

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2009, Legislative Day No. 29

Bill No. 51-09

Introduced by Mr. Reilly, Chairman
(by request of the County Executive)

By the County Council, June 15, 2009

Introduced and first read on June 15, 2009
Public Hearing set for and held on July 6, 2009
Public hearing on AMENDED BILL set for and held on July 20, 2009
Bill Expires September 18, 2009

By Order: Judy C. Holmes, Administrative Officer

1 AN ORDINANCE concerning: Issuance, Sale and Delivery of Anne Arundel County, Maryland,
2 General Obligation Bonds and Bond Anticipation Notes

3
4 FOR the purpose of authorizing the issuance by Anne Arundel County, Maryland, of bond
5 anticipation notes in an amount to be outstanding at any time not in excess of Four Hundred
6 Eighty-Nine Million Nine Hundred Three Thousand Dollars (\$489,903,000) and bonds in an
7 amount not exceeding ~~Seven Hundred Thirty-Eight Million Nine Hundred Sixty-Eight Thousand~~
8 ~~Eight Hundred Seventy-Two Dollars (\$738,968,872)~~ Seven Hundred Thirty-Eight Million Nine
9 Hundred Sixty-Eight Thousand Five Hundred Twenty-Four Dollars (\$738,968,524) in order to
10 finance in whole or in part the construction of capital projects set forth in the capital budget of
11 the County for the fiscal year ending June 30, 2010, or in such capital budgets for prior fiscal
12 years, or usable portions thereof; authorizing the issuance by the County of refunding bonds to
13 refund some or all of the outstanding bond issues of the County listed on Exhibit II attached
14 hereto and incorporated herein in an aggregate principal amount not to exceed 120% of the
15 aggregate principal amount of the outstanding bonds to be refunded subject to the requirement
16 that debt service savings shall be achieved in connection with any such refunding; authorizing
17 the County to borrow money and incur indebtedness otherwise authorized to be borrowed and
18 incurred hereunder in the form of bonds or bond anticipation notes by obtaining a loan or loans
19 from the Maryland Water Quality Financing Administration pursuant to and in accordance with
20 Sections 9-1601 to 9-1622, inclusive, of the Environment Article of the Annotated Code of
21 Maryland (2007 Replacement Volume and 2008 Supplement) for the public purpose of financing
22 a portion of the costs of acquiring, constructing and equipping certain wastewater facilities and
23 water supply systems; providing for the execution and delivery by the County of a loan
24 agreement and bond to evidence any such loan; reaffirming and clarifying the guides and
25 standards relating to the borrowing of money to finance such capital projects heretofore adopted;
26 listing the capital projects to be financed in whole or in part from the proceeds of sale of the
27 bonds hereby authorized, the usable portions, estimated costs and probable useful lives thereof;
28 showing compliance with the

EXPLANATION: Underlining indicates amendments to bill.

~~Strikeover~~ indicates matter stricken from bill by amendment.

1 limitations on the power of the County to incur indebtedness; providing for essential flexibility
2 in the financing of such capital projects and the issuance of such bonds by authorization of
3 such bond anticipation notes to be repaid from the proceeds of the sale of such bonds; prescribing
4 the procedure for the issuance and sale of such bond anticipation notes and bonds; empowering
5 the County Executive, or the Chief Administrative Officer if authorized by the County Executive,
6 subject to such guides and standards, to determine the time and method of sale of such bond
7 anticipation notes and refunding bonds, which sale may be a private (negotiated) sale or a public
8 sale, and the time, place, and procedure for the public sale of such bonds other than refunding
9 bonds; empowering the County Executive, or the Chief Administrative Officer if authorized by
10 the County Executive, subject to such guides and standards, to determine the forms of such bonds
11 and to determine the forms of such bond anticipation notes; empowering the County Executive,
12 or the Chief Administrative Officer if authorized by the County Executive, to provide for or
13 determine the private (negotiated) sale of any loan agreement or bond to the Maryland Water
14 Quality Financing Administration, the form or forms thereof and other details with respect
15 thereto and to the sales thereof; providing that such bond anticipation notes may be issued as
16 notes in the nature of commercial paper and, in such event, authorizing the County Executive, or
17 the Chief Administrative Officer if authorized by the County Executive, to determine various
18 matters and to take various actions in connection with such issuance; providing that such bonds
19 and bond anticipation notes may be issued as variable rate demand or similar obligations and, in
20 such event, authorizing the County Executive, or the Chief Administrative Officer if authorized
21 by the County Executive, to determine various matters and to take various actions in connection
22 with such issuance; covenanting to appropriate sufficient revenues in each fiscal year following
23 the issuance of such bonds to pay the maturing principal thereof and the interest thereon and to
24 meet such appropriation either by revenues derived from self liquidating projects, special
25 development impact fee revenues, or from the proceeds of ad valorem taxes, or a combination of
26 the foregoing; pledging the full faith and credit of Anne Arundel County, Maryland, to the
27 payment of the bonds and bond anticipation notes issued hereunder and the interest thereon,
28 when due; providing that the pledge of the taxing power to secure such bonds and bond
29 anticipation notes shall be subject to the limitation imposed by Section 710(d) of the County
30 Charter, except in the case where refunding bonds are issued to refund bonds secured by the
31 pledge of the full faith and credit and unlimited taxing power of the County; prescribing the
32 maximum aggregate amount of such bonds which may be issued in each of the fiscal years
33 ending June 30, 2010, June 30, 2011 and June 30, 2012; covenanting that the proceeds of such
34 bonds, or any moneys which may be deemed to be proceeds, will not be used in a manner to
35 cause such bonds to be arbitrage bonds; canceling, rescinding, and repealing authority to issue
36 certain bonds only to the extent such authority has not been previously exercised under Bills No.
37 1-71, 82-71, 93-72, 139-72, 140-72, 95-73, 71-74, 112-74, 80-75, 91-76, 86-77, 63-78, 98-79,
38 114-80, 128-81, 107-82, 58-83, 65-84, 46-85, 60-86, 45-87, 50-88, 39-89, 47-90, 41-91, 52-91,
39 13-92, 60-92, 69-93, 68-94, 43-95, 68-96, 53-97, 50-98, 53-99, 40-00, 57-01, 65-02, 40-03, 49-
40 04, 53-05, 60-06, 55-07 and 57-08 all as amended, and providing that certain bonds and bond
41 anticipation notes may continue to be issued under Bill No. 53-97, Bill No. 50 98, Bill No. 53-
42 99, Bill No. 40-00, Bill No. 57-01, Bill No. 65-02; Bill No. 40-03, Bill No. 49-04, Bill No. 53-
43 05, Bill No. 60-06, Bill No. 55-07 and Bill No. 57-08 and ratifying, confirming and validating
44 the previous authorization, issuance, sale and delivery of bonds and bond anticipation notes
45 pursuant to such authority; authorizing the execution and delivery of long-term Anne Arundel
46 County, Maryland general obligations in the form of installment purchase agreements in the
47 maximum aggregate principal amount of Two Million Two Hundred Seventy-Four Thousand
48 Eighty Four Dollars (\$2,274,084) in accordance with Title 20 of Article 24 of the Annotated
49 Code of Maryland (2005 Replacement Volume and 2008 Supplement, as amended), to effect the
50 acquisition by the County of certain development rights easements in accordance with the
51 County's Agricultural Land and Woodland Preservation Program; ratifying and authorizing the
52 issuance of Shore Erosion Control Construction Loans pursuant to and in accordance with
53 Sections 8-1001 to 8-1008, inclusive, of the Natural Resources Article of the Annotated Code of

1 Maryland (2007 Replacement Volume and 2008 Supplement) and generally providing for the
2 consolidation and authorization of a borrowing program for Anne Arundel County, Maryland,
3 and matters generally related thereto.
4

5 SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland,* That in
6 connection with the issuance of the bonds hereinafter authorized, (i) the STATEMENT OF POLICY
7 adopted by Bill No. 70-66 is hereby reaffirmed as it applies to the issuance of the bonds authorized
8 hereby, and as clarified herein, and restated below as so clarified, for the information of the public
9 and for the guidance of the County Executive or the Chief Administrative Officer, as the case may be,
10 in exercising the authority hereby conferred on him, and (ii) the following FINDINGS OF FACT are
11 hereby adopted for the purpose of demonstrating compliance with the requirements and limitations of
12 the County Charter on the borrowing of money and the issuance of bonds by Anne Arundel County,
13 Maryland, in evidence thereof:
14

15 STATEMENT OF POLICY
16

17 (1) It is essential that the County continue to provide, in timely fashion, the public facilities
18 necessary to serve its population, which has increased significantly in recent years, while at the same
19 time retaining and supporting substantial rural and agricultural elements of the County's economy
20 which enable the County to enjoy the benefits of a balanced and diverse economy. All or a portion of
21 the cost of such facilities will have to be financed through the borrowing of money by the County on
22 a reasonably long term basis in order that the burden of such cost may be equitably apportioned
23 among present and future taxpayers. However, it is equally essential that the credit standing of Anne
24 Arundel County, Maryland, be preserved and, if possible, improved to the end that the cost of
25 borrowing money by the County will not be unduly burdensome. To aid in achieving these basic
26 objectives, the County Executive or the Chief Administrative Officer, as the case may be, shall, to the
27 maximum extent possible, exercise the authority hereby conferred upon him within the following
28 guidelines as well as within the fixed limitations prescribed herein and in the County Charter.
29

30 (2) Sale of bonds hereunder shall be spaced at least six (6) months apart when practicable;
31 provided, however, that bonds may be sold hereunder at such other intervals as the County Executive,
32 or the Chief Administrative Officer, as the case may be, may deem advisable due to financial or
33 market conditions prevailing at the time.
34

35 (3) To provide an adequate flow of funds for capital projects, to limit amounts borrowed to the
36 costs incurred for such projects, and to facilitate the selection of the most advantageous times for the
37 sale of bonds, bond anticipation notes may be sold for such projects from time to time, repayable
38 from the proceeds of the appropriate series of such bonds, when issued.
39

40 (4) The authority hereby conferred shall be so exercised that the estimated maximum annual debt
41 service obligation resulting therefrom plus current debt service payable by the County on outstanding
42 obligations does not exceed an amount equal to twenty percent (20%) of the estimated net amount of
43 all direct and indirect revenues of the County for the current fiscal year, including utility revenues,
44 calculated by subtracting from gross revenues all debt service withheld or to be withheld by the State
45 or any agency thereof during such fiscal year.
46

47 (5) In order to control water pollution and to provide water and wastewater service to certain
48 established waterfront areas, presently in part being serviced by established public water and/or
49 wastewater facilities, where the cost per front foot of assessment exceeds \$4.00 per front foot for
50 water and \$6.00 for wastewater, the Controller shall use pay as you go funds from water and/or
51 wastewater utility operations, as provided in the annual budget, to reduce the cost of interest per
52 dollar spent for construction. On projects where pay as you go funding is authorized, the front foot
53 assessment will not be reduced below \$4.00 per front foot for water and \$6.00 per front foot for

1 wastewater, provided the project construction cost is not lower than the aforementioned \$4.00 per
2 front foot for water and \$6.00 per front foot for wastewater.

3
4 (6) All bonds issued and sold by the County hereunder shall be unconditional general obligation
5 bonds of the County within the limitations of indebtedness set forth below as prescribed by the
6 County Charter and the ordinances enacted pursuant thereto. Before any such bonds are issued for
7 revenue producing projects of water or wastewater utilities, the County Executive, or the Chief
8 Administrative Officer if authorized by the County Executive, shall determine that the estimated
9 revenues of such projects, or the actual and estimated revenues of such projects and the utilities of
10 which they are a part, are, or will be, sufficient to pay the cost of operation and maintenance of such
11 projects and the maturing principal of and interest on all indebtedness incurred with respect thereto,
12 including such bonds. The authorization herein of general obligation bonds of the County for
13 revenue producing projects shall not be construed to preclude the County Council from authorizing in
14 the future the issuance of bonds payable solely from the revenues of similar projects or utilities.

15
16 (7) The foregoing STATEMENT OF POLICY shall constitute the local debt policy of the
17 County required by Section 22F of Article 95 of the Annotated Code of Maryland.

18
19 FINDINGS OF FACT

20
21 I

22
23 With respect to the maximum amount of bonds and bond anticipation notes of the County
24 hereinafter authorized, it is hereby found and determined that such amount is within applicable debt
25 limitations, as follows:

26
27 (1) With regard to the General County Debt Limitation (defined below):

28
29 (a) That the taxable assessed value of all real and personal property in Anne Arundel
30 County, Maryland, subject to unlimited county taxation (except by application of Section 710(d) of
31 the County Charter) as of May 31, 2009 is \$82,381,114,872, consisting of an assessable basis of real
32 property of \$79,629,241,952 and an assessable basis of personal property and operating real property
33 described in Section 8-109(c) of the Tax-Property Article of the Annotated Code of Maryland (2007
34 Replacement Volume and 2008 Supplement) of \$1,908,703,790 and \$843,169,130, respectively, and,
35 in each case, is expected to be no less than such amount for the fiscal year ending June 30, 2010.

36
37 (b) That, in accordance with Section 5(P) of Article 25A of the Annotated Code of
38 Maryland (2005 Replacement Volume and 2008 Supplement), and in accordance with Section 4-10-
39 101(a) of Article 4, Finance, Taxation, and Budget of the Anne Arundel County Code the aggregate
40 amount of the indebtedness of the County outstanding at one time shall not exceed (I) 5.2% of the
41 assessable basis of real property; (II) 13% of the County's assessable basis of personal property; and
42 (III) 13% of the operating real property described in Section 8-109(c) of the Tax-Property Article of
43 the Annotated Code of Maryland (2007 Replacement Volume and 2008 Supplement) (the "General
44 County Debt Limitation"); provided, however that (i) tax anticipation notes or other evidences of
45 indebtedness having a maturity not in excess of twelve months, (ii) bonds or other evidences of
46 indebtedness issued or guaranteed by the County payable primarily or exclusively from taxes levied
47 or other revenues of special taxing districts and (iii) bonds or other evidences of indebtedness issued
48 for self liquidating and other projects payable primarily or exclusively from the proceeds of
49 assessments or charges for special benefits or services, including bonds or other evidences of
50 indebtedness issued for water or wastewater facilities, are not subject to, or required to be included as
51 bonds or evidences of indebtedness in computing or applying the General County Debt Limitation.

