

INTRODUCED \_\_\_\_\_  
PUBLIC HEARING \_\_\_\_\_  
COUNCIL ACTION \_\_\_\_\_  
EXECUTIVE ACTION \_\_\_\_\_  
EFFECTIVE DATE \_\_\_\_\_

**County Council Of Howard County, Maryland**

2016 Legislative Session

Legislative Day No. 14

**Bill No. 62-2016**

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 \_\_\_\_\_, 2016. 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 \_\_\_\_\_, 2016.

By order \_\_\_\_\_  
Jessica Feldmark, Administrator

This Bill was read the third time on \_\_\_\_\_, 2016 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 \_\_\_\_\_, 2016 at \_\_\_ a.m./p.m.

By order \_\_\_\_\_  
Jessica Feldmark, Administrator

Approved/Vetoed by the County Executive \_\_\_\_\_, 2016

\_\_\_\_\_  
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 2015 Supplement)  
23 (“Title 10”), and Article VI of the Howard County, Maryland Charter (the “Charter”).

1 Refunding bonds may be issued under the authority of the Refunding Act for the public  
2 purpose of:

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

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

6 or

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

8 (1) is in its best interest; or

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

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

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

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

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

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

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

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

21           Based on the advice and recommendations of the County's Financial Advisor and the  
22 findings set forth herein, the County Council has determined that it is in the best interest of the  
23 County to issue refunding bonds to refund all or a portion of the Outstanding Consolidated

1 Bonds (the “Consolidated Refunding Bonds”) and to issue refunding bonds to refund all or a  
2 portion of the Outstanding Metropolitan Bonds (the “Metropolitan District Refunding Bonds”  
3 and collectively with the Consolidated Refunding Bonds, the “Bonds”) pursuant to a private  
4 (negotiated) sale or at public sale as shall be determined by the County Executive in the  
5 Executive Order. The Consolidated Refunding Bonds shall be issued in the aggregate principal  
6 amount as shall be determined by the County Executive in the Executive Order in an amount not  
7 to exceed 125% of the Outstanding Consolidated Bonds, the proceeds of which are to be used for  
8 the purpose of (1) refunding all or a portion of the Outstanding Consolidated Bonds set forth in  
9 the table attached hereto as Exhibit A, as shall be determined by the County Executive in the  
10 Executive Order (the “Refunded Consolidated Bonds”), (2) paying the redemption premium (if  
11 any) and the interest accrued and to accrue to the applicable maturity or redemption dates of the  
12 Refunded Consolidated Bonds, and (3) paying the costs of issuance of the Consolidated  
13 Refunding Bonds, all to the extent such interest and costs are not payable from other sources, as  
14 specified in the Executive Order.

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

1 Metropolitan District Refunding Bonds, all to the extent such interest and costs are not payable  
2 from other sources, as specified in the Executive Order.

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

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

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

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

14 (b) The County has heretofore issued each series of the Outstanding  
15 Metropolitan Bonds in the original aggregate principal amounts listed in Exhibit B hereto. The  
16 outstanding aggregate principal amount of each series of the Outstanding Metropolitan Bonds is  
17 also set forth in Exhibit B hereto.

18 (2) Interest rates in the municipal bond market for certain corresponding  
19 maturities of bonds are significantly lower than they were when certain of the Outstanding  
20 Consolidated Bonds and Outstanding Metropolitan Bonds were issued; and the County's  
21 Financial Advisor has advised the County that it may be able to realize significant savings in the  
22 aggregate cost of debt service on certain portions of the Outstanding Consolidated Bonds and  
23 Outstanding Metropolitan Bonds, in each case on both a direct comparison and a present value

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

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

22 (4) It is therefore in the best interest of the County to issue the Consolidated  
23 Refunding Bonds pursuant to and in accordance with the Charter, Title 10 and the Refunding

1 Act, in the aggregate principal amount not to exceed 125% of the total aggregate principal  
2 amount of Outstanding Consolidated Bonds, or such lesser principal amount as the County  
3 Executive may specify in the Executive Order, for the purpose of (a) paying at maturity or  
4 redeeming the Refunded Consolidated Bonds on the dates and in the principal amounts or at the  
5 redemption prices specified in the Executive Order, (b) paying any redemption premium and any  
6 interest accrued and to accrue to the applicable maturity or redemption dates of such Refunded  
7 Consolidated Bonds, and (c) paying the costs of issuing the Consolidated Refunding Bonds, all  
8 to the extent such interest and costs are not payable from other sources, as specified in the  
9 Executive Order.

