



AGGREGATE PRINCIPAL AMOUNT OF ANY SUCH SERIES OF REFUNDING BONDS SHALL NOT EXCEED ONE HUNDRED THIRTY PERCENT (130%) OF THE AGGREGATE PRINCIPAL AMOUNT OF THE BONDS REFUNDED THEREFROM; PROVIDING THAT ANY SUCH SERIES OF BONDS, BOND ANTICIPATION NOTES OR REFUNDING BONDS SHALL BE SOLD BY PRIVATE (NEGOTIATED) SALE, UNLESS OTHERWISE DETERMINED BY THE MAYOR AND CITY COUNCIL BY RESOLUTION, AND AUTHORIZING THE MAYOR AND CITY COUNCIL TO DETERMINE CERTAIN MATTERS RELATING TO ANY SUCH SERIES OF BONDS, BOND ANTICIPATION NOTES OR REFUNDING BONDS BY RESOLUTION; PROVIDING FOR THE LEVY AND COLLECTION OF AD VALOREM TAXES SUFFICIENT FOR, AND PLEDGING THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF THE CITY TO, THE PROMPT PAYMENT OF THE PRINCIPAL OF AND INTEREST ON EACH SERIES OF THE BONDS, THE BOND ANTICIPATION NOTES AND THE REFUNDING BONDS ISSUED PURSUANT TO THE AUTHORITY OF THIS ORDINANCE (THE "OBLIGATIONS"); PROVIDING THAT THE PRINCIPAL OF AND INTEREST ON EACH SERIES OF THE OBLIGATIONS ALSO MAY BE PAID FROM ANY OTHER SOURCES OF REVENUE LAWFULLY AVAILABLE TO THE CITY FOR SUCH PURPOSE; AUTHORIZING AND DIRECTING OFFICIALS AND EMPLOYEES OF THE CITY TO TAKE ANY AND ALL ACTION NECESSARY TO COMPLETE AND CLOSE THE SALE, ISSUANCE AND DELIVERY OF THE OBLIGATIONS AUTHORIZED HEREBY; PROVIDING THAT ANY OF THE OBLIGATIONS AUTHORIZED HEREBY MAY BE

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CONSOLIDATED WITH OTHER AUTHORIZED CITY OBLIGATIONS AND ISSUED AS A SINGLE SERIES OF BONDS, BOND ANTICIPATION NOTES AND/OR REFUNDING BONDS; PROVIDING THAT THE PROVISIONS OF THIS ORDINANCE SHALL BE LIBERALLY CONSTRUED; PROVIDING THAT THIS TITLE SHALL BE DEEMED A FAIR SUMMARY OF THIS ORDINANCE FOR ALL PURPOSES; AND OTHERWISE GENERALLY RELATING TO THE ISSUANCE, SALE, DELIVERY AND PAYMENT OF AND FOR THE OBLIGATIONS AUTHORIZED HEREBY.

#### RECITALS

1. Mayor and City Council of Cumberland, a municipal corporation of the State of Maryland and a municipality within the meaning of the Enabling Act and the Refunding Act identified herein (the "City"), is authorized and empowered by Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland (previously codified as Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland), as replaced, supplemented or amended (the "Enabling Act"), and Sections 81 and 82A of the Charter of the City of Cumberland, as replaced, supplemented or amended (the "Charter"), to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds.

2. The City has determined to undertake a public purpose project referred to by the City as the "Maryland Avenue Redevelopment Project", which involves the acquisition, demolition and improvement of certain properties in the general vicinity of Maryland Avenue and, in connection therewith, to finance, reimburse or refinance related costs of, as applicable, land and

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right-of-way acquisition and development; site and utility improvements; acquisition, demolition, removal, reconstruction, replacement, renovation, rehabilitation, construction, improvement, installation, and equipping activities and expenses and related activities and expenses; planning, design, architectural, engineering, feasibility, surveying, inspection, construction management, title search, acquisition closing costs, financial and legal expenses and other related activities and expenses; costs of issuance (which may include costs of bond insurance or other credit or liquidity enhancement); capitalized interest (whether or not expressly so stated); and any such costs which may represent the City's share or contribution to the financing or refinancing of such project, including, without limitation, costs contracted for by and/or paid through the Cumberland Economic Development Corporation (collectively, the "Project").

