

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

**County Council Of
Howard County, Maryland**

2015 Legislative Session

Legislative Day No. 3

Bill No. 7-2015

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

AN ORDINANCE authorizing and providing for the issuance of Howard County, Maryland Consolidated Public Improvement Refunding Bonds and Howard County, Maryland Metropolitan District Refunding Bonds; providing that such bonds shall be general obligations of the County; providing for the disbursement of the proceeds of such bonds and the levying of taxes to pay debt service on such bonds; providing for the private (negotiated) sale of such bonds; providing for an escrow deposit agreement and a continuing disclosure agreement; 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, the final list of refunded bonds, and certain other matters, details, forms, documents or procedures; 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.

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

Sealed with the County Seal and presented to the County Executive for approval this ___ day of _____, 2015 at ___ a.m./p.m.

By order _____
Jessica Feldmark, Administrator

Approved/Vetoed 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

3 Howard County, Maryland (the “County”) previously issued its Consolidated Public
4 Improvement Bonds described in Exhibit A hereto (the “Outstanding Consolidated Bonds”) and
5 its Metropolitan District Bonds described in Exhibit B hereto (the “Outstanding Metropolitan
6 Bonds”), which exhibits are incorporated herein by reference and made a part hereof. The
7 original aggregate principal amount and the outstanding aggregate principal amount of each
8 series of the Outstanding Consolidated Bonds and each series of the Outstanding Metropolitan
9 Bonds are listed in Exhibits A and B hereto. The public purposes for which the proceeds of each
10 series of Outstanding Consolidated Bonds and each series of Outstanding Metropolitan Bonds
11 were authorized to be spent, the amounts (or maximum amounts) authorized to be spent for each
12 such public purpose, and the probable average useful life of the projects financed with the
13 proceeds of such series of bonds are specified in (or incorporated by reference into) the bond
14 issue.

15 Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as
16 amended (the "Refunding Act"), provides that a government entity, may issue bonds for the
17 purpose of refunding any of its bonds then outstanding, including the payment of any redemption
18 premium and any interest accrued or to accrue to the date of redemption, purchase or maturity of
19 the bonds or other obligations.

20 The County is authorized to borrow money and to evidence the borrowing by the
21 issuance of its general obligation bonds pursuant to Title 10, *et seq.* of the Local Government
22 Article of the Annotated Code of Maryland (2013 Replacement Volume and 2014 Supplement)
23 (“Title 10”), and Article VI of the Howard County, Maryland Charter (the “Charter”).

24 Refunding bonds may be issued under the authority of the Refunding Act for the public
25 purpose of:

- 26 (i) Realizing for the governmental entity savings in the total cost of debt
27 service on a direct comparison or present value basis; or

1 (ii) Debt restructuring restructuring that reduces the total cost of debt service;

2 or

3 (iii) Debt restructuring that the governmental entity determines:

4 (1) is in its best interest; or

5 (2) is consistent with its long-term financial plan; and

6 (3) realizes a financial objective of the governmental entity, including
7 improvement of the relationship of debt service to any source of payment such as taxes,
8 assessments, or other charges.

9 The Refunding Act further provides that (a) the power to issue refunding bonds under the
10 Act is additional to any other borrowing power, and (b) the procedures for the issuance of
11 refunding bonds shall be the same as those applicable to the bonds being refunded, except that
12 refunding bonds may be sold at a private sale, without solicitation of bids if the governmental
13 entity determines in a public meeting that such private sale is in the public interest. The
14 Refunding Act further provides in subsection (f) that, to determine whether bonds issued under
15 the Refunding Act are within any limit on debt that applies to the government entity: (i) the
16 amount of bonds that are being refunded shall be subtracted from its total outstanding debt; and
17 (ii) the amount of the bonds issued under the Refunding Act shall be added to the difference.

18 In addition, Section 616(b) of the Charter provides that:

19 “All bonds and other evidences of indebtedness shall be sold at public sale; provided,
20 however, that bonds or other evidences of indebtedness may be sold by private (negotiated) sale
21 if the Council shall find and determine in the bond issue authorization ordinance providing for
22 the sale of the bonds or other evidences of indebtedness that, for reasons specified in the bond
23 issue authorization ordinance, either:

1 (1) It is not practical to sell such bonds or other evidences of indebtedness at
2 public sale; or

3 (2) A private (negotiated) sale will provide significant benefits to the county
4 which would not be achieved if the bonds or other evidences of indebtedness were sold at public
5 sale.”

6 Current market conditions are volatile and an inflexible approach to borrowing by the
7 County threatens its ability to initiate necessary capital projects and will diminish the resources
8 available to provide for the needs of the citizens of the County in the future, and the interests of
9 the County are best served by providing the County with reasonable flexibility in accessing the
10 capital markets. Accordingly, any sale of bonds pursuant to this Ordinance by private
11 negotiation will provide significant benefits to the County which would not be achieved if such
12 bonds were sold at public sale and is in the County’s best interest. However, it is recommended
13 that the County Council of the County (the “County Council”) provide the County Executive of
14 the County (the “County Executive”) with the authority to determine the manner of sale of any
15 bonds issued hereunder in an Executive Order (the “Executive Order”).

