

INTRODUCED _____
PUBLIC HEARING _____
COUNCIL ACTION _____
EXECUTIVE ACTION _____
EFFECTIVE DATE _____

**County Council Of
Howard County, Maryland**

2015 Legislative Session

Legislative Day No. 1

Bill No. 1 -2015

Introduced by: The Chairperson at the request of the County Executive

AN ORDINANCE authorizing the issuance, sale and delivery of up to \$100,000,000 consolidated public improvement bonds and up to \$50,000,000 metropolitan district bonds, pursuant to various bond enabling laws; providing that such bonds shall be general obligations of the County; authorizing the County Executive to specify, prescribe, determine, provide for or approve the final principal amounts, maturity schedules, interest rates and redemption provisions for such bonds, and other matters, details, forms, documents or procedures and to determine the method of sale of such bonds; providing for the disbursement of the proceeds of such bonds and for the levying of taxes to pay debt service on such bonds; and providing for and determining various matters in connection therewith.

Introduced and read first time _____, 2015. Ordered posted and hearing scheduled.

By order _____
Jessica Feldmark, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2015 and concluded on _____, 2015.

By order _____
Jessica Feldmark, Administrator

This Bill was read the third time on _____, 2015 and Passed, Passed with amendments, _____ Failed _____.

By order _____
Jessica Feldmark, Administrator

Approved by the County Executive _____, 2015

Allan H. Kittleman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike out indicates material deleted by amendment; Underlining indicates material added by amendment.

1 **Recitals**

2 Howard County, Maryland (the “County”) is authorized pursuant to Council Bills
3 No. 25-2014, 27-2014, 28-2014, 29-2014, 30-2014, and 31-2014, each enacted on May
4 21, 2014 by the County Council of the County (the “County Council”) and effective on
5 July 29, 2014 (collectively, the “Consolidated Public Improvement Bond Enabling
6 Laws”) (a) to borrow on its full faith and credit and issue and sell its bonds, at one time or
7 from time to time, for the purposes and in the amounts set forth in the Consolidated
8 Public Improvement Bond Enabling Laws; (b) to enact an ordinance in accordance with
9 Article VI of the Charter of the County (the “Charter”) and other applicable provisions of
10 law providing for the issuance and sale of such bonds; and (c) to levy annually ad
11 valorem taxes upon the assessable property within the geographic boundaries of the
12 County sufficient, together with funds available from other sources, to provide for the
13 payment of the principal of and interest on such bonds until all such bonds shall be
14 redeemed or paid.

15 The County is authorized pursuant to Council Bill No. 26-2014 enacted by the
16 County Council on May 21, 2014 and effective on July 29, 2014 (the “Metropolitan
17 District Bond Enabling Law” and, collectively with the Consolidated Public
18 Improvement Bond Enabling Laws, the “Bond Enabling Laws”) (a) to borrow on its full
19 faith and credit and issue and sell its bonds, at one time or from time to time, for the
20 purposes and in the amounts set forth in the Metropolitan District Bond Enabling Law;
21 (b) to enact an ordinance in accordance with Article VI of the Charter and other
22 applicable provisions of law providing for the issuance and sale of such bonds; and (c) to
23 levy annually ad valorem taxes upon the assessable property within the County sufficient,

1 together with benefit assessments, ad valorem taxes levied upon assessable property in
2 the Metropolitan District of the County and other available funds, to provide for the
3 payment of the principal of and interest on such bonds until all of such bonds shall be
4 paid or redeemed.

5 The County is also authorized pursuant to Title 19 of the Local Government
6 Article of the Annotated Code of Maryland (2013 Replacement Volume) (the “Bond
7 Anticipation Note Act”) and Council Bill No. 3-2014 enacted by the County Council on
8 March 5, 2014 and effective on March 7, 2014 (“Note Ordinance”), to issue and sell its
9 bond anticipation notes in the maximum aggregate principal amount of \$150,000,000 (the
10 “Notes”), which maximum aggregate principal amount is not greater than the amount of
11 bonds which the County is authorized to issue. The principal of and interest on such
12 Notes are payable from the first proceeds of sale of such bonds or from tax or other
13 revenue that the County has pledged to the payment of such Notes and the interest
14 thereon. As of the date of introduction of this Ordinance, the actual principal amount of
15 the Notes outstanding is \$105,900,000.