52
53 (c) That the maximum amount of outstanding debt permitted under the General County

1 Debt Limitation is \$4,498,464,061 as of May 31, 2009, and is expected to be no less than such
2 amount for the fiscal year ending June 30, 2010.

3
4 (d) That the total outstanding bonded debt of the County subject to the General County
5 Debt Limitation is \$744,173,000 as of May 31, 2009, including, for purposes of this presentation, the
6 outstanding Special Obligation Refunding Bonds (Arundel Mills Project), Series 2004, the
7 outstanding Special Obligation Refunding Bonds (National Business Park Project), Series 2004, the
8 outstanding Tax Increment Financing Bonds (Nursery Road Project), Series 2004, the outstanding
9 Tax Increment Financing Bonds (Parole Town Center Project), Series 2002, the outstanding
10 Consolidated Golf Course Projects Series, 2005, and the outstanding U.S. Department of Housing
11 and Urban Development Section 108 Loan Guarantee Program Variable/Fixed Rate Note.

12
13 (e) That the permissible borrowing capacity is \$3,754,291,061 as of May 31, 2009.

14
15 (f) That the bonds authorized by this Ordinance subject to the General County Debt
16 Limitation aggregate ~~\$461,385,229~~ \$461,384,882 (for such purposes, the amount of refunding bonds
17 authorized by this Ordinance has been reduced by the aggregate principal amount of bonds
18 authorized to be refunded, as required by Section 24(d) of Article 31 of the Annotated Code of
19 Maryland (2003 Replacement Volume and 2008 Supplement).

20
21 (g) That in stating the total outstanding debt in (1)(d) above, debt in the amount of
22 \$17,721,412 for self liquidating solid waste projects was included, as well as \$23,510,000 of self-
23 liquidating recreation and parks projects and in stating the debt subject to the General County Debt
24 Limitation in 1(f) above, debt in the amount of \$17,990,680 for self liquidating solid waste projects;
25 as well as \$4,702,000 for self-liquidating recreation and parks projects and debt in the amount
26 \$25,964,891 for Education, Fire and Police, and Roads and Bridges special development impact fee
27 revenue projects was included; such presentation of debt for self-liquidating solid waste projects;
28 self-liquidating recreation and parks projects and special revenue impact fee revenue projects is made
29 herein to provide a conservative statement of indebtedness that evidences compliance with the
30 General County Debt Limitation.

31
32 (2) With regard to the Water and Wastewater Debt Limitation (as defined below):

33
34 (a) That the taxable assessed value of all real and personal property within the Sanitary
35 District of Anne Arundel County subject to unlimited County taxation (except by application of
36 Section 710(d) of the County Charter) as of May 31, 2009 is \$75,238,189,145 consisting of an
37 assessable basis of real property of \$72,651,500,075 and an assessable basis of personal property and
38 operating real property described in Section 8-109(c) of the Tax-Property Article of the Annotated
39 Code of Maryland (2007 Replacement Volume and 2008 Supplement) of \$1,805,931,710 and
40 \$780,757,360, respectively, and, in each case is expected to be no less than such amount for the fiscal
41 year ending June 30, 2010.

42
43 (b) That, bonds formerly issued under the Sanitary Commission Act, and bonds of the
44 County issued for water and wastewater facilities, which are payable primarily from assessment of
45 charges for special benefits and services are exempted from the limitations outlined in subparagraph
46 (1)(b) above. Section 4-10-103(d) of Article 4, Finance, Taxation, and Budget of the Anne Arundel
47 County Code, limits the amount of such bonds, after crediting applicable Sinking Fund balances,
48 which may be outstanding to not greater than (I) 5.6% of the County's assessable basis of real
49 property; (II) 14% of the County's assessable basis of personal property; and (III) 14% of the
50 operating real property described in Section 8-109(c) of the Tax-Property Article of the Annotated
51 Code of Maryland (2007 Replacement Volume and 2008 Supplement) (the "Water and Wastewater
52 Debt Limitation").

53

1 (c) That the maximum amount of outstanding debt permitted under the Water and
2 Wastewater Debt Limitation is \$4,430,620,474 as of May 31, 2009, and is expected to be no less than
3 such amount for the fiscal year ending June 30, 2010.

4
5 (d) That the total outstanding bonded debt of the County subject to the Water and
6 Wastewater Debt Limitation is \$321,005,548 as of May 31, 2009.

7
8 (e) That the permissible borrowing capacity is ~~\$4,250,656,262~~ \$4,109,614,926 as of
9 May 31, 2009.

10
11 (f) That the bonds authorized by this Ordinance subject to the Water and Wastewater
12 Debt Limitation aggregate ~~\$477,312,753~~ \$477,312,752 (for such purposes, the amount of refunding
13 bonds authorized by this Ordinance has been reduced by the aggregate principal amount of bonds
14 authorized to be refunded, as required by Section 24(d) of Article 31 of the Annotated Code of
15 Maryland (2003 Replacement Volume and 2008 Supplement).

16
17 II
18

19 (1) The bond anticipation notes authorized by Section 6 hereof and bonds authorized by Section
20 2 hereof are to be issued to finance in whole or in part certain of the capital projects or classes of
21 projects included in the capital budget for the fiscal year 2010, or in capital budgets for prior fiscal
22 years. With respect to such projects the amount of borrowed funds to be expended thereon, together
23 with the funds shown as available from other sources, are estimated to be sufficient to complete
24 usable portions thereof, but if any such funds from other sources, intended to defray in part the cost
25 of any such project, shall become unavailable, the County Executive shall either (i) direct the
26 abandonment of any such project if, in his judgment, the unavailability of funds from other sources
27 would render any such project unusable or (ii) recommend an appropriate amendment of the Capital
28 Budget, as provided in Sections 711 and 716 of the County Charter. The balances remaining to the
29 credit of a completed or abandoned capital project for which bond anticipation notes or bonds have
30 been issued shall be available for appropriation by the County Council in a subsequent capital
31 budget, as provided in the Charter.

32
33 (2) No series of bond anticipation notes authorized by Section 6 hereof or bonds authorized by
34 Section 2 hereof shall be issued hereunder with a final maturity date extending beyond the expiration
35 of the probable useful life, or the average probable useful lives, of the capital project or projects for
36 which such series of bond anticipation notes or bonds are issued, accounting from the date of issue of
37 such series of bond anticipation notes or bonds. The provisions of Section 2(5) hereof shall apply to
38 the consolidation of series of bonds as permitted therein.

39
40 (3) No series of refunding bonds authorized by Section 3 hereof shall be issued hereunder with a
41 final maturity date extending beyond the earliest to occur of (i) the thirtieth (30th) anniversary of the
42 date of issuance of the bonds to be refunded from the proceeds of the refunding bonds being issued
43 (the "Refunded Bonds") and (ii) the latest maturity date that would have been permitted for the
44 Refunded Bonds. Prior to the delivery of any refunding bonds hereunder, the County Executive, or
45 the Chief Administrative Officer if authorized by the County Executive, shall deliver a written
46 certificate stating that the maturity schedule of any series of refunding bonds issued hereunder
47 complies with the requirements set forth in this paragraph and setting forth the facts upon which such
48 conclusion is based.

49
50 (4) The table attached to this Ordinance as ~~Exhibit I~~ Exhibit IA and incorporated herein lists the
51 capital projects, appearing in the capital budget of the County for fiscal year 2010, or in the capital
52 budgets for prior fiscal years, which are to be financed in whole or in part with the proceeds of bond
53 anticipation notes authorized by Section 6 hereof and bonds authorized by Section 2 hereof or with

1 the reallocation of balances remaining to the credit of completed or abandoned capital projects for
2 which bond anticipation notes or bonds were previously issued or for which funds were previously
3 provided from other sources, the estimated cost of a usable portion of each project or class of
4 projects, including capitalized interest on borrowed funds as herein authorized, the portion of such
5 costs of each project or class of projects to be financed hereunder, the source or sources of funds to
6 finance the balance of the cost of each such project or class of projects, and the probable useful life of
7 each such project or the average of the probable useful lives of each class of projects. Further, the
8 first group of projects included in ~~Exhibit I~~ Exhibit 1A are those which are not revenue producing,
9 and, where and as indicated, those projects which are supported by special development impact fee
10 revenues, and a second group of projects are those which it is estimated will generate net revenues
11 sufficient to pay all or a portion of debt service on the borrowing therefore. In lieu of issuing all or
12 any part of the bonds or bond anticipation notes authorized to be issued by Sections 2 and 6,
13 respectively, of this Ordinance to finance all or part of a capital project, the County Executive, or the
14 Chief Administrative Officer if authorized by the County Executive, may, at his discretion, apply to
15 such project balances remaining to the credit of any completed or abandoned capital projects for
16 which bond anticipation notes or bonds were previously issued, but only to the extent that bond
17 anticipation notes or bonds are authorized to be issued therefor in the Ordinance, such expenditure of
18 such balances being within the appropriation established for such project in the applicable capital
19 budget or budgets; provided, however, that such balances shall not be applied in a manner that would
20 adversely affect the exemption from federal income taxation of the interest on any bonds to which
21 such balances are attributable.

22
23 (5) Without limitation, participation by the County in any county transportation bonds issued by
24 the Maryland Department of Transportation shall not result in any reduction in the amount of bonds
25 or bond anticipation notes authorized and deemed to be unissued under this Ordinance.

26
27 SECTION 2. *And be it further enacted*, That for the purpose of paying the portion of the cost of
28 the capital projects described in Section 1 hereof and ~~Exhibit I~~ Exhibit 1A hereto, to be paid from
29 borrowed funds, or for the purpose of redeeming bond anticipation notes issued hereunder, the
30 issuance and sale by Anne Arundel County, Maryland, of not exceeding ~~Seven Hundred Thirty Eight~~
31 ~~Million Nine Hundred Sixty Eight Thousand Eight Hundred Seventy Two Dollars (\$738,968,872)~~
32 Seven Hundred Thirty-Eight Million Nine Hundred Sixty-Eight Thousand Five Hundred Twenty-
33 Four Dollars (\$738,968,524) aggregate principal amount of general obligation, serial maturity bonds
34 of the County is hereby authorized. To the extent required for such purposes, the bonds hereby
35 authorized shall be sold prior to June 30, 2012, in accordance with the guides and standards set forth
36 in Section 1 hereof, except that any such bonds may be sold subsequent to such date if required to
37 redeem, prepay or pay at maturity bond anticipation notes. Such bonds shall be issued as registered
38 bonds without coupons in the denomination of five thousand dollars (\$5,000) or any integral multiple
39 thereof within the limits of specified serial maturities.

40
41 (1) Except as provided in Section 7 of this Ordinance in connection with the issuance and sale of
42 Variable Rate Demand Obligations (hereinafter defined) and in Section 3 of this Ordinance in
43 connection with the issuance and sale of Refunding Bonds, the bonds authorized by this Section 2
44 shall be sold at a sale price at, above, or below par, plus accrued interest to the date of delivery and
45 only after first soliciting competitive bids at public sale in accordance with the provisions of Section
46 5 hereof. Such bonds are hereby specifically exempted from the provisions of Sections 10 and 11 of
47 Article 31 of the Annotated Code of Maryland (2003 Replacement Volume and 2008 Supplement).

48
49 (2) Subject to the provisions of subsection (5) of this Section, such bonds shall be issued in
50 series intended to identify the public purpose or purposes for which each series is issued. On each
51 bond, there shall appear the words “ Series, 20 “ and in the blank space preceding the
52 word “Series,” there shall be inserted the par amount of the series plus the public purpose of such
53 series; e.g., “Board of Education,” “Library,” “Recreation and Parks,” “Water and Sewer,” or

1 “Special Development Impact Fee”. The County Executive, or the Chief Administrative Officer if
2 authorized by the County Executive, may incorporate such additional designations in the name of the
3 series as he deems necessary or convenient to distinguish two or more series issued for the same
4 purpose within the same calendar year, or in the case of a Special Development Impact Fee Series, to
5 distinguish the type of projects being financed to the district to which such Project relates.
6

7 (3) The bonds of each series shall be dated on or prior to the date of the delivery of such series
8 and shall be numbered as determined by the County Executive, or the Chief Administrative Officer if
9 authorized by the County Executive. The bonds of each series, or of successive series for the same
10 public purpose, shall mature and be payable under an annual installment plan which may be
11 implemented by the issuance of serial maturity bonds or term bonds having mandatory sinking fund
12 requirements, beginning not later than the second anniversary of such series, or of the first series of a
13 group, and concluding on or before (a) the 30th anniversary thereof or (b) such anniversary next prior
14 to or on the 30th anniversary of the first bond anticipation note of such series, whichever shall be
15 earlier, or (c) the anniversary of such series representing the end of the probable useful life, or the
16 average of the probable useful lives of the project or projects to be financed with the proceeds of such
17 series, if such life or average lives shall be less than the maximum term authorized in (a) or (b) of this
18 subsection.
19

20 (4) Prior to the issue of any series of bonds authorized by this Section 2, the County Executive,
21 or the Chief Administrative Officer if authorized by the County Executive, shall cause to be prepared
22 a statement showing the annual debt service requirements of the County and a proposed schedule of
23 annual maturities for the series or several series of bonds then to be issued and sold and an estimate
24 of the annual interest charges to be incurred with respect to such bonds, based on then prevailing
25 interest costs. Such debt service schedule shall be so prepared with a view of achieving reasonably
26 equal annual debt service payments for the entire outstanding bonded indebtedness of the County
27 and, in order to achieve this result, the consecutive annual debt service payments on account of any
28 series of such bonds need not be equal. Notwithstanding the foregoing, the debt service schedule for
29 the entire outstanding bonded indebtedness of the County may be structured to retire debt at a rate
30 faster than would be utilized to achieve reasonably equal annual debt service payments. As
31 hereinafter provided, the County Executive, or the Chief Administrative Officer if authorized by the
32 County Executive, is vested with the discretion to accept such schedule of maturities or to make such
33 variations therein as to him may seem in the best interests of the County.
34

