

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
4 faith and credit, (i) one or more series of its general obligation bonds in the aggregate principal
5 amount not to exceed \$26,616,084 (the “Bonds”), pursuant to Sections 19-301 through 19-309,
6 inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended,
7 and Article VII, Section 11 of the Charter of the City of Annapolis, as amended (the “Charter”),
8 (ii) one or more series of its general obligation bond anticipation notes in anticipation of the
9 issuance of the Bonds in the maximum aggregate principal amount equal to the maximum
10 aggregate principal amount of the Bonds (the “Notes”), pursuant to Sections 19-211 through 19-
11 221, inclusive, of the Local Government Article of the Annotated Code of Maryland, as
12 amended and the Charter and (iii) one or more series of its general obligation bonds to refund
13 specified bonds previously issued by the City in the aggregate principal amount not to exceed
14 120% of the principal amount of bonds to be refunded (the “Refunding Bonds”), pursuant to
15 Section 19-207 and Sections 19-301 through 19-309, inclusive, of the Local Government Article
16 of the Annotated Code of Maryland, as amended, and the Charter; providing that the Bonds,
17 Notes and Refunding Bonds shall be issued and sold for the public purpose of financing and
18 refinancing certain capital projects of the City as provided in this Ordinance; prescribing the
19 form and tenor of the Bonds, Notes and Refunding Bonds; providing for the method of sale of
20 the Bonds, Notes and Refunding Bonds and other matters relating to the issuance and sale
21 thereof; providing for the disbursement of the proceeds of the Bonds, Notes and Refunding
22 Bonds; covenanting to levy and collect all taxes necessary to provide for the payment of the
23 principal of and interest on the Bonds, Notes and Refunding Bonds; and generally providing for
24 and determining various matters relating to the issuance, sale and delivery of the Bonds, Notes
25 and Refunding Bonds.

26 **..Body**

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

29 **Ordinance 24-23**

30 **Introduced by: Mayor Buckley**
31 **Co-sponsored by: Ald. Tierney**

32 **Referred to**

33 Finance Committee
34 Financial Advisory Commission

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
38 and 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 \$26,616,084 (the “Bonds”), pursuant to Sections
40 19-301 through 19-309, inclusive, of the Local Government Article of the Annotated Code of
41

1 Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Annapolis, as
2 amended (the "Charter"), and (ii) one or more series of its general obligation bond anticipation
3 notes in anticipation of the issuance of the Bonds in the maximum aggregate principal amount
4 equal to the maximum aggregate principal amount of the Bonds (the "Notes"), pursuant to
5 Sections 19-211 through 19-221, inclusive, of the Local Government Article of the Annotated
6 Code of Maryland, as amended and the Charter; providing that the Bonds and Notes shall be
7 issued and sold to finance and refinance certain public purposes of the City as provided in this
8 Ordinance; prescribing the form and tenor of the Bonds and Notes; providing for the method of
9 sale of the Bonds and Notes and other matters relating to the issuance and sale thereof; providing
10 for the disbursement of the proceeds of the Bonds and Notes; covenanting to levy and collect
11 all taxes necessary to provide for the payment of the principal of and interest on the Bonds and
12 Notes; and generally providing for and determining various matters relating to the issuance, sale
13 and delivery of the Bonds and Notes.

14 15 RECITALS

16
17 For convenience of reference, the City of Annapolis, a municipal body corporate and politic of
18 the State of Maryland, is hereinafter sometimes referred to as the "City" or as "Annapolis".

19
20 The authority for the powers herein exercised with respect to the City's bonds is contained in
21 Article VII, Section 11 of the Charter of the City (the "Charter") and Sections 19-301 through
22 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland, as
23 amended (the "Bond Enabling Act"); and the authority for the powers herein exercised with
24 respect to the City's bond anticipation notes is contained in the Charter and Sections 19-211
25 through 19-221, inclusive, of the Local Government Article of the Annotated Code of Maryland,
26 as amended (the "Bond Anticipation Note Act").

27
28 The Charter and the Bond Enabling Act authorize and empower the City to borrow money for
29 any proper public purpose and to evidence such borrowing by the issuance and sale of its general
30 obligation bonds in accordance with the procedure prescribed by the Charter and the Bond
31 Enabling Act, subject to the limitation imposed by the Charter, as modified by Chapter 80, Acts
32 of 2000 by the Maryland General Assembly, that no bonds shall be issued by the City if, by the
33 issuance thereof, the total bonded indebtedness of the City incurred, less the amount of sinking
34 funds established for the retirement thereof, would then exceed the sum of (i) 4% of the assessed
35 value of all real property in the City taxable for municipal purposes and (ii) 10% of the assessed
36 value of all personal property in the City taxable for municipal purposes. The Charter further
37 provides that, in computing compliance with such limitation, outstanding bonds or other
38 indebtedness of the City issued pursuant to the authority of any public local law enacted by the
39 General Assembly of Maryland prior to January 1, 1955, or pursuant to the authority of any
40 public general law of the State of Maryland, other than the Bond Enabling Act, together with
41 tax anticipation notes issued pursuant to the Charter and applicable State law, revenue bonds
42 payable as to principal and interest solely from the revenues from revenue-producing projects,
43 and short-term obligations issued pursuant to certain sections of the Charter, shall not be taken
44 into account.

Explanation:

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1
2 Pursuant to Article VII, Section 11 of the Charter, the City Council of the City (the “City
3 Council”) may in its discretion hold a referendum on any such bond issue or may be required to
4 do so as a result of a proper petition of registered voters filed for the purpose after the giving of
5 notice to the City as prescribed in the Charter.