16 Based on the advice and recommendations of the County's Financial Advisor and the
17 findings set forth herein, the County Council has determined that it is in the best interest of the
18 County to issue refunding bonds to refund all or a portion of the Outstanding Consolidated
19 Bonds (the “Consolidated Refunding Bonds”) and to issue refunding bonds to refund all or a
20 portion of the Outstanding Metropolitan Bonds (the “Metropolitan District Refunding Bonds”) and collectively with the Consolidated Refunding Bonds, the “Bonds”) pursuant to a private
21 (negotiated) sale or at public sale as shall be determined by the County Executive in the
22 Executive Order. The Consolidated Refunding Bonds shall be issued in the aggregate principal
23

1 amount as shall be determined by the County Executive in the Executive Order in an amount not
2 to exceed 125% of the Outstanding Consolidated Bonds, the proceeds of which are to be used for
3 the purpose of (1) refunding all or a portion of the Outstanding Consolidated Bonds set forth in
4 the table attached hereto as Exhibit A, as shall be determined by the County Executive in the
5 Executive Order (the “Refunded Consolidated Bonds”), (2) paying the redemption premium (if
6 any) and the interest accrued and to accrue to the applicable maturity or redemption dates of the
7 Refunded Consolidated Bonds, and (3) paying the costs of issuance of the Consolidated
8 Refunding Bonds, all to the extent such interest and costs are not payable from other sources, as
9 specified in the Executive Order.

10 The Metropolitan District Refunding Bonds shall be issued in the aggregate principal
11 amount as shall be determined by the County Executive in the Executive Order in an amount not
12 to exceed 125% of the Outstanding Metropolitan Bonds, the proceeds of which are to be used for
13 the purpose of (1) refunding all or a portion of the Outstanding Metropolitan Bonds as set forth
14 in the table attached hereto as Exhibit B, as shall be determined by the County Executive in the
15 Executive Order (the “Refunded Metropolitan District Bonds”), (2) paying the redemption
16 premium (if any) and the interest accrued and to accrue to the applicable maturity or redemption
17 dates of the Refunded Metropolitan District Bonds, and (3) paying the costs of issuance of the
18 Metropolitan District Refunding Bonds, all to the extent such interest and costs are not payable
19 from other sources, as specified in the Executive Order.

20 **Now, therefore, in accordance with the provisions of the Refunding Act, of Title 10,**
21 **Article VI of the Charter and other applicable provisions of law,**

1 **Section 1. Be it enacted by the County Council of Howard County, Maryland,** That
2 all terms used herein which are defined in the Recitals hereof and in Exhibits A and B hereto
3 shall have the meanings given such terms therein and are incorporated herein.

4 **Section 2. Be it further enacted by the County Council of Howard County,**
5 **Maryland,** That it is hereby found, determined and declared as follows:

6 (1) (a) The County has heretofore issued each series of the Outstanding
7 Consolidated Bonds in the original aggregate principal amounts listed in Exhibit A hereto. The
8 outstanding aggregate principal amount of each series of the Outstanding Consolidated Bonds is
9 also set forth in Exhibit A hereto.

10 (b) The County has heretofore issued each series of the Outstanding
11 Metropolitan Bonds in the original aggregate principal amounts listed in Exhibit B hereto. The
12 outstanding aggregate principal amount of each series of the Outstanding Metropolitan Bonds is
13 also set forth in Exhibit B hereto.

14 (2) Interest rates in the municipal bond market for certain corresponding
15 maturities of bonds are significantly lower than they were when certain of the Outstanding
16 Consolidated Bonds and Outstanding Metropolitan Bonds were issued; and the County's
17 Financial Advisor has advised the County that it may be able to realize significant savings in the
18 aggregate cost of debt service on certain portions of the Outstanding Consolidated Bonds and
19 Outstanding Metropolitan Bonds, in each case on both a direct comparison and a present value
20 basis, by issuing (a) its Consolidated Refunding Bonds for the purpose of refunding the
21 Refunded Consolidated Bonds, and (b) its Metropolitan District Refunding Bonds for the
22 purpose of refunding the Refunded Metropolitan District Bonds, all on the dates and in the
23 principal amounts or at the redemption prices specified in the Executive Order, and for each such

1 refunding bond issue, for the purpose of paying any redemption premium, any interest accrued
2 and to accrue to the applicable maturity or redemption dates of the Refunded Consolidated
3 Bonds and the Refunded Metropolitan District Bonds (collectively, the “Refunded Bonds”) and
4 the costs of issuing each series of such Bonds, to the extent such interest and costs are not paid
5 from other sources. The County understands that the final determination of whether it will realize
6 savings in the aggregate cost of debt service for each series (and each maturity of such series) of
7 the Outstanding Consolidated Bonds and Outstanding Metropolitan Bonds (or certain portions
8 thereof) will depend on the actual interest rates available at the time the Bonds of each issue are
9 sold and the other terms and conditions of the sale. Accordingly, the description and details of
10 the Refunded Consolidated Bonds and Refunded Metropolitan District Bonds will be determined
11 by the County Executive in the Executive Order. Any series of Outstanding Consolidated Bonds
12 and Outstanding Metropolitan Bonds (or any maturity of any such series or any portion of any
13 such maturity) not included (in whole or in part) in the Executive Order as Refunded Bonds will
14 not be refunded and will continue to remain outstanding in accordance with its terms.

15 (3) The County's Financial Advisor has recommended, as current market
16 conditions may deem necessary, that the County have the flexibility to sell the Bonds by public
17 sale or private (negotiated) sale.