35 (5) The County Executive, or the Chief Administrative Officer if authorized by the County
36 Executive, may provide that all or any portion of bonds sold pursuant to the authority of this Section
37 2 at any one time to finance capital projects may be consolidated for sale and issued, sold and
38 delivered as a single issue or consolidated series of bonds to be designated “Consolidated General
39 Improvements Series, 20 ,” without identifying by separate series each public purpose for which the
40 bonds are issued as elsewhere provided in this Ordinance; provided that: (a) the provisions of this
41 Ordinance requiring the identification of each group or series of bonds by the public purpose for
42 which it is issued (e.g., “Board of Education,” “Libraries,” etc.) shall be fully complied with for
43 accounting purposes, (b) bonds issued to finance water and wastewater projects shall be issued as a
44 separate consolidated issue, (c) bonds issued to finance solid waste projects, identified on ~~Exhibit I~~
45 Exhibit 1A as Self-Liquidating Bonds—Solid Waste, bonds issued for special development impact
46 fee revenue projects, and bonds issued to evidence a loan from the Maryland Water Quality
47 Financing Administration may be issued as separate issues, and (d) prior to the delivery of the bonds,
48 the County Executive, or the Chief Administrative Officer if authorized by the County Executive,
49 shall deliver a written certificate stating (i) the public purpose of each series of bonds included in the
50 consolidated issue, (ii) the maturity schedule for each series of bonds so identified as a separate
51 public purpose, (iii) the consolidated maturity schedule and (iv) that the maximum maturity of the
52 bonds consolidated for issue as a single consolidated issue is not greater than the end of the probable
53 useful life or the average of the probable useful lives, as the case may be, of the project or projects to

1 be financed with the proceeds of such consolidated issue. A “Consolidated General Improvements
2 Series” shall be treated as a separate series of bonds for purposes of numbering pursuant to this
3 Ordinance. In the event that all or any portion of any bonds issued pursuant to this Section at the
4 same time are consolidated, the title or designation of the remaining series of bonds issued at the
5 same time may also be designated as a “consolidated” issue (e.g. “Consolidated Water and Sewer
6 Series, 20 __, “Consolidated Solid Waste Projects Series, 20 __”, “Consolidated Special Development
7 Impact Fee Revenue Series, 20 “,). Before any bonds are issued as part of a separate series to
8 finance solid waste projects identified on ~~Exhibit I~~ Exhibit 1A as Self-Liquidating Bonds—Solid
9 Waste, a determination must be made regarding such projects or the utility of which they are a part
10 similar to the determination required in Paragraph (6) of the Statement of Policy in Section 1 with
11 regard to bonds issued for revenue projects of water or wastewater utilities. The County Executive,
12 or the Chief Administrative Officer if authorized by the County Executive, is hereby authorized to
13 make such changes in the forms of bonds, notice of sale, proposal and other documents in connection
14 with any issue of bonds pursuant to this Section 2 as such County Executive or Chief Administrative
15 Officer, as the case may be, may deem necessary or desirable in order to effect the consolidation and
16 naming of bonds authorized hereby.

17
18 (6) All of (a) the bonds authorized by this Section 2, (b) bond anticipation notes authorized by
19 Section 6 hereof and (c) Refunding Bonds authorized by Section 3 hereof which are issued to refund
20 ~~Refunded~~ Bonds secured as unconditional general obligations of the County, shall all be deemed and
21 shall constitute unconditional general obligations of the County, to the payment of which, both
22 principal and interest, its full faith and credit are pledged. Subject to the following provisions, the
23 County hereby covenants that, in each fiscal year during which any such bonds are outstanding, it
24 will appropriate sufficient funds in each Current Expense Budget to pay the principal of such bonds
25 and the interest thereon due in such fiscal year. The County hereby further covenants that, to the
26 extent any such appropriation is not offset by funds from other sources or by project revenues, it will,
27 subject to the limitation on the tax levy set out in Section 710(d) of the County Charter, fund any
28 such appropriation by the levy of ad valorem taxes on real estate, tangible personal property and
29 intangible personal property subject to taxation by the County, and in addition, on such other
30 intangible property as may be subject to taxation by the County within limitations prescribed by law.

31
32
33 In the case of any series of bonds issued to finance self liquidating projects of the County or
34 of any Refunding Bonds issued to refund ~~Refunded~~ Bonds, the proceeds of which were used to
35 finance self-liquidating projects of the County, the principal of and interest on any such bonds shall
36 be payable primarily from the net revenues and receipts from such projects, or the utilities of which
37 they form a part. If any such series of bonds shall be issued to finance such self liquidating projects,
38 then the County covenants to fix such rates and charges for the use of any such project, or the utility
39 of which it forms a part, as will generate sufficient revenues to pay the annual cost of maintenance
40 and operation thereof and to pay the maturing principal of and interest on any such series of bonds
41 when due, and the County further covenants and agrees to apply such revenues against appropriations
42 for such maintenance, operation and debt service in each Current Expense Budget; and (ii) if any
43 such series of bonds shall be issued to finance capital improvements as described in Subtitle 2 of Title
44 11 of the Subdivision and Development Article of the Anne Arundel County Code (2005, as
45 amended) (the “Development Impact Fee Authority”), then the County, pursuant to Section 2D(b)(3)
46 of Article 31 of the Annotated Code of Maryland (2003 Replacement Volume and 2008 Supplement)
47 and in accordance with the Development Impact Fee Authority, as the same may be amended from
48 time to time, hereby pledges to apply the development impact fees collected from the district to
49 which such capital improvements relate to the payment of debt service on such series of bonds, the
50 amount of such debt service to be paid from such source to be determined by the Controller in the
51 manner prescribed by the Development Impact Fee Authority, as the same may be amended from
52 time to time, provided, however, that if, in any fiscal year total amount of impact fees so pledged and
53 collected for the payment of debt service exceeds the debt service on the related bonds due in such

1 fiscal year, the County Council by ordinance may apply all or any part of such excess to other lawful
2 purposes. Interest on any bonds authorized by this Section 2 and bond anticipation notes authorized
3 by Section 6 hereof falling due during the fiscal year ending June 30, 2010, may be capitalized and
4 paid from the proceeds of sale, and in the annual Current Expense Budgets of the County for the
5 fiscal years ending June 30, 2011 and June 30, 2012, there shall be appropriated amounts sufficient to
6 pay the interest accruing on any such bonds or notes then outstanding, or to be issued during such
7 fiscal years, less the amount of interest capitalized, which, as to any such series of notes and bonds,
8 shall not exceed twelve (12) months interest on such notes and bonds, respectively, or the amount of
9 interest included in the cost of the capital projects to be financed with such series, whichever is
10 smaller.

11
12 Notwithstanding the foregoing, in accordance with Section 24(a)(3)(i) of Article 31 of the
13 Annotated Code of Maryland (2003 Replacement Volume and 2007 Supplement), in the case of any
14 Refunding Bonds issued to refund ~~Refunded~~ Bonds secured as unconditional general obligations with
15 a pledge of the full faith and credit and unlimited taxing power of the County, the County covenants
16 that, to the extent any such appropriation to pay principal of or interest on such Refunding Bonds is
17 not offset by funds from other sources or by project revenues, it will fund any such appropriations by
18 the levy of ad valorem taxes on real estate, tangible personal property and intangible personal
19 property subject to taxation by the County without limitation as to rate or amount, and in addition
20 upon such other intangible property as may be subject to taxation by the County within limitations
21 prescribed by law.

22
23 (7) The rate or rates of interest payable on any series of bonds sold pursuant to this Section 2
24 shall not exceed the maximum interest rate, if any, specified by the County Council by public local
25 law to be payable on obligations of Anne Arundel County, Maryland, and, except with respect to the
26 first interest payment, which may be either a long or short coupon, and except as provided in Section
27 7 of this Ordinance in connection with the issuance and sale of Variable Rate Demand Obligations,
28 such interest rate shall be payable in semi annual installments, accounting from the date of issue of
29 any such series of bonds. Interest on the bonds shall be payable by checks mailed by the Paying
30 Agent therein named to the registered holder or holders of such bonds or, if such bonds shall be
31 issued in the form of Variable Rate Demand Obligations, interest thereon may be payable by wire
32 transfer at the discretion of the County Executive, or the Chief Administrative Officer if authorized
33 by the County Executive. If the bonds are issued and sold in book entry form, alternative payment
34 arrangements may be provided at the discretion of the County Executive, or the Chief Administrative
35 Officer if authorized by the County Executive.

36
37 (8) The principal of the bonds authorized by this Section 2 shall be payable at the principal office
38 of the Paying Agent therein named, unless the bonds are issued and sold in book entry form, in which
39 event alternative payment arrangements may be provided at the discretion of the County Executive,
40 or the Chief Administrative Officer if authorized by the County Executive.

41
42 (9) With respect to each series of bonds sold pursuant to this Section 2, authority is hereby
43 conferred on the County Executive, or the Chief Administrative Officer if authorized by the County
44 Executive, to take the following actions and make the following commitments on behalf of the
45 County:

46
47 (a) to determine the date, time and place when proposals for the purchase of any such series
48 of bonds will be received, to publish and otherwise distribute, as prescribed in Section 5 hereof, a
49 suitable notice of sale of such bonds and to award any series of bonds for which a legally sufficient
50 proposal has been received to the best bidder therefor, determined as provided in such Section 5;
51 provided, however, that the County Executive, or the Chief Administrative Officer if authorized by
52 the County Executive, may by written statement appoint a designee who may conduct the sale on his
53 behalf and accept bids and award bonds to the best bidder;

1
2 (b) to appoint a bank having trust powers, or a trust company, as Paying Agent for any such
3 series of bonds, notwithstanding the fact that such bank or trust company may have neither its
4 principal office nor any branch office within the County or the State of Maryland, and to appoint a
5 similarly qualified bank or trust company as Alternate Paying Agent, such authority to include the
6 power to agree with respect to the compensation of such Paying Agent and Alternate Paying Agent
7 for the services to be rendered by them and to appoint one or more of such banks or trust companies
8 as Bond Registrars and also to confer on the manager of the syndicate purchasing any such series of
9 bonds the right to designate an Alternate Paying Agent so to be appointed;

10 (c) to fix the schedule of annual maturities of any series of bonds and the maximum rate of
11 interest payable thereon, both within the limitations prescribed above;

12
13 (d) to employ, as financial advisor with respect to the sale of any series of bonds hereby
14 authorized, a qualified firm of investment bankers having a municipal bond department, or some
15 other firm or corporation specializing in the municipal bond field; to arrange, together with such
16 financial advisor, for the preparation and distribution of an appropriate Offering Circular, Official
17 Statement or Official Circular with respect to the sale of any such series of bonds, including (without
18 limitation) the employment of a qualified financial printer to print such Offering Circular, Official
19 Statement or Official Circular; and to allocate in his discretion the costs of employing such financial
20 advisor and financial printer and the other costs of preparing and distributing such Offering Circular,
21 Official Statement or Official Circular among the projects to be financed with the proceeds of any
22 such series of bonds, as part of the costs thereof, all such costs of employing such financial advisor
23 and financial printer and all other costs of preparing and distributing such Offering Circular, Official
24 Statement or Official Circular to be regarded as costs of specialized services of an unusual nature and
25 not susceptible of being obtained through competitive bidding;

26
27 (e) after considering any recommendations of such financial advisor, to reserve to the
28 County the option to redeem any such series of bonds in whole or in part, at such times and upon
29 payment of such premiums as such financial advisor may recommend;

30
31 (f) to retain qualified bond counsel (such qualifications to be subject to approval by the
32 County Attorney) to handle all legal proceedings with respect to the issue and sale of any such series
33 of bonds and to pass on the validity thereof and to employ, if bonds are not issued and sold in book-
34 entry form, or if otherwise deemed necessary by the County Executive, a qualified banknote
35 company to print or engrave such bonds in accordance with established standards, and to allocate in
36 his discretion the costs of retaining such counsel and employing such banknote company among the
37 projects to be financed with the proceeds of any such series of bonds, as part of the costs thereof, all
38 such costs of retaining such counsel and employing such banknote company to be regarded as costs
39 of specialized services of an unusual nature and not susceptible of being obtained through
40 competitive bidding; and

41
42 (g) to provide for the issuance of bonds in book entry form, to provide for the manner of
43 payment of principal of and interest on bonds issued in book entry form and to enter into appropriate
44 agreements regarding the custody of bonds issued in book entry form.

45
46 SECTION 3. *And be it further enacted*, Acting pursuant to the authority of Article 25A of the
47 Annotated Code of Maryland (2005 Replacement Volume and 2008 Supplement), The Anne Arundel
48 County Charter and Section 24 of Article 31 of the Annotated Code of Maryland (2003 Replacement
49 Volume and 2008 Supplement) (the "Refunding Act"), the issuance and sale of bonds of the County
50 (the "Refunding Bonds") is hereby authorized for the purpose of refunding some or all of the
51 outstanding issues of bonds of the County listed on Exhibit II attached hereto, as follows:

1 (a) Refunding Bonds are hereby authorized to be issued to refund in whole or in part the
2 respective several series of Anne Arundel County Consolidated General Improvements Series, Anne
3 Arundel County Consolidated Water and Sewer Series and Anne Arundel County Water and Sewer
4 Series, and Anne Arundel County Consolidated Solid Waste Projects Series, identified as to
5 designation, date and aggregate outstanding principal amount on Exhibit II below (to the extent
6 refunded hereby, the “Refunded Series”). With respect to each Refunded Series, Refunding Bonds
7 may be issued pursuant to this Ordinance in an aggregate principal amount sufficient to provide
8 funds (a) to purchase direct obligations of, or obligations the timely payment of the principal and
9 interest on which is unconditionally guaranteed by, the United States of America (“Government
10 Obligations”), the principal of and interest on which will be sufficient without reinvestment or to
11 provide cash sufficient, in either case, to pay in a timely manner all or any part of the principal of and
12 redemption premium, if any, and interest on the bonds of such Refunded Series and, if so provided by
13 the County Executive, or Chief Administrative Officer if authorized by the County Executive,
14 pursuant to Section 3(6) of this Ordinance, a portion of the interest on the Refunding Bonds, and (b)
15 to pay any and all other costs permitted to be paid from the proceeds of such bonds under the
16 Refunding Act, including (without limitation) the costs of issuance of such bonds and applicable
17 underwriting fees; provided, however, that the aggregate principal amount of Refunding Bonds
18 issued to refund one or more Refunded Series shall not exceed 120% of the principal amount of
19 bonds of the Refunded Series so refunded.