3. The City has determined to authorize the issuance from time to time of one or more series of its general obligation bonds in order to finance, reimburse or refinance costs of any components of the Project.

4. Prior to issuing one or more series of the bonds authorized hereby, the City may need to obtain interim financing in order to finance or reimburse applicable Project costs on a timely basis through the issuance from time to time of general obligation bond anticipation notes in one or more series pursuant to the authority of Sections 19-211 to 19-223, inclusive, of the Local Government Article of the Annotated Code of Maryland (previously codified as Section 12 of Article 31 of the Annotated Code of Maryland), as replaced, supplemented or amended (the "Bond Anticipation Note Enabling Act").

5. Subsequent to the issuance of any bonds provided for herein, the City may desire to currently refund or advance refund all or a portion of such bonds through the issuance from time to

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time of one or more series of its general obligation refunding bonds pursuant to the authority of Section 19-207 of the Local Government Article of the Annotated Code of Maryland (previously codified as Section 24 of Article 31 of the Annotated Code of Maryland), as replaced, supplemented or amended (the “Refunding Act”).

6. The City has determined to pledge its full faith and credit and unlimited taxing power to the prompt payment of debt service on the bonds, bond anticipation notes and refunding bonds authorized hereby.

7. Although Section 82A of the Charter provides that the City shall determine the manner of selling any bonds, notes or other evidences of indebtedness by resolution, it is the expectation of the Mayor and City Council of the City (the “Mayor and City Council”) that any of the bonds, bond anticipation notes or refunding bonds authorized hereby shall be sold by private sale unless the Mayor and City Council determines otherwise by resolution. Bond counsel to the City has advised that, absent a change in applicable law, interest on any of the bonds, bond anticipation notes or refunding bonds authorized hereby shall be includable in gross income of the holders thereof for federal income tax purposes.

8. As provided in the Charter and other applicable law, the City shall issue any bonds, bond anticipation notes or refunding bonds authorized hereby in accordance with the terms and conditions provided for in a resolution or resolutions to be adopted by the Mayor and City Council.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF CUMBERLAND:

SECTION 1. (a) The Recitals to this Ordinance are deemed a substantive part of this Ordinance and incorporated by reference herein. Capitalized terms used in the Sections of this

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Ordinance that are not otherwise defined herein shall have the meanings given to such terms in the Recitals to this Ordinance.

(b) References in this Ordinance to any official by title shall be deemed to refer (i) to any official authorized under the Charter or other applicable law to act in such titled official's stead during the absence or disability of such titled official, (ii) to any person who has been elected, appointed or designated to fill such position in an acting capacity under the Charter or other applicable law, (iii) to any person who serves in a "Deputy", "Associate" or "Assistant" capacity as such an official, provided that the applicable responsibilities, rights or duties referred to herein have been delegated to such deputy, associate or assistant in accordance with applicable law or authority, and/or (iv) to the extent an identified official commonly uses another title not provided for in the Charter or the code of City ordinances (the "City Code"), the official, however known, who is charged under the Charter, the City Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

SECTION 2. Pursuant to the authority of the Enabling Act and the Charter, the City hereby determines to borrow money and incur indebtedness for the public purpose of financing, reimbursing or refinancing costs of any components of the Project. It is the intention of the Mayor and City Council that proceeds of the Bonds (as defined in Section 3(a) hereof) or of any of the BANs (as defined in Section 6 hereof), as applicable, may be spent on any applicable costs of the Project.

SECTION 3. (a) To evidence the borrowing and indebtedness authorized in Section 2 of this Ordinance, the City, acting pursuant to the authority of the Enabling Act and the Charter, hereby determines to issue and sell from time to time, in one or more series, upon its full faith and

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credit, its general obligation bonds in an aggregate principal amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) (collectively, the “Bonds”). Any series of the Bonds may consist of one or more bonds and any such bond may be issued in installment form and/or draw-down form.

