

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

**County Council Of
Howard County, Maryland**

2010 Legislative Session

Legislative Day No. 11

Bill No. 53 -2010

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

A BOND ISSUE AUTHORIZATION ORDINANCE 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 _____, 2010. Ordered posted and hearing scheduled.

By order _____
Stephen LeGendre, 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 _____, 2010 and concluded on _____, 2010.

By order _____
Stephen LeGendre, Administrator

This Bill was read the third time on _____, 2010 and Passed _____, Passed with amendments _____, Failed _____.

By order _____
Stephen LeGendre, Administrator

Approved by the County Executive _____, 2010

Ken Ulman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN ALL 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 Authorization Ordinances for such series of Outstanding Consolidated Bonds and
15 Outstanding Metropolitan Bonds specified in Exhibit A or B hereto (each, a "Bond Ordinance").

16 Section 24 of Article 31 of the Annotated Code of Maryland, as amended (the
17 "Refunding Act"), provides that a county which has power under any public general or public
18 local law to borrow money and to evidence the borrowing by the issuance of its general
19 obligation bonds, revenue bonds or other evidences of obligation by whatever name known or
20 source of funds secured, may issue bonds for the purpose of refunding any of its bonds then
21 outstanding, including the payment of any redemption premium and any interest accrued or to
22 accrue to the date of redemption, purchase or maturity of the bonds or other obligations.

23 The County is authorized to borrow money and to evidence the borrowing by the
24 issuance of its general obligation bonds pursuant to Section 5(P) of Article 25A of the Annotated

1 Code of Maryland, as amended ("Article 25A"), and Article VI of the Howard County, Maryland
2 Charter (the "Charter").

3 Refunding bonds may be issued under the authority of the Refunding Act for the public
4 purpose of:

5 (i) Realizing savings to the issuer in the aggregate cost of debt service on
6 either a direct comparison or present value basis; or

7 (ii) Debt restructuring that:

8 (1) In the aggregate effects such a reduction in the cost of debt service;

9 or

10 (2) Is determined by the governing body to be in the best interests of
11 the issuer, to be consistent with the issuer's long-term financial plan, and to realize a financial
12 objective of the issuer including, improving the relationship of debt service to a source of
13 payment such as taxes, assessments, or other charges.

14 The Refunding Act further provides that (a) the power to issue refunding bonds under
15 such section shall be deemed additional and supplemental to the issuer's existing borrowing
16 power, and (b) the procedures for the issuance of refunding bonds shall be the same as those
17 applicable to the bonds or other obligations being refunded, except that refunding bonds may be
18 sold on a negotiated basis without solicitation of bids if the issuer determines in a public meeting
19 that such procedure is in the public interest. The Refunding Act further provides in subsection (d)
20 that, for the purpose of determining whether refunding bonds issued thereunder are within any
21 debt limitation applicable to an issuer, the amount of bonds or other obligations to be refunded
22 shall be subtracted from, and the amount of refunding bonds to be issued shall be added to, the
23 aggregate of such issuer's outstanding bonds.

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

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

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

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

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

22 Based on the advice and recommendations of the County's Financial Advisor and the
23 findings set forth herein, the County Council has determined that it is in the best interest of the

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

16 The Metropolitan District Refunding Bonds shall be issued in the aggregate principal
17 amount as shall be determined by the County Executive in the Executive Order in an amount not
18 to exceed 125% of the Outstanding Metropolitan Bonds, the proceeds of which are to be used for
19 the purpose of (1) refunding all or a portion of the Outstanding Metropolitan Bonds as set forth
20 in the table attached hereto as Exhibit B, as shall be determined by the County Executive in the
21 Executive Order (the "Refunded Metropolitan District Bonds"), (2) paying the redemption
22 premium (if any) and the interest accrued and to accrue to the applicable maturity or redemption
23 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 Article**
4 **25A, 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 for the
12 public purposes and in the amounts (or maximum amounts) for each such public purpose
13 specified in the Bond Ordinance for such series as set forth in Exhibit A hereto. The outstanding
14 aggregate principal amount of each series of the Outstanding Consolidated Bonds is also set forth
15 in Exhibit A hereto.