20
21 (b) The Refunding Bonds shall be issued and sold in the same manner as Bonds authorized by
22 Section 2 hereof with the following exceptions and additions:

23
24 (1) Refunding Bonds shall be sold at private (negotiated) sale, and such procedure is hereby
25 determined to be in the public interest. Notwithstanding the foregoing, if the County Executive, or
26 the Chief Administrative Officer if authorized by the County Executive, subsequently determines that
27 it is in the best interests of the County to sell any or all of the Refunding Bonds after first soliciting
28 competitive bids at public sale, then the County Executive or the Chief Administrative Officer, as the
29 case may be, may sell such Refunding Bonds in such manner in accordance with such procedures as
30 he shall deem appropriate; provided, however, that such procedures shall be substantially similar to
31 the procedures set forth in Section 5 hereof.

32
33 (2) Refunding Bonds issued hereunder are hereby specifically exempted from the provisions
34 of Sections 10 and 11 of Article 31 of the Annotated Code of Maryland (2003 Replacement Volume
35 and 2008 Supplement).

36
37 (3) Refunding Bonds authorized to be issued for the purposes specified above may be issued
38 in series from time to time. Each such series shall identify the public purpose for which it is issued,
39 by the printing on each bond of the words “Consolidated General Improvements Series, 20__
40 Refunding Series”, “Consolidated Water and Sewer Series, 20__ Refunding Series,” or
41 “Consolidated Solid Waste Projects Series, 20__ Refunding Series,” as the case may be. The County
42 Executive, or the Chief Administrative Officer if authorized by the County Executive, may
43 incorporate such additional designations in the name of the series as he deems necessary or
44 convenient to distinguish two or more series issued for the same purpose within the same calendar
45 year.

46
47 (4) The bonds of each series, or of successive series for the same public purpose, shall
48 mature and be payable under an annual installment plan which may be implemented by the issuance
49 of serial maturity bonds or term bonds having mandatory sinking fund requirements, beginning not
50 later than the second anniversary of such series, or of the first series of a group, and concluding on or
51 before (a) the thirtieth (30th) anniversary of the ~~Refunded~~ Bonds to be refunded from the proceeds of
52 such Series or (b) the final maturity date permitted for such series under Paragraph 3 of Section II of
53 the FINDINGS OF FACT set forth in Section 1 of this Ordinance, whichever shall be earlier. In the

1 event that bonds of more than one Series of ~~Refunded~~ Bonds are refunded by a single series of
2 Refunding Bonds, compliance with the maturity limits contained herein shall be established with
3 respect to each series of Refunded Bonds in a certificate of the County Executive, or the Chief
4 Administrative Officer if authorized by the County Executive, delivered in connection with the
5 issuance of such Refunding Bonds.

6
7 (5) The County Executive, or the Chief Administrative Officer if authorized by the County
8 Executive, shall determine the portions of each series of ~~Refunded~~ Bonds to be refunded with the
9 proceeds of each series of Refunding Bonds; provided, however, that such refunding will effectuate
10 and accomplish the public purpose of realizing savings to the County in the aggregate cost of debt
11 service on either a direct comparison or a present value basis with respect to the portion of any series
12 of ~~Refunded~~ Bonds being refunded.

13
14 (6) With respect to each series of Refunding Bonds sold pursuant to this Ordinance,
15 authority is hereby conferred on the County Executive, or the Chief Administrative Officer if
16 authorized by the County Executive, in addition to the authority conferred by Section 2 hereof, to
17 take the following actions and make the following commitments on behalf of the County:

18
19 (a) to sell any series of Refunding Bonds upon such terms he deems favorable under the
20 existing market conditions to a bank, investment banking firm or other financial institution as, in his
21 judgment, offers to purchase such series of bonds on terms he deems favorable to the County under
22 the existing market conditions;

23
24 (b) to execute and deliver, as a binding and enforceable obligation of the County, an
25 underwriting or purchase agreement for any series of Refunding Bonds;

26
27 (c) to determine whether the principal of Refunded Bonds shall be paid at maturity, at
28 the earliest redemption date pertaining thereto, or at some later redemption date; and

29
30 (d) to select a trust company or other banking institution as trustee, to hold the trust fund
31 into which the proceeds of the sale of any Refunding Bonds may be deposited under the Refunding
32 Act, to determine the terms of any such trust fund, including any provisions relating to the payment
33 of costs or the payment of a portion of the interest on such series of Refunding Bonds therefrom, and
34 to deliver, as a binding commitment of the County, a trust or escrow agreement pursuant to which
35 such trust fund is established.

36
37 SECTION 4. *And be it further enacted*, That the several series of bonds to be issued pursuant
38 to the authority of this Ordinance shall be executed on behalf of the County by the manual or
39 facsimile signature of the County Executive and the seal or a facsimile of the seal of the County shall
40 be impressed or imprinted thereon, attested by the manual or facsimile signature of the County
41 Executive, the secretary to the County Executive, the Administrative Officer to the County Council
42 or such other officer as may be specified by ordinance of the County Council. Each such bond shall
43 be authenticated by the manual or facsimile signature of the Chief Administrative Officer or his
44 authorized deputy and by the manual signature of an authorized officer of the Bond Registrar.
45 Notwithstanding the foregoing, in the event bonds are issued in book entry form the County
46 Executive, or the Chief Administrative Officer if authorized by the County Executive, may provide
47 that bonds issued in such form need not be authenticated by a Bond Registrar. No bonds issued
48 hereunder shall be valid for any purpose or constitute an obligation of the County unless so
49 authenticated.

50
51 Each series of bonds shall be in the form set forth in Exhibit III attached hereto and incorporated
52 herein, and bonds issued substantially in compliance with such forms, with such insertions,
53 alterations, additions or deletions as herein permitted, when properly executed and authenticated as

1 described above, shall be deemed to constitute unconditional general obligations of the County, to the
2 payment of which, in accordance with the terms thereof, its full faith and credit are pledged, subject
3 to the limitation on the taxing power set forth in Section 710(d) of the County Charter, and all the
4 covenants and conditions contained in such bonds shall be deemed to be binding upon the County in
5 accordance therewith.

6
7 In case any official of the County whose signature shall appear on any such bonds shall cease to
8 be such official prior to the delivery of such bonds, or in the case that any such official shall take
9 office subsequent to the date of issue of any such bonds, his signature, in either event, shall
10 nevertheless be valid for the purposes herein intended.

11
12 There shall be printed on the reverse side of each series of bonds issued hereunder, the text of the
13 applicable approving legal opinion with respect thereto, such text being duly certified by the manual
14 or facsimile signature of the County Executive, unless the bonds are issued in book-entry form, in
15 which event, the County Executive, or the Chief Administrative Officer if authorized by the County
16 Executive, may make alternate arrangements to make the approving legal opinion available to the
17 holder of such bonds.

18
19 Authority is hereby conferred on the County Executive, or the Chief Administrative Officer if
20 authorized by the County Executive, to complete the blanks in such forms with the required
21 information, to insert applicable paragraphs as indicated and to make such additions, deletions and
22 substitutions in such forms, not inconsistent herewith, as may be necessary or desirable in the sale of
23 any such series of bonds or to provide for the sale of any such series of bonds in book-entry form
24 including (without limitation) modifications in the form of bonds to provide for Refunding Bonds
25 issued to refund ~~Refunded~~ Bonds meeting the requirements of Section 24(a)(3)(i) of Article 31 of the
26 Annotated Code of Maryland (2003 Replacement Volume and 2008 Supplement) to be secured by a
27 pledge of the full faith and credit and unlimited taxing power of the County, or, with respect to bonds
28 sold in book-entry form, to provide for payment of the redemption price of such bonds without
29 presentation thereof to the County or to the Bond Registrar. Without limiting the generality of the
30 foregoing, the County Executive, or the Chief Administrative Officer if authorized by the County
31 Executive, is hereby specifically authorized to make such additions, deletions and substitutions in
32 such forms, not inconsistent herewith, as he may deem necessary or desirable in the event that any
33 series of bonds issued hereunder (i) is not made subject to redemption prior to their respective
34 maturities or (ii) is issued as Variable Rate Demand Obligations in accordance with the provisions of
35 Section 7 of this Ordinance.

36
37 SECTION 5. *And be it further enacted,* That any bonds hereafter sold pursuant to the authority
38 of Section 2 of this Ordinance shall first be offered at public sale to the best bidder therefor and only
39 after the solicitation of competitive bids on a sealed basis by publication of a notice of sale
40 substantially in the form set forth in Exhibit IV attached hereto and incorporated herein, with such
41 insertions, alterations, additions or deletions as are permitted by this Ordinance.

42
43 The best bidder for such bonds shall be determined in accordance with a formula and subject to
44 such bid constraints as shall be determined by the County Executive, or the Chief Administrative
45 Officer if authorized by the County Executive, upon the recommendation of the financial advisor
46 selected pursuant to Section 2 hereof, to be appropriate for the solicitation or determination of the
47 best bid for the bonds. The notice shall be published at least once preceding the date of sale in a
48 newspaper published and of general circulation in the County. The first publication of such notice
49 shall be not less than 10 days prior to the date of sale. At the discretion of the County Executive, or
50 the Chief Administrative Officer if authorized by the County Executive, such notice or a summary
51 thereof may also be inserted one or more times in financial journals published elsewhere in the
52 United States. If more than one series or issue of bonds are offered together, they shall be sold as a
53 unit. Following any such sale, the County Executive, or the Controller if authorized by the County

1 Executive, shall report the results thereof in writing at the next meeting of the County Council. All
2 proposals for the purchase of any such bonds shall be made substantially in the form set forth in
3 Exhibit IV attached hereto and incorporated herein, with such insertions, alterations, additions or
4 deletions as are permitted by this Ordinance.

5
6 The County may in such notice of sale reserve unto itself the right to reject any or all of the bids
7 made pursuant to such notice and if, pursuant to the power so reserved, all of such bids are so rejected
8 at the public sale of any of the bonds, then the County may, within 30 days, but not thereafter, offer
9 to sell or sell all or any part of such bonds by private sale for a price not less than the best bid
10 received by the County from an acceptable bidder at the public sale thereof, and if such bonds are not
11 sold either at such public sale or at private sale within such 30 day period, then they may not be sold
12 in any manner except upon a subsequent public sale duly advertised in the manner herein specified.

13
14 The County may in such notice of sale reserve the right to adjust the principal amount of each
15 maturity of bonds of any series after publication of the notice of sale as provided herein, provided
16 that any such adjustment shall be made in accordance with the procedures set forth in the notice of
17 sale.

18
19 The forms of such notice of sale and of such proposals shall be substantially as set forth in
20 Exhibit IV, with the insertions therein indicated, and subject to such insertions, alterations, additions
21 or deletions as the County Executive, or the Chief Administrative Officer if authorized by the County
22 Executive, may deem advisable due to financial or market conditions prevailing at the time or, in the
23 event that bonds are issued as Variable Rate Demand Obligations in accordance with Section 7 of this
24 Ordinance or constitute Refunding Bonds meeting the requirements of Section 24(a)(3)(i) of Article
25 31 of the Annotated Code of Maryland (2003 Replacement Volume and 2007 Supplement), due to
26 the particular characteristics of such bonds or the security therefor. Without limiting the generality of
27 the foregoing, the County Executive, or the Chief Administrative Officer if authorized by the County
28 Executive, is hereby specifically authorized, upon recommendation of the financial advisor and bond
29 counsel, to make such insertions, alterations, additions or deletions as he may deem necessary or
30 desirable (A) in the event that the bonds of any series issued hereunder (i) are not made subject to
31 redemption prior to their respective maturities, (ii) are issued as Variable Rate Demand Obligations in
32 accordance with the provisions of Section 7 of this Ordinance or (iii) constitute Refunding Bonds
33 meeting the requirements of Section 24(a)(3)(i) of Article 31 of the Annotated Code of Maryland
34 (2003 Replacement Volume and 2008 Supplement), (B) to provide for receipt of bids submitted
35 electronically, or (C) to reflect use of a book-entry only system.

36
37 SECTION 6. And be it further enacted, That in order to avoid the issuance of a greater amount
38 of bonds for the capital projects listed in ~~Exhibit I~~ Exhibit IA than is needed therefor, and in order to
39 permit the construction of such projects to proceed prior to the issuance of such bonds and at the
40 same time afford the County maximum flexibility in selecting the most advantageous times for such
41 issuance, the County may provide needed capital funds by the issue and sale of its bond anticipation
42 notes pursuant to the authority of Section 12 of Article 31 of the Annotated Code of Maryland (2003
43 Replacement Volume and 2008 Supplement) (the "Bond Anticipation Note Act"). Such notes shall
44 bear the same series identification as the bonds authorized in Section 2 hereof.

45
46 (1) The maximum principal amount of such notes issued pursuant to this Section which may be
47 outstanding at any time shall be Four Hundred Eighty-Nine Million Nine Hundred Three Thousand
48 Dollars (\$489,903,000) unless and until otherwise provided by the County Council by ordinance.
49 The notes may be paid at or prior to maturity from the proceeds of the issuance and sale of the bonds
50 in anticipation of which such notes were issued or from the proceeds of refunding bond anticipation
51 notes. Except as otherwise provided herein, in the event of such an advance refunding, the proceeds
52 of such refunding bonds or notes shall be held in escrow, to the extent and in the amount necessary to
53 refund the outstanding series of notes, for the benefit of the holders of the outstanding series of notes.

1 Such refunding bond anticipation notes, if issued, will constitute a reissuance of the bond
2 anticipation notes authorized by this Ordinance and shall not constitute additional indebtedness under
3 such authorization.