(b) In the event the City issues any series of the BANs identified in Section 6 of this Ordinance, proceeds of the Bonds of any series in anticipation of which such BANs were issued may also be applied to prepay or pay principal, premium and/or interest on such series of the BANs in accordance with the provisions of the Bond Anticipation Note Enabling Act, and such application shall be deemed the payment of costs of the Project for purposes of this Ordinance.

SECTION 4. The proceeds of the Bonds shall be used and applied by the City exclusively and solely for the public purposes described in Section 2 of this Ordinance, unless a supplemental ordinance is enacted by the Mayor and City Council to provide for the use and application of such proceeds for some other proper public purpose authorized by the Enabling Act, the Charter or other applicable law.

SECTION 5. Pursuant to the authority of the Charter and this Ordinance, the Mayor and City Council, prior to the issuance, sale and delivery of each series of the Bonds, shall adopt a resolution or resolutions (in each such case and, collectively, the “Resolution”) specifying, prescribing, determining, providing for or approving such matters, details, forms (including, without limitation, the complete forms of the Bonds of such series), documents or procedures as may be required by the Enabling Act, the Charter or this Ordinance or as the Mayor and City Council may deem appropriate for the authorization, sale, security, issuance, delivery, payment, prepayment or redemption of or for such series of the Bonds. The Resolution shall set forth, determine or provide

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for the determination of, or approve or provide for the approval of, among other matters, as applicable, the designation of such series of the Bonds; the date of issue of such series of the Bonds; the aggregate principal amount of such series of the Bonds; the denominations of such series of the Bonds; the maturity or maturities of such series of the Bonds; the principal installment or installments payable on such series of the Bonds; the rate or rates of interest, or the method of determining the rate or rates of interest, payable on such series of the Bonds, which may be fixed or variable; provisions for the payment of late fees and/or additional interest or penalties payable on the Bonds of such series or adjustments to interest rates in appropriate circumstances; the purchase price for such series of the Bonds; provisions relating to the prepayment or redemption of such series of the Bonds at the City's option or by mandatory sinking fund payments; provisions allowing the registered owners of such series of the Bonds to put or cause the prepayment or redemption of the same at their option; provisions relating to the sale of such series of the Bonds at private sale, unless the Resolution shall provide for the sale of the Bonds of such series at public sale and all matters in connection therewith, in which case the Resolution shall set forth the procedures for the sale of the Bonds of such series at public sale (including any advertising or bidding requirements) and the award of such series of the Bonds to the successful bidder, if appropriate; any limitations on the specific Project costs to be financed, reimbursed or refinanced from proceeds of such series of the Bonds; provisions for the appropriation, disposal and investment of proceeds of such series of the Bonds; provisions for the application of unexpended proceeds, any premium paid upon sale or investment earnings on proceeds of such series of the Bonds, which may include, without limitation, on costs of the Project or on debt service payable on such series of the Bonds, to the extent permitted by applicable law; the selection of any bond registrar, paying agent or

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other appropriate service providers in connection with such series of the Bonds; and all other terms and conditions pursuant to which such series of the Bonds will be issued, sold and delivered, including, without limitation, any determinations to be made or provided for by resolution as contemplated by Section 82A(d) of the Charter to the extent not determined or provided for in this Ordinance. Among other matters, the Mayor and City Council, pursuant to the Resolution, may authorize, approve or otherwise provide for (i) any commitment fee, closing fee or similar fee and other costs (including, without limitation, other parties' legal costs) payable in connection with any series of the Bonds and any compensation payable to the purchaser or purchasers of such series of the Bonds in the event the City fails to deliver such series of the Bonds, (ii) the obtaining of credit enhancement or liquidity support for any series of the Bonds (and the execution and delivery of any agreements or documents relating thereto), and (iii) any other agreements, documents, instruments or determinations necessary to enhance the marketability of or as security for any series of the Bonds, including (without limitation) any ratings, any official statement or similar disclosure document or any continuing disclosure undertaking required to satisfy the requirements of Securities and Exchange Commission Rule 15c2-12. References in this Section 5 to providing for determinations or approvals pursuant to the Resolution shall be construed to permit the Mayor and City Council to delegate to one or more officials the authority to make on behalf of the City any of the determinations contemplated by this Section 5. Any Resolution may determine the matters identified in this Section 5 for more than one series of the Bonds.