16 (b) The County has heretofore issued each series of the Outstanding
17 Metropolitan Bonds in the original aggregate principal amounts listed in Exhibit B hereto for the
18 public purposes and in the amounts (or maximum amounts) for each such public purpose
19 specified in the Bond Ordinance for such series as set forth in Exhibit B hereto. The outstanding
20 aggregate principal amount of each series of the Outstanding Metropolitan Bonds is also set forth
21 in Exhibit B hereto.

22 (2) Interest rates in the municipal bond market for certain corresponding
23 maturities of bonds are significantly lower than they were when certain of the Outstanding

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

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

4 (4) It is therefore in the best interest of the County to issue the Consolidated
5 Refunding Bonds pursuant to and in accordance with the Charter, Article 25A and the Refunding
6 Act, in the aggregate principal amount not to exceed 125% of the total aggregate principal
7 amount of Outstanding Consolidated Bonds, or such lesser principal amount as the County
8 Executive may specify in the Executive Order, for the purpose of (a) paying at maturity or
9 redeeming the Refunded Consolidated Bonds on the dates and in the principal amounts or at the
10 redemption prices specified in the Executive Order, (b) paying any redemption premium and any
11 interest accrued and to accrue to the applicable maturity or redemption dates of such Refunded
12 Consolidated Bonds, and (c) paying the costs of issuing the Consolidated Refunding Bonds, all
13 to the extent such interest and costs are not payable from other sources, as specified in the
14 Executive Order.

15 (5) It is also therefore in the best interest of the County to issue the Metropolitan
16 District Refunding Bonds pursuant to and in accordance with the Charter, Article 25A, and the
17 Refunding Act, in the aggregate principal amount not to exceed 125% of the total aggregate
18 principal amount of Outstanding Metropolitan Bonds, or such lesser principal amount as the
19 County Executive may specify in the Executive Order, for the purpose of (a) paying at maturity
20 or redeeming the Refunded Metropolitan District Bonds on the dates and in the principal
21 amounts or at the redemption prices specified in the Executive Order, (b) paying any redemption
22 premium and any interest accrued and to accrue to the applicable maturity or redemption dates of
23 such Refunded Metropolitan District Bonds, and (c) paying the costs of issuing the Metropolitan

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

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

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

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

15 Bonds issued under this Ordinance are hereby specifically exempted from the provisions
16 of Sections 10 and 11 of Article 31 of the Annotated Code of Maryland (2003 Replacement
17 Volume and 2009 Supplement).

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

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

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

22 **Section 3. Be it further enacted by the County Council of Howard County,**
23 **Maryland,** (a) That the County, pursuant to the authority contained in Section 5(P) of Article

1 25A, the Charter and the Refunding Act, shall borrow upon the full faith and credit of the County
2 and shall issue and sell upon the full faith and credit of the County its (1) Consolidated
3 Refunding Bonds in registered form without coupons in aggregate principal amount not to
4 exceed 125% of the total aggregate principal amount of Outstanding Consolidated Bonds as shall
5 be specified in the Executive Order, which shall be designated "Howard County, Maryland
6 Consolidated Public Improvement Refunding Bonds", with such designation to include the
7 calendar year and series of such bonds as shall be specified in the Executive Order and (2)
8 Metropolitan District Refunding Bonds in registered form without coupons in aggregate
9 principal amount not to exceed 125% of the total aggregate principal amount of Outstanding
10 Metropolitan District Refunding Bonds as shall be specified in the Executive Order, such bonds
11 to be known as "Howard County, Maryland Metropolitan District Refunding Bonds," with such
12 designation to include the calendar year and series of such bonds as shall be specified in the
13 Executive Order.