18 (4) It is therefore in the best interest of the County to issue the Consolidated
19 Refunding Bonds pursuant to and in accordance with the Charter, Title 10 and the Refunding
20 Act, in the aggregate principal amount not to exceed 125% of the total aggregate principal
21 amount of Outstanding Consolidated Bonds, or such lesser principal amount as the County
22 Executive may specify in the Executive Order, for the purpose of (a) paying at maturity or
23 redeeming the Refunded Consolidated Bonds on the dates and in the principal amounts or at the

1 redemption prices specified in the Executive Order, (b) paying any redemption premium and any
2 interest accrued and to accrue to the applicable maturity or redemption dates of such Refunded
3 Consolidated Bonds, and (c) paying the costs of issuing the Consolidated Refunding Bonds, all
4 to the extent such interest and costs are not payable from other sources, as specified in the
5 Executive Order.

6 (5) It is also therefore in the best interest of the County to issue the Metropolitan
7 District Refunding Bonds pursuant to and in accordance with the Charter, Title 10, and the
8 Refunding Act, in the aggregate principal amount not to exceed 125% of the total aggregate
9 principal amount of Outstanding Metropolitan Bonds, or such lesser principal amount as the
10 County Executive may specify in the Executive Order, for the purpose of (a) paying at maturity
11 or redeeming the Refunded Metropolitan District Bonds on the dates and in the principal
12 amounts or at the redemption prices specified in the Executive Order, (b) paying any redemption
13 premium and any interest accrued and to accrue to the applicable maturity or redemption dates of
14 such Refunded Metropolitan District Bonds, and (c) paying the costs of issuing the Metropolitan
15 District Refunding Bonds, all to the extent such interest and costs are not payable from other
16 sources, as specified in the Executive Order.

17 (6) The aggregate principal amount of the Bonds, computed in accordance with
18 subsection (f) of the Refunding Act, shall be within the legal limitation on the indebtedness of
19 the County as set forth in Article VI of the Charter.

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

1 Finance and the County's Financial Advisor, shall determine to be in the best interests of the
2 County.

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

6 Bonds issued under this Ordinance are hereby specifically exempted from the provisions
7 of Sections 19-205 and 19-206 of the Local Government Article of the Annotated Code of
8 Maryland (2013 Replacement Volume and 2014 Supplement).

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

14 (8) The County will provide for the sale and award of each issue of the Bonds to
15 the purchaser thereof and various other matters relating to the issuance of the Bonds, including,
16 among other things, the final aggregate principal amounts of the Bonds, the schedule of
17 maturities of each issue, the rates of interest payable on the Bonds of each issue and maturity, the
18 terms and conditions relating to any optional redemption or mandatory sinking fund redemption
19 for each issue, and other matters with respect to the Bonds, by the Executive Order, which
20 Executive Order shall be executed and delivered by the County Executive at the time each issue
21 of the Bonds is to be awarded and sold to the purchaser or purchasers thereof.

22 (9) In the Bond Ordinance for each series of the Outstanding Consolidated Bonds
23 and Outstanding Metropolitan Bonds, the County determined the probable average useful life (or

1 minimum probable average useful life) of the projects financed with the proceeds of the
2 corresponding issue of Outstanding Consolidated Bonds and Outstanding Metropolitan Bonds.
3 Such determinations are incorporated herein by reference and made a part hereof. The portion of
4 the Consolidated Refunding Bonds attributable to each series of the Outstanding Consolidated
5 Bonds refunded thereby is and shall be payable within the probable average useful life of the
6 projects financed by such series of the Outstanding Consolidated Bonds (determined as of the
7 date of the Bond Ordinance for such series); and the portion of the Metropolitan District
8 Refunding Bonds attributable to each series of the Outstanding Metropolitan Bonds refunded
9 thereby is and shall be payable within the probable average useful life of the projects financed by
10 such series of the Outstanding Metropolitan Bonds (determined as of the date of the Bond
11 Ordinance for such series).

12 **Section 3. Be it further enacted by the County Council of Howard County,**
13 **Maryland,** (a) That the County, pursuant to the authority contained in Title 10, the Charter and
14 the Refunding Act, shall borrow upon the full faith and credit of the County and shall issue and
15 sell upon the full faith and credit of the County its (1) Consolidated Refunding Bonds in
16 registered form without coupons in aggregate principal amount not to exceed 125% of the total
17 aggregate principal amount of Outstanding Consolidated Bonds as shall be specified in the
18 Executive Order, which shall be designated “Howard County, Maryland Consolidated Public
19 Improvement Refunding Bonds”, with such designation to include the calendar year and series of
20 such bonds as shall be specified in the Executive Order and (2) Metropolitan District Refunding
21 Bonds in registered form without coupons in aggregate principal amount not to exceed 125% of
22 the total aggregate principal amount of Outstanding Metropolitan District Refunding Bonds as
23 shall be specified in the Executive Order, such bonds to be known as “Howard County,

1 Maryland Metropolitan District Refunding Bonds,” with such designation to include the calendar
2 year and series of such bonds as shall be specified in the Executive Order.

3 (b) The date of issue of the Bonds shall be the date of delivery of the
4 Bonds to the purchaser or purchasers thereof (the “Dated Date”). The Bonds shall be dated the
5 Dated Date, shall be issued in book-entry only form by issuing a single bond for each maturity
6 registered in the name of Cede & Co., as nominee for The Depository Trust Company or its
7 successor (“DTC”) (provided that if DTC so requests or if DTC is replaced as the depository for
8 the Bonds, replacement bonds shall be issued in denominations of \$5,000 each or any integral
9 multiple thereof), and shall be consecutively numbered in such manner as shall be determined by
10 the Bond Registrar (as defined herein).

