

ORDINANCE NO. 3832

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF CUMBERLAND ENTITLED AN ORDINANCE TO AUTHORIZE AND EMPOWER MAYOR AND CITY COUNCIL OF CUMBERLAND (THE "CITY"), FOR THE PUBLIC PURPOSE OF FINANCING, REIMBURSING OR REFINANCING COSTS OF A PROJECT THAT THE CITY GENERALLY REFERS TO AS THE WILLOWBROOK ROAD WATERLINE REPLACEMENT PROJECT AND RELATED COSTS AS PROVIDED HEREIN, TO ISSUE AND SELL FROM TIME TO TIME, UPON ITS FULL FAITH AND CREDIT, ONE OR MORE SERIES OF (1)(A) GENERAL OBLIGATION BONDS AND (B) GENERAL OBLIGATION BOND ANTICIPATION NOTES, EACH IN AN AGGREGATE ORIGINAL PRINCIPAL AMOUNT NOT TO EXCEED \$562,500, AND (2) GENERAL OBLIGATION REFUNDING BONDS, PROVIDED THAT THE AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF ANY SERIES OF REFUNDING BONDS SHALL NOT EXCEED ONE HUNDRED THIRTY PERCENT (130%) OF THE AGGREGATE PRINCIPAL AMOUNT OF THE BONDS REFUNDED THEREFROM; DETERMINING THAT ANY SUCH SERIES OF BONDS BE SOLD TO THE MARYLAND WATER QUALITY FINANCING ADMINISTRATION (THE "ADMINISTRATION") BY PRIVATE SALE, WITHOUT PUBLIC BIDDING; AUTHORIZING THE APPROVAL BY RESOLUTION OF ONE OR MORE LOAN AGREEMENTS WITH THE ADMINISTRATION AND, WITH RESPECT TO ANY SUCH LOAN AGREEMENT, ACKNOWLEDGING THE ADMINISTRATION'S RIGHTS THEREUNDER, MAKING A PLEDGE OF CERTAIN REVENUES RECEIVABLE FROM THE STATE OF MARYLAND, AND ACKNOWLEDGING

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CERTAIN PAYMENT RESPONSIBILITIES OF THE CITY; PROVIDING THAT THE MAYOR AND CITY COUNCIL BY RESOLUTION SHALL DETERMINE OR PROVIDE FOR CERTAIN DETAILS OF ANY SUCH SERIES OF GENERAL OBLIGATION BONDS, BOND ANTICIPATION NOTES OR REFUNDING BONDS (EACH, A “SERIES OF OBLIGATIONS” OR “OBLIGATIONS”), INCLUDING WITH RESPECT TO ANY DEBT SERVICE RESERVE ACCOUNT REQUIRED BY THE ADMINISTRATION; PROVIDING THAT ANY SUCH SERIES OF GENERAL OBLIGATION BOND ANTICIPATION NOTES OR REFUNDING BONDS WILL BE SOLD BY PRIVATE SALE UNLESS THE MAYOR AND CITY COUNCIL BY RESOLUTION DETERMINES OTHERWISE; PLEDGING THE CITY’S FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER TO PAYMENT OF ANY SUCH OBLIGATIONS AND PROVIDING FOR THE IMPOSITION OF AD VALOREM TAXES UPON ALL REAL AND PERSONAL PROPERTY WITHIN THE CITY SUBJECT TO ASSESSMENT FOR UNLIMITED MUNICIPAL TAXATION TO PAY ANY SUCH OBLIGATIONS; IDENTIFYING OR PROVIDING FOR THE DETERMINATION OF THE SOURCES FROM WHICH DEBT SERVICE ON ANY SUCH SERIES OF OBLIGATIONS WILL BE PAYABLE IN THE FIRST INSTANCE; AUTHORIZING THE MAYOR AND CITY COUNCIL BY RESOLUTION TO PROVIDE FOR POST-CLOSING MODIFICATIONS AFFECTING ANY SERIES OF BONDS OR REFUNDING BONDS ISSUED TO THE ADMINISTRATION; PROVIDING THAT CERTAIN ACTIONS MAY BE TAKEN OR PROVIDED FOR BY RESOLUTION IN CONNECTION WITH THE REISSUANCE OF ANY OF THE OBLIGATIONS; PROVIDING THAT ANY SUCH OBLIGATIONS MAY BE