16
17 The outstanding Notes were issued in anticipation of the issuance of the County’s
18 consolidated public improvement bonds and metropolitan district bonds, and the County
19 authorized the issuance of such bonds in one or more series pursuant to Council Bill No.
20 34-2006 enacted by the County Council and effective on June 7, 2006, as amended and
21 supplemented from time to time (as so amended and supplemented and together with this
22 Ordinance, the “Master Bond Ordinance”). The Master Bond Ordinance provides that
23 prior to the issuance of any series of such bonds, the County Council shall enact an

1 ordinance supplemental thereto to specify and provide for various matters in connection
2 with the issuance and sale of such bonds, as provided in the Master Bond Ordinance.

3 Section 19-101 of the Local Government Article of the Annotated Code of
4 Maryland (2013 Replacement Volume) and the Consolidated Public Improvement Bond
5 Enabling Laws provide that the County Council may provide that bonds authorized to be
6 issued by separate acts of enabling legislation shall be consolidated for sale and issued,
7 sold and delivered as a single issue of bonds.

8 The County Council has determined that it is in the best interest of the County to
9 consolidate bonds issued, sold and delivered pursuant to the Consolidated Public
10 Improvement Bond Enabling Laws (the “Consolidated Public Improvement Bonds”)
11 from time to time.

12 Pursuant the Metropolitan District Bond Enabling Law, bonds authorized
13 thereunder may be consolidated for sale and issued, sold and delivered as a single issue of
14 bonds.

15 The County Council has determined that it is in the best interest of the County to
16 consolidate bonds issued, sold and delivered pursuant to the Metropolitan District Bond
17 Enabling Law (the “Metropolitan District Bonds”) from time to time.

18 **Now, therefore, be it enacted by the County Council of Howard County,**
19 **Maryland:**

20 **Section 1.** All terms used herein which are defined in the Recitals hereof shall
21 have the meanings given such terms therein.

22 **Section 2.** It is hereby found, determined and declared as follows:

1 (1) It is in the best interest of the County to issue Consolidated Public
2 Improvement Bonds pursuant to and in accordance with the Consolidated Public
3 Improvement Bond Enabling Laws and the Master Bond Ordinance in the aggregate
4 principal amount of \$100,000,000, or such lesser principal amount as may be specified in
5 an Executive Order in accordance with Section 14 hereof, for the purpose of (a) paying
6 the principal amount of Notes (the “Refunded Notes”) and expenses required to be paid
7 pursuant to a line of credit secured by such Notes (together with the Refunded Notes, the
8 “Refunded Obligations”), the proceeds of which have been or will be used, after payment
9 of certain costs, fees and expenses incurred in the issuance thereof, to pay or refinance a
10 portion of the costs of capital projects authorized by the Consolidated Public
11 Improvement Bond Enabling Laws, as specified in Appendix A hereto (the “Public
12 Improvement Capital Projects”), (b) defraying a portion of the costs of Public
13 Improvement Capital Projects not funded with proceeds of Notes (the “Other Public
14 Improvement Capital Projects”), and (c) paying the costs, fees and expenses incurred in
15 the issuance and sale of the Consolidated Public Improvement Bonds, in each case to the
16 extent that such costs are not payable from other sources, as specified in an Executive
17 Order in accordance with Section 14 hereof.

18 (2) It is in the best interest of the County to issue the Metropolitan District
19 Bonds pursuant to and in accordance with the Metropolitan District Bond Enabling Law
20 in the aggregate principal amount of \$50,000,000, or such lesser principal amount as may
21 be specified in an Executive Order in accordance with Section 14 hereof, for the purpose
22 of (a) paying the Refunded Obligations, the proceeds of which have been or will be used,
23 after the payment of certain costs, fees and expenses incurred in the issuance thereof, to

1 pay or refinance a portion of the costs of capital projects authorized by the Metropolitan
2 District Bond Enabling Law, as specified in Appendix A (the “Metropolitan District
3 Capital Projects”) (b) defraying a portion of the costs of Metropolitan District Capital
4 Projects not funded with the proceeds of Notes (the “Other Metropolitan District Capital
5 Projects”), and (c) paying the costs, fees and expenses incurred in the issuance and sale of
6 the Metropolitan District Bonds, in each case to the extent such costs are not payable
7 from other sources, as specified in an Executive Order in accordance with Section 14
8 hereof.

