proceeds of the Bonds will be used to finance the costs of certain public projects of the City
19 and to pay costs of issuance of and capitalized interest on the Bonds and other costs and expenses
20 related to the Bonds.

21
22 Authority

23
24 The Bonds are issued pursuant to Sections 19-301 through 19-309, inclusive, of the Local
25 Government Article of the Annotated Code of Maryland, as amended, and Article VII, Section
26 11 of the Charter of the City of Annapolis, as amended. The Bonds are authorized pursuant to
27 Ordinance No. _____. The Bonds are general obligations of the City and will constitute an
28 irrevocable pledge of its full faith and credit and unlimited taxing power.

29
30 Book-Entry System

31
32 One bond representing each maturity of the Bonds will be issued to and registered in the name of
33 Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), as
34 registered owner of the Bonds and each such bond shall be held in the custody of DTC. DTC
35 will act as securities depository for the Bonds. Individual purchases will be made in book-entry
36 form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not
37 receive physical delivery of certificates representing their interest in the Bonds purchased. The
38 winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond
39 certificates representing each maturity with DTC.

40
41 Interest on the Bonds shall be payable when due and the principal or redemption price of the
42 Bonds shall be payable at maturity or upon earlier redemption to DTC or its nominee as registered
43 owner of the Bonds. Transfer of principal and interest payments to beneficial owners of the
44 Bonds by participants of DTC (“Participants”) will be the responsibility of Participants and other
45 nominees of beneficial owners. The City shall not be responsible or liable for such transfers of

1 payments or for maintaining, supervising or reviewing the records maintained by DTC,
2 Participants or persons acting through Participants.

3
4 Optional Redemption

5
6 Bonds maturing on or before _____, _____ are not subject to redemption prior to their
7 stated maturities. Bonds maturing on or after _____, _____ are subject to redemption prior
8 to their maturities at the option of the City on or after _____, _____ either as a whole or in
9 part at any time in any order of maturity at the option of the City, at par plus accrued interest
10 thereon to the date fixed for redemption.

11
12 Change of Bid Date or Time and Closing Date

13
14 The City reserves the right to change, from time to time, the date or time established for the
15 receipt of bids and will undertake to notify prospective bidders via notification published on TM3.
16 A change of the bid date or time will be announced via TM3 not later than _____ p.m., prevailing
17 Eastern Time, on the last business day prior to any announced date for receipt of bids, and an
18 alternative sale date and time will be announced via TM3 at that time or at a later date. On any
19 such alternative date and time for receipt of bids, the City will accept electronic bids for the
20 purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of
21 Sale, except for the changes in the date and time for receipt of bids and any other changes
22 announced via TM3. The City reserves the right to change the scheduled delivery date for the
23 Bonds. See "Delivery" below.

24
25 Bid Parameters

26
27 No bid of less than 100% of par or more than _____% on an "all-or-none" basis, no oral bid and no
28 bid for less than all of the Bonds described in this Notice of Sale, will be considered. The Bonds
29 are expected to be awarded by approximately _____ p.m., prevailing Eastern Time, on _____
30 _____, _____. All proposals shall remain firm until the time of award.

31
32 Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of 1%, the highest
33 rate may not exceed the lowest rate by more than _____% and no interest rate may exceed _____%. A
34 zero rate may not be named. No Bond shall bear more than one rate of interest which rate shall be
35 uniform for the life of such Bond.

36
37 Basis of Award

38
39 The Mayor of the City shall not accept and shall reject any bid for less than all of the Bonds. The
40 City shall award all of the Bonds to one bidder. The City reserves the right to reject any and all
41 bids and to waive any irregularities in any of the bids. The judgment of the City shall be final
42 and binding upon all bidders with respect to the form and adequacy of any proposal received
43 and as to its conformity with the terms of this Notice of Sale. The Bonds shall be awarded
44 to the bidder naming the lowest true interest cost (TIC) for the Bonds in any legally
45 acceptable proposal and offering to pay not less than par. The lowest true interest cost with

1 respect to the Bonds shall be determined by doubling the semiannual interest rate,
2 compounded semiannually, necessary to discount the debt service payments from the
3 payment dates to the date of the Bonds and to the amount bid.