6
7 The City proposes to spend the proceeds of the Bonds and Notes authorized pursuant to this
8 Ordinance to (i) finance and refinance the costs of certain public purposes of the City, subject
9 to the provisions of this Ordinance and (ii) pay (A) the costs of issuing the Bonds and Notes,
10 (B) capitalized interest on the Bonds and the Notes and (C) other related costs.

11
12 The Charter contains no limitations upon the rate at which ad valorem taxes may be levied by
13 the City for the payment of the principal of and interest on said indebtedness.

14
15 Since the adoption of Article XI-E as an amendment of the Constitution of Maryland, the
16 General Assembly of Maryland has passed no law proposing a limitation upon the rate at which
17 taxes may be levied by the City or a limitation upon the amount of bonded indebtedness which
18 may be incurred by the City different from that set forth in the Charter.
19

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

22
23 SECTION 1. All terms used herein which are defined in the Recitals hereof shall have
24 the meanings given such terms therein.

25
26 SECTION 2. It is in the best interest of the City to borrow money and incur
27 indebtedness, and the City is authorized and empowered to issue and sell upon its full faith and
28 credit one or more series of its general obligation, fully-registered bonds in the aggregate
29 principal amount not to exceed \$26,000,000, to be known as the “Public Improvements Bonds,
30 Series ___” (the “Bonds”), with the year in which the Bonds are issued in the foregoing blank,
31 or such other designation as deemed appropriate by the Mayor of Annapolis (the “Mayor”) for
32 the purposes of (a) financing and refinancing the costs of design, construction and development
33 of the City Dock Resilience and Revitalization Project as set forth and described in the City’s
34 Capital Budget and Capital Improvement Program, (b) financing and refinancing the acquisition
35 of land and design, construction and development of facilities thereon for the Elktonia/Carr’s
36 Beach Park Project as set forth and described in the City’s Capital Budget and Capital
37 Improvement Program, (c) refinancing indebtedness incurred for the benefit of the City in
38 connection with the demolition of the Noah Hillman Garage located in downtown City of
39 Annapolis and the construction and development of a replacement garage at the same site and
40 (d) payment of costs of issuance of and any capitalized interest on the Bonds and other costs
41 and expenses related to the Bonds (collectively, the “Projects”).
42

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

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

22
23 SECTION 5. Certain of the Bonds may be subject to redemption prior to maturity as
24 may be determined by the Mayor in an executive order. The Bonds so subject to redemption, if
25 any, the redemption dates and the redemption prices shall be specified in an executive order by
26 the Mayor.

27
28 SECTION 6. The Bonds shall be executed in the name of the City and on its behalf by
29 the Mayor. The signature of the Mayor shall be imprinted or otherwise included on the Bonds
30 manually or by facsimile and a facsimile of the corporate seal of Annapolis shall also be
31 imprinted thereon, attested by the manual or facsimile signature of the City Clerk of Annapolis
32 (the "City Clerk").

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

39
40 No Bond shall be valid or obligatory for any purpose unless and until the certificate of
41 authentication substantially in the form set forth in the form of the Bonds in Section 7 of this
42 Ordinance shall have been duly executed by the bond registrar for the Bonds (the "Bond
43 Registrar"), and such executed certificate of the Bond Registrar upon any such Bond shall be
44 conclusive evidence that such Bond has been authenticated and delivered pursuant to this

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1 Ordinance. The Bond Registrar’s certificate of authentication on any Bond shall be deemed to
2 have been executed by it if manually signed by an authorized signer of the Bond Registrar, but
3 it shall not be necessary that the same person sign the certificate of authentication on all of the
4 Bonds issued hereunder.

5
6 All Bonds shall be issued as fully-registered bonds without coupons and shall be registered
7 in the name or names of the owner or owners thereof, on books kept for such purpose at the
8 principal office of the bond registrar for the Bonds (the “Bond Registrar”). The Mayor or his or
9 her designee is hereby authorized to appoint a financial institution to act as the Bond Registrar
10 and as paying agent (the “Paying Agent”) for the Bonds, unless the Mayor determines after
11 consulting with the financial advisor to the City (the “Financial Advisor”) that the City shall act
12 as the Bond Registrar or the Paying Agent or both. Payment of the principal of and interest on
13 the Bonds shall be made to the person appearing on the registration books maintained by the
14 Bond Registrar as the registered owner thereof.

15
16 SECTION 7. Except as provided hereinafter or in other ordinances of the City adopted
17 prior to the issuance and delivery of the Bonds, all Bonds shall be substantially in the following
18 form, with appropriate insertions as therein indicated and such other modifications as shall be
19 approved by the Mayor, which form and all of the covenants therein contained are hereby
20 adopted by Annapolis as and for the form of obligation to be incurred by Annapolis, and said
21 covenants and conditions are hereby made binding upon Annapolis, including the promise to
22 pay therein contained:

23
24 No. R-_____ \$_____

25
26 UNITED STATES OF AMERICA
27 STATE OF MARYLAND
28 CITY OF ANNAPOLIS, MARYLAND

29
30 GENERAL OBLIGATION BOND

31
32 PUBLIC IMPROVEMENTS BOND
33 _____ SERIES

34
35 Interest Rate Per Annum Maturity Date Date of Original Issue CUSIP

36
37 REGISTERED OWNER:

38
39 PRINCIPAL AMOUNT: DOLLARS

40
41 CITY OF ANNAPOLIS (the “City”), a municipal corporation created and existing under the
42 laws of the State of Maryland, hereby acknowledges itself indebted, and, for value received,
43 promises to pay to the Registered Owner shown above or registered assigns or legal
44 representatives on the Maturity Date shown above (unless this bond shall be redeemable, shall

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1 have been called for prior redemption and payment of the redemption price made or provided
2 for), the Principal Amount shown above or so much thereof as shall not have been paid upon
3 prior redemption in any coin or currency which, at the time of payment, is legal tender for the
4 payment of public and private debts upon presentation and surrender of this bond on the date
5 such principal is payable or if such date is not a Business Day (hereinafter defined) then on the
6 next succeeding Business Day at the principal office of the Paying Agent, and to pay to the
7 registered owner hereof by check or draft, mailed to such registered owner at his or her address
8 as it appears on said registration books (the "Bond Register") maintained by the Bond Registrar
9 interest on said principal amount at the Interest Rate shown above until payment of such
10 principal amount, or until the prior redemption hereof, such interest being payable _____ on
11 the days of and in [each] year, in like coin or currency to the registered owner in whose name
12 this bond is registered on the Bond Register as of the close of business on the regular record
13 date, which shall be the _____ day of the month immediately preceding each regular interest
14 payment date (the "Regular Record Date"). Any such interest not so punctually paid or duly
15 provided for shall forthwith cease to be payable to the registered owner on the Regular Record
16 Date, and may be paid to the person in whose name this bond is registered at the close of business
17 on a date fixed by the Paying Agent for such defaulted interest payment (the "Special Record
18 Date"), notice of which is given to the registered owner hereof not less than ___ days prior to
19 such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent
20 with the requirement of any securities exchange on which the bonds of this series may be listed
21 and upon such notice as may be required by such exchange.

22
23 "Business Day" means a day other than a Saturday, Sunday or day on which banking institutions
24 under the laws of the state governing the Paying Agent are authorized or obligated by law or
25 required by executive order to remain closed.

26
27 This bond shall not be valid or become obligatory for any purpose until this bond shall have
28 been authenticated by an authorized officer of the Bond Registrar.

29
30 This bond is one of a duly authorized issue of general obligation bonds of the City aggregating
31 _____ Dollars (\$ _____) in principal amount (the "Bonds").

32
33 The Bonds are numbered from one consecutively upwards prefixed by the letter "R", are in
34 denominations of \$ _____ or any integral multiple thereof and are of like tenor and effect except
35 as to maturity, number, interest rate, denomination and redemption provisions, and are issued
36 pursuant to and in full conformity with the provisions of Sections 19-301 through 19-309,
37 inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended,
38 and Article VII, Section 11 of the Charter of the City of Annapolis, as amended, and by virtue
39 of due proceedings had and taken by the Mayor and Aldermen/Alderwomen of the City of
40 Annapolis, particularly Ordinance No. _____ adopted on the ___ day of _____, 2022
41 (approved _____, 2022) (the "Ordinance").

42
43 The Bonds which mature on or before _____ are not subject to redemption prior to
44 their maturities. The Bonds which mature on or after _____ are subject to redemption

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1 prior to their maturities on or after _____ at the option of the City either as a whole or
2 in part at any time, in any order of maturities, at a redemption price expressed as a percentage
3 of the principal amount of the Bonds to be redeemed, set forth in the table below, together with
4 interest accrued to the date fixed for redemption:

5
6 Redemption Period (both dates inclusive) Redemption Price
7

8
9 [If less than all of the outstanding Bonds shall be called for optional redemption, the City shall
10 choose the maturities of the Bonds to be redeemed and the principal amount of each such
11 maturity to be redeemed, in its sole discretion. If less than all of the Bonds of any one maturity
12 of this issue shall be called for redemption, the Bonds to be redeemed shall be selected by lot
13 by the Bond Registrar in such manner as, in its discretion, it shall determine.]
14

15 [When less than all of a bond in a denomination in excess of \$_____ shall be so redeemed,
16 then, upon the surrender of such bond, there shall be issued to the registered owner thereof,
17 without charge, for the unredeemed balance of the principal amount of such bond, at the option
18 of such owner, Bonds in any of the authorized denominations, the aggregate face amount of
19 such Bonds not to exceed the unredeemed balance of the bond so surrendered, and to bear the
20 same interest rate and to mature on the same date as said unredeemed balance.]
21

22 [If the City elects to redeem all or a portion of the Bonds outstanding, it shall give a redemption
23 notice by first class mail, postage prepaid, at least 20 days prior to the date fixed for redemption
24 to each registered owner appearing on the books kept by the Bond Registrar. Notwithstanding
25 the foregoing, so long as all of the Bonds are registered in the name of Cede & Co., as nominee
26 for the Depository Trust Company, New York, New York (“DTC”), such notice shall be given
27 by a secure means (e.g. legible facsimile transmission, registered or certified mail or overnight
28 express delivery) in a timely manner designed to assure that such notice is in DTC possession
29 no later than the close of business on such 20th day; provided, however, that the failure to mail
30 the redemption notice or any defect in the notice so mailed or in the mailing thereof shall not
31 affect the validity of the redemption proceedings. The redemption notice shall state (i) whether
32 the Bonds are to be redeemed in whole or in part and, if in part, the maturities and numbers of
33 the Bonds to be redeemed, (ii) the date fixed for redemption and the redemption price or prices,
34 (iii) that the Bonds to be redeemed shall be presented for redemption at the office of the Bond
35 Registrar and (iv) that interest on the Bonds called for redemption shall cease to accrue on the
36 date fixed for redemption.]
37