9 (3) The outstanding general obligation indebtedness of the County on June 30,
10 2014 (exclusive of indebtedness issued or guaranteed by the County that is payable
11 primarily or exclusively from taxes levied in or on, or other revenues of, special taxing
12 areas or districts heretofore established by law and indebtedness issued for self-
13 liquidating and other projects payable primarily or exclusively from the proceeds of the
14 assessments or charges for special benefits or services), plus the \$100,000,000 aggregate
15 principal amount of Consolidated Public Improvement Bonds authorized hereby, less the
16 aggregate principal amount of Refunded Obligations to be refunded with the proceeds of
17 the Consolidated Public Improvement Bonds, is equal to \$1,011,110,000. The full cash
18 value assessable base of the County on June 30, 2014 was \$44,552,141,271. As of the
19 date of enactment of this Ordinance, the issuance of the aggregate principal amount of
20 Consolidated Public Improvement Bonds authorized by this Ordinance is within every
21 debt and other limitation prescribed by the Constitution and Laws of the State of
22 Maryland and the Charter.

1 (4) Current market conditions are volatile and an inflexible approach to
2 borrowing by the County threatens its ability to initiate necessary capital projects and will
3 diminish the resources available to provide for the needs of the citizens of the County in
4 the future, and the interests of the County are best served by providing the County with
5 reasonable flexibility in accessing the capital markets. Accordingly, any sale of
6 Consolidated Public Improvement Bonds and Metropolitan District Bonds (collectively,
7 “Bonds”) pursuant to this Ordinance by private negotiation will provide significant
8 benefits to the County which would not be achieved if such Bonds were sold at public
9 sale and is in the County’s best interest.

10 (5) The probable remaining average useful life of (a) the Public Improvement
11 Capital Projects financed and refinanced with proceeds of the Refunded Obligations and
12 to be refinanced with the proceeds of the Consolidated Public Improvement Bonds, and
13 (b) the Other Public Improvement Capital Projects (if any) is more than 25 years, and all
14 of the Consolidated Public Improvement Bonds shall be payable within such probable
15 average useful life.

16 (6) The probable remaining average useful life of the projects to be financed
17 with the proceeds of the Metropolitan District Bonds is more than 35 years, and all of the
18 Metropolitan District Bonds shall be payable within 30 years of the date of their issuance.

19 **Section 3.** The Bond Enabling Laws authorize the County to borrow money
20 to pay the costs of certain capital projects specified in the County’s 2014 Capital Budget
21 and in Appendix A attached hereto.

22 **Section 4.** (a) Pursuant to the authority contained in the Consolidated Public
23 Improvement Bond Enabling Laws, and in accordance with the Master Bond Ordinance,

1 the County shall borrow money upon the full faith and credit of the County and shall
2 issue and sell Consolidated Public Improvement Bonds upon the full faith and credit of
3 the County from time to time in the aggregate principal amount of \$100,000,000, or such
4 lesser principal amount as may be specified in an Executive Order in accordance with
5 Section 14 hereof.

6 (b) The Consolidated Public Improvement Bonds shall be dated the date of
7 their delivery.

8 (c) The Consolidated Public Improvement Bonds may be issued in one or a
9 combination of serial bonds, installment bonds, or term bonds as may be specified in an
10 Executive Order in accordance with Section 14 hereof.

11 (d) The maturity dates of the Consolidated Public Improvement Bonds shall
12 be such dates as shall be specified in an Executive Order in accordance with Section 14
13 hereof, provided that the date of the last maturity of the Consolidated Public
14 Improvement Bonds shall not be later than 30 years after the date of delivery of the
15 Consolidated Public Improvement Bonds.

16 **Section 5.** (a) The proceeds of the Consolidated Public Improvement
17 Bonds shall be paid to the Director of Finance of the County (the "Director of Finance")
18 and shall be set apart in an account or accounts and applied as follows:

19 (i) All or a portion of the proceeds of the Consolidated Public
20 Improvement Bonds, as specified in an Executive Order, shall be applied first to the
21 payment of all or a portion of the principal of the Refunded Obligations. The actual cost
22 of each Public Improvement Capital Project which has been or will be financed or

1 refinanced from the proceeds of the sale of the Notes through June 30, 2014, is set forth
2 in Appendix A hereto in the column captioned “Bond Anticipation Note Funded”.