4
5 Where the proposals of two or more bidders result in the same lowest true interest cost for
6 any Bonds, such Bonds may be apportioned between such bidders, but if this shall not be
7 acceptable, the City shall have the right to award all of such Bonds to one bidder. There will
8 be no auction. The right is reserved to the City to reject any or all proposals and to waive
9 any irregularity or informality in any proposal. The City's judgment shall be final and
10 binding upon all bidders with respect to the form and adequacy of any proposal received and
11 as to its conformity to the terms of this Notice of Sale. Any award of the Bonds may be
12 made as late as ___ p.m., prevailing Eastern Time, on the sale date. All bids remain firm
13 until an award is made. Upon notice of such award, the winning bidder shall advise the City
14 of the initial reoffering prices to the public of each maturity of the Bonds and the names of
15 the members of the underwriting groups.

16
17 Procedures for Electronic
18 Bidding

19
20 Bidders to Submit Bids by PARITY

21
22 Bids for the Bonds must be submitted electronically via PARITY pursuant to this Notice of
23 Sale until ____, prevailing Eastern time, on the sale date but no bid will be received after
24 the time for receiving bids specified above. To the extent any instructions or directions set
25 forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall
26 control. For further information about PARITY, potential bidders may contact i-Deal LLC
27 at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

28
29 Disclaimer

30
31 Each prospective electronic bidder shall be solely responsible to submit its bid via PARITY
32 as described above. Each prospective electronic bidder shall be solely responsible to make
33 necessary arrangements to access PARITY for the purpose of submitting its bid in a timely
34 manner and in compliance with the requirements of this Notice of Sale. Neither the City nor
35 PARITY shall have any duty or obligation to provide or assure access to PARITY to any
36 prospective bidder, and neither the City nor PARITY shall be responsible for proper
37 operation of, or have any liability for any delays or interruptions of, or any damages caused
38 by PARITY. The City is using PARITY as a communication mechanism, and not as the
39 City's agent, to conduct the electronic bidding for the Bonds. The City is not bound by any
40 advice and determination of PARITY to the effect that any particular bid complies with the
41 terms of this Notice of Sale and in particular the "Bid Parameters" set forth herein. All costs
42 and expenses incurred by prospective bidders in connection with their submission of bids via
43 PARITY are the sole responsibility of the bidders; the City is not responsible, directly or
44 indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty
45 in submitting, modifying, or withdrawing a bid for the Bonds, such bidder should telephone

1 i-Deal LLC at () - and notify _____ by facsimile at () - .
2

3 Electronic Bidding Procedures 4

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

16 Good Faith Deposit 17

18 A good faith deposit in the amount of \$ _____ is required of the winning bidder for
19 the Bonds. The winning bidder for the Bonds is required to submit such good faith deposit
20 payable to the order of the City in the form of a wire transfer in federal funds as instructed
21 by _____, the City's Financial Advisor. The winning bidder shall submit the good
22 faith deposit not more than two hours after verbal award is made. The winning bidder should
23 provide as quickly as it is available, evidence of wire transfer by providing the City the
24 federal funds reference number. If the winning bidder fails to comply with the good faith
25 deposit requirement as described herein, that bidder is nonetheless obligated to pay to the
26 City the sum of \$ _____ as liquidated damages due to the failure of the winning bidder
27 to timely deposit the good faith deposit.
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 which
33 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
35 the failure of the successful bidder to take up and pay for such Bonds in compliance with
36 the terms of this Notice of Sale and of its bid. No interest on the good faith deposit will be
37 paid by the City. The balance of the purchase price must be wired in federal funds to the
38 account detailed in the closing memorandum, simultaneously with delivery of the Bonds.
39

40 Approving Legal Opinion 41

42 The approving legal opinion of _____, Bond Counsel, will be furnished to the
43 purchasers without cost. There will also be furnished the usual closing papers and, in
44 addition, a certificate signed by appropriate officers of the City, certifying that there is no
45 litigation pending or, to the knowledge of the signers of such certificate, threatened affecting

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

8
9 Preliminary Official Statement; Continuing Disclosure

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

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

23
24 Delivery

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

28
29 Issue Price Determination

30
31 The City expects and intends that the bid for the Bonds will satisfy the federal tax requirements
32 for a qualified competitive sale of bonds, including, among other things, receipt of bids for the
33 Bonds from at least three underwriters, who have established industry reputations for underwriting
34 new issuances of municipal bonds (a "Qualified Competitive Bid"). The Mayor or his or her
35 designee will advise the successful bidder as promptly as possible after the bids are opened whether
36 the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such
37 requirements (a "Nonqualified Competitive Bid").