38 From and after the date fixed for redemption, if notice has been duly and properly given and if
39 funds sufficient for the payment of the redemption price of the Bonds called for redemption plus
40 accrued interest due thereon are available on such date, the Bonds so called for redemption shall
41 become due and payable at the redemption price or prices provided for redemption of such
42 Bonds, on such date interest on the Bonds shall cease to accrue and the registered owners of the
43 Bonds so called for redemption shall have no rights in respect thereof except to receive payment
44 of the redemption price plus accrued interest to the date fixed for redemption. Upon presentation

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1 and surrender of a bond called for redemption in compliance with the redemption notice, the
2 Bond Registrar shall pay the redemption price of such Bond plus accrued interest thereon to the
3 date fixed for redemption. If Bonds so called for redemption are not paid upon presentation and
4 surrender as described above, such Bonds shall continue to bear interest at the rates stated
5 therein until paid.
6

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

26 The full faith and credit and unlimited taxing power of the City are hereby irrevocably pledged
27 to the prompt payment of the principal of and interest on this bond according to its terms, and
28 the City does hereby covenant and agree to pay the principal of this bond and the interest thereon
29 at the dates and in the manner mentioned herein, according to the true intent and meaning hereof.
30

31 It is hereby certified and recited that all conditions, acts and things required by the Constitution
32 or statutes of the State of Maryland, the Charter of the City and the Ordinance to exist, to have
33 happened or to have been performed precedent to or in the issuance of this bond, exist, have
34 happened and have been performed, and that the issue of Bonds of which this is one, together
35 with all other indebtedness of the City, is within every debt and other limit prescribed by said
36 Constitution or statutes or Charter, and that due provision has been made for the levy and
37 collection of an ad valorem tax or taxes upon all legally assessable property within the corporate
38 limits of the City in rate and amount sufficient to provide for the payment, when due, of the
39 principal of and interest on this bond.
40

41 In the presence of:
42
43 _____
44

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1 Notice: The signature to this assignment must correspond with the name as it appears upon the
2 face of the within bond in every particular, without alteration or enlargement or any change
3 whatever.
4

5 SECTION 8. All of the Bonds authorized by this Ordinance may be sold by solicitation
6 of competitive sealed proposals at public sale in accordance with the provisions of the following
7 Notice of Sale at the principal office of the City, on such date as may be selected by the Mayor,
8 for cash at no less than par, to the bidder therefor whose bid is deemed to be for the best interests
9 of Annapolis. Bids shall be received as provided in the Notice of Sale. The Bonds authorized
10 by this Ordinance may also be sold, if the Mayor, after consultation with the Finance Director
11 of Annapolis (the "Finance Director") and the City's Financial Advisor, determines that it would
12 be in the best interest of the City, at private (negotiated) sale without advertisement, publication,
13 notice of sale, or solicitation of competitive bids. The Mayor shall award the Bonds by
14 executive order.
15

16 Unless the Bonds are sold at private (negotiated) sale, the City Clerk is authorized and
17 directed to publish a notice of sale at least twice in a daily or weekly newspaper having general
18 circulation in Annapolis. The first publication of such notice of sale shall be made at least 10
19 days prior to the date of sale. The City Clerk may give such other notice of the sale of the
20 Bonds, within or without this State, by publication or otherwise, as the Mayor may deem
21 appropriate.
22

23 The Finance Director is hereby authorized and directed to make all necessary
24 arrangements for the tabulation and comparison of the proposals received, including the
25 employment of specially qualified personnel, if necessary, so that he or she will be able
26 promptly to advise the Mayor as to the proposal which produces the lowest true interest cost for
27 the Bonds sold.
28

29 The Mayor and the Finance Director are hereby authorized to prepare and distribute a
30 preliminary official statement and final official statement in connection with the sale of the
31 Bonds.
32

33 The Notice of Sale, if used for the issue of the Bonds authorized by this Ordinance, shall
34 be in substantially the form hereinafter set forth, with the insertions therein indicated. The terms
35 and conditions stated in such Notice of Sale are hereby adopted and approved as the terms and
36 conditions under which and the manner in which the Bonds shall be sold, issued and delivered
37 at public sale, subject to such insertions, alterations, additions or deletions as the Mayor may
38 deem advisable due to financial or market conditions or other circumstances prevailing at the
39 time based upon the advice of the Financial Advisor.
40

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1 NOTICE OF SALE

2
3 \$ _____
4 CITY OF ANNAPOLIS, MARYLAND
5 General Obligation Bonds
6 Public Improvements Bonds, _____ Series
7

8 Electronic bids via the BiDCOMP/Parity Competitive Bidding System (“PARITY”) will be
9 received until _____, prevailing Eastern time, on _____ (unless such date or time is
10 changed as described herein) by City of Annapolis (the “City”) for the City of Annapolis,
11 Maryland Public Improvements Bonds, _____ Series (the “Bonds”).
12

13 Terms of the Bonds

14
15 The Bonds shall be dated the date of their delivery and in the denomination of Five Thousand
16 Dollars (\$5,000) each or any integral multiple thereof.
17

18 Interest on the Bonds is payable on _____, 202_ and semiannually thereafter on _____
19 _____ and _____ until maturity. The Bonds will mature on _____, _____ in the
20 following respective years and principal amounts:
21

| 22 Maturing | Principal | Maturing | Principal |
|-------------|---------------|----------|---------------|
| _____ | <u>Amount</u> | _____ | <u>Amount</u> |