4
5 (2) The notes shall be issued in registered form without coupons or in bearer form without
6 coupons, in the denomination of \$5,000 each or any integral multiple thereof, as may be determined
7 by the County Executive, or the Chief Administrative Officer if authorized by the County Executive.
8 Each such note shall be dated (i) as of the first or fifteenth day of the month in which it is sold, and
9 accrued interest shall be adjusted to such date or (ii) as of the date of the initial sale and delivery of
10 such note, all as may be determined by the County Executive, or the Chief Administrative Officer if
11 authorized by the County Executive. All of the notes authorized hereby shall mature and be payable
12 on such date as may be determined by the County Executive, or the Chief Administrative Officer if
13 authorized by the County Executive, within the limitations of this Ordinance and the Bond
14 Anticipation Note Act. The County Executive, or the Chief Administrative Officer if authorized by
15 the County Executive, may also provide for (a) the extension of maturity of such notes, at the option
16 of the County exercised by the County Executive or the Chief Administrative Officer, for an
17 additional period not in excess of six months, upon such terms and conditions as the County
18 Executive, or the Chief Administrative Officer if authorized by the County Executive, shall prescribe
19 and (b) the redemption of such notes prior to their maturity, with or without premium or penalty.

20
21 (3) All or any part of such notes may be issued in series as funds are required. Authority is
22 hereby conferred on the County Executive, or the Chief Administrative Officer if authorized by the
23 County Executive, to determine whether such notes will be issued in such series and, if so, when each
24 such series of notes will be delivered to the purchaser thereof.

25
26 (4) The County Executive, or the Chief Administrative Officer if authorized by the County
27 Executive, shall provide for the establishment and maintenance of books for the registration and
28 transfer of registered notes, which books may be maintained by a Note Registrar appointed by the
29 County Executive, or the Chief Administrative Officer if authorized by the County Executive.

30
31 (5) Notes to be issued pursuant to the authority of this Ordinance shall be executed on behalf of
32 the County by the manual or facsimile signature of the County Executive and the seal of the County
33 or a facsimile thereof shall be impressed or imprinted thereon, attested by the manual or facsimile
34 signature of the County Executive, the secretary to the County Executive, the Administrative Officer
35 to the County Council or such other officer as may be specified by ordinance of the County Council.
36 Each note shall be authenticated by the manual or facsimile signature of the Chief Administrative
37 Officer or his authorized deputy. In the event that registered notes are issued, the County Executive,
38 or the Chief Administrative Officer if authorized by the County Executive, may provide for
39 authentication of such registered notes by a Note Registrar in such form as he shall deem appropriate.
40 In the event that Program Notes (hereinafter defined) are issued, or in the event that the notes are
41 issued as Variable Rate Demand Obligations, the County Executive, or the Chief Administrative
42 Officer if authorized by the County Executive, may provide for authentication of such Program Notes
43 or Variable Rate Demand Obligations by such agents or entities and in such form as he shall deem
44 appropriate.

45
46 (6) The notes shall bear interest at such rate or rates as shall be established by the County
47 Executive, or the Chief Administrative Officer if authorized by the County Executive, which rate or
48 rates may vary according to an established index. Interest on the notes shall be payable on such dates
49 and in such manner as shall be established by the County Executive, or the Chief Administrative
50 Officer if authorized by the County Executive.

51
52 (7) Unless otherwise provided by an ordinance of the County Council prior to the issuance of
53 any of such notes, authority is hereby conferred on the County Executive, or the Chief Administrative

1 Officer if authorized by the County Executive, to sell such notes on the most favorable terms
2 available from time to time, without solicitation of competitive bids, at private (negotiated) sale, and
3 such method of sale is hereby found and determined to be in the best interests of the County. If the
4 County Executive, or the Chief Administrative Officer if authorized by the County Executive, shall
5 determine that the best interests of the County will be served by the sale of all or part of the notes at a
6 public sale with the solicitation of competitive bids, the County Executive or the Chief
7 Administrative Officer, as the case may be, is hereby authorized to sell such notes in such manner.
8 Except as hereinafter provided with respect to Commercial Paper Notes (hereinafter defined), (a)
9 such notes shall be sold at a price equal to the par value thereof plus accrued interest to the date of
10 delivery, or (b) upon written recommendation of the financial advisor selected pursuant to subsection
11 (9) of Section 2 that a discount bid would be expected to provide a more favorable interest rate to the
12 County by facilitating the underwriting of the County's notes in then current market conditions, the
13 County Executive, or the Chief Administrative Officer if authorized by the County Executive, may
14 authorize such notes to be sold at a price not less than 99% of par plus accrued interest to date of
15 delivery. None of such notes shall bear interest at a rate in excess of the maximum interest rate, if
16 any, specified by the County Council by Public Local Law to be payable on obligations of Anne
17 Arundel County, Maryland.

18
19 In the event that such notes are sold at private (negotiated) sale, the County Executive, or the
20 Chief Administrative Officer if authorized by the County Executive, is hereby authorized to negotiate
21 with any bank, banker or other financial institution for a loan commitment and to deliver to such
22 bank, banker or other financial institution such notes at one time or from time to time, as funds are
23 required, pursuant to the terms of such commitment, and to execute and deliver any and all
24 documents necessary or deemed appropriate by the County Executive or the Chief Administrative
25 Officer, as the case may be, to consummate the sale of such notes at private (negotiated sale) and to
26 accomplish any and all actions necessary or deemed appropriate by the County Executive or the
27 Chief Administrative Officer, as the case may be, to issue and deliver such notes to the purchaser
28 thereof in accordance with the provisions of this Ordinance and any such commitment.

29
30 In the event that such notes are sold at public sale, the County Executive, or the Chief
31 Administrative Officer if authorized by the County Executive, is hereby authorized (i) to determine
32 the timing, terms and conditions thereof, (ii) to publish an appropriate notice of sale, such notice of
33 sale to be in the general form of the form of the notice of sale included herein in Section 5 for the sale
34 of bonds authorized by Section 2 hereof, with such alterations, deletions, substitutions and additions
35 as the County Executive, or the Chief Administrative Officer if authorized by the County Executive,
36 shall deem necessary or appropriate to provide for proper notice of the sale of notes, (iii) to determine
37 the date, time and place when proposals will be accepted for such notes, such proposals to specify the
38 interest rate or rates to be paid on such notes, the price to be paid for such notes and such other
39 matters as the County Executive or the Chief Administrative Officer, as the case may be, may deem
40 necessary or desirable in order to sell and deliver such notes and to award such notes at public sale to
41 the successful bidder for such notes, and (iv) to execute and deliver any and all documents necessary
42 or deemed appropriate by the County Executive or the Chief Administrative Officer, as the case may
43 be, to consummate the sale of such notes at public sale and to accomplish any and all actions
44 necessary or deemed appropriate by the County Executive or the Chief Administrative Officer, as the
45 case may be, to issue and deliver such notes to such underwriters or purchasers in accordance with
46 the provisions of this Ordinance and any contract of sale with the successful bidder for the notes.

47
48 Following each such sale, or the negotiation of each such commitment, including the
49 execution of any agreements in connection with the issuance of Program Notes or Variable Rate
50 Demand Obligations, the County Executive, or the Controller if authorized by the County Executive,
51 shall report the same at the next meeting of the County Council and shall accompany such report with
52 the data upon which he had relied to satisfy himself that he had obtained terms favorable to the
53 County in the then prevailing market for comparable obligations.

1
2 (8) The authority conferred on the County Executive, or the Chief Administrative Officer if
3 authorized by the County Executive, in paragraph (9) of Section 2 of this Ordinance in connection
4 with the issuance of bonds hereunder, with respect to the appointment of paying agents and a
5 registrar, the employment of a financial advisor, a financial printer and a securities printer, retaining
6 bond counsel and the preparation and distribution of an appropriate Offering Circular, Official
7 Statement or Official Circular, may also be exercised with respect to the issuance and sale of bond
8 anticipation notes hereunder.
9

10 (9) With respect to any notes issued, the County hereby covenants and agrees with the holder or
11 holders thereof to issue, upon its full faith and credit, the bonds in anticipation of the sale of which
12 such notes are issued when, and as soon as, the reason for deferring the issuance thereof no longer
13 exists and to pay the principal of and interest on (to the extent such interest has not been capitalized,
14 or otherwise paid, by appropriations from current revenues as hereinbefore authorized) such notes
15 from the proceeds of such bonds. This covenant shall be binding upon the County notwithstanding
16 any limitation set forth in this Ordinance, including (without limitation) any limitation with respect to
17 the interest rate or rates that the bonds may bear. If the County shall be unable, for reasons beyond
18 its control, to issue and sell its bonds as described above, or if the proceeds from the sale of such
19 bonds shall be insufficient to pay the principal of and interest on any notes issued, then the revenues
20 from taxes and other sources intended for application to debt service on such bonds shall be applied
21 to the payment of the interest on and principal of the notes. The foregoing provisions shall not be
22 construed so as to prohibit the County from paying the principal or redemption price of and interest
23 on any note issued hereunder from the proceeds of the sale of any other note issued hereunder, or
24 from any other funds legally available for that purpose.
25

26 If the County shall be unable, for reasons beyond its control, to issue and sell its bonds, or if
27 the proceeds from the sale of such bonds shall be insufficient to pay the principal of or interest on any
28 notes issued, then the County hereby covenants that, in each fiscal year during which any such bond
29 anticipation notes are outstanding, it will appropriate sufficient funds in each Current Expense
30 Budget to pay the principal of such bond anticipation notes and the interest thereon due in such fiscal
31 year. The County hereby further covenants that, to the extent any such appropriation is not offset by
32 funds from other sources or by project revenues, it will, subject to the limitation on the tax levy set
33 out in Section 710(d) of the County Charter, fund any such appropriation by the levy of ad valorem
34 taxes on real estate, tangible personal property and intangible personal property subject to taxation by
35 the County, and in addition, on such other intangible property as may be subject to taxation by the
36 County within limitations prescribed by law. In such event, in the case of any series of bond
37 anticipation notes issued to finance self liquidating projects of the County, the principal of and
38 interest on any such notes shall be payable primarily from the net revenues and receipts from such
39 projects, or the utilities of which they form a part. If any such series of bond anticipation notes shall
40 be issued to finance such self liquidating projects and the County shall be unable for reasons beyond
41 its control to issue and sell the bonds in anticipation of the sale of which such notes are issued, or if
42 the proceeds from the sale of such bonds shall be insufficient to pay the principal of or interest on
43 such notes, then the County covenants to fix such rates and charges for the use of any such project, or
44 the utility of which it forms a part, as will generate sufficient revenues to pay the annual cost of
45 maintenance and operation thereof and to pay the maturing principal of and interest on any such
46 series of bond anticipation notes when due, and the County further covenants and agrees to apply
47 such revenues against appropriations for such maintenance, operation and debt service in each
48 Current Expense Budget. The County may apply to the payment of the principal of and interest on
49 the aforementioned notes any funds granted or otherwise obtained and legally available for the
50 payment of the principal of and interest on the notes; and to the extent that any such funds received or
51 receivable in any fiscal year are applied to such purposes, the taxes, rates and charges required to be
52 levied or assessed pursuant to this paragraph shall be reduced proportionately.
53

1 (10) In the event that any notes (the “Outstanding Notes”) issued hereunder are outstanding on
2 the date that the bonds in anticipation of which such notes are issued are delivered in exchange for
3 the purchase price thereof (the “Delivery Date”), the Controller shall deposit with the paying agent
4 for the notes, or a trustee or escrow agent, on the Delivery Date (i) cash in an amount equal to the
5 principal of the Outstanding Notes or (ii) direct obligations of, or obligations the payment of which is
6 unconditionally guaranteed by, the United States of America, the principal of and interest on which
7 will be sufficient without reinvestment to pay in a timely manner the principal of the Outstanding
8 Notes when due. Such paying agent or trustee or escrow agent is hereby irrevocably directed to
9 apply such cash or the proceeds of such obligations to the payment of the principal of the
10 Outstanding Notes when due. The County may provide such cash or obligations from the proceeds
11 of the sale of such bonds or from any other funds legally available for such purpose. On the Delivery
12 Date, the Controller shall also deposit with the paying agent for the Outstanding Notes, or a trustee or
13 escrow agent (i) cash in an amount equal to the interest on the Outstanding Notes when due or (ii)
14 direct obligations of, or obligations the payment of which is unconditionally guaranteed by, the
15 United States of America, the principal of and interest on which will be sufficient without
16 reinvestment to pay in a timely manner interest on the Outstanding Notes when due. The County
17 may provide such cash or obligations from the proceeds of the sale of bonds available for that
18 purpose or from any other funds legally available for such purpose. Notwithstanding the foregoing,
19 if the Delivery Date and the date on which the Outstanding Notes mature are in different fiscal years,
20 and moneys for the payment of the interest on the Outstanding Notes have not been finally
21 appropriated in the fiscal year in which the bonds are delivered, and if the Delivery Date is after the
22 date on which the budget for the succeeding fiscal year has been submitted to the County Council and
23 provision for the payment of the interest on such Outstanding Notes has been made in such budget, in
24 lieu of the deposit of such cash or obligations for the payment of interest on the Outstanding Notes,
25 the County Executive, the Controller and the Chief Administrative Officer may deliver a certificate
26 on the Delivery Date of the bonds stating that funds sufficient to pay the interest on the Outstanding
27 Notes have been included in the budget for the next succeeding fiscal year (it being provided by the
28 Bond Anticipation Note Act that the notes shall be payable from the first proceeds of the sale of the
29 bonds, or from the tax or other revenue which the County shall have previously determined to apply
30 to the payment of the bonds and the interest thereon). Upon the deposit with the paying agent for the
31 Outstanding Notes, or a trustee or escrow agent, of cash or obligations sufficient to provide for the
32 payment of the principal of and interest on such notes when due, as described above, such notes shall
33 be deemed to be paid and no longer outstanding hereunder.