38
39 If the bid is a Qualified Competitive Bid, as promptly as possible after the bids are opened, the
40 Mayor or his or her designee will notify the successful bidder, and such bidder, upon such notice,
41 shall advise the Mayor or his or her designee of the reasonably expected initial offering price to
42 the public of each maturity of the Bonds. In addition, the winning bidder shall be required to
43 provide to the City information to establish the initial expected offering price for each maturity of
44 the Bonds for federal income tax purposes by completing a certificate acceptable to Bond Counsel
45 to the City, on or before the date of issuance of the Bonds, substantially in the form set forth in

1 Appendix ___ to the Preliminary Official Statement, with appropriate completions, amendments
2 and attachments.
3

4 If the bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened, the
5 Mayor or his or her designee will notify the successful bidder, and such bidder, upon such notice,
6 shall advise the Mayor or his or her designee of the initial sale price or initial offering price to the
7 public, as applicable, of each maturity of the Bonds. In addition, the winning bidder shall be
8 required to provide to the City information and assurances to establish the initial sale price or the
9 initial offering price to the public, as applicable, for each maturity of the Bonds for federal income
10 tax purposes by completing a certification acceptable to Bond Counsel in substantially the form
11 set forth in Appendix ___ to the Preliminary Official Statement, with appropriate completions,
12 omissions and attachments. It is noted that procedures for a Nonqualified Competitive Bid may
13 require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the initial
14 offering prices for certain maturities of the Bonds for up to five business days after the sale date,
15 as further specified in the form of such certification.
16

17 Miscellaneous
18

19 It is expected that CUSIP numbers will be printed on the Bonds. However, the validity, sale,
20 delivery or acceptance of the Bonds will not be affected in any manner by any failure to print, or
21 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, is
24 reserved.
25

26 CITY OF ANNAPOLIS, MARYLAND
27

28
29 By: _____ /s/
30 Mayor

31
32
33 By: _____ /s/
34 Finance Director
35
36
37

38 SECTION 10. If any Bonds are sold pursuant to the foregoing Notice of Sale, the award
39 shall be made by order of the Mayor. Such action of the Mayor shall also fix the final principal
40 amount of each maturity of the Bonds and the interest rate or rates payable on the Bonds in
41 accordance with the accepted proposal. The Mayor shall also be authorized to make all changes
42 necessary to the form of the Bonds to comply with a book-entry only system.
43

44 SECTION 11. The proceeds of the Bonds shall be paid to the Finance Director. If
45 applicable, the first proceeds of the Bonds in anticipation of the sale of which Notes were issued

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

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

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

42 To assure the performance by the City of the provisions of this Section, the full faith and credit
43 and unlimited taxing power of the City are hereby irrevocably pledged to the payment to maturity
44 of the principal of and interest on the Bonds as and when the same respectively mature and
45 become payable and to the levy and collection of the taxes hereinabove described as and when

1 such taxes may become necessary in order to provide sufficient funds to meet the debt service
2 requirements of the Bonds. This pledge is made hereby for the benefit of the holders, from time
3 to time, of the Bonds.
4

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

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

34 SECTION 14. CUSIP numbers may be printed on the Bonds; provided, however, that the
35 printing of CUSIP numbers on the Bonds (even if incorrect) shall have no legal effect and shall
36 not in any way affect the enforceability or validity of any Bond. Any expenses in relation to the
37 printing of CUSIP numbers on the Bonds, including any CUSIP Service Bureau charge for the
38 assignment of such numbers, in the discretion of the Finance Director, may be paid for by the
39 City from the proceeds of the Bonds.
40