24
25
26
27 The proceeds of the Bonds will be used to finance the costs of certain public purposes of the
28 City and to pay costs of issuance of and capitalized interest on the Bonds and other costs and
29 expenses related to the Bonds.
30

31 Authority

32
33 The Bonds are issued pursuant to Sections 19-301 through 19-309, inclusive, of the Local
34 Government Article of the Annotated Code of Maryland, as amended, and Article VII, Section
35 11 of the Charter of the City of Annapolis, as amended. The Bonds are authorized pursuant to
36 Ordinance No. _____. The Bonds are general obligations of the City and will constitute an
37 irrevocable pledge of its full faith and credit and unlimited taxing power.
38

39 Book-Entry System

40
41 One bond representing each maturity of the Bonds will be issued to and registered in the name
42 of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”),
43 as registered owner of the Bonds and each such bond shall be held in the custody of DTC. DTC
44 will act as securities depository for the Bonds. Individual purchases will be made in book-entry

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

5
6 Interest on the Bonds shall be payable when due and the principal or redemption price of the
7 Bonds shall be payable at maturity or upon earlier redemption to DTC or its nominee as
8 registered owner of the Bonds. Transfer of principal and interest payments to beneficial owners
9 of the Bonds by participants of DTC (“Participants”) will be the responsibility of Participants
10 and other nominees of beneficial owners. The City shall not be responsible or liable for such
11 transfers of payments or for maintaining, supervising or reviewing the records maintained by
12 DTC, Participants or persons acting through Participants.

13 14 Optional Redemption

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

21 22 Change of Bid Date or Time and Closing Date

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

34 35 Bid Parameters

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

41
42 Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of 1%, the
43 highest rate may not exceed the lowest rate by more than ____% and no interest rate may exceed

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1 ____%. A zero rate may not be named. No Bond shall bear more than one rate of interest which
2 rate shall be uniform for the life of such Bond.

3
4 Basis of Award

5
6 The Mayor of the City shall not accept and shall reject any bid for less than all of the Bonds.
7 The City shall award all of the Bonds to one bidder. The City reserves the right to reject any
8 and all bids and to waive any irregularities in any of the bids. The judgment of the City shall
9 be final and binding upon all bidders with respect to the form and adequacy of any proposal
10 received and as to its conformity with the terms of this Notice of Sale. The Bonds shall be
11 awarded to the bidder naming the lowest true interest cost (TIC) for the Bonds in any legally
12 acceptable proposal and offering to pay not less than par. The lowest true interest cost with
13 respect to the Bonds shall be determined by doubling the semiannual interest rate, compounded
14 semiannually, necessary to discount the debt service payments from the payment dates to the
15 date of the Bonds and to the amount bid.

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

28
29 Procedures for Electronic
30 Bidding

31
32 Bidders to Submit Bids by PARITY

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

40
41 Disclaimer

42
43 Each prospective electronic bidder shall be solely responsible to submit its bid via PARITY as
44 described above. Each prospective electronic bidder shall be solely responsible to make

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

15 16 Electronic Bidding Procedures

17
18 Electronic bids must be submitted for the purchase of the Bonds (all or none) via PARITY.
19 Bids will be communicated electronically to the City at _____, prevailing Eastern time, on
20 _____, _____. Prior to that time, a prospective bidder may (1) submit the proposed terms
21 of its bid via PARITY, (2) modify the proposed terms of its bid, in which event the proposed
22 terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid
23 for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated electronically
24 via PARITY to the City, each bid shall constitute an irrevocable offer to purchase the Bonds
25 on the terms therein provided. For purposes of the electronic bidding process, the time as
26 maintained on PARITY shall constitute the official time.

27 28 Good Faith Deposit

29
30 A good faith deposit in the amount of \$_____ is required of the winning bidder for the
31 Bonds. The winning bidder for the Bonds is required to submit such good faith deposit payable
32 to the order of the City in the form of a wire transfer in federal funds as instructed by
33 _____, the City's Financial Advisor. The winning bidder shall submit the good faith
34 deposit not more than two hours after verbal award is made. The winning bidder should provide
35 as quickly as it is available, evidence of wire transfer by providing the City the federal funds
36 reference number. If the winning bidder fails to comply with the good faith deposit requirement
37 as described herein, that bidder is nonetheless obligated to pay to the City the sum of
38 \$_____ as liquidated damages due to the failure of the winning bidder to timely deposit
39 the good faith deposit.

40
41 Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of the
42 terms of the good faith deposit requirement.
43

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

8
9 **Approving Legal Opinion**

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

22
23 **Preliminary Official Statement; Continuing Disclosure**

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

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

37
38 **Delivery**

39
40 The Bonds will be delivered on or about _____ ____, ____ through the facilities of DTC in
41 New York, New York, against payment therefor in federal or other immediately available funds.
42

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1 Issue Price Determination

2
3 The City expects and intends that the bid for the Bonds will satisfy the federal tax requirements
4 for a qualified competitive sale of bonds, including, among other things, receipt of bids for the
5 Bonds from at least three underwriters, who have established industry reputations for
6 underwriting new issuances of municipal bonds (a “Qualified Competitive Bid”). The Mayor or
7 his or her designee will advise the successful bidder as promptly as possible after the bids are
8 opened whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that
9 fails to satisfy such requirements (a “Nonqualified Competitive Bid”).