11 (c) Subject to and in accordance with the provisions of this Ordinance, the
12 County Executive shall determine by Executive Order, for each and every Bond or series of
13 Bonds issued pursuant to and in accordance with this Ordinance, all matters relating to the sale,
14 issuance, delivery and payment of the Bonds, including (without limitation) the purposes for
15 which such Bonds are issued, the date or dates of sale of the Bonds, the designation of the
16 Bonds, the date of delivery of the Bonds, the authorized denominations for the Bonds, the
17 redemption provisions, if any, pertaining to the Bonds, the manner of authentication and
18 numbering of the Bonds, the date from which interest on the Bonds shall accrue, the rate or rates
19 of interest borne by the Bonds or the method of determining the same, the interest payment and
20 maturity dates of the Bonds, including provisions for mandatory sinking fund redemption of any
21 term bonds, the forms of the Bonds, whether the Bonds are to be issued in book-entry only form
22 and all matters incident to the issuance of Bonds in book-entry only form and the provisions for
23 the registration of Bonds. The execution and delivery of Bonds as herein provided shall be

1 conclusive evidence of the approval of all terms and provisions of such Bonds on behalf of the
2 County.

3 (d) The Bonds shall be in substantially the form as the County Executive
4 shall approve (such approval to be conclusively evidenced by the execution and delivery of the
5 Bonds by the County Executive) and is hereby adopted by the County as and for the form and
6 tenor of the obligation to be incurred, and such covenants and conditions are hereby made
7 binding upon the County, including the promise to pay therein contained.

8 **Section 4. Be it further enacted by the County Council of Howard County,**
9 **Maryland,** That for the purpose of paying the interest on the Consolidated Refunding Bonds
10 when due and the principal thereof when they respectively mature and are payable, there is
11 hereby levied and there shall hereafter be levied in each fiscal year that any of the Consolidated
12 Refunding Bonds are outstanding, ad valorem taxes on real and tangible personal property and
13 intangible property subject to taxation by the County without limitation of rate or amount and, in
14 addition, upon such other intangible property as may be subject to taxation by the County within
15 limitations prescribed by law, in an amount sufficient, together with funds available from other
16 sources, to pay the annual interest (payable in the manner set forth herein) on the outstanding
17 Consolidated Refunding Bonds and to pay the principal of the Consolidated Refunding Bonds
18 maturing during the succeeding year. It is hereby declared that the principal of and interest on the
19 Consolidated Refunding Bonds are to be paid from the sources set forth in the preceding
20 sentence, and the full faith and credit and the unlimited taxing power of the County are hereby
21 irrevocably pledged to the punctual payment of the principal of and interest on the Consolidated
22 Refunding Bonds as and when the same respectively become due and payable.

1 **Section 5. Be it further enacted by the County Council of Howard County,**
2 **Maryland,** That for the purpose of paying the principal of and interest on the Metropolitan
3 District Refunding Bonds as the same shall become payable, the County Council shall levy ad
4 valorem taxes upon assessable property in the Metropolitan District and other available funds,
5 together with benefit assessments, to pay the principal of and interest on such bonds or other
6 obligations until all of such bonds or other obligations shall mature and be redeemed. In the
7 event of a deficiency of such funds at any time while any of such Metropolitan District
8 Refunding Bonds are outstanding, for the purpose of paying the principal of and interest on such
9 bonds, the County shall promptly levy upon all legally assessable property within the
10 Metropolitan District a tax or taxes in an amount or amounts sufficient to make up any such
11 deficiency, and in the event the proceeds of such tax or taxes so levied shall prove insufficient,
12 then the County shall levy ad valorem taxes upon all of the legally assessable property within the
13 entire corporate limits of the County in rate and amount sufficient to pay the principal of and
14 interest on such bonds. The full faith and credit and unlimited taxing power of the County are
15 hereby irrevocably pledged to the payment of the principal of and interest on such bonds.

16 **Section 6. Be it further enacted by the County Council of Howard County,**
17 **Maryland,** (a) That payment of the purchase price of the Bonds shall be made to the Director of
18 Finance of the County. Such purchase price shall be applied by the Director of Finance (i) as a
19 deposit in trust with a financial institution as approved by the County Executive in the Executive
20 Order, as escrow deposit agent (the “Escrow Deposit Agent”), into a trust fund to be established
21 in the name of the County (the “Escrow Deposit Fund”) pursuant to one or more escrow deposit
22 agreements to be entered into between the County and the Escrow Deposit Agent (the “Escrow
23 Deposit Agreement”) and (ii) as provided in subsection (d) of this Section 6. The actual

1 allocation of proceeds of the Bonds shall be specified in the Executive Order, and the designation
2 of the Escrow Deposit Agent set forth in this subsection may be changed by the Executive Order.
3 In addition, the Executive Order or the Escrow Deposit Agreement may also provide for one or
4 more additional funds or accounts. The Escrow Deposit Agreement shall be in substantially the
5 form as the County Executive shall approve in the Executive Order, such approval to be
6 conclusively evidenced by the execution and delivery of the Escrow Deposit Agreement by the
7 County Executive.

8 (b) In addition, if the County Executive provides in the Executive Order,
9 the Director of Finance shall transfer to the Escrow Deposit Agent amounts equal to some or all
10 of the interest which is payable on the Bonds during the fiscal year of the County in which the
11 Dated Date occurs.