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

22 (c) Subject to and in accordance with the provisions of this Ordinance, the
23 County Executive shall determine by Executive Order, for each and every Bond or series of

1 Bonds issued pursuant to and in accordance with this Ordinance, all matters relating to the sale,
2 issuance, delivery and payment of the Bonds, including (without limitation) the purposes for
3 which such Bonds are issued, the date or dates of sale of the Bonds, the designation of the
4 Bonds, the date of delivery of the Bonds, the authorized denominations for the Bonds, the
5 redemption provisions, if any, pertaining to the Bonds, the manner of authentication and
6 numbering of the Bonds, the date from which interest on the Bonds shall accrue, the rate or rates
7 of interest borne by the Bonds or the method of determining the same, the interest payment and
8 maturity dates of the Bonds, including provisions for mandatory sinking fund redemption of any
9 term bonds, the forms of the Bonds, whether the Bonds are to be issued in book-entry only form
10 and all matters incident to the issuance of Bonds in book-entry only form and the provisions for
11 the registration of Bonds. The execution and delivery of Bonds as herein provided shall be
12 conclusive evidence of the approval of all terms and provisions of such Bonds on behalf of the
13 County.

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

19 **Section 4. Be it further enacted by the County Council of Howard County,**
20 **Maryland,** That for the purpose of paying the interest on the Consolidated Refunding Bonds
21 when due and the principal thereof when they respectively mature and are payable, there is
22 hereby levied and there shall hereafter be levied in each fiscal year that any of the Consolidated
23 Refunding Bonds are outstanding, ad valorem taxes on real and tangible personal property and

1 intangible property subject to taxation by the County without limitation of rate or amount and, in
2 addition, upon such other intangible property as may be subject to taxation by the County within
3 limitations prescribed by law, in an amount sufficient, together with funds available from other
4 sources, to pay the annual interest (payable in the manner set forth herein) on the outstanding
5 Consolidated Refunding Bonds and to pay the principal of the Consolidated Refunding Bonds
6 maturing during the succeeding year. It is hereby declared that the principal of and interest on the
7 Consolidated Refunding Bonds are to be paid from the sources set forth in the preceding
8 sentence, and the full faith and credit and the unlimited taxing power of the County are hereby
9 irrevocably pledged to the punctual payment of the principal of and interest on the Consolidated
10 Refunding Bonds as and when the same respectively become due and payable.

11 **Section 5. Be it further enacted by the County Council of Howard County,**
12 **Maryland,** That for the purpose of paying the principal of and interest on the Metropolitan
13 District Refunding Bonds as the same shall become payable, the County Council shall levy ad
14 valorem taxes upon assessable property in the Metropolitan District and other available funds,
15 together with benefit assessments, to pay the principal of and interest on such bonds or other
16 obligations until all of such bonds or other obligations shall mature and be redeemed. In the
17 event of a deficiency of such funds at any time while any of such Metropolitan District
18 Refunding Bonds are outstanding, for the purpose of paying the principal of and interest on such
19 bonds, the County shall promptly levy upon all legally assessable property within the
20 Metropolitan District a tax or taxes in an amount or amounts sufficient to make up any such
21 deficiency, and in the event the proceeds of such tax or taxes so levied shall prove insufficient,
22 then the County shall levy ad valorem taxes upon all of the legally assessable property within the
23 entire corporate limits of the County in rate and amount sufficient to pay the principal of and

1 interest on such bonds. The full faith and credit and unlimited taxing power of the County are
2 hereby irrevocably pledged to the payment of the principal of and interest on such bonds.

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

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

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

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

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

8 in the name of the County (the "Escrow Deposit Fund") pursuant to one or more escrow deposit

9 agreements to be entered into between the County and the Escrow Deposit Agent (the "Escrow

10 Deposit Agreement") and (ii) as provided in subsection (d) of this Section 6. The actual

11 allocation of proceeds of the Bonds shall be specified in the Executive Order, and the designation

12 of the Escrow Deposit Agent set forth in this subsection may be changed by the Executive Order.