34
35 (11) Pursuant to the Bond Anticipation Note Act, the County is hereby authorized to issue the
36 aforementioned bond anticipation notes as notes in the nature of commercial paper and to establish a
37 commercial paper program. Accordingly, the County is hereby authorized to issue two or more
38 separate and distinct series of its bond anticipation notes, which may include (1) a series of its bond
39 anticipation notes in the nature of commercial paper (the “Commercial Paper Notes”) and (2) a series
40 of its bond anticipation notes in connection with a liquidity facility, such as a revolving loan
41 agreement, or a series of its bond anticipation notes in connection with a credit facility, such as a
42 letter of credit and related agreements (collectively, the “Revolving Loan Notes”) (the Commercial
43 Paper Notes and the Revolving Loan Notes being collectively referred to herein as the “Program
44 Notes”). The words “bond anticipation notes,” as used in this Ordinance, include Program Notes, and
45 it is intended that the provisions of this Ordinance applying to bond anticipation notes shall include
46 Program Notes unless the context clearly requires a contrary meaning.

47
48 For the purposes of this Ordinance, the term “principal amount,” when used with respect to
49 the Program Notes, shall mean (i) in the case of Commercial Paper Notes, the face amount of any
50 such Commercial Paper Note, less any original issue discount on such Commercial Paper Note, and
51 (ii) in the case of Revolving Loan Notes, the principal amount actually advanced under the applicable
52 liquidity facility or credit facility that is evidenced by any such Revolving Loan Note. Accordingly,
53 it is contemplated by this Ordinance that the aggregate face amount of the Program Notes that may be

1 outstanding from time to time hereunder, together with other bond anticipation notes issued
2 hereunder and outstanding from time to time, may exceed the aggregate principal amount of bond
3 anticipation notes authorized to be outstanding hereunder at any one time.

4
5 It is recognized that the procedures necessary or desirable to implement a commercial paper
6 program within the framework of existing commercial practices in the commercial paper market may
7 require the County to prescribe procedures to facilitate the prompt determination and approval of
8 certain matters in connection with the authorization, issuance, execution, sale, delivery and payment
9 of and for Commercial Paper Notes. Accordingly, the County Executive, by or pursuant to executive
10 order or other appropriate action or proceedings, is hereby authorized (1) to establish such
11 procedures, including (without limitation) procedures for (a) the determination of the dates and
12 maturities of any Program Notes, or the method by which the same shall be determined, (b) the
13 determination of the interest rate to be borne by any Program Notes, which may be separately stated
14 by rate or amount or which may be in an amount equal to the discount thereon, or the method by
15 which the same shall be determined, and (c) the determination of the price or prices at which
16 Commercial Paper Notes may be sold, which may be at, above or below the face value thereof, or the
17 method by which the same shall be determined; and (2) to determine any and all other matters
18 relating to the terms, specifications and form of such Program Notes, including (without limitation)
19 any modification required in the forms of bond anticipation note set forth herein to accommodate the
20 needs of the commercial paper program. Any such procedures may include provisions for telephonic
21 approval and subsequent telegraphic or written confirmation of one or more of such matters by the
22 Chief Administrative Officer, the Controller or such other officers or employees of the County as the
23 County Executive shall designate within guidelines or parameters prescribed by the County
24 Executive. The establishment of such procedures and all such determinations and actions shall be
25 deemed to be of an administrative nature.

26
27 In connection with the establishment of a commercial paper program, the County Executive
28 is hereby authorized, by or pursuant to executive order or other appropriate action or proceedings (i)
29 to approve the form of any indenture necessary or appropriate in connection with the issuance of any
30 Program Notes (the "Indenture") and to appoint a trustee (the "Trustee") thereunder, (ii) to approve
31 the form of any dealer agreement relating to any Commercial Paper Notes (the "Dealer Agreement")
32 and to select a dealer to act thereunder, (iii) to approve the form of a liquidity facility, such as a
33 revolving loan agreement, or a credit facility, such as a letter of credit and related agreements (each a
34 "Credit Facility") and to select one or more financial institutions to provide loans or otherwise to act
35 thereunder, and (iv) to approve the form of any issuing and paying agency agreement (the "Issuing
36 and Paying Agency Agreement") and to appoint an issuing and paying agent of the County for the
37 purpose of completing, authenticating and delivering the Program Notes from time to time.

38
39 The County Executive is hereby authorized, pursuant to executive order or other appropriate
40 action or proceedings, to execute and deliver on behalf of the County the Issuing and Paying Agency
41 Agreement, one or more Credit Facilities, the Dealer Agreement, and all and any other documents
42 that he may deem necessary or appropriate to implement the commercial paper program contemplated
43 by this Ordinance and, in each case, to cause the seal of the County to be impressed thereon, attested
44 by the County Executive, the secretary to the County Executive, the Administrative Officer to the
45 County Council or such other officer as may be specified by ordinance of the County Council.

46
47 (12) All of such notes shall be in such form as the County Executive, or the Chief Administrative
48 Officer if authorized by the County Executive, shall deem appropriate shall be binding on the County
49 when and as any such notes are issued and sold hereunder.

50
51 SECTION 7. *And be it further enacted*, That it is hereby found and determined as follows: (i)
52 general economic conditions are extremely unsettled and require sensitive and careful debt
53 management in order to reduce to the extent practicable the cost of borrowing to the County and it is

1 in the best interests of the County to be able to implement a flexible approach to borrowing (that is,
2 one which provides the ability to utilize variable rate demand obligations, commercial paper and
3 short term municipal obligations [“Variable Rate Demand Obligations”]); (ii) there is an expanding
4 market for Variable Rate Demand Obligations, which have varying and flexible maturities or
5 redemption features, tender or purchase dates and bear interest at variable rates established by a
6 remarketing agent on the basis of current market conditions, or combinations of such maturities or
7 redemption, tender or purchase dates and rates and to access this market the County must establish
8 procedures consistent with market practices for Variable Rate Demand Obligations; and (iii) existing
9 practices in the market for Variable Rate Demand Obligations and existing requirements of nationally
10 recognized rating agencies require that there be available to the issuer of Variable Rate Demand
11 Obligations a supporting credit arrangement, such as a letter of credit, line of credit or revolving loan
12 agreement, pursuant to which an alternate source of borrowing will be available during any period in
13 which such obligations cannot be remarketed.

14 The County Executive, or the Chief Administrative Officer if authorized by the County
15 Executive, may determine that bond anticipation notes authorized by Section 6 hereof or bonds
16 authorized by Section 2 hereof shall be issued as short term or demand obligations or commercial
17 paper, defined above as Variable Rate Demand Obligations, including obligations that are required to
18 be purchased or redeemed prior to stated maturity dates, and bear interest at variable rates established
19 from time to time by a remarketing agent on the basis of current market conditions. The County
20 Executive, or the Chief Administrative Officer if authorized by the County Executive, is hereby
21 authorized to establish procedures for the determination of the interest rates, the interest payment
22 dates and any mandatory redemption, tender or purchase dates of bonds or notes described in this
23 Section 7 in order to implement the financing authorized hereby. If any bonds or notes issued in
24 accordance with this Section 7 provide for the mandatory redemption, tender or purchase thereof
25 prior to stated maturity dates, the form of bond or note (as the case may be) may provide, to the
26 extent permitted by law and deemed advisable by the County Executive, or the Chief Administrative
27 Officer if authorized by the County Executive, that the full faith and credit and, subject to the
28 limitations set forth in Section 710(d) of the County Charter, taxing power of the County are pledged
29 to the payment of the purchase or redemption price on the due dates for such payments.

30
31 In connection with the issuance of such obligations, the County Executive is hereby authorized,
32 by executive order or other appropriate action or proceeding (i) to approve the form of any indenture
33 necessary or appropriate in connection with the issuance of such obligations (the “Demand
34 Indenture”) and to appoint a trustee thereunder, (ii) to approve the form of a remarketing agreement
35 relating to such obligations (the “Demand Remarketing Agreement”) and to select a remarketing
36 agent to act thereunder, (iii) to approve the form of a credit or liquidity facility, such as a letter of
37 credit, line of credit, revolving loan agreement or other similar agreement (a “Demand Credit
38 Facility”) and to enter into a reimbursement agreement or other similar agreement (a “Demand Credit
39 Facility Agreement”) with one or more financial institutions in connection therewith and (iv) to
40 approve the form of a registrar and paying agency agreement (the “Demand Registrar and Paying
41 Agency Agreement”) and to appoint a registrar and paying agent for the purpose of completing,
42 authenticating and delivering such obligations from time to time.

43
44 The County Executive is hereby authorized pursuant to executive order or other appropriate
45 action or proceeding, to execute and deliver on behalf of the County a Demand Indenture, a Demand
46 Remarketing Agreement, one or more Demand Credit Facility Agreements and a Demand Registrar
47 and Paying Agency Agreement and any and all other documents that he may deem necessary or
48 appropriate in connection with the issuance of obligations authorized by this Section 7, and, in each
49 case, to cause the seal of the County to be impressed thereon, attested by the County Executive, the
50 secretary to the County Executive, the Administrative Officer to the County Council and such other
51 officers as may be specified by ordinance of the County Council.

1 SECTION 8. *And be it further enacted*, That, the provisions hereinafter set forth in Sections
2 (8)(1), (2), (3), (4) and (5) shall be applicable with respect to bonds (including Refunding Bonds) or
3 bond anticipation notes issued and sold hereunder on the basis that the interest on such bonds or notes
4 will be excludable from gross income for federal income tax purposes.

5
6 (1) The County Executive shall be the officer of the County responsible for the issuance of any
7 bonds or bond anticipation notes hereunder within the meaning of the Arbitrage Regulations (defined
8 herein). The County Executive shall also be the officer of the County responsible for the execution
9 and delivery (on the date of issuance of the bonds or bond anticipation notes) of a certificate of the
10 County (the "Section 148 Certificate") which complies with the requirements of Section 148 of the
11 Internal Revenue Code of 1986, as amended ("Section 148"), and the applicable regulations
12 thereunder (the "Arbitrage Regulations"), and such official is hereby directed to execute the Section
13 148 Certificate and to deliver the same to bond counsel on the date of the issuance of the bonds or
14 bond anticipation notes.

15 (2) The County shall set forth in the Section 148 Certificate its reasonable expectations as to
16 relevant facts, estimates and circumstances relating to the use of the proceeds of the bonds or bond
17 anticipation notes, or of any moneys, securities or other obligations to the credit of any account of the
18 County which may be deemed to be proceeds of the bonds or bond anticipation notes pursuant to
19 Section 148 or the Arbitrage Regulations (collectively, "Bond Proceeds"). The County covenants
20 that the facts, estimates and circumstances set forth in the Section 148 Certificate will be based on the
21 County's reasonable expectations on the date of issuance of the bonds or bond anticipation notes and
22 will be, to the best of the certifying officials' knowledge, true and correct as of that date.

23
24 (3) The County covenants and agrees with each of the holders of any of the bonds or bond
25 anticipation notes that it will not make, or (to the extent that it exercises control or direction) permit
26 to be made, any use of the Bond Proceeds which would cause the bonds or bond anticipation notes to
27 be "arbitrage bonds" within the meaning of Section 148 and the Arbitrage Regulations. The County
28 further covenants that it will comply with Section 148 and the regulations thereunder which are
29 applicable to the bonds or bond anticipation notes on the date of issuance of the bonds or bond
30 anticipation notes and which may subsequently lawfully be made applicable to the bonds or bond
31 anticipation notes.

32
33 (4) The County further covenants that it shall make such use of the proceeds of the bonds or
34 bond anticipation notes, regulate the investment of the proceeds thereof, and take such other and
35 further actions as may be required to maintain the excludability from gross income for federal income
36 tax purposes of interest on the bonds or bond anticipation notes. All officers, employees and agents
37 of the County are hereby authorized and directed to take such actions, and to provide such
38 certifications of facts and estimates regarding the amount and use of the proceeds of the bonds or
39 bond anticipation notes, as may be necessary or appropriate from time to time to comply with, or to
40 evidence the County's compliance with, the covenants set forth in this Section.

41
42 (5) The County Executive, on behalf of the County, may make such covenants or agreements in
43 connection with the issuance of bonds or bond anticipation notes issued hereunder as he or she shall
44 deem advisable in order to assure the registered owners of such bonds or notes that interest thereon
45 shall be and remain excludable from gross income for federal income tax purposes, and such
46 covenants or agreements shall be binding on the County so long as the observance by the County of
47 any such covenants or agreements is necessary in connection with the maintenance of the exclusion
48 of the interest on such bonds or notes from gross income for federal income tax purposes. The
49 foregoing covenants and agreements may include such covenants or agreements on behalf of the
50 County regarding compliance with the provisions of the Internal Revenue Code of 1986, as amended,
51 as the County Executive shall deem advisable in order to assure the registered owners of such bonds
52 or notes that the interest thereon shall be and remain excludable from gross income for federal

1 income tax purposes, including (without limitation) covenants or agreements relating to the
2 investment of the proceeds of such bonds or notes, the payment of rebate (or payments in lieu of
3 rebate) to the United States, limitations on the times within which, and the purpose for which, such
4 proceeds may be expended, or the use of specified procedures for accounting for and segregating
5 such proceeds.
6

7 (6) Notwithstanding anything in this Ordinance to the contrary, bonds or bond anticipation notes
8 issued and sold hereunder may be issued and sold on the basis that the interest on such bonds or notes
9 will not be excludable from gross income for federal income tax purposes.
10

11 SECTION 9. *And be it further enacted*, That, unless and until otherwise provided by the
12 County Council of Anne Arundel County, Maryland, by ordinance, (i) not exceeding Two Hundred
13 Forty-Six Million Eight Hundred Thousand Dollars (\$246,800,000) aggregate principal amount of
14 the bonds authorized by Section 2 of this Ordinance shall be sold during the fiscal year ending June
15 30, 2010; (ii) not exceeding Two Hundred Forty-Three Million One Hundred Three Thousand
16 Dollars (\$243,103,000) aggregate principal amount of the bonds authorized by Section 2 of this
17 Ordinance shall be sold during the fiscal year ending June 30, 2011; and (iii) not exceeding ~~Two~~
18 ~~Hundred Forty Nine Million Sixty Five Thousand Eight Hundred Seventy Two Dollars~~
19 ~~(\$249,065,872)~~ Two Hundred Forty-Nine Million Sixty-Five Thousand Five Hundred Twenty-Four
20 Dollars (\$249,065,524) aggregate principal amount of the bonds authorized by Section 2 of this
21 Ordinance shall be sold during the fiscal year ending June 30, 2012; provided, however that any such
22 bonds may be sold subsequent to such dates and without any limitation imposed by such dates if
23 required to redeem, prepay or pay at maturity any bond anticipation notes. The term “sold” as used
24 in this Section shall refer to the date of the public sale of the bonds or bond anticipation notes or the
25 negotiated sale of bond anticipation notes and not to the date of such bonds. The bonds to be sold in
26 any fiscal year may be sold at one or more times within that year.
27