12 (c) The Escrow Deposit Agent shall apply all or part of the funds
13 deposited with it by the Director of Finance pursuant to subsections (a) and (b) of this Section 6
14 and the Executive Order to the purchase of direct obligations of, or obligations the timely
15 payment of the principal of and interest on which is unconditionally guaranteed by, the United
16 States of America, including, without limitation, obligations of the Resolution Funding
17 Corporation (hereinafter referred to as "Government Obligations"), the principal of and interest
18 on which will be sufficient, together with any cash not so invested and without reinvestment, to
19 pay in a timely manner (1) the principal of the Refunded Consolidated Bonds and the redemption
20 premium, if any, and interest accrued and to accrue thereon to the applicable maturity or
21 redemption dates thereof, and (2) the principal of the Refunded Metropolitan District Bonds and
22 the redemption premium, if any, and interest accrued and to accrue thereon to the applicable
23 maturity or redemption dates thereof. As the Government Obligations in the Escrow Deposit

1 Fund pay interest and mature, the moneys so derived shall be held in the Escrow Deposit Fund
2 and applied to the payment of (1) the principal of the Refunded Consolidated Bonds and the
3 redemption premium, if any, and interest accrued and to accrue thereon to the applicable
4 maturity or redemption dates thereof, and (2) the principal of the Refunded Metropolitan District
5 Bonds and the redemption premium, if any, and interest accrued and to accrue thereon to the
6 applicable maturity or redemption dates thereof.

7 (d) Proceeds of the Bonds shall also be applied to pay costs, fees and
8 expenses incurred in the sale of the Bonds (which funds are hereby authorized to be used for
9 such purpose, to the extent such costs, fees and expenses are not paid from other sources), and
10 any remaining proceeds of the Bonds shall be used for the payment of interest on or the principal
11 of the Bonds, as the County shall determine in its sole discretion.

12 (e) Notwithstanding any of the foregoing provisions of this Section 6, no
13 proceeds of the Bonds will be applied in any way which would violate the covenants contained
14 in Section 13 of this Ordinance.

15 **Section 7. Be it further enacted by the County Council of Howard County,**
16 **Maryland,** That the Bonds shall be signed by the County Executive and by the Director of
17 Finance by manual or facsimile signature, and the Bonds shall bear the corporate seal of the
18 County, or a facsimile thereof, attested by the manual or facsimile signature of the Chief
19 Administrative Officer of the County (the “Chief Administrative Officer”). In the event that any
20 officer whose signature shall appear on the Bonds shall cease to be such officer before the
21 delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes,
22 the same as if such officer had remained in office until delivery.

1 **Section 8. Be it further enacted by the County Council of Howard County,**

2 **Maryland,** (a) The County Executive shall initiate a system for registration of the Bonds of both
3 issues in book-entry only form and is hereby authorized to enter into such agreements as may be
4 necessary to provide for registration of the Bonds in book-entry form, with DTC, by issuance of
5 not less than one bond of each maturity.

6 (b) The County Executive may replace any depository for either issue of
7 the Bonds pursuant to a book-entry registration system established in accordance with this
8 Section if the County Executive determines that such depository is incapable of discharging its
9 duties with respect to the Bonds of such issue, or that the interest of the beneficial owners of the
10 Bonds of such issue might be adversely affected by the continuation of such book-entry only
11 system. Notice of such determination shall be given to such depository not less than 30 days
12 prior to any such determination. Thereafter, the County Executive may issue replacement Bonds
13 of such issue to a substitute securities depository, to participants of a securities depository to be
14 replaced or to beneficial owners of the Bonds of such issue properly identified by such
15 participants.

16 (c) When the County Executive initiates a book-entry registration system
17 to be maintained by DTC or replaces DTC with another municipal securities depository (either, a
18 “Depository”), the County Executive shall execute and deliver to the Depository any
19 representation letters or agreements as shall be deemed necessary or appropriate by the County
20 Executive or other agreements then required by the Depository in order to qualify the Bonds of
21 the applicable issue for registration in book-entry only form by the Depository. The County
22 Executive is hereby authorized to agree to any different manner for the payment of interest or
23 principal or any different procedures for the redemption of bonds or giving of notices which is

1 determined in accordance with any representation letters or agreements entered into with any
2 Depository. Transfer or crediting of the appropriate principal and interest to the participants in
3 the Depository will be the responsibility of the Depository, and transfer and crediting of principal
4 and interest payments to the beneficial owners of the Bonds of the applicable issue or their
5 nominees will be the responsibility of the participants in the Depository. Transfers of beneficial
6 ownership of the Bonds of the applicable issue will be effected on the records of the Depository
7 (and its participants) pursuant to rules and procedures established by the Depository.

8 (d) Any securities depository selected in accordance with this Ordinance
9 and each of its participants and the beneficial owners of the Bonds, by their acceptance of the
10 Bonds, shall agree that the County and the County Executive shall have no liability for the
11 failure of any such securities depository which may be selected as herein provided to perform its
12 obligations to the participants and the beneficial owners of the Bonds, nor shall either the County
13 or the County Executive be liable for the failure of any participant or other nominee of the
14 beneficial owners to perform any obligation the participant may incur to a beneficial owner of
15 the Bonds.