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CONSOLIDATED WITH OTHER OBLIGATIONS OF THE CITY; 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 ANY SUCH SERIES OF OBLIGATIONS AND TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE; PROVIDING THAT THIS TITLE CONSTITUTES A FAIR SUMMARY OF THIS ORDINANCE; AND OTHERWISE GENERALLY RELATING TO THE SALE, ISSUANCE, DELIVERY AND PAYMENT OF AND FOR ANY SUCH SERIES OF OBLIGATIONS.

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 identified below (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, 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 in connection with the water supply system serving the City and surrounding areas and to evidence such borrowing by the issuance and sale of its general obligation bonds.

2. The City has determined to undertake activities relating to a project that the City generally refers to as the Willowbrook Road Waterline Replacement Project, and in connection with such activities and project, to acquire or pay for, as applicable, necessary property rights and equipment, related site and utility improvements, related architectural, engineering, planning, design, bidding, permitting, acquisition, construction, improvement, installation,

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modification, demolition, removal, renovation, reconstruction, rehabilitation, equipping, inspection and construction management expenses, costs of related activities, improvements and appurtenances, related administrative, financial and legal expenses, and costs of activities related to any of the foregoing, and has determined to borrow money for the public purpose of financing, reimbursing or refinancing all or a portion of the costs of any components of such activities, together with, to the extent determined by the Mayor and City Council by resolution, costs of issuance of any borrowing therefor (collectively, “Costs of the Project”), by issuing one or more series of its general obligation bonds.

3. The federal Safe Drinking Water Act, as amended (the “Safe Drinking Water Act”), authorizes the U.S. Environmental Protection Agency (the “EPA”) to award grants to qualifying states to establish and capitalize drinking water treatment revolving loan funds (“SRFs”) for the purpose of providing loans and certain other forms of financial assistance to finance, among other things, the construction and improvement of publicly-owned and privately-owned water supply systems.

4. As contemplated by the Safe Drinking Water Act, the General Assembly of Maryland has amended the Maryland Water Quality Financing Administration Act, codified at Sections 9-1601 through 9-1622, inclusive, of the Environment Article of the Annotated Code of Maryland (as replaced, supplemented or amended, the “MWQFA Act”), establishing an SRF designated the Maryland Drinking Water Revolving Loan Fund (the “Fund”) to be maintained and administered by the Maryland Water Quality Financing Administration (the “Administration”).

5. The MWQFA Act authorizes the Administration, among other things, to make a loan from the Fund to a “local government” (as defined in the MWQFA Act) for the purpose of

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financing or refinancing all or a portion of the cost of a “water supply system” project (as defined in the MWQFA Act).

6. The City is a “local government” within the meaning of the MWQFA Act, the Project is a “water supply system” project within the meaning of the MWQFA Act, and the City has applied to the Administration for a loan or loans from the Fund for Project purposes.

7. The MWQFA Act authorizes a local government to issue one or more bonds, notes or other evidences of obligation (each, a “loan obligation” as defined in the MWQFA Act) to evidence its indebtedness under a loan agreement with respect to a loan from the Administration, to sell any such bond, note or other evidence of obligation to the Administration at private sale, without public bidding, and to establish a dedicated source of revenues for repayment of such loan.

8. Pursuant to the authority of the MWQFA Act, the Enabling Act, Sections 81 and 82A of the Charter and any other applicable law, the City has determined to borrow money from the Administration for the public purpose of financing, reimbursing or refinancing Costs of the Project or such components of Costs of the Project as the Administration shall approve.

9. In connection with the issuance and sale of any series of the general obligation bonds contemplated hereby, and pursuant to the MWQFA Act, the City will enter into one or more loan agreements with the Administration.

10. Prior to issuing any such series of bonds to the Administration, the City may need to obtain interim financing in order to finance Costs of the Project on a timely basis through the issuance of one or more series of its general obligation bond anticipation notes pursuant to the authority of Sections 19-211 to 19-223, inclusive, of the Local Government Article of the Annotated

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Code of Maryland, as replaced, supplemented or amended (the “Bond Anticipation Note Act”), and the Charter.