SECTION 6. (a) Pursuant to the authority of the Bond Anticipation Note Enabling Act, the City is hereby authorized and empowered to issue and sell from time to time, upon its full faith and credit, one or more series of its general obligation bond anticipation notes in an aggregate

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principal amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000.00) (collectively, the “BANs”) prior to and in anticipation of the sale of any series of the Bonds in order to finance or reimburse costs of the Project on an interim basis, pay costs and expenses in connection with the issuance, sale and delivery of the BANs, and, to the extent determined by the Mayor and City Council by resolution, pay capitalized interest on the BANs. Any such series of the BANs may consist of one or more notes and any such note may be issued in installment form and/or draw-down form. Prior to the issuance, sale and delivery of each series of the BANs, the Mayor and City Council shall adopt a resolution or resolutions pursuant to the authority of the Bond Anticipation Note Enabling Act, the Charter and this Ordinance authorizing such series of the BANs and specifying, prescribing, determining or providing for the determination of, providing for, or approving or providing for the approval of, with respect to such series of the BANs, the types of matters, details, forms, documents or procedures and determinations specified to be made or addressed in Section 5 hereof with respect to each series of the Bonds, to the extent applicable with respect to such series of the BANs, and as otherwise may be authorized or required by applicable law. Unless the Mayor and City Council determines otherwise in a resolution providing for any series of the BANs, pursuant to the authority of the Bond Anticipation Note Enabling Act, each series of the BANs shall be sold by private negotiation due to the ability to time the market, negotiate terms and thereby achieve a beneficial interest rate or rates and other beneficial terms by undertaking a private sale, and the lower costs of issuance typically incurred with a negotiated sale.

(b) As authorized by the Bond Anticipation Note Enabling Act, by resolution the Mayor and City Council may provide for the renewal of any series of the BANs at maturity with

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or without resale, together with any amendments or modifications to such series of the BANs and any related documentation.

SECTION 7. Pursuant to the authority of the Enabling Act, the Refunding Act and the Charter, the City is hereby authorized and empowered to issue and sell from time to time, upon its full faith and credit, one or more series of its general obligation bonds (collectively, the “Refunding Bonds”) for the purpose of currently refunding or advance refunding any of the Bonds authorized hereby then outstanding, including paying all or any portion of the following: outstanding principal, any prepayment or redemption premium and interest accrued or to accrue to the date of prepayment, redemption, purchase or maturity of the Bonds to be refunded, paying costs and expenses in connection with the issuance, sale and delivery of such Refunding Bonds, and, to the extent determined by the Mayor and City Council by resolution, paying interest on such Refunding Bonds, for the public purpose of realizing savings to the City in the total cost of debt service on a direct comparison or present value basis or in order to accomplish any debt restructuring that is permitted by applicable law; provided that, the aggregate principal amount of any such series of the Refunding Bonds shall not exceed one hundred thirty percent (130%) of the outstanding aggregate principal amount of the Bonds refunded therefrom. Any such series of the Refunding Bonds may consist of one or more bonds and any such bond may be issued in installment form and/or draw-down form. Prior to the issuance, sale and delivery of each series of the Refunding Bonds, the Mayor and City Council shall adopt a resolution or resolutions authorizing such series of the Refunding Bonds and specifying, describing, determining or providing for the determination of, providing for, or approving or providing for the approval of, with respect to such series of the Refunding Bonds, the same types of matters, details, forms,

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documents, procedures and determinations specified to be made or addressed in Section 5 hereof with respect to each series of the Bonds, to the extent applicable to such series of the Refunding Bonds, and as otherwise may be authorized or required by applicable law, including the purposes of the Refunding Act to be achieved by the issuance of such series of the Refunding Bonds. Unless the Mayor and City Council determines otherwise in a resolution providing for any series of the Refunding Bonds, pursuant to the authority of the Refunding Act, each series of the Refunding Bonds shall be sold a private sale, without soliciting bids, due to the ability to time the market, negotiate terms and thereby serve the public interest by achieving a beneficial interest rate or rates and other beneficial terms by undertaking a private sale, and the lower costs of issuance typically incurred with a negotiated sale.