16 **Section 9. Be it further enacted by the County Council of Howard County,**
17 **Maryland,** That the Director of Finance is hereby designated and appointed as bond registrar,
18 paying agent and authenticating agent for the Bonds (the “Bond Registrar”). The Bond Registrar
19 shall maintain books of the County for the registration and transfer of the Bonds (the “Bond
20 Register”). No Bonds may be registered to bearer. In addition, the County may from time to
21 time, either prior to or following the issuance of the Bonds, designate and appoint the
22 Department of Finance of the County, any officer or employee of the County or one or more
23 banks, trust companies, corporations or other financial institutions to act as a substitute or

1 alternate bond registrar, paying agent or authenticating agent for the Bonds of either issue, and
2 any such substitute or alternate shall be deemed to be the Bond Registrar or an alternate Bond
3 Registrar for all purposes specified in the resolution appointing such substitute or alternate. Any
4 such appointment shall be made by the County Council by resolution; and the exercise of such
5 power of appointment, no matter how often, shall not be an exhaustion thereof.

6 **Section 10. Be it further enacted by the County Council of Howard County,**
7 **Maryland,** That the Bonds shall be authenticated and shall be subject to registration, exchange
8 and transfer as follows:

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

17 (b) Each Bond shall be transferable only upon the books of the County
18 maintained by the Bond Registrar, at the written request of the registered owner thereof or his
19 attorney duly authorized in writing, but no Bond will be transferred unless DTC determines to
20 discontinue providing its services as a securities depository or directs that such Bonds be
21 reregistered in a different name or different amounts, or unless DTC is removed as the
22 Depository. Any such transfer of such Bond shall be made, upon surrender thereof, together with
23 a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered

1 owner or his attorney duly authorized in writing. Upon the surrender for transfer of any Bond,
2 the County shall issue, and the Bond Registrar shall authenticate, in the name of the transferee, in
3 authorized denominations, a new Bond or Bonds of the same aggregate principal amount and of
4 the same issue, form and tenor as the surrendered Bond. If any Bond is presented for such
5 purpose at the principal office of the Bond Registrar, the Bond Registrar shall register or cause to
6 be registered in the Bond Register and permit to be transferred thereon, under such reasonable
7 regulations as the County or the Bond Registrar may prescribe, any Bond entitled to registration
8 or transfer. So long as any of the Bonds remain outstanding, the County shall cooperate in
9 making all necessary provisions to permit the exchange of Bonds at the principal office of the
10 Bond Registrar. The County and the Bond Registrar may deem and treat the person in whose
11 name any Bond shall be registered upon the books of the County as the absolute owner of such
12 Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on
13 account of, the principal of and premium, if any, and interest on such Bond and for all other
14 purposes, and all such payments so made to any such registered owner or upon his order shall be
15 valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum
16 or sums so paid, and neither the County nor the Bond Registrar shall be affected by any notice to
17 the contrary.

18 Bonds, upon surrender thereof at the principal office of the Bond Registrar with a written
19 instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner
20 or his duly authorized attorney, may, at the option of the registered owner thereof, be exchanged
21 for an equal aggregate principal amount of Bonds of the same issue, maturity and interest rate
22 and of any other authorized denominations.

1 In all cases in which the privilege of exchanging Bonds or transferring Bonds is
2 exercised, the County shall execute and the Bond Registrar shall authenticate and deliver Bonds
3 in accordance with the provisions of this Ordinance. All Bonds surrendered in any such
4 exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such
5 exchange or transfer of Bonds, the County or the Bond Registrar shall make a charge for any tax
6 or other governmental charge required to be paid with respect to such exchange or transfer. Such
7 charge shall be paid by the person requesting such exchange or transfer as a condition precedent
8 to the exercise of the privilege of making such exchange or transfer. The Bond Registrar shall
9 not be obligated to make any such exchange or transfer of Bonds during the 15 days next
10 preceding an interest payment date on the Bonds, or in case of any proposed redemption of the
11 Bonds, during the 15 days next preceding the date of the mailing or delivery of notice of such
12 redemption. The Bond Registrar shall not be required to make any transfer or exchange of any
13 Bonds called for redemption.

14 (c) In the event any Bond is mutilated, lost, stolen or destroyed, the
15 County may execute and the Bond Registrar may authenticate a new Bond of like issue, date,
16 maturity, interest rate and denomination as that of the Bond mutilated, lost, stolen or destroyed;
17 provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered
18 to the Bond Registrar, and in the case of any lost, stolen or destroyed Bond there shall be first
19 furnished to the County and the Bond Registrar evidence of such loss, theft or destruction
20 satisfactory to the County and the Bond Registrar, together with indemnity satisfactory to them.
21 In the event any such Bond shall be about to mature or have matured or been called for
22 redemption, instead of issuing a duplicate Bond the Bond Registrar may pay the same without

1 surrender thereof. The County and the Bond Registrar may charge the registered owner of such
2 Bond their expenses and reasonable fees, if any, in this connection.

3 **Section 11. Be it further enacted by the County Council of Howard County,**
4 **Maryland,** (a) That certain of the Bonds may be subject to redemption prior to maturity. The
5 Bonds so subject to redemption, if any, the redemption dates and the redemption prices shall be
6 specified in the Executive Order.