3 (ii) The remaining proceeds of the Consolidated Public Improvement
4 Bonds, if any, shall be applied (A) to the payment of costs, fees and expenses incurred in
5 the issuance and sale of the Consolidated Public Improvement Bonds, to the extent such
6 costs, fees and expenses are not paid from other sources, and (B) to defray a portion of
7 the costs of Other Public Improvement Capital Projects. The actual costs of the Other
8 Public Improvement Capital Projects to be defrayed from the proceeds of the
9 Consolidated Public Improvement Bonds, if any, shall be determined by the Director of
10 Finance, provided that the amount so applied shall not exceed the difference between the
11 amount set forth in Appendix A in the column captioned “Unsold Bonds” for the Other
12 Public Improvement Capital Projects and the amount of proceeds of the Notes applied to
13 finance the costs of the Other Public Improvement Capital Projects.

14 Notwithstanding the foregoing, the Director of Finance is hereby authorized to
15 reallocate the proceeds of the Consolidated Public Improvement Bonds to the payment of
16 any other costs of Other Public Improvement Capital Projects which could have been
17 financed with the proceeds of Notes or Consolidated Public Improvement Bonds in
18 accordance with the Bond Enabling Laws and this Ordinance, respectively, in the event
19 that it is determined after the enactment of this Ordinance and the initial application of
20 the proceeds of the Consolidated Public Improvement Bonds that any of the amounts
21 financed with proceeds of Notes or Consolidated Public Improvement Bonds should not
22 have been funded with proceeds thereof, whether as a result of the receipt of a grant for
23 such purpose or for any other reason. Any such reallocation shall be made to any one or

1 more of the Other Public Improvement Capital Projects in such manner and in such
2 amounts as the Director of Finance shall determine in his discretion.

3 The provisions of this Section shall be subject in all respects to Section 16 hereof.

4 (b) The costs of each Public Improvement Capital Project and Other Public
5 Improvement Capital Project (if any) shall include, without limitation, the cost of
6 planning, design, construction, reconstruction, furnishing, equipping, improvements,
7 renovations, remodeling, enlargements, engineering services, architects' services,
8 surveys, landscaping, site development, evaluation studies, land acquisition and related
9 items, appurtenances and incidental activities. The estimated cost of such Public
10 Improvement Capital Projects and Other Public Improvement Capital Projects and the
11 other sources of funds for such Public Improvement Capital Projects and Other Public
12 Improvement Capital Projects are set forth in Appendix A. Such other sources of funds
13 shall include, without limitation, the amount shown in the column captioned "Unsold
14 Bonds" for each such Public Improvement Capital Project and such Other Public
15 Improvement Capital Project (if any) as listed in Appendix A, which amounts shall be
16 paid from prior or subsequent bond or bond anticipation note issues of the County, from
17 such other sources as the County may hereafter determine and, for the Other Public
18 Improvement Capital Projects, from the proceeds of the Consolidated Public
19 Improvement Bonds.

20 (c) Any remaining proceeds shall be used to pay the interest on or the
21 principal of the Consolidated Public Improvement Bonds, as the Director of Finance shall
22 determine in his sole discretion.

1 **Section 6.** For the purpose of paying the principal of and interest on the
2 Consolidated Public Improvement Bonds when due and payable, there is hereby levied
3 and there shall hereafter be levied in each fiscal year that any of the Consolidated Public
4 Improvement Bonds are outstanding, ad valorem taxes on real and tangible personal
5 property and intangible property subject to taxation by the County without limitation of
6 rate or amount and, in addition, upon such other tangible property as may be subject to
7 taxation by the County within limitations prescribed by law, in an amount sufficient,
8 together with funds available from other sources (including, without limitation, building
9 excise taxes, school facilities surcharges and revenues from Howard Community College
10 fees to the extent provided in the Consolidated Public Improvement Bond Enabling
11 Laws), to pay such principal and interest and the full faith and credit and the unlimited
12 taxing power of the County are hereby irrevocably pledged to the punctual payment of
13 the principal of and interest on the Consolidated Public Improvement Bonds as and when
14 the same respectively become due.