13 In addition, the Executive Order or the Escrow Deposit Agreement may also provide for one or

14 more additional funds or accounts. The Escrow Deposit Agreement shall be in substantially the

15 form as the County Executive shall approve in the Executive Order, such approval to be

16 conclusively evidenced by the execution and delivery of the Escrow Deposit Agreement by the

17 County Executive.

18 (b) In addition, if the County Executive provides in the Executive Order,

19 the Director of Finance shall transfer to the Escrow Deposit Agent amounts equal to some or all

20 of the interest which is payable on the Bonds during the fiscal year of the County in which the

21 Dated Date occurs.

22 (c) The Escrow Deposit Agent shall apply all or part of the funds

23 deposited with it by the Director of Finance pursuant to subsections (a) and (b) of this Section 6

1 and the Executive Order to the purchase of direct obligations of, or obligations the timely
2 payment of the principal of and interest on which is unconditionally guaranteed by, the United
3 States of America, including, without limitation, obligations of the Resolution Funding
4 Corporation (hereinafter referred to as "Government Obligations"), the principal of and interest
5 on which will be sufficient, together with any cash not so invested and without reinvestment, to
6 pay in a timely manner (1) the principal of the Refunded Consolidated Bonds and the redemption
7 premium, if any, and interest accrued and to accrue thereon to the applicable maturity or
8 redemption dates thereof, and (2) the principal of the Refunded Metropolitan District Bonds and
9 the redemption premium, if any, and interest accrued and to accrue thereon to the applicable
10 maturity or redemption dates thereof. As the Government Obligations in the Escrow Deposit
11 Fund pay interest and mature, the moneys so derived shall be held in the Escrow Deposit Fund
12 and applied to the payment of (1) the principal of the Refunded Consolidated Bonds and the
13 redemption premium, if any, and interest accrued and to accrue thereon to the applicable
14 maturity or redemption dates thereof, and (2) the principal of the Refunded Metropolitan District
15 Bonds and the redemption premium, if any, and interest accrued and to accrue thereon to the
16 applicable maturity or redemption dates thereof.

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

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

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

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

17 (b) The County Executive may replace any depository for either issue of
18 the Bonds pursuant to a book-entry registration system established in accordance with this
19 Section if the County Executive determines that such depository is incapable of discharging its
20 duties with respect to the Bonds of such issue, or that the interest of the beneficial owners of the
21 Bonds of such issue might be adversely affected by the continuation of such book-entry only
22 system. Notice of such determination shall be given to such depository not less than 30 days
23 prior to any such determination. Thereafter, the County Executive may issue replacement Bonds

1 of such issue to a substitute securities depository, to participants of a securities depository to be
2 replaced or to beneficial owners of the Bonds of such issue properly identified by such
3 participants.

4 (c) When the County Executive initiates a book-entry registration system
5 to be maintained by DTC or replaces DTC with another municipal securities depository (either, a
6 "Depository"), the County Executive shall execute and deliver to the Depository any
7 representation letters or agreements as shall be deemed necessary or appropriate by the County
8 Executive or other agreements then required by the Depository in order to qualify the Bonds of
9 the applicable issue for registration in book-entry only form by the Depository. The County
10 Executive is hereby authorized to agree to any different manner for the payment of interest or
11 principal or any different procedures for the redemption of bonds or giving of notices which is
12 determined in accordance with any representation letters or agreements entered into with any
13 Depository. Transfer or crediting of the appropriate principal and interest to the participants in
14 the Depository will be the responsibility of the Depository, and transfer and crediting of principal
15 and interest payments to the beneficial owners of the Bonds of the applicable issue or their
16 nominees will be the responsibility of the participants in the Depository. Transfers of beneficial
17 ownership of the Bonds of the applicable issue will be effected on the records of the Depository
18 (and its participants) pursuant to rules and procedures established by the Depository.

19 (d) Any securities depository selected in accordance with this Ordinance
20 and each of its participants and the beneficial owners of the Bonds, by their acceptance of the
21 Bonds, shall agree that the County and the County Executive shall have no liability for the
22 failure of any such securities depository which may be selected as herein provided to perform its
23 obligations to the participants and the beneficial owners of the Bonds, nor shall either the County

1 or the County Executive be liable for the failure of any participant or other nominee of the
2 beneficial owners to perform any obligation the participant may incur to a beneficial owner of
3 the Bonds.