28 SECTION 10. *And be it further enacted*, That, subject to the following paragraphs of this
29 Section 10, the authority to issue bonds under Bill No. 57-08, as amended, effective August 28, 2008
30 (“Bill No. 57-08”) and in the ordinances listed in Section 10 of Bill No. 57-08 is hereby canceled,
31 rescinded and repealed, but only to the extent that such authority has not been exercised prior to the
32 effective date of this Ordinance.
33

34 Nothing contained in this Ordinance shall be construed as impairing the validity of any
35 proceedings or action taken, or the validity of any bonds or bond anticipation notes issued, prior to
36 the effective date of this Ordinance, under the provisions of the ordinances enumerated in the
37 preceding sentence of this Ordinance, and the authorization, sale and issuance of all bonds and bond
38 anticipation notes issued prior to the effective date of this Ordinance pursuant to the authority of such
39 ordinances, including (without limitation) the various series of general obligation bonds and bond
40 anticipation notes of Anne Arundel County, Maryland, set forth in Section 10 of Bill No. 57-08 and,
41 in addition, the indebtedness set forth in Exhibit V attached hereto and incorporated herein, including
42 any Indenture, Dealer Agreement, Credit Facility or Issuing and Paying Agent Agreement executed
43 and delivered in connection with any such bond anticipation notes (collectively, the “Prior
44 Obligations”), be and they are hereby ratified and confirmed, and all such Prior Obligations, together
45 with all and several of the terms thereof and the action taken in connection with the issuance, sale and
46 delivery thereof, are hereby validated as being validly authorized, sold, issued and executed, as
47 applicable, and delivered by Anne Arundel County, Maryland. The ratification of the Prior
48 Obligations as set forth above shall be effective notwithstanding noncompliance with any provisions
49 of the aforementioned ordinances that provide general fiscal or budgetary guidelines, such as
50 provisions directing that specified portions of the Prior Obligations be issued during certain fiscal
51 years.
52

53 It is specifically intended that neither the authority granted by Bill No. 53-97, effective

1 September 11, 1997, as amended, Bill No. 50-98, effective September 7, 1998, as amended, Bill No.
2 53-99, effective September 12, 1999, as amended, Bill No. 40-00, effective September 7, 2000, as
3 amended, Bill No. 57-01, effective November 5, 2001, as amended, Bill No. 65-02, effective
4 November 3, 2002, Bill No. 40-03, as amended, effective September 8, 2003, Bill No. 49-04, as
5 amended, effective September 5, 2004, Bill No. 53-05, as amended, effective September 8, 2005, Bill
6 No. 60-06, as amended, effective September 4, 2006, Bill No. 55-07, as amended, effective
7 September 24, 2007, or Bill No. 57-08, to issue bonds or bond anticipation notes authorized
8 thereunder or to execute and deliver an Indenture, Dealer Agreement, Credit Facility and Issuing and
9 Paying Agent Agreement or to take other actions under Bill No. 53-97, Bill No. 50-98, Bill No. 53-
10 99, Bill No. 40-00, Bill No. 57-01, Bill No. 65-02, Bill No. 40-03, Bill No. 49-04, Bill No. 53-05,
11 Bill No. 60-06, Bill No. 55-07 and Bill No. 57-08 authorized in connection with issuance and
12 delivery of bonds and bond anticipation notes, nor the validity of any proceedings or action taken or
13 the validity of any bonds or bond anticipation notes issued shall be impaired in any manner by the
14 passage of this Ordinance, provided (i) such bond anticipation notes are issued pursuant to and in
15 accordance with that Note Order dated as of May 1, 1997, as amended or supplemented from time to
16 time (the "Note Order") and (ii) such bonds are issued to pay such bond anticipation notes issued
17 pursuant to and in accordance with the Note Order. With respect to bond anticipation notes issued
18 and outstanding under Bill No. 53-97, as amended, or Bill No. 50-98, as amended, or Bill No. 53-99,
19 as amended, or Bill No. 40-00, as amended, or Bill No. 57-01, as amended, or Bill No. 65-02, or Bill
20 No. 40-03, as amended, or Bill No. 49-04, as amended, or Bill No. 53-05, as amended, or Bill No.
21 60-06, as amended, or Bill No. 55-07, as amended, or Bill No. 57-08, as amended, and in accordance
22 with the Note Order, and in the event bonds or bond anticipation notes subsequently are issued
23 pursuant to Bill No. 53-97, as amended, Bill No. 50-98, as amended, Bill No. 53-99, as amended, Bill
24 No. 40-00, as amended, Bill No. 57-01, as amended, Bill No. 65-02, Bill No. 40-03, as amended, Bill
25 No. 49-04, as amended, Bill No. 53-05, as amended, Bill No. 60-06, as amended, or Bill No. 55-07,
26 as amended, or Bill No. 57-08, as amended, appropriate reductions shall be recognized in the
27 amounts of bonds or bond anticipation notes authorized to be issued for projects authorized to be
28 financed hereunder that are financed by such bonds and notes issued under the authority of Bill No.
29 53-97, as amended, Bill No. 50-98, as amended, Bill No. 53-99, as amended, Bill No. 40-00, as
30 amended, Bill No. 57-01, as amended, Bill No. 65-02, Bill No. 40-03, as amended, Bill No. 49-04, as
31 amended, Bill No. 53-05, as amended, Bill No. 60-06, as amended, Bill No. 55-07, as amended or
32 Bill No. 57-08, as amended.

33
34 Bonds and bond anticipation notes may be issued under this Ordinance to pay bond anticipation
35 notes issued pursuant to and in accordance with the Note Order provided that such bonds or bond
36 anticipation notes are authorized to be issued hereunder for projects financed by such bond
37 anticipation notes issued pursuant to and in accordance with the Note Order.

38
39 SECTION 11. *And be it further enacted*, That, the County Council hereby affirmatively
40 approves the exercise of eminent domain in the acquisition of any land parcels acquired for the
41 projects hereinbefore described in this Ordinance.

42
43 SECTION 12. *And be it further enacted*, That, notwithstanding any other provisions of this
44 Ordinance, in order (i) to comply with the bond registration requirements of, and to conform with,
45 developing practices in the municipal bond market, including practices of bond registrars and paying
46 agents, (ii) to facilitate generally the issuance and sale of general obligation bonds and bond
47 anticipation notes by the County, including compliance with disclosure and similar requirements and
48 (iii) insofar as possible, to simplify issuance procedures, the County Executive, or the Chief
49 Administrative Officer if authorized by the County Executive, as the case may be, is hereby
50 authorized (a) to apply the provisions of this Ordinance, (b) to make determinations and decisions
51 required by this Ordinance, (c) to make such insertions, modifications and corrections to the forms of
52 bonds, the forms of notes, form of notice of sale and form of proposal for bonds authorized hereby,
53 including modifications to the method of publication in connection with the redemption of any bonds,

1 (d) to enter into agreements on behalf of the County and (e) to take all and any other actions under
2 this Ordinance in the manner and to the extent that the County Executive or the Chief Administrative
3 Officer, as the case may be, may deem necessary or appropriate to accomplish the stated purposes,
4 taking into account the recommendations of bond counsel and financial advisor to the County,
5 including the making of agreements to facilitate the foregoing.

6
7 SECTION 13. *And be it further enacted*, That, the Budget Officer and the Controller are hereby
8 designated as the authorized deputies of the Chief Administrative Officer for the purpose of
9 authenticating any bonds or bond anticipation notes issued hereunder. In addition, the County
10 Executive may deliver a written certificate at or prior to the time of the issuance of any bonds or bond
11 anticipation notes issued hereunder designating such other person or persons as he shall deem
12 appropriate as an authorized deputy or deputies of the Chief Administrative Officer for the purpose of
13 authenticating any bonds or bond anticipation note issued hereunder.

14
15 SECTION 14. *And be it further enacted*, That the County is hereby authorized to borrow money
16 and incur indebtedness otherwise authorized to be borrowed and incurred hereunder in the form of
17 bonds or bond anticipation notes by obtaining a loan (a "Water Quality Loan") from the Maryland
18 Water Quality Financing Administration (the "Administration") pursuant to and in accordance with
19 Sections 9-1601 to 9-1622, inclusive, of the Environment Article of the Annotated Code of Maryland
20 (2007 Replacement Volume and 2008 Supplement) (the "Act"). Such Water Quality Loans may be
21 obtained by the County hereunder from time to time. Any such Loan shall be evidenced by a loan
22 agreement (a "Water Quality Loan Agreement") between the County and the Administration and a
23 bond issued by the County (a "Water Quality Bond").

24
25 It is acknowledged that the proceeds of any Water Quality Loan will be used for the public
26 purposes of financing a portion of the costs of acquiring, constructing and equipping certain
27 wastewater facilities or water supply systems, each as defined in the Act (collectively, the "Water
28 Quality Facilities"), including the development of property, the acquisition and installation of
29 equipment and furnishings and any architectural, financial, legal, planning and engineering expenses.

30 It is intended that the proceeds of any Water Quality Loan undertaken by the County pursuant to this
31 Section 14 may be expended on the applicable Water Quality Facility and any related costs, including
32 costs of the Administration and the funding of reserves, to the extent permitted by the Act and to the
33 extent provided in the applicable Water Quality Loan Agreement or Water Quality Bond. It is
34 acknowledged that Water Quality Facilities as defined above may include projects that the County
35 classifies as wastewater projects, water projects or under some other classification.

36
37 Unless otherwise provided in this Section 14, limitations, procedures or requirements set forth in
38 this Ordinance for the issuance, sale and delivery of bonds or bond anticipation notes, as applicable,
39 to the extent practicable, shall apply to obtaining any Water Quality Loan and to the execution and
40 delivery of any Water Quality Loan Agreement or Water Quality Bond.

41
42 The County Executive, or the Chief Administrative Officer, if authorized by the County
43 Executive, is hereby authorized to approve the form of any Water Quality Loan Agreement or Water
44 Quality Bond, the terms thereof, including the interest rate, maturity schedule, redemption provisions
45 and covenants to be set forth therein, and the manner of executing and authenticating the same. The
46 form of Water Quality Bond need not conform to the forms otherwise provided in this Ordinance.

47
48 Notwithstanding any other provision to the contrary in this Ordinance:

49
50 (a) Any Water Quality Loan (including any Water Quality Loan Agreement and Water
51 Quality Bond) need not be in denominations of \$5,000 or any integral multiple thereof, nor in a serial
52 maturity format, provided, however, borrowings and evidences thereof shall be on an installment
53 basis with annual principal payments beginning not more than two years from the date of issue;

1
2 (b) Any Water Quality Loan (including any Water Quality Loan Agreement and Water
3 Quality Bond) may be sold at less than par and without regard to any limitation set forth in Section
4 2(1) hereof or Section 6(7) hereof, as applicable;

5
6 (c) Any Water Quality Loan (including any Water Quality Loan Agreement and Water
7 Quality Bond) may provide for interest payments on other than a semiannual basis;

8
9 (d) Paying agents and registrars may be provided for in the discretion of the County
10 Executive, or the Chief Administrative Officer, if authorized by the County Executive;

11
12 (e) The County is hereby authorized to sell any Water Quality Loan (including any Water
13 Quality Loan Agreement and Water Quality Bond) at private (negotiated) sale to the Administration,
14 public advertisement and sale of the same not being required by the terms of the Act and the best
15 interests of the County being hereby declared to be served by such private sale;

16
17 (f) Provisions for the redemption of any Water Quality Loan (including any Water Quality
18 Loan Agreement and Water Quality Bond) may be provided for in the discretion of the County
19 Executive, or the Chief Administrative Officer, if authorized by the County Executive; and

20
21 (g) Any signature required in connection with the issuance and sale of any Water Quality
22 Loan (including any Water Quality Loan Agreement and Water Quality Bond) may be manual and
23 any affixing of the County Seal may be accomplished by impressing the same on the applicable
24 document.

25
26 The County Executive, or the Chief Administrative Officer, if authorized by the County
27 Executive, is hereby authorized to take any and all actions in the manner and to the extent that the
28 County Executive or the Chief Administrative Officer, as the case may be, may deem necessary or
29 appropriate to accomplish the purposes of this Section.

30
31 Any Water Quality Loan (including any Water Quality Loan Agreement and Water Quality
32 Bond) shall be secured as provided in Section 2(6) of this Ordinance.

33
34 With respect to any Water Quality Loan authorized by this Section or by similar authority
35 contained in a prior ordinance of the County, the County Executive, or the Chief Administrative
36 Officer if authorized by the County Executive, may, in accordance with Paragraph 4 of Section II of
37 the Findings of Fact, apply to any project authorized to be financed with a Water Quality Loan the
38 balance remaining to any completed or abandoned project previously financed with the proceeds of a
39 Water Quality Loan. In exercising such authority, the County Executive, or the Chief Administrative
40 Officer if authorized by the County Executive, may enter into such amendments of Water Quality
41 Loan Agreements and related documents as he deems necessary or appropriate in the exercise of the
42 authority granted hereby. In lieu of applying the balance of any completed or abandoned project
43 financed with a Water Quality Loan to new or additional projects, the County Executive, or the Chief
44 Administrative Officer if authorized by the County Executive, may determine to prepay or otherwise
45 effect a reduction in the stated principal amount or permitted maximum principal amount any such
46 Water Quality Loan as permitted in the Water Quality Loan Agreement and the Water Quality Bond
47 or as otherwise permitted and, in connection therewith, may take such action and make such
48 amendments to the Water Quality Loan Agreement and Water Quality Bond as he deems necessary
49 or appropriate to permit the reamortization of the principal amount outstanding and to effect such
50 prepayment or reduction in stated principal amount.