15 **Section 7.** No Notes shall be issued to pay the principal of any Refunded
16 Obligations on or after the date of delivery of Consolidated Public Improvement Bonds
17 issued to provide for such payment.

18 **Section 8.** (a) Pursuant to the authority contained in the Metropolitan
19 District Bond Enabling Law, the County shall borrow money upon the full faith and
20 credit of the County and shall issue and sell upon the full faith and credit of the County
21 Metropolitan District Bonds from time to time in the aggregate principal amount of
22 \$50,000,000, or such lesser principal amount as may be specified in an Executive Order
23 in accordance with Section 14 hereof.

1 (b) The Metropolitan District Bonds shall be dated as of the date of their
2 delivery.

3 (c) The Metropolitan District Bonds may be issued in one or a combination of
4 serial bonds, installment bonds, or term bonds as may be specified in an Executive Order
5 in accordance with Section 14 hereof.

6 (d) The maturity dates of the Metropolitan District Bonds shall be such dates
7 as shall be specified in an Executive Order in accordance with Section 14 hereof,
8 provided that the date of the last maturity of the Metropolitan District Bonds shall not be
9 later than 30 years after the date of delivery of the Metropolitan District Bonds.

10 **Section 9.** (a) The proceeds of the Metropolitan District Bonds shall be
11 paid to the Director of Finance and shall be set apart in an account or accounts and
12 applied as follows:

13 (i) All or a portion of the proceeds of the Metropolitan District Bonds,
14 as specified in an Executive Order, shall be applied first to the payment of all or a portion
15 of the principal of the Refunded Obligations. The actual cost of each Metropolitan
16 District Capital Project which has been or will be financed or refinanced from the
17 proceeds of the sale of Notes, if any is set forth in Appendix A hereto in the column
18 captioned "Bond Anticipation Note Funded."

19 (ii) The remaining proceeds of the Metropolitan District Bonds, if any,
20 shall be applied (A) to the payment of costs, fees and expenses incurred in the issuance
21 and sale of the Metropolitan District Bonds, to the extent such costs, fees and expenses
22 are not paid from other sources, and (B) to defray a portion of the costs of Other
23 Metropolitan District Capital Projects. The actual costs of the Other Metropolitan

1 District Capital Projects to be defrayed from the proceeds of the Metropolitan District
2 Bonds, if any, shall be determined by the Director of Finance, provided that the amount
3 so applied shall not exceed the difference between the amount set forth in Appendix A in
4 the column captioned "Unsold Bonds" for the Metropolitan District Capital Projects and
5 the amount of proceeds of the Notes applied to finance the costs of the Other
6 Metropolitan District Capital Projects.

7 No proceeds of the Metropolitan District Bonds will be applied in any way which
8 would violate the covenants contained in Section 16 hereof.

9 Notwithstanding the foregoing, the Director of Finance is hereby authorized to
10 reallocate the proceeds of the Metropolitan District Bonds to the payment of any other
11 costs of Other Metropolitan District Capital Projects which could have been financed
12 with the proceeds of Metropolitan District Bonds in accordance with this Ordinance in
13 the event that it is determined after the enactment of this Ordinance and the initial
14 application of the proceeds of the Metropolitan District Bonds that any of the amounts
15 financed with proceeds of Metropolitan District Bonds should not have been funded with
16 proceeds thereof, whether as a result of the receipt of a grant for such purpose or for any
17 other reason. Any such reallocation shall be made to any one or more of Other
18 Metropolitan District Capital Projects in such manner and in such amounts as the
19 Director of Finance shall determine in his discretion.

20 (b) The costs of each Metropolitan District Capital Project and Other
21 Metropolitan District Capital Project shall include, without limitation, the cost of
22 planning, design, construction, reconstruction, furnishing, equipping, improvements,
23 renovations, remodeling, enlargements, engineering services, architects' services,

1 surveys, landscaping, site development, evaluation studies, land acquisition and related
2 items, appurtenances and incidental activities. The estimated cost of the Metropolitan
3 District Capital Projects and Other Metropolitan District Capital Projects and the other
4 sources of funds for such capital projects are set forth in Appendix A. Such other sources
5 of funds shall include, without limitation, the amount shown in the column captioned
6 “Unsold Bonds” for each such Metropolitan District Capital Project and such Other
7 Metropolitan District Capital Project (if any) as listed in Appendix A, which amounts
8 shall be paid from prior or subsequent bond or bond anticipation note issues of the
9 County, from such other sources as the County may hereafter determine and, for the
10 Other Metropolitan District Capital Projects, from the proceeds of the Metropolitan
11 District Bonds.