4 **Section 9. Be it further enacted by the County Council of Howard County,**
5 **Maryland,** That the Director of Finance is hereby designated and appointed as bond registrar,
6 paying agent and authenticating agent for the Bonds (the "Bond Registrar"). The Bond Registrar
7 shall maintain books of the County for the registration and transfer of the Bonds (the "Bond
8 Register"). No Bonds may be registered to bearer. In addition, the County may from time to
9 time, either prior to or following the issuance of the Bonds, designate and appoint the
10 Department of Finance of the County, any officer or employee of the County or one or more
11 banks, trust companies, corporations or other financial institutions to act as a substitute or
12 alternate bond registrar, paying agent or authenticating agent for the Bonds of either issue, and
13 any such substitute or alternate shall be deemed to be the Bond Registrar or an alternate Bond
14 Registrar for all purposes specified in the resolution appointing such substitute or alternate. Any
15 such appointment shall be made by the County Council by resolution; and the exercise of such
16 power of appointment, no matter how often, shall not be an exhaustion thereof.

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

20 (a) No Bond shall be valid or obligatory for any purpose unless and until
21 the certificate of authentication therefor shall have been duly executed by the Bond Registrar,
22 and such executed certificate of the Bond Registrar upon any such Bond shall be conclusive
23 evidence that such Bond has been authenticated and delivered pursuant to this Ordinance. The

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

5 (b) Each Bond shall be transferable only upon the books of the County
6 maintained by the Bond Registrar, at the written request of the registered owner thereof or his
7 attorney duly authorized in writing, but no Bond will be transferred unless DTC determines to
8 discontinue providing its services as a securities depository or directs that such Bonds be
9 reregistered in a different name or different amounts, or unless DTC is removed as the
10 Depository. Any such transfer of such Bond shall be made, upon surrender thereof, together with
11 a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered
12 owner or his attorney duly authorized in writing. Upon the surrender for transfer of any Bond,
13 the County shall issue, and the Bond Registrar shall authenticate, in the name of the transferee, in
14 authorized denominations, a new Bond or Bonds of the same aggregate principal amount and of
15 the same issue, form and tenor as the surrendered Bond. If any Bond is presented for such
16 purpose at the principal office of the Bond Registrar, the Bond Registrar shall register or cause to
17 be registered in the Bond Register and permit to be transferred thereon, under such reasonable
18 regulations as the County or the Bond Registrar may prescribe, any Bond entitled to registration
19 or transfer. So long as any of the Bonds remain outstanding, the County shall cooperate in
20 making all necessary provisions to permit the exchange of Bonds at the principal office of the
21 Bond Registrar. The County and the Bond Registrar may deem and treat the person in whose
22 name any Bond shall be registered upon the books of the County as the absolute owner of such
23 Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on

1 account of, the principal of and premium, if any, and interest on such Bond and for all other
2 purposes, and all such payments so made to any such registered owner or upon his order shall be
3 valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum
4 or sums so paid, and neither the County nor the Bond Registrar shall be affected by any notice to
5 the contrary.

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

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

1 (c) In the event any Bond is mutilated, lost, stolen or destroyed, the
2 County may execute and the Bond Registrar may authenticate a new Bond of like issue, date,
3 maturity, interest rate and denomination as that of the Bond mutilated, lost, stolen or destroyed;
4 provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered
5 to the Bond Registrar, and in the case of any lost, stolen or destroyed Bond there shall be first
6 furnished to the County and the Bond Registrar evidence of such loss, theft or destruction
7 satisfactory to the County and the Bond Registrar, together with indemnity satisfactory to them.
8 In the event any such Bond shall be about to mature or have matured or been called for
9 redemption, instead of issuing a duplicate Bond the Bond Registrar may pay the same without
10 surrender thereof. The County and the Bond Registrar may charge the registered owner of such
11 Bond their expenses and reasonable fees, if any, in this connection.