7 (b) The Bonds shall be redeemed only in integral multiples of \$5,000. If
8 less than all of the outstanding Consolidated Refunding Bonds or Metropolitan District
9 Refunding Bonds shall be called for optional redemption, the County shall choose the maturities
10 of the Consolidated Refunding Bonds or Metropolitan District Refunding Bonds to be redeemed
11 and the principal amount of each such maturity to be redeemed, in its sole discretion. If less than
12 all of the Consolidated Refunding Bonds or Metropolitan District Refunding Bonds of any one
13 maturity shall be called for optional redemption, then the particular Consolidated Bonds or
14 Metropolitan District Refunding Bonds (whichever are to be redeemed) of such maturity, or
15 portions of such Consolidated Refunding Bonds or Metropolitan District Refunding Bonds, to be
16 so redeemed shall be chosen by the Depository in accordance with its normal and customary
17 procedures (so long as the Bonds are in book-entry only form) or, if the book-entry form has
18 been discontinued, by lot by the Bond Registrar in such manner as the Bond Registrar, in its
19 discretion, shall determine; and, for an optional redemption, if such maturity consists of term
20 Bonds, the County shall choose the mandatory sinking fund redemption installments of such
21 term Bonds to be reduced and the amount of each such reduction, in its sole discretion.

22 (c) Unless notice of redemption shall be waived in writing by the
23 registered owners of the Bonds to be redeemed, a notice calling for redemption of the Bonds to

1 be redeemed shall be mailed by the Bond Registrar, not less than 20 days prior to the date fixed
2 for redemption (the "Redemption Date"), to all registered owners of the Bonds to be redeemed
3 (in whole or in part), at their last addresses appearing on the registration books kept by the Bond
4 Registrar, by first-class mail, postage prepaid (provided, however, that, so long as all of the
5 Bonds are registered in the name of the Depository or its nominee, such notice shall be given by
6 a secure means (e.g. legible facsimile transmission, registered or certified mail or overnight
7 express delivery) in a timely manner designed to assure that such notice is in the Depository's
8 possession no later than the close of business on such twentieth day); but failure to mail or
9 deliver any such notice or any defect in the notice so mailed or delivered, or in the mailing or
10 delivery thereof, shall not affect the validity of any redemption proceedings. Such notice shall
11 specify the issue, CUSIP numbers, maturities and interest rates of the Bonds to be redeemed (in
12 whole or in part), and, for a partial redemption, the principal amount of each maturity of the
13 Bonds to be redeemed, the date of the notice, the Redemption Date, the redemption price, and the
14 name, address and telephone number of the Bond Registrar, and shall further state that, on the
15 Redemption Date, the Bonds called for redemption will be due and become payable at the office
16 of the Bond Registrar, and that, from and after the Redemption Date, interest thereon shall cease
17 to accrue. The Bond Registrar will use its best efforts to mail a second notice of redemption to
18 registered owners of Bonds who have not presented their Bonds for redemption 60 days after the
19 Redemption Date.

20 (d) On the Redemption Date, if moneys for the payment of the redemption
21 price plus accrued interest are being held by the Bond Registrar, the Bonds (or portions thereof)
22 so called for redemption shall become due and payable at the redemption price provided for
23 redemption of such Bonds (or such portions thereof) on the Redemption Date, interest on such

1 Bonds (or portions thereof) so called for redemption shall cease to accrue and the holders or
2 registered owners of such Bonds (or portions thereof) so called for redemption shall have no
3 rights in respect thereto except to receive payment of the redemption price thereof, plus accrued
4 interest thereon to the Redemption Date from such moneys held by the Bond Registrar.

5 (e) If it is determined that a portion, but not all, of the principal amount
6 represented by any Bond is to be called for redemption, then upon notice of intention to redeem
7 such portion, the registered owner of such Bond shall forthwith surrender such Bond to the Bond
8 Registrar (i) for payment of the redemption price (including the premium, if any, and interest to
9 the Redemption Date) of the portion of the principal amount thereof called for redemption and
10 (ii) in exchange for a new Bond of the unredeemed balance of the principal amount of such
11 Bond, and having the same form and tenor as such Bond; provided, however, that, so long as the
12 Depository or its nominee is the registered owner of all of the Bonds, the Depository may make
13 an appropriate notation on the applicable Bonds indicating the date and amount of such reduction
14 in principal and notify the County in writing of such action. If a Bond is required to be
15 surrendered to the Bond Registrar, a new Bond or Bonds representing the unredeemed balance of
16 the principal amount of such Bond shall be issued to the registered owner thereof without charge
17 therefor. If the registered owner of any such Bond shall fail to present such Bond to the Bond
18 Registrar for payment and exchange as aforesaid, such Bond shall nevertheless become due and
19 payable on the date fixed for redemption to the extent of the portion of the principal amount
20 called for redemption (and to that extent only). Interest shall cease to accrue on the portion of the
21 principal amount of such Bond called for redemption on and after the Redemption Date, and no
22 new Bonds shall be thereafter issued corresponding to such portion.

1 **Section 12. Be it further enacted by the County Council of Howard County,**
2 **Maryland,** That in connection with the issuance of any Bonds pursuant to this Ordinance, the
3 County is hereby authorized to enter into one or more agreements as the County Executive shall
4 deem necessary or appropriate for the issuance, sale, delivery or security of such Bonds, which
5 may include (without limitation) (i) underwriting, purchase or placement agreements for Bonds
6 sold at private (negotiated) sale in accordance with the provisions of this Ordinance; (ii) trust
7 agreements with commercial banks or trust companies providing for the issuance and security of
8 such Bonds; (iii) any dealer, remarketing or similar agreements providing for the placement or
9 remarketing of such Bonds; (iv) agreements providing for any credit or liquidity facilities
10 supporting any Bonds; (v) agreements with commercial banks or trust companies providing for
11 the deposit of proceeds of any Bonds; (vi) agreements with fiscal agents providing for the
12 issuance of Bonds, their authentication, registration or payment or other similar services; and
13 (vii) continuing disclosure agreements, including any such agreements required to enable the
14 underwriters of any Bonds to meet the requirements of paragraph (b)(5) of Rule 15c2-12
15 promulgated by the United States Securities and Exchange Commission. Each such agreement
16 shall be in such form as shall be determined by the County Executive by Executive Order. The
17 execution and delivery of each such agreement by the County Executive shall be conclusive
18 evidence of the approval of the form of such agreement on behalf of the County.