12 (c) Any remaining proceeds shall be used to pay interest on or the principal of
13 the Metropolitan District Bonds, as the Director of Finance shall determine in his sole
14 discretion.

15 **Section 10.** For the purpose of paying the principal of and interest on the
16 Metropolitan District Bonds when due and payable, there is hereby levied and there shall
17 hereafter be levied in each fiscal year that any of the Metropolitan District Bonds are
18 outstanding, ad valorem taxes on real and tangible personal property and intangible
19 property subject to taxation by the County without limitation of rate or amount and, in
20 addition, upon such other tangible property as may be subject to taxation by the County
21 within limitations prescribed by law, in an amount sufficient, together with benefit
22 assessments, ad valorem taxes upon assessable property in the Metropolitan District of
23 the County and other available funds, to pay such principal and interest and the full faith

1 and credit and the unlimited taxing power of the County are hereby irrevocably pledged
2 to the punctual payment of the principal of and interest on the Metropolitan District
3 Bonds as and when the same respectively become due.

4 **Section 11.** Except as otherwise provided in an Executive Order, the Bonds
5 shall be signed by the County Executive and by the Director of Finance by manual or
6 facsimile signature, and the Bonds shall bear the corporate seal of the County, or a
7 facsimile thereof, attested by the manual or facsimile signature of the Chief
8 Administrative Officer of the County (the “Chief Administrative Officer”). In the event
9 that any officer whose signature shall appear on the Bonds shall cease to be such officer
10 before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient
11 for all purposes, the same as if such officer had remained in office until delivery.

12 **Section 12.** Except as otherwise provided in this Ordinance or in an Executive
13 Order, the Director of Finance is hereby designated and appointed as bond registrar and
14 paying agent for the Bonds and shall maintain books of the County for the registration
15 and transfer of the Bonds. The Director of Finance, either prior to or following the
16 issuance of the Bonds, may designate and appoint the Department of Finance of the
17 County, any officer or employee of the County or one or more banks, trust companies,
18 corporations or other financial institutions, or disclosure firm to act as bond registrar,
19 paying agent, authenticating agent, or disclosure agent.

20 **Section 13.** The Bonds hereby authorized may be sold for a price at, above or
21 below par, plus accrued interest to the date of delivery. Authority is hereby conferred on
22 the County Executive to sell the Bonds through a public sale or through a private
23 (negotiated) sale, without solicitation of competitive bids, as the County Executive of the

1 County (the “County Executive”), upon consultation with the Director of Finance and the
2 County’s financial advisor, shall determine to be in the best interests of the County.

3 If the County Executive shall determine in accordance with this Section to sell
4 any Bonds at a public sale through the solicitation of competitive bids, then the County
5 Executive may sell such Bonds in accordance with such procedures as shall be
6 determined by the County Executive.

7 Bonds issued under this Ordinance are hereby specifically exempted from the
8 provisions of Sections 19-205 and 19-206 of the Local Government Article of the
9 Annotated Code of Maryland (2013 Replacement Volume).

10 The County Executive is hereby authorized and empowered for and on behalf of
11 the County (a) to cause the preparation, printing, execution and delivery of a preliminary
12 and final official statement or other offering document with respect to any Bonds issued
13 from time to time hereunder, and (b) to do all such things as may be necessary or
14 desirable in the opinion of the County Executive in connection therewith.