11. Subsequent to the issuance to the Administration of any series of bonds provided for herein, the City may desire to currently refund or advance refund all or a portion of such series of bonds pursuant to the authority of Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the “Refunding Act”).

12. The City has determined to pledge its full faith and credit and unlimited taxing power to the prompt payment of debt service on any such series of bonds, bond anticipation notes or refunding bonds contemplated hereby.

13. The City expects to pay the principal of, and interest on, as applicable, any such bonds, bond anticipation notes or refunding bonds in the first instance from revenues received by the City in connection with the operation of the water supply system serving the City, including fees for use of or connection to such system and, to the extent required by the purchaser of any such series of obligations, from revenues received by the City in connection with the operation of the wastewater system serving the City (referred to herein as the “wastewater system”), including fees for use of or connection to such system, all to the extent lawfully available for such purpose or, with respect to the Administration, any other dedicated source of revenues agreed to by the City and the Administration.

14. In connection with the issuance of any series of bonds contemplated by this Ordinance (and any series of refunding bonds contemplated hereby that are issued to the Administration), the Administration may require the City to establish, fund and maintain for a period of time acceptable to the Administration a debt service reserve account in a manner that satisfies the Administration’s debt service coverage requirements.

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15. The City, as authorized by the MWQFA Act, may pledge any moneys that the City is entitled to receive from the State of Maryland, including the City's share of the State income tax, to secure its obligations under any loan agreement with the Administration contemplated hereby.

16. Pursuant to the authority of the Charter, the City shall issue any series of 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 of the City, the governing body of the City (the "Mayor and City Council"), pursuant to the Charter and this Ordinance.

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 this Ordinance and not otherwise defined in the Sections of this Ordinance shall have the meanings given to such terms in the Recitals.

(b) References in this Ordinance to any official by title shall be deemed to refer (i) to any official authorized under the Charter, the code of ordinances of the City (the "City Code") or other applicable law or authority 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 or interim capacity under the Charter, the City Code or other applicable law or authority, (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 the Charter, the City Code or other 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 City Code, the official, however

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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.

(c) References in this Ordinance to the “principal amount” of any of the Bonds, the BANs, the Refunding Bonds or the Obligations (each as defined herein) shall be construed to mean the par amount of such Bonds, BANs, Refunding Bonds or Obligations, as applicable.

(d) References in this Ordinance to the Project are intended to include any modifications or amendments to components of the Project as provided for in City budgetary materials or made by other appropriate actions and that are acceptable to the Administration to the extent such modifications or amendments impact Obligations issued to the Administration.

SECTION 2. Pursuant to the authority of the MWQFA Act, the Enabling Act, Sections 81 and 82A of the Charter and any other applicable law, the City hereby determines to borrow money and incur indebtedness for the public purpose of financing, reimbursing or refinancing any one or more components of Costs of the Project, all to the extent permitted by the Administration. The total Costs of the Project not otherwise payable from other sources is not expected to exceed Five Hundred Sixty-two Thousand Five Hundred Dollars (\$562,500).

SECTION 3. To evidence the borrowing and indebtedness authorized in Section 2 of this Ordinance, the City, acting pursuant to the authority of the MWQFA Act, the Enabling Act, Sections 81 and 82A of the Charter and any other applicable law, hereby determines to issue and sell from time to time, upon its full faith and credit, one or more series of its general obligation bonds in an aggregate original principal amount not to exceed Five Hundred Sixty-two Thousand Five Hundred Dollars (\$562,500) (individually, a “Bond” and, collectively, the “Bonds”). Each such series may consist of one or more bonds and any Bond may be issued in installment form and/or draw-down form.

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SECTION 4. Pursuant to the authority of the MWQFA Act, the Enabling Act, Sections 81 and 82A of the Charter and any other applicable law, the City hereby determines to sell each series of the Bonds to the Administration by private sale, without public bidding, due, in part, to the ability to issue any series of the Bonds as draw-down obligations and the beneficial formulas by which the Administration establishes interest rates on bonds purchased by the Administration.