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

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



1           (7) The Bonds hereby authorized may be sold for a price at, above or below par,  
2 plus accrued interest to the date of delivery. Authority is hereby conferred on the County  
3 Executive to sell the Bonds through a public sale or through a private (negotiated) sale, without  
4 solicitation of competitive bids, as the County Executive, upon consultation with the Director of  
5 Finance and the County's Financial Advisor, shall determine to be in the best interests of the  
6 County.

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

10           Bonds issued under this Ordinance are hereby specifically exempted from the provisions  
11 of Sections 19-205 and 19-206 of the Local Government Article of the Annotated Code of  
12 Maryland (2013 Replacement Volume and 2015 Supplement).

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

18           (8) The County will provide for the sale and award of each issue of the Bonds to  
19 the purchaser thereof and various other matters relating to the issuance of the Bonds, including,  
20 among other things, the final aggregate principal amounts of the Bonds, the schedule of  
21 maturities of each issue, the rates of interest payable on the Bonds of each issue and maturity, the  
22 terms and conditions relating to any optional redemption or mandatory sinking fund redemption  
23 for each issue, and other matters with respect to the Bonds, by the Executive Order, which

1 Executive Order shall be executed and delivered by the County Executive at the time each issue  
2 of the Bonds is to be awarded and sold to the purchaser or purchasers thereof.

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

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

1 such bonds as shall be specified in the Executive Order and (2) Metropolitan District Refunding  
2 Bonds in registered form without coupons in aggregate principal amount not to exceed 125% of  
3 the total aggregate principal amount of Outstanding Metropolitan District Refunding Bonds as  
4 shall be specified in the Executive Order, such bonds to be known as “Howard County,  
5 Maryland Metropolitan District Refunding Bonds,” with such designation to include the calendar  
6 year and series of such bonds as shall be specified in the Executive Order.

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

15 (c) Subject to and in accordance with the provisions of this Ordinance, the  
16 County Executive shall determine by Executive Order, for each and every Bond or series of  
17 Bonds issued pursuant to and in accordance with this Ordinance, all matters relating to the sale,  
18 issuance, delivery and payment of the Bonds, including (without limitation) the purposes for  
19 which such Bonds are issued, the date or dates of sale of the Bonds, the designation of the  
20 Bonds, the date of delivery of the Bonds, the authorized denominations for the Bonds, the  
21 redemption provisions, if any, pertaining to the Bonds, the manner of authentication and  
22 numbering of the Bonds, the date from which interest on the Bonds shall accrue, the rate or rates  
23 of interest borne by the Bonds or the method of determining the same, the interest payment and

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

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

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

1 sentence, and the full faith and credit and the unlimited taxing power of the County are hereby  
2 irrevocably pledged to the punctual payment of the principal of and interest on the Consolidated  
3 Refunding Bonds as and when the same respectively become due and payable.

4 **Section 5. Be it further enacted by the County Council of Howard County,**

5 **Maryland,** That for the purpose of paying the principal of and interest on the Metropolitan

6 District Refunding Bonds as the same shall become payable, the County Council shall levy ad

7 valorem taxes upon assessable property in the Metropolitan District and other available funds,

8 together with benefit assessments, to pay the principal of and interest on such bonds or other

9 obligations until all of such bonds or other obligations shall mature and be redeemed. In the

10 event of a deficiency of such funds at any time while any of such Metropolitan District

11 Refunding Bonds are outstanding, for the purpose of paying the principal of and interest on such

12 bonds, the County shall promptly levy upon all legally assessable property within the

13 Metropolitan District a tax or taxes in an amount or amounts sufficient to make up any such

14 deficiency, and in the event the proceeds of such tax or taxes so levied shall prove insufficient,

15 then the County shall levy ad valorem taxes upon all of the legally assessable property within the

16 entire corporate limits of the County in rate and amount sufficient to pay the principal of and

17 interest on such bonds. The full faith and credit and unlimited taxing power of the County are

18 hereby irrevocably pledged to the payment of the principal of and interest on such bonds.