10
11 If the bid is a Qualified Competitive Bid, as promptly as possible after the bids are opened, the
12 Mayor or his or her designee will notify the successful bidder, and such bidder, upon such notice,
13 shall advise the Mayor or his or her designee of the reasonably expected initial offering price to
14 the public of each maturity of the Bonds. In addition, the winning bidder shall be required to
15 provide to the City information to establish the initial expected offering price for each maturity
16 of the Bonds for federal income tax purposes by completing a certificate acceptable to Bond
17 Counsel to the City, on or before the date of issuance of the Bonds, substantially in the form set
18 forth in Appendix ___ to the Preliminary Official Statement, with appropriate completions,
19 amendments and attachments.

20
21 If the bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened,
22 the Mayor or his or her designee will notify the successful bidder, and such bidder, upon such
23 notice, shall advise the Mayor or his or her designee of the initial sale price or initial offering
24 price to the public, as applicable, of each maturity of the Bonds. In addition, the winning bidder
25 shall be required to provide to the City information and assurances to establish the initial sale
26 price or the initial offering price to the public, as applicable, for each maturity of the Bonds for
27 federal income tax purposes by completing a certification acceptable to Bond Counsel in
28 substantially the form set forth in Appendix ___ to the Preliminary Official Statement, with
29 appropriate completions, omissions and attachments. It is noted that procedures for a
30 Nonqualified Competitive Bid may require the winning bidder and, if applicable, other
31 underwriters of the Bonds, to hold the initial offering prices for certain maturities of the Bonds
32 for up to five business days after the sale date, as further specified in the form of such certification.

33
34 Miscellaneous

35
36 It is expected that CUSIP numbers will be printed on the Bonds. However, the validity, sale,
37 delivery or acceptance of the Bonds will not be affected in any manner by any failure to print,
38 or any error in printing, the CUSIP numbers on the Bonds, or any of them.

39
40 The right to reject any or all bids, or to waive any irregularity or informality in any bid, is
41 reserved.

42
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CITY OF ANNAPOLIS, MARYLAND

By: /s/ _____
Mayor

By: /s/ _____
Finance Director

SECTION 9. If any Bonds are sold pursuant to the foregoing Notice of Sale, the award shall be made by order of the Mayor. Such action of the Mayor shall also fix the final principal amount of each maturity of the Bonds and the interest rate or rates payable on the Bonds in accordance with the accepted proposal. The Mayor shall also be authorized to make all changes necessary to the form of the Bonds to comply with a book-entry only system.

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

SECTION 11. In order to provide for the payment of the principal of and interest on the Bonds hereby authorized when due, there shall be appropriated in the next ensuing fiscal year of Annapolis and in each fiscal year thereafter, so long as any of the Bonds are outstanding and unpaid, or until sufficient funds have been accumulated and irrevocably set aside for the purpose, an amount sufficient to meet the debt service on the Bonds coming due in such fiscal year and there shall be levied ad valorem taxes upon all property within the corporate limits of the City subject to assessment for full City taxes, in rate and amount sufficient in each such year

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1 to fund such appropriations and to provide for the payment when due of the principal of and
2 interest on all Bonds maturing in each such fiscal year. In the event the proceeds from the taxes
3 so levied in each such fiscal year shall prove inadequate for the above purposes, additional taxes
4 shall be levied in the subsequent fiscal year to make up any deficiency.
5

6 Thereafter, prior to each interest payment date, the Finance Director shall deposit with
7 the Paying Agent, from the tax proceeds above described, the amounts needed to pay the
8 principal of and interest on the Bonds coming due on each such interest payment date, all
9 moneys so deposited with the Paying Agent shall be deemed and treated by the Paying Agent
10 as trust funds for the use and benefit of the holders from time to time of the Bonds hereby
11 authorized. Any such trust funds so held by the Paying Agent for the payment of particular
12 Bonds for periods of more than two years from the payment dates of such Bonds shall, upon the
13 expiration of any such two-year period and the failure of the holders of such Bonds to present
14 the same for payment within such period, be returned by the Paying Agent to the City and,
15 thereafter, the holders of any such Bonds shall have claims only against the City for payment of
16 the obligations held by them and the Paying Agent shall be relieved of the trust hereby imposed.
17

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

26 The City hereby solemnly covenants and agrees with each holder of any of the Bonds to
27 levy and collect the taxes hereinabove described and to take any other action that may be
28 appropriate from time to time during the period that any of the Bonds remain outstanding and
29 unpaid to provide the funds necessary to make principal and interest payments thereon when
30 due.
31

32 SECTION 12. This Ordinance and the question of the issuance of Bonds hereunder shall
33 not be submitted to a referendum of the registered voters of Annapolis, as permitted by law,
34 unless, within 10 days after the passage of this Ordinance, there shall be served upon the Mayor
35 a notice signed by not fewer than 200 of the registered voters of Annapolis, advising that a
36 petition for a referendum on the issuance of the Bonds is being circulated by one or more of the
37 persons signing said notice and unless, within 20 days after the delivery of such notice, there
38 shall also be filed with the Mayor a petition or petitions requesting the holding of such a
39 referendum, properly signed as required by the Charter, by not fewer than 25% of the registered
40 voters of Annapolis, as shown by the registered voters books of Annapolis, maintained by the
41 Board of Supervisors of Elections of the City (the "Board of Supervisors"). In view of the
42 foregoing, no action shall be taken by Annapolis pursuant to this Ordinance for a period of 10
43 days following its passage. If, within such ten-day period, the notice above described is filed as
44 aforesaid, then no action shall be taken by Annapolis pursuant to this Ordinance for a period of