41 SECTION 15. In addition to the insertions and variations prescribed by this Ordinance, the
42 Mayor is hereby authorized to make such further modifications in such forms as will not
43 materially alter the substance of such forms. In connection with the issuance of any Bonds
44 pursuant to this Ordinance, the City is hereby authorized to enter into one or more agreements as
45 the Mayor shall deem necessary or appropriate for the issuance, sale, delivery or security of

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

14
15 SECTION 16. The provisions of this Section 16 shall only be applicable with respect to
16 Bonds and Notes (collectively, "Tax-Exempt Obligations") which are issued pursuant to this
17 Ordinance with the expectation that interest on such Tax-Exempt Obligations will be excludable
18 from gross income for federal income tax purposes.

19
20 The Mayor and the Finance Director shall be the officers of the City responsible for the issuance
21 of such Tax-Exempt Obligations within the meaning of the "Arbitrage Regulations" (defined
22 herein).

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

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

41
42 The City covenants with each of the registered owners of any of such Tax-Exempt Obligations
43 that it will not make, or (to the extent that it exercises control or direction) permit to be made,
44 any use of the Tax-Exempt Proceeds which would cause such Tax-Exempt Obligations to be
45 "arbitrage bonds" within the meaning of Section 148 and the Arbitrage Regulations. The City

1 further solemnly covenants that it will comply with Section 148 and the regulations thereunder
2 which are applicable to such Tax-Exempt Obligations on the date of issuance of such Tax-Exempt
3 Obligations and which may subsequently lawfully be made applicable to such Tax-Exempt
4 Obligations as long as such Tax-Exempt Obligations remain outstanding and unpaid. The Mayor
5 and the Finance Director are hereby authorized and directed to prepare or cause to be prepared
6 and to execute any certification, opinion or other document, including, without limitation, the
7 Tax and Section 148 Certificate, which may be required to assure that such Tax-Exempt
8 Obligations will not be deemed to be “arbitrage bonds” within the meaning of Section 148 and
9 the regulations thereunder.

10
11 The City further covenants with each of the registered owners of any of such Tax-Exempt
12 Obligations (i) that it will not take any action or (to the extent that it exercises control or direction)
13 permit any action to be taken that would cause such Tax-Exempt Obligations or a portion of such
14 Tax-Exempt Obligations to be “federally guaranteed” within the meaning of Section 149(b) of
15 the Internal Revenue Code of 1986, as amended, and (ii) that it will not make, or (to the extent
16 that it exercises control or direction) permit to be made, any use of the proceeds of such Tax-
17 Exempt Obligations or a portion of such proceeds that would cause such Tax-Exempt Obligations
18 or a portion of such Tax-Exempt Obligations to be “private activity bonds” within the meaning
19 of Section 141 of the Internal Revenue Code of 1986, as amended.

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

37
38 Any covenant or agreement made by the Mayor pursuant to this section may be set forth in or
39 authorized by the Tax and Section 148 Certificate or an order executed by the Mayor.

40
41 SECTION 17. Bonds issued under this Ordinance are specifically exempted from the
42 provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated
43 Code of Maryland.

44
45 SECTION 18. Bonds authorized under this Ordinance may be combined for purposes of sale

1 with bonds of the City authorized under other prior or future ordinances of the City.
2

3 SECTION 19. The City is also hereby authorized, pursuant to the Bond Anticipation Note
4 Act and Article VII, Section 11 of the Charter, to issue and sell one or more series of its general
5 obligation bond anticipation notes (the “Notes”). The maximum aggregate principal amount of
6 Notes outstanding hereunder shall not exceed the maximum aggregate principal amount of the
7 Bonds authorized and unissued under this Ordinance. The proceeds of the Notes shall be applied
8 to finance or refinance the Projects, and to pay costs of issuance of the Notes, not more than 12
9 months’ interest on the Notes and other related costs in anticipation of the issuance of the Bonds
10 authorized to be issued and sold under this Ordinance, subject to the provisions of this Ordinance.
11