51
52 Following the execution and delivery of any written commitment specifying the material terms of
53 any Water Quality Loan, or if no such written commitment is entered into, following the execution

1 and delivery of any Water Quality Loan (including any Water Quality Loan Agreement and Water
2 Quality Bond), the County Executive, or the Comptroller, if authorized by the County Executive,
3 shall report the terms thereof in writing at the next meeting of the County Council.
4

5 SECTION 15. *And be it further enacted*, that the County is hereby authorized to borrow money
6 and incur indebtedness in a maximum aggregate principal amount of Two Million Two Hundred
7 Seventy-Four Thousand Eighty Four Dollars (\$2,274,084) otherwise authorized to be borrowed or
8 incurred hereunder in accordance with Title 20 of Article 24 of the Annotated Code of Maryland
9 (2005 Replacement Volume and 2008 Supplement, as amended). Title 20 of Article 24 of the
10 Annotated Code of Maryland (2005 Replacement Volume and 2008 Supplement, as amended)
11 authorizes the County to enter into an agreement to purchase development rights (an “Installment
12 Purchase Agreement”) which is a general obligation of the County to which its full faith and credit
13 and taxing power is pledged. Such pledge is hereby made subject to the limitation imposed by
14 Section 710(d) of the County Charter.
15

16 Each Installment Purchase Agreement shall be executed and delivered by the County to effect,
17 together with direct cash payments, where applicable, the purchase by the County of development
18 rights easements (the “Development Rights Easements”) for the protection and preservation of
19 agricultural land and woodlands in accordance with Sections 17-10-201 through 17-10-212,
20 inclusive, of the Subdivision and Development Article, of the Anne Arundel County Code (2005, as
21 amended), as the same may be amended from time to time (the “Agricultural Land and Woodland
22 Preservation Act”).
23

24 Properties for which the County intends to purchase Development Rights Easements shall be
25 designated from time to time by resolution (an “Easement Schedule Resolution”). The Easement
26 Schedule Resolution with respect to each Development Rights Easement to be purchased shall
27 designate (i) the maximum purchase price for such Development Rights Easements, (ii) the maximum
28 principal amount payable under the Installment Purchase Agreement pertaining to such Development
29 Rights Easement and (iii) the provisions, terms, conditions and duration of such Installment Purchase
30 Agreement.
31

32 The County hereby determines that the issuance and sale of indebtedness in connection with the
33 purchase by the County of Development Rights Easements is in the public interest.
34

35 The issuance of indebtedness authorized hereby pertains to the project designated in the County’s
36 capital budget as Agricultural Easement Program, Capital Project No. C443400.
37

38 Unless otherwise provided in this Section 15, limitations, procedures or requirements set forth in
39 this Ordinance for the issuance, sale and delivery of indebtedness shall apply to the issuance of any
40 indebtedness under this Section 15 and to the execution and delivery of any Installment Purchase
41 Agreement.
42

43 The County Executive is hereby authorized to determine the form of Installment Purchase
44 Agreements and the execution and delivery thereof shall be conclusive evidence of the approval of
45 the form of such Installment Purchase Agreements on behalf of the County. Installment Purchase
46 Agreements shall be executed by the County Executive, and the seal of the County shall be affixed or
47 imprinted thereon, attested by the Secretary to the County Executive. Each Installment Purchase
48 Agreement, when properly executed and delivered in the manner prescribed for the execution and
49 delivery of bonds in this Ordinance shall be deemed to constitute unconditional general obligations of
50 the County, to the payment of which, in accordance with the terms thereof, its full faith and credit are
51 pledged, and all the covenants and conditions contained in such Installment Purchase Agreements
52 shall be deemed to be binding upon the County in accordance therewith. In accordance with Section
53 2-207(d) of the Agricultural Land and Woodland Preservation Act, it is hereby otherwise provided
that payments of amounts payable under an Installment Purchase Agreement shall be payable in

1 accordance with Section 2(6) hereof and shall not be required to be fully available or encumbered in
2 the fiscal year that the Development Rights Easement relating to such Installment Purchase
3 Agreement is purchased.

4
5 Subject to and in accordance with the provisions of this Ordinance, the County Executive shall
6 determine by order, for each and every Installment Purchase Agreement, all matters relating thereto,
7 including (without limitation) the purposes for which such Installment Purchase Agreement is issued,
8 the prepayment provisions, if any, thereof, the manner of authentication of such Installment Purchase
9 Agreement, if any, the date from which interest on such Installment Purchase Agreement shall
10 accrue, the rate or rates of interest borne by such Installment Purchase Agreement or the method of
11 determining the same, the interest payment and maturity dates thereof, the denomination of the
12 Installment Purchase Agreement, and the provisions for the registration of Installment Purchase
13 Agreements.

14
15 In making the determinations described above, the County Executive shall consider the
16 recommendation of the Planning and Zoning Officer, or such officer as shall be designated by
17 ordinance from time to time, with the advice of the Controller, concerning the appropriate terms of an
18 Installment Purchase Agreement and the Officer's determination, with the advice of the Controller,
19 that the face value of the Installment Purchase Agreement is less than or commensurate with the
20 value of the Development Rights Easement based on an appraisal and taking into account the amount
21 of any cash payment made by the County. Notwithstanding the foregoing, upon the execution and
22 delivery of an Installment Purchase Agreement in the manner prescribed herein, such Installment
23 Purchase Agreement shall constitute a binding general obligation of the County in accordance with
24 its terms without regard to any determination, dispute or contrary assertion, report or finding
25 regarding the value of the Development Rights Easement or Installment Purchase Agreement or the
26 appropriateness of the terms set forth in any Installment Purchase Agreement.

27
28 Notwithstanding any other provision to the contrary in this Ordinance:

29
30 (a) any indebtedness issued under this Section 15 may be sold in denominations as shall be
31 prescribed by the County Executive by executive order as described above;

32
33 (b) any indebtedness issued under this Section 15 may be sold at less than par and without regard
34 to any limitation set forth in Section 2(1) hereof;

35
36 (c) any indebtedness issued under this Section 15 may provide for interest payments other than
37 on a semiannual basis;

38
39 (d) the final maturity date of any Installment Purchase Agreement shall not be later than thirty
40 (30) years from the date of the execution and delivery of such Installment Purchase Agreement;

41
42 (e) the maximum principal amount of each Installment Purchase Agreement executed and
43 delivered by the County in connection with the County's purchase of a Development Rights
44 Easement shall be the amount set forth in the Easement Schedule Resolution; provided, however, that
45 the County Executive may by executive order as described above reduce such principal amount;

46
47 (f) Paying Agents and Registrars may be provided for in the discretion of the County Executive,
48 or the Chief Administrative Officer, if authorized by the County Executive;

49
50 (g) the County is hereby authorized to sell any indebtedness issued under this Section 15 at
51 private (negotiated) sale; and

52
53 (h) the Installment Purchase Agreements may be issued as a separate series of indebtedness.

1
2 The County Executive, or the Chief Administrative Officer, if authorized by the County
3 Executive, is hereby authorized to take any and all actions in the manner and to the extent that the
4 County Executive or the Chief Administrative Officer, as the case may be, may deem necessary or
5 appropriate to accomplish the purposes of this Section 15.

6
7 Any indebtedness issued under this Section 15 shall be secured as provided in Section 2(6) of this
8 Ordinance.

9
10 Following the execution and delivery of any Installment Purchase Agreement, the County
11 Executive, or the Controller, if authorized by the County Executive, shall report the terms thereof in
12 writing at the next meeting of the County Council.

13
14 SECTION 16. *And be it further enacted*, That the County is hereby authorized to borrow money
15 and incur indebtedness for shore erosion control projects hereinafter specified by obtaining a loan (a
16 “Shore Erosion Control Construction Loan”) from the Shore Erosion Control Construction Loan
17 Fund pursuant to and in accordance with Sections 8-1001 to 8-1008, inclusive, of the Natural
18 Resources Article of the Annotated Code of Maryland (2007 Replacement Volume) (the “Soil
19 Erosion Control Act”). Each Shore Erosion Control Construction Loan shall be evidenced by a loan
20 agreement (a “Shore Erosion Control Construction Loan Agreement”) between the County and the
21 Department of Natural Resources (“DNR”) in a form determined by order of the County Executive as
22 hereinafter provided.

23
24 Shore Erosion Control Construction Loans may be repaid from benefit charges levied on
25 benefited property and may be further secured by a pledge of the full faith and credit of the County,
26 as determined by order of the County Executive as hereinafter provided. It is acknowledged and
27 declared that the levy of any ad valorem taxes by the County to provide for repayment of the Shore
28 Erosion Control Construction Loans shall be subject to the limitation on the tax levy set out in
29 Section 710(d) of the County Charter.

30
31 Pursuant to and in accordance with requirements of this Ordinance and the Shore Erosion Control
32 Act, the County Executive by order is hereby authorized to approve the form of any Shore Erosion
33 Control Construction Loan Agreement, the terms thereof, including the source or sources and security
34 for repayment, the repayment schedule and covenants to be set forth therein, and the manner of
35 executing and authenticating the same. Pursuant to Section 8-1005(f) of the Soil Erosion Control
36 Act, the County may borrow interest-free funds and repay the funds at a uniform rate over a period
37 not exceeding 25 years.

38
39 The County Executive, or the Chief Administrative Officer, if authorized by the County
40 Executive, is hereby authorized to take any and all actions in the manner and to the extent that the
41 County Executive or the Chief Administrative Officer, as the case may be, may deem necessary or
42 appropriate to accomplish the purposes of this Section.

43
44 Shore Erosion Control Construction Loan Agreements by and between the County and DNR in
45 connection with a loan for Cape Anne SECD, Capital Project No. Q537100 in the amount of
46 \$202,548; a loan for Holland Point SECD, Capital Project No. Q537200 in the amount of \$1,105,320,
47 a loan for Snug Harbor SECD, Capital Project No. Q537300 in the amount of \$75,000; a loan for
48 Camp Wabanna SECD, Capital Project No. Q537400 in the amount of \$184,060; a loan for
49 Elizabeth’s Landing SECD, Capital Project No. Q541000 in the amount of \$130,000; a loan for Bay
50 Ridge SECD, Capital Project No. Q543600 in the amount of \$515,420; and a loan for Columbia
51 SECD, Capital Project Q540500 in the amount of \$250,000 are hereby approved and ratified as
52 obligations of the County without further action.
53

1 SECTION 17. *And be it further enacted*, That pursuant to the authority granted by Section 2D of
2 Article 31 of the Annotated Code of Maryland (2003 Replacement Volume and 2008 Supplement),
3 the County Executive, or the Chief Administrative Officer if authorized by the County Executive, is
4 hereby authorized in connection with the issuance of any bonds or notes hereunder to (i) provide,
5 covenant or agree that, in the event that sufficient funds for the timely payment when due of principal
6 of or interest on bonds or notes issued pursuant to the authority of this Ordinance are not available or
7 in the event of a default in the payment of the principal of or interest on such bonds or notes, the first
8 general fund revenues of the County received thereafter shall be applied to the payment when due of
9 such principal or interest or to cure such default, as the case may be, and (ii) pledge any of the
10 County's revenues to the payment of the principal of and interest on the bonds and notes issued
11 pursuant to the authority of this Ordinance. In the event that the County Executive, or the Chief
12 Administrative Officer if authorized by the County Executive, determines to exercise all or any part
13 of the authority granted under this Section, the County Executive, or the Chief Administrative Officer
14 if authorized by the County Executive, shall determine the form, terms and provisions of any order,
15 certificate, agreement or related documents as he shall deem necessary or appropriate to evidence any
16 agreement or pledge authorized hereby, including (without limitation) terms and provisions regarding
17 the application of such pledge or agreement to borrowings of the County other than bonds or notes
18 issued pursuant to the authority of this Ordinance. Any such order, certificate, agreement or related
19 document shall be executed by the County Executive and the seal of the County shall be impressed
20 thereon, attested by the County Executive, the secretary to the County Executive, the Administrative
21 Officer to the County Council or such other officer as may be specified by ordinance of the County
22 Council.

23
24 SECTION 18. *And be it further enacted*, That, as determined and specified in a certificate of the
25 County Executive, or of the Chief Administrative Officer if authorized by the County Executive,
26 executed and delivered prior to the issuance of bonds, notes or Variable Rate Demand Obligations,
27 such bonds, notes or Variable Rate Demand Obligations may be issued to provide for the financing of
28 one or more projects included within a specified class of projects set forth in ~~Exhibit I~~ Exhibit 1A. In
29 addition, the amount of proceeds allocated to projects included within a specified class of projects
30 financed by any issuance of bonds, notes or Variable Rate Demand Obligations may be amended
31 after the issuance of such bonds, notes or Variable Rate Demand Obligations, as determined and
32 specified in a certificate of the County Executive, or of the Chief Administrative Officer if authorized
33 by the County Executive.

34
35 In connection with the foregoing, the County Executive, or the Chief Administrative Officer if
36 authorized by the County Executive, shall execute a certificate demonstrating or determining, as
37 applicable:

38
39 (a) That all bonds, notes or variable demand obligations are payable within the probable
40 useful life of the improvement or undertaking being financed or, if the bonds, notes or variable
41 demand obligations are to be issued for several improvements or undertakings, then within the
42 average probable useful life of all such improvements or undertakings being financed;

43
44 (b) That the amount of bonds, notes or variable demand obligations to be applied to any
45 project to be financed shall not exceed the maximum amount set forth in ~~Exhibit I~~ Exhibit IA
46 authorized for such project; and

47
48 (c) Such other matters as the County Executive or the Chief Administrative Officer (as the
49 case may be) deems appropriate to establish compliance with the provisions of the Charter and this
50 Ordinance in connection with the issuance of bonds, notes and variable demand obligations to
51 provide for the financing of one or more projects included within a specified class or to provide for
52 the amendment of the list of projects from the specified class of projects financed by an issuance of
53 bonds, note and variable demand obligations, as described above.

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SECTION 19. *And be it further enacted*, That, if any one or more of the provisions of this Ordinance, including any covenants or agreements provided herein on the part of the County to be performed, should be contrary to law, then such provision or provisions shall be null and void and shall in no way affect the validity of the other provisions of this Ordinance or of the bonds or the bond anticipation notes.

SECTION 20. *And be it further enacted*, That, this Ordinance shall take effect 45 days from the date it becomes law.