SECTION 5. The proceeds of each series 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, with the approval of the Administration, 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 MWQFA Act.

SECTION 6. (a) As required by the MWQFA Act, the City is hereby authorized to enter into one or more loan agreements with the Administration (each, a “Loan Agreement” and collectively, the “Loan Agreements”) in connection with any series of the Bonds. The final or substantially final form of each Loan Agreement shall be approved by the Mayor and City Council by resolution and the execution and delivery of each Loan Agreement shall be authorized by the Mayor and City Council by resolution.

(b) The City hereby acknowledges that the provisions of each Loan Agreement may allow for, among other remedies, all payments on any series of the Bonds subject to such Loan Agreement to be declared immediately due and payable upon the occurrence of any event of default provided for in such Loan Agreement.

SECTION 7. As authorized by Section 9-1606(d) of the MWQFA Act, the City hereby pledges any moneys that the City is entitled to receive from the State of Maryland, including the

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City's share of the State income tax, to secure its obligations under the Loan Agreements. Such pledge shall be evidenced and detailed in each Loan Agreement.

SECTION 8. Pursuant to the authority of the Enabling Act, Sections 81 and 82A of the Charter, and any other applicable law, the Mayor and City Council, prior to the issuance, sale and delivery of any series of the Bonds, shall adopt a resolution or resolutions specifying, prescribing, determining or providing for the determination of, providing for, or approving or providing for the approval of, such matters, details, forms (including, without limitation, the form of the Bonds of such series), documents or procedures as may be required by the MWQFA Act, the Enabling Act, the Charter, other applicable law or this Ordinance or as the Mayor and City Council may deem appropriate for the authorization, sale, security, issuance, delivery, payment or redemption of or for such series of the Bonds. A resolution shall or may set forth, determine or provide for the determination of, provide for, or approve or provide for the approval of, among other things, as applicable, the aggregate original principal amount of such series of the Bonds; the designation of such series of the Bonds; the denomination or denominations of such series of the Bonds; the maturity or maturities of such series of the Bonds; the principal installment or installments of, or the method of determining the principal installment or installments of, such series of the Bonds; the rate or rates of interest, or the method of determining the rate or rates of interest, which may be fixed or variable, payable on such series of the Bonds; provisions relating to the payment of any late fees or penalties with respect to such series of the Bonds; the components of the Costs of the Project on which proceeds of such series will be expended, if limited in any way; provisions for the appropriation and disposal of such proceeds; provisions relating to the prepayment of such series of the Bonds, if applicable; provisions for the application of unexpended proceeds of such series of the Bonds; provisions relating to the sale of such series of the Bonds by private sale, without public

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bidding; provisions relating to the principal forgiveness of such series of the Bonds, if applicable; certifications, representations, determinations, designations or elections relating to the tax-exempt status of interest payable on such series of the Bonds, if applicable; and all other terms and conditions upon which such series of the Bonds will be issued, sold and delivered. By resolution the Mayor and City Council may delegate to one or more City officials the authority to make any final determinations, approvals or decisions with respect to a series of the Bonds. Any resolution may specify, prescribe, determine or provide for the determination of, or approve or provide for the approval of, the details required or authorized by this Section 8 for more than one series of the Bonds.

(b) In the event the Administration requires the City establish a debt service reserve account to be funded from non-Bonds proceeds in order to provide security for any series of the Bonds as a condition to the issuance of such series of the Bonds, provisions relating to the establishment, funding and maintenance of such debt service reserve account and the investment and application of moneys held in such debt service reserve account shall be determined, approved or provided for by resolution, and any such debt service reserve account may be identified in the applicable Loan Agreement as a dedicated source of revenues contemplated by the MWQFA Act.

SECTION 9. The City is hereby authorized and directed to pay any fees or costs provided for in any Loan Agreement which are not payable from proceeds of the Bonds, including, without limitation, any administrative fees and any ongoing fees or costs. The obligation of the City to pay such amounts shall be absolute and unconditional as further provided in any Loan Agreement.