19 **Section 6. Be it further enacted by the County Council of Howard County,**

20 **Maryland,** (a) That payment of the purchase price of the Bonds shall be made to the Director of

21 Finance of the County. Such purchase price shall be applied by the Director of Finance (i) as a

22 deposit in trust with a financial institution as approved by the County Executive in the Executive

23 Order, as escrow deposit agent (the "Escrow Deposit Agent"), into a trust fund to be established

1 in the name of the County (the “Escrow Deposit Fund”) pursuant to one or more escrow deposit  
2 agreements to be entered into between the County and the Escrow Deposit Agent (the “Escrow  
3 Deposit Agreement”) and (ii) as provided in subsection (d) of this Section 6. The actual  
4 allocation of proceeds of the Bonds shall be specified in the Executive Order, and the designation  
5 of the Escrow Deposit Agent set forth in this subsection may be changed by the Executive Order.  
6 In addition, the Executive Order or the Escrow Deposit Agreement may also provide for one or  
7 more additional funds or accounts. The Escrow Deposit Agreement shall be in substantially the  
8 form as the County Executive shall approve in the Executive Order, such approval to be  
9 conclusively evidenced by the execution and delivery of the Escrow Deposit Agreement by the  
10 County Executive.

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

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

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

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

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

18 **Section 7. Be it further enacted by the County Council of Howard County,**  
19 **Maryland,** That the Bonds shall be signed by the County Executive and by the Director of  
20 Finance by manual or facsimile signature, and the Bonds shall bear the corporate seal of the  
21 County, or a facsimile thereof, attested by the manual or facsimile signature of the Chief  
22 Administrative Officer of the County (the “Chief Administrative Officer”). In the event that any  
23 officer whose signature shall appear on the Bonds shall cease to be such officer before the

1 delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes,  
2 the same as if such officer had remained in office until delivery.

3 **Section 8. Be it further enacted by the County Council of Howard County,**  
4 **Maryland,** (a) The County Executive shall initiate a system for registration of the Bonds of both  
5 issues in book-entry only form and is hereby authorized to enter into such agreements as may be  
6 necessary to provide for registration of the Bonds in book-entry form, with DTC, by issuance of  
7 not less than one bond of each maturity.

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

18 (c) When the County Executive initiates a book-entry registration system  
19 to be maintained by DTC or replaces DTC with another municipal securities depository (either, a  
20 “Depository”), the County Executive shall execute and deliver to the Depository any  
21 representation letters or agreements as shall be deemed necessary or appropriate by the County  
22 Executive or other agreements then required by the Depository in order to qualify the Bonds of  
23 the applicable issue for registration in book-entry only form by the Depository. The County



1 Executive is hereby authorized to agree to any different manner for the payment of interest or  
2 principal or any different procedures for the redemption of bonds or giving of notices which is  
3 determined in accordance with any representation letters or agreements entered into with any  
4 Depository. Transfer or crediting of the appropriate principal and interest to the participants in  
5 the Depository will be the responsibility of the Depository, and transfer and crediting of principal  
6 and interest payments to the beneficial owners of the Bonds of the applicable issue or their  
7 nominees will be the responsibility of the participants in the Depository. Transfers of beneficial  
8 ownership of the Bonds of the applicable issue will be effected on the records of the Depository  
9 (and its participants) pursuant to rules and procedures established by the Depository.

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

18 **Section 9. Be it further enacted by the County Council of Howard County,**  
19 **Maryland,** That the Director of Finance is hereby designated and appointed as bond registrar,  
20 paying agent and authenticating agent for the Bonds (the “Bond Registrar”). The Bond Registrar  
21 shall maintain books of the County for the registration and transfer of the Bonds (the “Bond  
22 Register”). No Bonds may be registered to bearer. In addition, the County may from time to  
23 time, either prior to or following the issuance of the Bonds, designate and appoint the

1 Department of Finance of the County, any officer or employee of the County or one or more  
2 banks, trust companies, corporations or other financial institutions to act as a substitute or  
3 alternate bond registrar, paying agent or authenticating agent for the Bonds of either issue, and  
4 any such substitute or alternate shall be deemed to be the Bond Registrar or an alternate Bond  
5 Registrar for all purposes specified in the resolution appointing such substitute or alternate. Any  
6 such appointment shall be made by the County Council by resolution; and the exercise of such  
7 power of appointment, no matter how often, shall not be an exhaustion thereof.

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

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

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

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

20 Bonds, upon surrender thereof at the principal office of the Bond Registrar with a written  
21 instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner  
22 or his duly authorized attorney, may, at the option of the registered owner thereof, be exchanged

1 for an equal aggregate principal amount of Bonds of the same issue, maturity and interest rate  
2 and of any other authorized denominations.