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

16 (b) The Bonds shall be redeemed only in integral multiples of \$5,000. If
17 less than all of the outstanding Consolidated Refunding Bonds or Metropolitan District
18 Refunding Bonds shall be called for optional redemption, the County shall choose the maturities
19 of the Consolidated Refunding Bonds or Metropolitan District Refunding Bonds to be redeemed
20 and the principal amount of each such maturity to be redeemed, in its sole discretion. If less than
21 all of the Consolidated Refunding Bonds or Metropolitan District Refunding Bonds of any one
22 maturity shall be called for optional redemption, then the particular Consolidated Bonds or
23 Metropolitan District Refunding Bonds (whichever are to be redeemed) of such maturity, or

1 portions of such Consolidated Refunding Bonds or Metropolitan District Refunding Bonds, to be
2 so redeemed shall be chosen by the Depository in accordance with its normal and customary
3 procedures (so long as the Bonds are in book-entry only form) or, if the book-entry form has
4 been discontinued, by lot by the Bond Registrar in such manner as the Bond Registrar, in her
5 discretion, shall determine; and, for an optional redemption, if such maturity consists of term
6 Bonds, the County shall choose the mandatory sinking fund redemption installments of such
7 term Bonds to be reduced and the amount of each such reduction, in its sole discretion.

8 (c) Unless notice of redemption shall be waived in writing by the
9 registered owners of the Bonds to be redeemed, a notice calling for redemption of the Bonds to
10 be redeemed shall be mailed by the Bond Registrar, not less than 30 days nor more than 45 days
11 prior to the date fixed for redemption (the "Redemption Date"), to all registered owners of the
12 Bonds to be redeemed (in whole or in part), at their last addresses appearing on the registration
13 books kept by the Bond Registrar, by first-class mail, postage prepaid (provided, however, that,
14 so long as all of the Bonds are registered in the name of the Depository or its nominee, such
15 notice shall be given by a secure means (e.g. legible facsimile transmission, registered or
16 certified mail or overnight express delivery) in a timely manner designed to assure that such
17 notice is in the Depository's possession no later than the close of business on such thirtieth day);
18 but failure to mail or deliver any such notice or any defect in the notice so mailed or delivered, or
19 in the mailing or delivery thereof, shall not affect the validity of any redemption proceedings.
20 Such notice shall specify the issue, CUSIP numbers, maturities and interest rates of the Bonds to
21 be redeemed (in whole or in part), and, for a partial redemption, the principal amount of each
22 maturity of the Bonds to be redeemed, the date of the notice, the Redemption Date, the
23 redemption price, and the name, address and telephone number of the Bond Registrar, and shall

1 further state that, on the Redemption Date, the Bonds called for redemption will be due and
2 become payable at the office of the Bond Registrar, and that, from and after the Redemption
3 Date, interest thereon shall cease to accrue. The Bond Registrar will use its best efforts to mail a
4 second notice of redemption to registered owners of Bonds who have not presented their Bonds
5 for redemption 60 days after the Redemption Date.

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

14 (e) If it is determined that a portion, but not all, of the principal amount
15 represented by any Bond is to be called for redemption, then upon notice of intention to redeem
16 such portion, the registered owner of such Bond shall forthwith surrender such Bond to the Bond
17 Registrar (i) for payment of the redemption price (including the premium, if any, and interest to
18 the Redemption Date) of the portion of the principal amount thereof called for redemption and
19 (ii) in exchange for a new Bond of the unredeemed balance of the principal amount of such
20 Bond, and having the same form and tenor as such Bond; provided, however, that, so long as the
21 Depository or its nominee is the registered owner of all of the Bonds, the Depository may make
22 an appropriate notation on the applicable Bonds indicating the date and amount of such reduction
23 in principal and notify the County in writing of such action. If a Bond is required to be

1 surrendered to the Bond Registrar, a new Bond or Bonds representing the unredeemed balance of
2 the principal amount of such Bond shall be issued to the registered owner thereof without charge
3 therefor. If the registered owner of any such Bond shall fail to present such Bond to the Bond
4 Registrar for payment and exchange as aforesaid, such Bond shall nevertheless become due and
5 payable on the date fixed for redemption to the extent of the portion of the principal amount
6 called for redemption (and to that extent only). Interest shall cease to accrue on the portion of the
7 principal amount of such Bond called for redemption on and after the Redemption Date, and no
8 new Bonds shall be thereafter issued corresponding to such portion.