12 SECTION 20. Except as otherwise expressly provided in this Ordinance, the Notes shall be
13 issued in the same manner as the Bonds issued pursuant to this Ordinance and shall have the
14 terms and provisions determined in an executive order of the Mayor, and the Mayor is hereby
15 authorized to make the determinations with respect to any Notes as if such Notes were Bonds.
16

17 All Notes authorized hereby shall mature on or before that date which is 30 years after the date
18 of the first Note issued pursuant to this Ordinance.
19

20 The Mayor is hereby authorized to determine the form of any Notes issued hereunder. The
21 execution and delivery of the Notes as herein provided shall be conclusive evidence of the
22 approval of the form of such Notes on behalf of the City.
23

24 SECTION 21. The Notes hereby authorized may be sold for cash at no less than par, plus
25 accrued interest to the date of delivery. The Notes may bear interest at fixed or variable rates as
26 determined by executive order of the Mayor. Authority is hereby conferred on the Mayor to sell
27 the Notes through a public sale or through a private (negotiated) sale, without solicitation of
28 competitive bids, as the Mayor, after consultation with the Finance Director and the City’s
29 Financial Advisor, shall determine to be in the best interests of the City. Any sale of the Notes
30 hereunder by private negotiation is hereby determined to be in the best interests of the City.
31

32 If the Mayor shall determine in accordance with this Section to sell any Notes at a public sale
33 through the solicitation of competitive bids, then the Mayor may sell such Notes in accordance
34 with such procedures as shall be determined by the Mayor.
35

36 SECTION 22. Notes issued under this Ordinance are specifically exempted from the
37 provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated
38 Code of Maryland.
39

40 SECTION 23. The City hereby covenants and agrees with the holders of the Notes issued
41 under this Ordinance to issue the Bonds in anticipation of the sale of which such Notes are issued
42 when, and as soon as, the reason for deferring the issuance thereof no longer exists, and to pay
43 the principal of and interest on such Notes from the first proceeds of such Bonds. This covenant
44 shall be binding upon the City notwithstanding any limitation set forth in this Ordinance. If the
45 City shall not, for any reason, issue and sell such Bonds as aforesaid, or if the proceeds from the

1 sale of such Bonds shall be insufficient to pay the principal of and interest on any Notes, then the
2 tax or other revenue which the City Council shall have previously determined to apply to the
3 payment of such Bonds and the interest thereon shall be applied to the payment of the interest on
4 and principal of such Notes. The foregoing provisions shall not be construed so as to prohibit the
5 City from paying the principal or redemption price of and interest on any Note issued hereunder
6 from the proceeds of the sale of any other Note issued hereunder or from any other funds legally
7 available for that purpose.

8
9 If the City shall not, for any reason, issue and sell any Bonds in anticipation of which any Notes
10 are issued, or if the proceeds from the sale of such Bonds shall be insufficient to pay the principal
11 of or interest on such Notes, then the City shall include in the levy in each and every fiscal year
12 that any of such Notes are outstanding ad valorem taxes upon all property within the corporate
13 limits of the City subject to assessment for full City taxes, in rate and amount sufficient in each
14 such year to fund such appropriations and to provide for the payment when due of the principal
15 of and interest on all Notes 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, additional
17 taxes shall be levied in the subsequent fiscal year to make up any deficiency.

18
19 To assure the performance by the City of the provisions of this Section, the full faith and credit
20 and unlimited taxing power of the City are hereby irrevocably pledged to the payment to maturity
21 of the principal of and interest on the Notes hereby authorized as and when the same respectively
22 mature and become payable and to the levy and collection of the taxes hereinabove described as
23 and when such taxes may become necessary in order to provide sufficient funds to meet the debt
24 service requirements of the Notes hereby authorized to be issued. This pledge is made hereby for
25 the benefit of the holders, from time to time, of the Notes hereby authorized.

26
27 To the extent permitted by law, interest on the Notes hereby authorized may be capitalized and
28 paid from the proceeds of the sale of such Notes or from the proceeds of the sale of the Bonds in
29 anticipation of the sale of which such Notes are issued.