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

16 (c) In the event any Bond is mutilated, lost, stolen or destroyed, the  
17 County may execute and the Bond Registrar may authenticate a new Bond of like issue, date,  
18 maturity, interest rate and denomination as that of the Bond mutilated, lost, stolen or destroyed;  
19 provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered  
20 to the Bond Registrar, and in the case of any lost, stolen or destroyed Bond there shall be first  
21 furnished to the County and the Bond Registrar evidence of such loss, theft or destruction  
22 satisfactory to the County and the Bond Registrar, together with indemnity satisfactory to them.  
23 In the event any such Bond shall be about to mature or have matured or been called for

1 redemption, instead of issuing a duplicate Bond the Bond Registrar may pay the same without  
2 surrender thereof. The County and the Bond Registrar may charge the registered owner of such  
3 Bond their expenses and reasonable fees, if any, in this connection.

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

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

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

1 (d) On the Redemption Date, if sufficient moneys for the payment of the  
2 redemption price plus accrued interest are being held by the Bond Registrar, the Bonds (or  
3 portions thereof) so called for redemption shall become due and payable at the redemption price  
4 provided for redemption of such Bonds (or such portions thereof) on the Redemption Date,  
5 interest on such Bonds (or portions thereof) so called for redemption shall cease to accrue and  
6 the holders or registered owners of such Bonds (or portions thereof) so called for redemption  
7 shall have no rights in respect thereto except to receive payment of the redemption price thereof,  
8 plus accrued interest thereon to the Redemption Date from such moneys held by the Bond  
9 Registrar.

10 (e) If it is determined that a portion, but not all, of the principal amount  
11 represented by any Bond is to be called for redemption, then upon notice of intention to redeem  
12 such portion, the registered owner of such Bond shall forthwith surrender such Bond to the Bond  
13 Registrar (i) for payment of the redemption price (including the premium, if any, and interest to  
14 the Redemption Date) of the portion of the principal amount thereof called for redemption and  
15 (ii) in exchange for a new Bond of the unredeemed balance of the principal amount of such  
16 Bond, and having the same form and tenor as such Bond; provided, however, that, so long as the  
17 Depository or its nominee is the registered owner of all of the Bonds, the Depository may make  
18 an appropriate notation on the applicable Bonds indicating the date and amount of such reduction  
19 in principal and notify the County in writing of such action. If a Bond is required to be  
20 surrendered to the Bond Registrar, a new Bond or Bonds representing the unredeemed balance of  
21 the principal amount of such Bond shall be issued to the registered owner thereof without charge  
22 therefor. If the registered owner of any such Bond shall fail to present such Bond to the Bond  
23 Registrar for payment and exchange as aforesaid, such Bond shall nevertheless become due and

1 payable on the date fixed for redemption to the extent of the portion of the principal amount  
2 called for redemption (and to that extent only). Interest shall cease to accrue on the portion of the  
3 principal amount of such Bond called for redemption on and after the Redemption Date, and no  
4 new Bonds shall be thereafter issued corresponding to such portion.

5 **Section 12. Be it further enacted by the County Council of Howard County,**

6 **Maryland,** That in connection with the issuance of any Bonds pursuant to this Ordinance, the

7 County is hereby authorized to enter into one or more agreements as the County Executive shall

8 deem necessary or appropriate for the issuance, sale, delivery or security of such Bonds, which

9 may include (without limitation) (i) underwriting, purchase or placement agreements for Bonds

10 sold at private (negotiated) sale in accordance with the provisions of this Ordinance; (ii) trust

11 agreements with commercial banks or trust companies providing for the issuance and security of

12 such Bonds; (iii) any dealer, remarketing or similar agreements providing for the placement or

13 remarketing of such Bonds; (iv) agreements providing for any credit or liquidity facilities

14 supporting any Bonds; (v) agreements with commercial banks or trust companies providing for

15 the deposit of proceeds of any Bonds; (vi) agreements with fiscal agents providing for the

16 issuance of Bonds, their authentication, registration or payment or other similar services; (vii)

17 agreements for services as verification agent, dissemination agent or similar agreements and

18 (viii) continuing disclosure agreements, including any such agreements required to enable the

19 underwriters of any Bonds to meet the requirements of paragraph (b)(5) of Rule 15c2-12

20 promulgated by the United States Securities and Exchange Commission. Each such agreement

21 shall be in such form as shall be determined by the County Executive by Executive Order. The

22 execution and delivery of each such agreement by the County Executive shall be conclusive

23 evidence of the approval of the form of such agreement on behalf of the County.