SECTION 10. Notwithstanding anything to the contrary contained in this Ordinance, the City shall use and apply proceeds of each series of the Bonds only as permitted by the related Loan

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Agreement, the Safe Drinking Water Act (as defined in such Loan Agreement) and the MWQFA Act (which may be referred to in each Loan Agreement as the “Act”).

SECTION 11. (a) Pursuant to the authority of the Bond Anticipation Note Act, Sections 81 and 82A of the Charter and any other applicable law, the City may 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 original principal amount not to exceed Five Hundred Sixty-two Thousand Five Hundred Dollars (\$562,500) (each, a “series of the BANs” and, 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, including paying costs of issuance and capitalized interest on such series of the BANs within the limitations of the Bond Anticipation Note Act. Any such series of the BANs may consist of one or more notes and any note may be issued in installment form and/or draw-down form. Prior to the issuance, sale and delivery of any series of the BANs, the Mayor and City Council shall adopt a resolution or resolutions pursuant to the authority of the Bond Anticipation Note Act, Sections 81 and 82A of the Charter, any other applicable law and this Ordinance authorizing such series of the BANs and specifying, prescribing, determining or providing for the determination of, or approving or providing for the approval of, the same types of matters, details, forms, documents, procedures or determinations detailed in Section 8 hereof that may be made or addressed with respect to any 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 Act, each series of the BANs shall be sold by private sale (including, without limitation, through a direct purchase transaction). Any such sale by private sale is hereby determined to be in the public interest

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due to the ability to time the market, negotiate with potential purchasers and thereby achieve a beneficial interest rate or rates and other beneficial terms by undertaking a private (negotiated) sale, and, with respect to a private sale that involves a direct purchase, the lower costs of issuance typically incurred with such method of private sale as compared to a negotiated underwriting or a public sale at competitive bid. By resolution the Mayor and City Council may delegate to one or more City officials the authority to make any final determinations, approvals or decisions with respect to a series of the BANs. Any resolution may specify, prescribe, determine or provide for the determination of, provide for, or approve or provide for the approval of, the details required or authorized by this Section 11 for more than one series of the BANs.

(b) The City hereby covenants (i) to pay from the proceeds of one or more series of the Bonds the principal of any series of the BANs actually issued, (ii) to the extent that interest on any series of the BANs is not paid from proceeds of the BANs, to pay the interest on such series of the BANs, and (iii) to issue the applicable series of the Bonds as soon as there is no longer a reason for deferring its issuance. This covenant shall not be construed to prevent the City from paying principal of and/or interest on any series of the BANs from sources of funds other than proceeds of the Bonds, to the extent such other proceeds are available for such purpose.

(c) As authorized by the Bond Anticipation Note Act, by resolution the Mayor and City Council may provide for the renewal of any series of the BANs at maturity with or without resale, as well as any amendments of or modifications to such series of the BANs and any related documentation.

SECTION 12. (a) Pursuant to the authority of the Refunding Act, the Enabling Act, Sections 81 and 82A of the Charter and any other applicable law, the City is hereby authorized and empowered to issue and sell from time to time, upon its full faith and credit, one or more

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series of general obligation bonds (each, a “series of the Refunding Bonds” and, collectively, the “Refunding Bonds”) for the purpose of currently refunding or advance refunding any of the Bonds issued pursuant to the authority of this Ordinance then outstanding, including paying all or any portion of outstanding principal, prepayment premium and/or interest accrued or to accrue to the date of prepayment, purchase or maturity of the Bonds to be refunded, and paying costs and expenses in connection with the issuance, sale and delivery of such series of the Refunding Bonds, and, to the extent determined by the Mayor and City Council by resolution, interest on such series of the Refunding Bonds, for the public purpose of (A) reducing the total cost of debt service on a direct comparison or present value basis or (B) debt restructuring that is permitted by applicable law; provided that, the aggregate original principal amount of any such series of the Refunding Bonds may not exceed one hundred thirty percent (130%) of the aggregate principal amount of the Bonds refunded therefrom. Any such series of the Refunding Bonds may consist of one or more bonds and any bond may be issued in installment form and/or draw-down form. Prior to the issuance, sale and delivery of any 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, prescribing, determining or providing for the determination of, or approving or providing for the approval of, such matters, details, forms, documents, procedures or determinations detailed in Section 8 hereof that may be made or addressed with respect to each series of the Bonds, to the extent applicable with respect to such series of the Refunding Bonds, 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 Refunding Bonds, pursuant to the authority of the Refunding Act, each series of the Refunding Bonds shall be sold at a private sale, without soliciting bids (including, without limitation,