30
31 SECTION 24. The proceeds of Notes issued pursuant to this Ordinance may be used to pay,
32 at maturity, or at the time of redemption, the principal or redemption price of, or the principal or
33 redemption price of and interest on, Notes (“Refinanced Notes”) previously issued pursuant to
34 this Ordinance. If, and to the extent that, the proceeds from the issuance and sale of Notes are
35 used to repay the principal of Refinanced Notes, such Notes shall constitute a renewal,
36 continuance and reissuance of the indebtedness represented by the Refinanced Notes and
37 authorized by this Ordinance and shall not constitute additional indebtedness hereunder or under
38 any other authority.

39
40 SECTION 25. The City is hereby authorized to borrow money and incur indebtedness
41 otherwise authorized to be borrowed and incurred hereunder in the form of bonds or bond
42 anticipation notes by obtaining a loan (a “Water Quality Loan”) from the Maryland Water
43 Quality Financing Administration (the “Administration”) pursuant to and in accordance with
44 Sections 9-1601 through 9-1622, inclusive, of the Environment Article of the Annotated Code of
45 Maryland (2014 Replacement Volume and 2019 Supplement) (the “Act”). Such Water Quality

1 Loans may be obtained by the City hereunder from time to time. Any such Water Quality Loan
2 shall be evidenced by a loan agreement (a “Water Quality Loan Agreement”) between the City
3 and the Administration and a bond issued by the City (a “Water Quality Bond”).
4

5 It is acknowledged that the proceeds of any Water Quality Loan will be used for the public
6 purposes of financing a portion of the costs of acquiring, constructing and equipping certain
7 wastewater facilities or water supply systems, each as defined in the Act (collectively, the “Water
8 Quality Facilities”), including the development of property, the acquisition and installation of
9 equipment and furnishings and any architectural, financial, legal, planning and engineering
10 expenses. It is intended that the proceeds of any Water Quality Loan undertaken by the City
11 pursuant to this Section may be expended on the applicable Water Quality Facility and any
12 related costs, including costs of the Administration and the funding of reserves, to the extent
13 permitted by the Act and to the extent provided in the applicable Water Quality Loan Agreement
14 or Water Quality Bond. It is acknowledged that Water Quality Facilities as defined above may
15 include projects that the City classifies as wastewater projects, water projects or under some other
16 classification.
17

18 Unless otherwise provided in this Section, limitations, procedures or requirements set forth in
19 this Ordinance for the issuance, sale and delivery of bonds or bond anticipation notes, as
20 applicable, to the extent practicable, shall apply to obtaining any Water Quality Loan and to the
21 execution and delivery of any Water Quality Loan Agreement or Water Quality Bond.
22

23 The Mayor is hereby authorized to approve the form of any Water Quality Loan Agreement or
24 Water Quality Bond, the terms thereof, including the interest rate, maturity schedule, redemption
25 provisions and covenants to be set forth therein, and the manner of executing and authenticating
26 the same. The form of Water Quality Bond need not conform to the forms otherwise provided
27 in this Ordinance.
28

29 Notwithstanding any other provision to the contrary in this Ordinance:
30

31 (a) Any Water Quality Loans (including any Water Quality Loan Agreements and Water Quality
32 Bonds) need not be in denominations of \$5,000 or any integral multiple thereof, and borrowings
33 and evidences thereof shall be on an installment basis with annual principal payments in the years
34 as shall be determined by the Mayor pursuant to an executive order;
35

36 (b) Any Water Quality Loan (including any Water Quality Loan Agreement and Water Quality
37 Bond) may provide for interest payments on other than a semiannual basis;
38

39 (c) Paying agents and registrars may be provided for in the discretion of the Mayor;
40

41 (d) The City is hereby authorized to sell any Water Quality Loan (including any Water Quality
42 Loan Agreement and Water Quality Bond) at private (negotiated) sale to the Administration,
43 public advertisement and sale of the same not being required by the terms of the Act and the best
44 interests of the City being hereby declared to be served by such private sale;
45

1 (e) Provisions for the redemption of any Water Quality Loan (including any Water Quality Loan
2 Agreement and Water Quality Bond) may be provided for in the discretion of the Mayor; and
3