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

1 shall be in such form as shall be determined by the County Executive by Executive Order. The
2 execution and delivery of each such agreement by the County Executive shall be conclusive
3 evidence of the approval of the form of such agreement on behalf of the County.

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

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

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

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

1 **Section 14. Be if further enacted by the County Council of Howard County,**
2 **Maryland,** That in order to enable the purchasers of the Bonds to comply with the requirements
3 of paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), the
4 County shall execute and deliver, on or before the date of issuance and delivery of the Bonds, a
5 Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") for the benefit of
6 the holders of the Bonds. The Continuing Disclosure Agreement sets forth the means by which
7 the County will file and disseminate information required to be provided under the Rule, either
8 by an agent retained pursuant to a requirements contract or by the County itself. The Continuing
9 Disclosure Agreement shall be in substantially the form set forth as the County Executive shall
10 approve (such approval to be conclusively evidenced by the execution and delivery of the
11 Continuing Disclosure Agreement by the County Executive).

12 **Section 15. Be it further enacted by the County Council of Howard County,**
13 **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	Council Bill No.
CPI 2002 Series A	2/1/2002	112,165,000	28,410,000	1-2002, 2-2002
CPI 2003 Series A	6/1/2003	94,770,000	22,500,000	24-2003, 25-2003
CPI 2004 Series A	2/1/2004	112,305,000	96,430,000	1-2004, 2-2004
CPI 2004 Series B	2/1/2004	21,000,000	3,960,000	1-2004, 2-2004
CPI 2005 Series A	1/1/2005	60,000,000	47,800,000	73-2004
CPI 2006 Series A	1/15/2006	91,375,000	59,700,000	67-2005
CPI 2007 Series A	3/15/2007	100,000,000	56,100,000	3-2007
CPI 2007 Series B (Ref)	12/19/2007	87,420,000	63,235,000	75-2007
CPI 2008 Series A	2/27/2008	107,500,000	73,360,000	1-2008
CPI 2009 Series A	3/23/2009	69,720,000	67,515,000	59-2008
CPI 2009 Series B (Ref)	11/17/2009	85,860,000	85,860,000	50-2009
CPI 2010 Series A	2/23/2010	49,015,000	49,015,000	41-2009
CPI 2010 Series B	2/23/2010	12,590,000	12,590,000	41-2009
CPI 2010 Series C	2/23/2010	39,405,000	39,405,000	41-2009
Total		<u>\$1,043,125,000</u>	<u>\$705,880,000</u>	

Exhibit B

Outstanding Metropolitan District Bonds to be Refunded

Name of Bond Issue	Issue Date	Original Principal Amount	Outstanding Principal Amount	Council Bill No.
MD 2002 Series A	2/1/2002	26,150,000	17,065,000	1-2002, 2-2002
MD 2003 Series A	6/1/2003	29,180,000	13,675,000	24-2003, 25-2003
MD 2004 Series A (Ref)	2/1/2004	8,325,000	7,540,000	1-2004, 2-2004
MD 2005 Series A	1/1/2005	4,000,000	3,560,000	73-2004
MD 2006 Series A	1/15/2006	3,000,000	2,500,000	67-2005
MD 2007 Series A	3/15/2007	10,000,000	8,860,000	3-2007
MD 2007 Series B (Ref)	12/19/2007	11,980,000	11,585,000	75-2007
MD 2008 Series A	2/27/2008	4,095,000	3,940,000	1-2008
MD 2009 Series A	3/23/2009	26,240,000	25,405,000	59-2008
MD 2009 Series B (Ref)	11/17/2009	7,255,000	7,255,000	50-2009
MD 2010 Series A	2/23/2010	5,520,000	5,520,000	41-2009
Total		<u>\$135,745,000</u>	<u>\$106,905,000</u>	