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1 20 days following the filing of such notice. If, within such twenty-day period, a petition for
2 referendum, as above-described, shall be filed as aforesaid, then no action shall be taken by
3 Annapolis under this Ordinance unless and until the Mayor shall receive written advice from
4 the City Attorney and the Board of Supervisors that such referendum petition does not meet the
5 requirements of the Charter or unless and until the referendum requested in such petition shall
6 be duly held in accordance with law and the Board of Supervisors shall certify to Annapolis
7 that, in the election at which such referendum is held, a majority of the registered voters of
8 Annapolis voting on the question referred duly cast their ballots in favor of the issuance of the
9 Bonds hereby authorized. If this Ordinance shall be ratified or approved on any such
10 referendum, then the Mayor and the City Clerk may proceed with the issuance of the Bonds
11 hereby authorized, without further action by Annapolis.
12

13 SECTION 13. CUSIP numbers may be printed on the Bonds; provided, however, that the
14 printing of CUSIP numbers on the Bonds (even if incorrect) shall have no legal effect and shall
15 not in any way affect the enforceability or validity of any Bond. Any expenses in relation to the
16 printing of CUSIP numbers on the Bonds, including any CUSIP Service Bureau charge for the
17 assignment of such numbers, in the discretion of the Finance Director, may be paid for by the
18 City from the proceeds of the Bonds.
19

20 SECTION 14. In addition to the insertions and variations prescribed by this Ordinance,
21 the Mayor is hereby authorized to make such further modifications in such forms as will not
22 materially alter the substance of such forms. In connection with the issuance of any Bonds
23 pursuant to this Ordinance, the City is hereby authorized to enter into one or more agreements
24 as the Mayor shall deem necessary or appropriate for the issuance, sale, delivery or security of
25 such Bonds, which may include (without limitation) (i) underwriting, purchase or placement
26 agreements for Bonds sold at private (negotiated) sale in accordance with the provisions of this
27 Ordinance; (ii) trust agreements with commercial banks or trust companies providing for the
28 issuance and security of such Bonds; (iii) any dealer, remarketing or similar agreements
29 providing for the placement or remarketing of such Bonds; (iv) agreements providing for any
30 credit or liquidity facilities supporting any Bonds; (v) agreements with commercial banks or
31 trust companies providing for the deposit of proceeds of any Bonds; and (vi) continuing
32 disclosure agreements, including any such agreements required to enable the underwriters of
33 any Bonds to meet the requirements of paragraph (b)(5) of Rule 15c2-12 promulgated by the
34 United States Securities and Exchange Commission (the "Rule"). Each such agreement shall be
35 in such form as shall be determined by the Mayor by executive order. The execution and
36 delivery of each such agreement by the Mayor shall be conclusive evidence of the approval of
37 the form of such agreement on behalf of the City.
38

39 SECTION 15. The provisions of this Section 15 shall only be applicable with respect to
40 Bonds and Notes (collectively, "Tax-Exempt Obligations") which are issued pursuant to this
41 Ordinance with the expectation that interest on such Tax-Exempt Obligations will be excludable
42 from gross income for federal income tax purposes.
43

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1 The Mayor and the Finance Director shall be the officers of the City responsible for the
2 issuance of such Tax-Exempt Obligations within the meaning of the “Arbitrage Regulations”
3 (defined herein).
4

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

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

23 The City covenants with each of the registered owners of any of such Tax-Exempt
24 Obligations that it will not make, or (to the extent that it exercises control or direction) permit
25 to be made, any use of the Tax-Exempt Proceeds which would cause such Tax-Exempt
26 Obligations to be “arbitrage bonds” within the meaning of Section 148 and the Arbitrage
27 Regulations. The City further solemnly covenants that it will comply with Section 148 and the
28 regulations thereunder which are applicable to such Tax-Exempt Obligations on the date of
29 issuance of such Tax-Exempt Obligations and which may subsequently lawfully be made
30 applicable to such Tax-Exempt Obligations as long as such Tax-Exempt Obligations remain
31 outstanding and unpaid. The Mayor and the Finance Director are hereby authorized and directed
32 to prepare or cause to be prepared and to execute any certification, opinion or other document,
33 including, without limitation, the Tax and Section 148 Certificate, which may be required to
34 assure that such Tax-Exempt Obligations will not be deemed to be “arbitrage bonds” within the
35 meaning of Section 148 and the regulations thereunder.
36

37 The City further covenants with each of the registered owners of any of such Tax-Exempt
38 Obligations (i) that it will not take any action or (to the extent that it exercises control or
39 direction) permit any action to be taken that would cause such Tax-Exempt Obligations or a
40 portion of such Tax-Exempt Obligations to be “federally guaranteed” within the meaning of
41 Section 149(b) of the Internal Revenue Code of 1986, as amended, and (ii) that it will not make,
42 or (to the extent that it exercises control or direction) permit to be made, any use of the proceeds
43 of such Tax-Exempt Obligations or a portion of such proceeds that would cause such Tax-

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1 Exempt Obligations or a portion of such Tax-Exempt Obligations to be “private activity bonds”
2 within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended.