15 **Section 14.** Notwithstanding any provisions of the Bond Enabling Laws to the
16 contrary, subject to and in accordance with the provisions of this Ordinance, the County
17 Executive shall determine by Executive Order, for each and every Bond or series of
18 Bonds issued pursuant to and in accordance with this Ordinance, all matters relating to
19 the sale, issuance, delivery and payment of the Bonds, including (without limitation) the
20 purposes for which such Bonds are issued, the date or dates of sale of the Bonds, the
21 designation of the Bonds, the date of delivery of the Bonds, the authorized denominations
22 for the Bonds, the redemption provisions, if any, pertaining to the Bonds, the manner of
23 authentication and numbering of the Bonds, the date from which interest on the Bonds

1 shall accrue, the rate or rates of interest borne by the Bonds or the method of determining
2 the same, the interest payment and maturity dates of the Bonds, including provisions for
3 mandatory sinking fund redemption of any term bonds, the forms of the Bonds, whether
4 the Bonds are to be issued in book-entry form and all matters incident to the issuance of
5 Bonds in book-entry form and the provisions for the registration of Bonds. The
6 execution and delivery of Bonds as herein provided shall be conclusive evidence of the
7 approval of all terms and provisions of such Bonds on behalf of the County.

8 **Section 15.** In connection with the issuance of any Bonds pursuant to this
9 Ordinance, the County is hereby authorized to enter into one or more agreements as the
10 County Executive shall deem necessary or appropriate for the issuance, sale, delivery or
11 security of such Bonds, which may include (without limitation) (i) underwriting,
12 purchase or placement agreements for Bonds sold at private (negotiated) sale in
13 accordance with the provisions of this Ordinance; (ii) trust agreements with commercial
14 banks or trust companies providing for the issuance and security of such Bonds; (iii) any
15 dealer, remarketing or similar agreements providing for the placement or remarketing of
16 such Bonds; (iv) agreements providing for any credit or liquidity facilities supporting any
17 Bonds; (v) agreements with commercial banks or trust companies providing for the
18 deposit of proceeds of any Bonds; (vi) agreements with fiscal agents providing for the
19 issuance of Bonds, their authentication, registration or payment or other similar services;
20 (vii) continuing disclosure agreements, including any such agreements required to enable
21 the underwriters of any Bonds to meet the requirements of paragraph (b)(5) of Rule 15c2-
22 12 promulgated by the United States Securities and Exchange Commission (the “SEC”),
23 and (viii) agreements with a data collection and disclosure to enable the County to

1 research and post accurate disclosures related to any Bonds in accordance with the rules
2 and regulations approved by the SEC. Each such agreement shall be in such form as
3 shall be determined by the County Executive by Executive Order. The execution and
4 delivery of each such agreement by the County Executive shall be conclusive evidence of
5 the approval of the form of such agreement on behalf of the County.

6 **Section 16.** The County hereby covenants with each of the holders of any
7 Bonds, the interest on which is expected to be excludable from federal income taxation
8 (such Bonds being referred to herein collectively as “Tax-Exempt Obligations”), that it
9 will not use, or suffer or permit to be used, the proceeds received from sale of such Tax-
10 Exempt Obligations, or any moneys on deposit to the credit of any account of the County
11 which may be deemed to be proceeds of such Tax-Exempt Obligations, pursuant to
12 Section 148 (“Section 148”) of the Internal Revenue Code of 1986, as amended (the
13 “Code”), and applicable regulations thereunder, which use would cause such Tax-Exempt
14 Obligations to be “arbitrage bonds” within the meaning of Section 148 and the
15 regulations thereunder. The County further covenants that it will comply with Section
16 148 and the regulations thereunder which are applicable to Tax-Exempt Obligations on
17 the date of issuance of such Tax-Exempt Obligations and which may subsequently
18 lawfully be made applicable to such Tax-Exempt Obligations. The County Executive,
19 the County Administrative Officer and the Director of Finance shall be officers of the
20 County responsible for issuing any Tax-Exempt Obligations. The County Executive or
21 the Director of Finance is hereby authorized and directed to prepare or cause to be
22 prepared and to execute, any certification, opinion or other document which may be

1 required to assure that such Tax-Exempt Obligations will not be deemed to be “arbitrage
2 bonds” within the meaning of Section 148 and the regulations thereunder.

3 The County is hereby authorized to take any and all actions as may be necessary
4 or desirable to assure that interest on Tax-Exempt Bonds is and remains excludable from
5 gross income for federal income tax purposes.

6 The County is hereby authorized to take any and all actions as may be necessary
7 or desirable to assure that any Bonds authorized by this Ordinance are allowed a tax
8 credit, that the County is entitled to a subsidy from the United States of America or any
9 agency or instrumentality thereof with respect to such Bonds or the interest payable
10 thereon, or that any such Bond or the interest thereon is entitled to any other available
11 benefits under the Code (any such Bonds being referred to herein as “Tax Advantaged
12 Obligations”). Any such actions may be authorized by an order of the County Executive.