SECTION 8. (a) The City shall levy or cause to be levied, for each and every fiscal year during which any series of the Bonds, the BANs and/or the Refunding Bonds (each, a series of the “Obligations”) may be outstanding, ad valorem taxes upon all real and tangible personal property within its corporate limits subject to assessment for unlimited municipal taxation in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on such series of the Obligations payable in each such fiscal year. In the event the proceeds from the collection of the taxes so levied may prove inadequate for such purposes in any fiscal year, additional taxes shall be levied in the subsequent fiscal year to make up any deficiency.

(b) The full faith and credit and unlimited taxing power of the City are hereby irrevocably pledged to the prompt payment of the principal of and interest on each series of the Obligations as and when the same are payable and to the levy and collection of the taxes hereinabove described as and when such taxes may become necessary in order to provide sufficient

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funds to meet the debt service requirements of such series of the Obligations. The City hereby covenants with the registered owner of each Obligation to take any action that may be lawfully appropriate from time to time during the period that such Obligation remains outstanding and unpaid to provide the funds necessary to pay promptly the principal and interest due thereon.

(c) The foregoing provisions shall not be construed so as to prohibit the City from paying the principal of and interest on any series of the Obligations from the proceeds of the sale of any other obligations of the City (including, without limitation, (i) with respect to any series of the BANs, from proceeds of any series of the Bonds, and (ii) with respect to any series of the Bonds, from proceeds of any series of the Refunding Bonds) or from any other funds legally available for that purpose. Subject to the limitations of any applicable law, the City may apply to the payment of the principal of or interest on each series of the Obligations any funds received by it from the State of Maryland or the United States of America, or any governmental agency or instrumentality, or from any other source, if the funds are granted or paid to the City for the purpose of assisting the City in accomplishing the type of project which such series of the Obligations are issued to finance or refinance or are otherwise available for such purpose, and to the extent of any such funds received or receivable in any fiscal year, the taxes hereby required to be levied may be reduced proportionately.

SECTION 9. By resolution, the Mayor and City Council may determine that any of the Bonds, the BANs or the Refunding Bonds authorized hereby may be consolidated with any bonds, bond anticipation notes and/or refunding bonds authorized by the Mayor and City Council and issued as a single series of bonds, bond anticipation notes and/or refunding bonds.

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SECTION 10. The Mayor, the City Administrator, the Treasurer, the Comptroller, the City Clerk and all other appropriate officials and employees of the City are hereby authorized and directed to take any and all action necessary to complete and close the issuance, sale and delivery of any series of the Bonds, the BANs or the Refunding Bonds authorized hereby and to negotiate, approve, execute and deliver all documents, certificates and instruments necessary or appropriate in connection therewith.

SECTION 11. The provisions of this Ordinance shall be liberally construed in order to effectuate the transactions contemplated by this Ordinance.

SECTION 12. The title of this Ordinance shall be deemed to be, and is, a fair summary of this Ordinance for publication and all other purposes.

SECTION 13. This Ordinance shall become effective thirty (30) days after its passage pursuant to the provisions of Section 82A of the Charter, subject to the petition-to-referendum provisions of Section 82A(c) of the Charter.

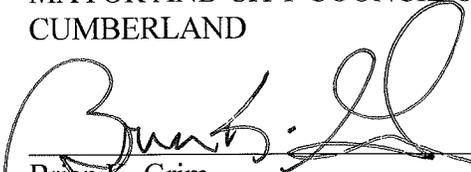
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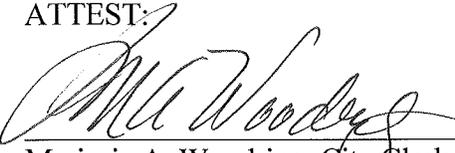
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MAYOR AND CITY COUNCIL OF  
CUMBERLAND

(SEAL)

  
\_\_\_\_\_  
Brian K. Grim  
Mayor

ATTEST:

  
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Marjorie A. Woodring, City Clerk

Introduced: December 1, 2015

Passed: December 15, 2015

Votes for passage: 5  
Votes against passage: 0  
Abstentions: 0

Effective: January 14, 2016

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