19 **Section 13. Be it further enacted by the County Council of Howard County,**
20 **Maryland,** That the County covenants and agrees with the registered owners from time to time
21 of the Bonds as follows:

22 (a) The County covenants that it will not make any use of the proceeds of
23 any of the Bonds or any moneys, securities or other obligations on deposit to the credit of the

1 County or otherwise which may be deemed by the Internal Revenue Service to be proceeds of
2 any of the Bonds pursuant to the Internal Revenue Code of 1986, as amended, and the Income
3 Tax Regulations thereunder (collectively, the “Code”), which would cause any of the Bonds to
4 be “arbitrage bonds” or “private activity bonds” within the meaning of the Code.

5 (b) The County further covenants that it will comply with those provisions
6 of the Code which are applicable to the Bonds on the date of issuance of the Bonds and which
7 may subsequently lawfully be made applicable to the Bonds. To the extent that provisions of the
8 Code apply to only a portion of the Bonds, proceeds of the Bonds or other moneys, securities or
9 other obligations deemed to be proceeds, it is intended that the covenants of the County
10 contained in this Section 13 be construed so as to require the County to comply with the
11 provisions of the Code only to the extent of such applicability.

12 (c) The County further covenants that it will not (i) take any action, (ii)
13 fail to take any action, or (iii) make any use of the proceeds of any of the Bonds which would
14 cause the interest on any of the Bonds to be or become includible in the gross income of the
15 holders thereof for purposes of federal income taxation.

16 **Section 14. Be if further enacted by the County Council of Howard County,**
17 **Maryland,** That in order to enable the purchasers of the Bonds to comply with the requirements
18 of paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (the “Rule”), the
19 County shall execute and deliver, on or before the date of issuance and delivery of the Bonds, a
20 Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) for the benefit of
21 the holders of the Bonds. The Continuing Disclosure Agreement sets forth the means by which
22 the County will file and disseminate information required to be provided under the Rule, either
23 by an agent retained pursuant to a requirements contract or by the County itself. The Continuing

1 Disclosure Agreement shall be in substantially the form set forth as the County Executive shall
2 approve (such approval to be conclusively evidenced by the execution and delivery of the
3 Continuing Disclosure Agreement by the County Executive).

4 **Section 15. Be it further enacted by the County Council of Howard County,**
5 **Maryland,** That this Ordinance shall take effect on the date of its enactment.

Outstanding CPI Bonds to be Refunded

Name of Bond Issue	Issue Date	Original Principal Amount	Outstanding Principal Amount
CPI 2004 Series A (Ref)	2/1/2004	\$112,305,000	\$ 47,550,000
CPI 2007 Series A	3/15/2007	100,000,000	35,200,000
CPI 2007 Series B (Ref)	12/19/2007	87,420,000	6,730,000
CPI 2008 Series A	2/27/2008	107,500,000	51,595,000
CPI 2009 Series A	4/08/2009	69,720,000	57,555,000
CPI 2009 Series B (Ref)	12/08/2009	85,860,000	81,860,000
CPI 2010 Series A	3/16/2010	49,015,000	33,950,000
CPI 2010 Series B	3/16/2010	12,590,000	3,800,000
CPI 2010 Series C	3/16/2010	39,405,000	39,405,000
CPI 2011 Series A	3/09/2011	111,115,000	95,790,00
CPI 2011 Series B (Proj & Ref)	11/17/2011	182,055,000	160,285,000
CPI 2012 Series A	3/20/2012	37,370,000	33,205,000
CPI 2013 Series A (Proj & Ref)	3/19/2013	97,910,000	89,445,000
CPI 2014 Series A (Proj & Ref)	4/03/2014	<u>117,125,000</u>	<u>114,795,000</u>
Total		<u>\$1,209,390,000</u>	<u>\$755,375,000</u>

Exhibit B**Outstanding Metropolitan District Bonds to be Refunded**

Name of Bond Issue	Issue Date	Original Principal Amount	Outstanding Principal Amount
MD 2006 Series A	1/15/2006	\$ 3,000,000	\$ 1,660,000
MD 2007 Series A	3/15/2007	10,000,000	7,745,000
MD 2007 Series B (Ref)	12/19/2007	11,980,000	9,645,000
MD 2008 Series A	2/27/2008	4,095,000	3,510,000
MD 2009 Series A	4/08/2009	26,240,000	21,500,000
MD 2009 Series B (Ref)	12/08/2009	7,255,000	7,170,000
MD 2011 Series A	3/09/2011	49,990,000	46,170,000
MD 2011 Series B (Proj & Ref)	11/17/2011	36,245,000	31,735,000
MD 2012 Series A	3/20/2012	19,970,000	18,230,000
MD 2013 Series A (Proj & Ref)	3/19/2013	39,155,000	36,390,000
MD 2014 Series A (Proj & Ref)	4/03/2014	<u>22,055,000</u>	<u>21,250,000</u>
Total		<u>\$229,985,000</u>	<u>\$205,005,000</u>