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

4                   (a) The County covenants that it will not make any use of the proceeds of  
5 any of the Bonds or any moneys, securities or other obligations on deposit to the credit of the  
6 County or otherwise which may be deemed by the Internal Revenue Service to be proceeds of  
7 any of the Bonds pursuant to the Internal Revenue Code of 1986, as amended, and the Income  
8 Tax Regulations thereunder (collectively, the “Code”), which would cause any of the Bonds to  
9 be “arbitrage bonds” or “private activity bonds” within the meaning of the Code.

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

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

21           **Section 14. Be if further enacted by the County Council of Howard County,**  
22 **Maryland,** That in order to enable the purchasers of the Bonds to comply with the requirements  
23 of paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (the “Rule”), the

1 County shall execute and deliver, on or before the date of issuance and delivery of the Bonds, a  
2 Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) for the benefit of  
3 the holders of the Bonds. The Continuing Disclosure Agreement sets forth the means by which  
4 the County will file and disseminate information required to be provided under the Rule, either  
5 by an agent retained pursuant to a requirements contract or by the County itself. The Continuing  
6 Disclosure Agreement shall be in substantially the form set forth as the County Executive shall  
7 approve (such approval to be conclusively evidenced by the execution and delivery of the  
8 Continuing Disclosure Agreement by the County Executive).

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

**Outstanding CPI Bonds to be Refunded**

<b>Name of Bond Issue</b>	<b>Issue Date</b>	<b>Original Principal Amount</b>	<b>Outstanding Principal Amount</b>
CPI 2004 Series A (Ref)	2/1/2004	\$112,305,000	\$ 26,850,000
CPI 2007 Series A	3/15/2007	100,000,000	4,800,000
CPI 2007 Series B (Ref)	12/19/2007	87,420,000	3,430,000
CPI 2009 Series A	4/08/2009	69,720,000	28,290,000
CPI 2009 Series B (Ref)	12/08/2009	85,860,000	68,530,000
CPI 2010 Series A	3/16/2010	49,015,000	30,335,000
CPI 2010 Series B	3/16/2010	12,590,000	1,930,000
CPI 2010 Series C	3/16/2010	39,405,000	39,405,000
CPI 2011 Series A	3/09/2011	111,115,000	91,555,000
CPI 2011 Series B (Proj & Ref)	11/17/2011	182,055,000	127,565,000
CPI 2012 Series A	3/20/2012	37,370,000	31,800,000
CPI 2013 Series A (Proj & Ref)	3/19/2013	97,910,000	84,860,000
CPI 2014 Series A (Proj & Ref)	4/03/2014	<u>117,125,000</u>	<u>101,170,000</u>
CPI 2015 Series A (Proj & Ref)	4/22/2015	<u>184,195,000</u>	<u>179,390,000</u>
CPI 2016 Series A (Proj & Ref) (Tax Exempt)	3/30/2016	<u>96,040,000</u>	<u>96,040,000</u>
<b>Total</b>		<b><u>\$1,382,125,000</u></b>	<b><u>\$915,950,000</u></b>

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

<b>Name of Bond Issue</b>	<b>Issue Date</b>	<b>Original Principal Amount</b>	<b>Outstanding Principal Amount</b>
			\$
MD 2007 Series A	3/15/2007	10,000,000	3,690,000
MD 2007 Series B (Ref)	12/19/2007	11,980,000	9,190,000
MD 2009 Series A	4/08/2009	26,240,000	19,320,000
MD 2009 Series B (Ref)	12/08/2009	7,255,000	6,910,000
MD 2011 Series A	3/09/2011	49,990,000	45,155,000
MD 2011 Series B (Proj & Ref)	11/17/2011	36,245,000	27,175,000
MD 2012 Series A	3/20/2012	19,970,000	17,645,000
MD 2013 Series A (Proj & Ref)	3/19/2013	39,155,000	34,730,000
MD 2014 Series A (Proj & Ref)	4/03/2014	<u>22,055,000</u>	<u>20,055,000</u>
MD 2015 Series A (Proj & Ref)	4/22/2015	<u>31,015,000</u>	<u>30,290,000</u>
MD 2016 Series A (Proj & Ref)	3/30/2016	<u>26,190,000</u>	<u>26,190,000</u>
<b>Total</b>		<b><u>\$280,095,000</u></b>	<b><u>\$240,350,000</u></b>