3
4 The Mayor may make such covenants or agreements in connection with the issuance of
5 such Tax-Exempt Obligations as he or she shall deem advisable in order to assure the registered
6 owners of such Tax-Exempt Obligations that interest thereon shall be and remain excludable
7 from gross income for federal income tax purposes and such covenants or agreements shall be
8 binding on the City so long as the observance by the City of any such covenants or agreements
9 is necessary in connection with the maintenance of the exclusion of the interest on such Tax-
10 Exempt Obligations from gross income for federal income tax purposes. The foregoing
11 covenants or agreements may include such covenants or agreements on behalf of the City
12 regarding compliance with the provisions of the Internal Revenue Code of 1986, as amended,
13 as the Mayor shall deem advisable in order to assure the registered owners of such Tax-Exempt
14 Obligations that the interest thereon is and shall remain excludable from gross income for
15 federal income tax purposes, including (without limitation) covenants or agreements relating to
16 the investment of Tax-Exempt Proceeds, the payment of certain earnings resulting from such
17 investment to the United States, limitations on the times within which, and the purposes for
18 which, Tax-Exempt Proceeds may be expended, or the use of specified procedures for
19 accounting for and segregating Tax-Exempt Proceeds.

20
21 Any covenant or agreement made by the Mayor pursuant to this section may be set forth
22 in or authorized by the Tax and Section 148 Certificate or an order executed by the Mayor.

23
24 SECTION 16. Bonds issued under this Ordinance are specifically exempted from the
25 provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated
26 Code of Maryland.

27
28 SECTION 17. Bonds authorized under this Ordinance may be combined for purposes of
29 sale with bonds of the City authorized under other prior or future ordinances of the City.

30
31 SECTION 18. The City is also hereby authorized, pursuant to the Bond Anticipation Note
32 Act and Article VII, Section 11 of the Charter, to issue and sell one or more series of its general
33 obligation bond anticipation notes (the “Notes”). The maximum aggregate principal amount of
34 Notes outstanding hereunder shall not exceed the maximum aggregate principal amount of the
35 Bonds authorized and unissued under this Ordinance. The proceeds of the Notes shall be applied
36 to finance or refinance the Projects, and to pay costs of issuance of the Notes, not more than 12
37 months’ interest on the Notes and other related costs in anticipation of the issuance of the Bonds
38 authorized to be issued and sold under this Ordinance, subject to the provisions of this
39 Ordinance.

40
41 SECTION 19. Except as otherwise expressly provided in this Ordinance, the Notes shall
42 be issued in the same manner as the Bonds issued pursuant to this Ordinance and shall have the
43 terms and provisions determined in an executive order of the Mayor, and the Mayor is hereby
44 authorized to make the determinations with respect to any Notes as if such Notes were Bonds.

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1
2 All Notes authorized hereby shall mature on or before that date which is 30 years after
3 the date of the first Note issued pursuant to this Ordinance.
4

5 The Mayor is hereby authorized to determine the form of any Notes issued hereunder.
6 The execution and delivery of the Notes as herein provided shall be conclusive evidence of the
7 approval of the form of such Notes on behalf of the City.
8

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

17 If the Mayor shall determine in accordance with this Section to sell any Notes at a public
18 sale through the solicitation of competitive bids, then the Mayor may sell such Notes in
19 accordance with such procedures as shall be determined by the Mayor.
20

21 SECTION 21. Notes issued under this Ordinance are specifically exempted from the
22 provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated
23 Code of Maryland.
24

25 SECTION 22. The City hereby covenants and agrees with the holders of the Notes issued
26 under this Ordinance to issue the Bonds in anticipation of the sale of which such Notes are issued
27 when, and as soon as, the reason for deferring the issuance thereof no longer exists, and to pay
28 the principal of and interest on such Notes from the first proceeds of such Bonds. This covenant
29 shall be binding upon the City notwithstanding any limitation set forth in this Ordinance. If the
30 City shall not, for any reason, issue and sell such Bonds as aforesaid, or if the proceeds from the
31 sale of such Bonds shall be insufficient to pay the principal of and interest on any Notes, then
32 the tax or other revenue which the City Council shall have previously determined to apply to the
33 payment of such Bonds and the interest thereon shall be applied to the payment of the interest
34 on and principal of such Notes. The foregoing provisions shall not be construed so as to prohibit
35 the City from paying the principal or redemption price of and interest on any Note issued
36 hereunder from the proceeds of the sale of any other Note issued hereunder or from any other
37 funds legally available for that purpose.
38

39 If the City shall not, for any reason, issue and sell any Bonds in anticipation of which any
40 Notes are issued, or if the proceeds from the sale of such Bonds shall be insufficient to pay the
41 principal of or interest on such Notes, then the City shall include in the levy in each and every
42 fiscal year that any of such Notes are outstanding ad valorem taxes upon all property within the
43 corporate limits of the City subject to assessment for full City taxes, in rate and amount sufficient
44 in each such year to fund such appropriations and to provide for the payment when due of the

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Underlining & black indicate copyediting or reformatting of existing law
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1 principal of and interest on all Notes maturing in each such fiscal year. In the event the proceeds
2 from the taxes so levied in each such fiscal year shall prove inadequate for the above purposes,
3 additional taxes shall be levied in the subsequent fiscal year to make up any deficiency.
4

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

13 To the extent permitted by law, interest on the Notes hereby authorized may be capitalized
14 and paid from the proceeds of the sale of such Notes or from the proceeds of the sale of the
15 Bonds in anticipation of the sale of which such Notes are issued.
16

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

26 SECTION 24. This Ordinance shall take effect from the date of its approval by the
27 Mayor, on or following the date of its final adoption and, thereafter, within not more than three
28 calendar days of such approval, notice of the adoption of this Ordinance shall be duly given by
29 publication of the title hereof at least once in “The Capital,” or another newspaper published
30 and of general circulation in the City.
31
32
33

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