4 (f) Any signature required in connection with the issuance and sale of any Water Quality Loan
5 (including any Water Quality Loan Agreement and Water Quality Bond) may be manual and any
6 affixing of the City Seal may be accomplished by impressing the same on the applicable
7 document.
8

9 The Mayor or his or her designee is hereby authorized to take any and all actions in the manner
10 and to the extent that the Mayor or his or her designee, as the case may be, may deem necessary
11 or appropriate to accomplish the purposes of this Section.
12

13 In order to provide for the payment of the principal of and interest on the Water Quality Loan
14 (including any Water Quality Loan Agreement and Water Quality Bond) hereby authorized, there
15 shall be appropriated in the next ensuing fiscal year of Annapolis and in each fiscal year
16 thereafter, so long as the Water Quality Loan is outstanding and unpaid, or until sufficient funds
17 have been accumulated and irrevocably set aside for the purpose, an amount sufficient to meet
18 the debt service on the Water Quality Loan coming due in such fiscal year and there shall be
19 levied ad valorem taxes upon all property within the corporate limits of the City subject to
20 assessment for full City taxes, in rate and amount sufficient in each such year to fund such
21 appropriations and to provide for the payment when due of the principal of and interest on any
22 Water Quality Loan maturing in each such fiscal year. In the event the proceeds from the taxes
23 so levied in each such fiscal year shall prove inadequate for the above purposes, additional taxes
24 shall be levied in the subsequent fiscal year to make up any deficiency.
25

26 To assure the performance by the City of the provisions of this Section, the full faith and credit
27 and unlimited taxing power of the City are hereby irrevocably pledged to the payment to maturity
28 of the principal of and interest on any Water Quality Loan as and when the same respectively
29 mature and become payable and to the levy and collection of the taxes hereinabove described as
30 and when such taxes may become necessary in order to provide sufficient funds to meet the debt
31 service requirements of any Water Quality Loan.
32

33 SECTION 26. Pursuant to the authority of the Bond Enabling Act, the Charter and the
34 Refunding Act, the issuance and sale of general obligation bonds of the City (the "Refunding
35 Bonds") is hereby authorized for the purpose of refunding all or a portion of some or all of the
36 outstanding issues of bonds of the City listed on Exhibit II attached hereto (the "Refunded Bonds").
37 The maximum aggregate principal amount of Refunding Bonds shall not to exceed 120% of the
38 principal amount of the Refunded Bonds. The proceeds of the Refunding Bonds shall be applied
39 to (i) refund all or a portion of some or all of the Refunded Bonds and (ii) pay the costs of issuing
40 the Refunding Bonds and other related costs. Except as otherwise expressly provided in this
41 Ordinance, the Refunding Bonds shall be issued in the same manner as Bonds issued pursuant to
42 this Ordinance and shall have the terms and provisions determined in an executive order of the
43 Mayor, and the Mayor is hereby authorized to make the determinations with respect to any
44 Refunding Bonds as if such Refunding Bonds were Bonds.
45

1 The Mayor is hereby authorized to determine the form of any Refunding Bonds issued hereunder.
2 The execution and delivery of the Refunding Bonds as herein provided shall be conclusive
3 evidence of the approval of the form of such Refunding Bonds on behalf of the City. The
4 Refunding Bonds hereby authorized may be sold for cash at no less than par, plus accrued interest
5 to the date of delivery. Authority is hereby conferred on the Mayor to sell the Refunding Bonds
6 through a public sale or through a private (negotiated) sale, without solicitation of competitive
7 bids, as the Mayor, after consultation with the Finance Director and the City's Financial Advisor,
8 shall determine to be in the best interests of the City. Any sale of the Refunding Bonds hereunder
9 by private negotiation is hereby determined to be in the best interests of the City. Refunding
10 Bonds issued under this Ordinance are specifically exempted from the provisions of Sections 19-
11 205 and 19-206 of the Local Government Article of the Annotated Code of Maryland.

12

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

18

19

20

EXPLANATION

21

CAPITAL LETTERS indicate matter added to existing law.

22

[brackets] indicate matter stricken from existing law.

23

Underlining indicates amendments.

24