13 The County Executive is hereby authorized to make such covenants or
14 agreements in connection with the issuance of any Tax-Exempt Obligations or Tax
15 Advantaged Obligations as he shall deem advisable in order to assure (i) the holders of
16 any such Tax-Exempt Obligations that interest thereon shall be and remain exempt from
17 federal income taxation, (ii) the holders of any such Tax Advantaged Obligations that
18 such Tax Advantaged Obligations will be entitled to such benefits, and (iii) that the
19 County is entitled to any subsidy available for any such Tax Advantaged Obligations.
20 Such covenants or agreements shall be binding on the County so long as the observance
21 by the County of any such covenants or agreements is necessary in connection with the
22 maintenance of the exemption from federal income taxation of the interest on such Tax-
23 Exempt Obligations or the entitlement of such Tax Advantaged Obligations to such

1 benefits, respectively. The foregoing covenants and agreements may include (without
2 limitation) covenants or agreements on behalf of the County relating to the investment of
3 proceeds of such Tax-Exempt Obligations or Tax Advantaged Obligations, the rebate of
4 certain earnings resulting from such investment to the United States of America (or the
5 payment of penalties in lieu of such rebate), limitations on the times within which, and
6 the purposes for which, such proceeds may be expended or the utilization of specified
7 procedures for accounting for and segregating such proceeds. Any covenant or
8 agreement made by the County Executive pursuant to this paragraph in an order or
9 certificate executed by the County Executive shall be binding upon the County.

10 In furtherance of the foregoing, in order to qualify for and maintain the tax-
11 exempt status of any Tax-Exempt Obligations or the benefits inuring with respect to any
12 Tax Advantaged Obligation, the County Executive shall be authorized to make any
13 elections or designations permitted or required under the Code, to apply for an allocation
14 from the State of Maryland or the federal government in the case of Bonds or Notes
15 subject to any volume limitation and to apply for any tax credit, to take such actions as
16 shall be necessary to permit any tax credit to be stripped and sold separately from the
17 ownership interest in any Tax Advantaged Bond and to claim any cash subsidy with
18 respect to any Tax Advantaged Obligation. It is confirmed that the County Executive is
19 authorized to declare official intent to reimburse expenditures from proceeds of Tax
20 Advantaged Obligations.

21 For purposes of establishing compliance with Section 148 of the Code regarding
22 the expenditure of proceeds of Tax-Exempt Obligations or Tax Advantaged Obligations,
23 the source of Capital Projects Fund monies for capital expenditures may be specifically

1 attributed to funds deposited to the Capital Projects Fund as a reimbursement from the
2 proceeds of County debt issuances in accordance with a certificate executed by the
3 County Executive.

4 It is confirmed that bond premium, consisting of net bond proceeds from the sale
5 of bonds sold at a price above par, may be allocated for expenditure purposes permitted
6 under provisions of federal income tax law pertaining to excludability of interest on the
7 bonds from gross income or the tax status of Tax Advantaged Obligations, as applicable.

8 **Section 17.** In accordance with the provisions of Section 402(a) of the Charter,
9 the County Executive is hereby authorized to delegate to the Chief Administrative Officer
10 the power and authority to take any and all actions required or permitted to be taken by
11 the County Executive pursuant to this Ordinance.

12 **Section 18.** (a) This Ordinance shall be supplemental to the Master Bond
13 Ordinance and shall be a “Supplemental Ordinance” as defined therein; provided,
14 however, that to the extent that any of the terms and provisions of this Ordinance conflict
15 with the terms and provisions of the Master Bond Ordinance, the terms and provisions of
16 this Ordinance shall control.

17 (b) It is hereby found and determined that the modification and
18 supplementation of the Master Bond Ordinance, as provided herein, is in the best interest
19 of the County and is not adverse to the interests of the holders of the Notes.

20 (c) Except as hereby or heretofore supplemented, the Master Bond Ordinance
21 shall remain in full force and effect; and the Master Bond Ordinance, as so modified and
22 supplemented, is ratified and confirmed.

APPENDIX A