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through a direct purchase transaction). Any such sale on a private basis is hereby determined to be in the public interest due to the ability to time the market, negotiate with potential purchasers and thereby achieve a beneficial interest rate or rates and other beneficial terms (including restructuring terms, if applicable) by undertaking a private (negotiated) sale and, with respect to a private sale that involves a direct purchase, the lower costs of issuance typically incurred with such method of private sale as compared to a negotiated underwriting or a public sale at competitive bid. By resolution the Mayor and City Council may delegate to one or more City officials the authority to make any final determinations, approvals or decisions with respect to a series of the Refunding Bonds. Any resolution may specify, prescribe, determine or provide for the determination of, provide for, or approve or provide for the approval of, the details required or authorized by this Section 12 for more than one series of the Refunding Bonds.

(b) To the extent any series of the Refunding Bonds is sold to the Administration, the Mayor and City Council by resolution may specify, prescribe, determine or provide for the determination of, approve or provide for the approval of any determinations contemplated by in this Ordinance that may be made with respect to any series of the Bonds, including, without limitation, entry into a new loan agreement or any modification to an existing Loan Agreement, as applicable, provisions for the potential forgiveness of any such series of the Refunding Bonds, a pledge of the City's right to receive revenues from the State in the nature referred to in Section 7 above, the obligation of the City to pay any administrative fees or ongoing fees and expenses in the nature of those referred to in Section 9 above, the identification of any source of dedicated revenues and provisions for any debt service reserve account with respect to such series of the Refunding Bonds required by the Administration.

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SECTION 13. The Mayor and City Council is hereby authorized, by resolution, to make any further determinations or approvals or provide for any matters or actions deemed necessary or desirable in connection with the issuance of any series of the BANs or the Refunding Bonds, including, without limitation, (i) any determination authorized by the Bond Anticipation Note Act or the Refunding Act, as applicable, (ii) to commit or provide for the commitment of the City to pay to the purchaser or purchasers of any series of the BANs or the Refunding Bonds (A) any commitment fee or similar fee and any legal costs in connection with such purchaser's or purchasers' agreement to purchase such series of the BANs or the Refunding Bonds and/or (B) any breakage compensation or other amount that may be determined to be due to such purchaser or purchasers in the event the City fails to deliver such series of the BANs or the Refunding Bonds and, in connection therewith, to approve or provide for the approval of, and the execution and delivery of, any agreement relating to such payment or payments (which such agreement may, but shall not be required to be, contained within any purchase or similar agreement for such series of the BANs or the Refunding Bonds), and (iii) to approve or provide for any offering documents, credit enhancement, liquidity enhancement, ratings, or continuing disclosure undertakings relating to such series of the BANs or the Refunding Bonds.

SECTION 14. (a) The full faith and credit and unlimited taxing power of the City are hereby pledged to the prompt payment of the principal of and interest on each series of the Bonds, the BANs and the Refunding Bonds (each, a series of the "Obligations") as and when the same are payable and to the imposition of the taxes hereinbelow described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of each series of the Obligations. Subject to the further provisions of this Section 14, the City hereby covenants with the registered owners of each series of the Obligations to impose ad valorem taxes

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on all real and tangible personal property in the City that is subject to assessment for unlimited municipal taxation at a rate and in an amount sufficient to pay the principal of and the interest on the Obligations in each fiscal year in which any of the Obligations are outstanding and to take any further action that may be lawfully appropriate from time to time during the period that the Obligations of such series remain outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and the interest due thereon. If the proceeds from the taxes so levied in any such fiscal year are inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up such deficiency.

(b) Notwithstanding the provisions of subsection (a) of this Section 14, the principal of and interest on each series of the Obligations will be payable in the first instance from revenues received by the City in connection with the operation of the water supply system serving the City and surrounding areas, including charges for the use of or connection to such water supply system and, to the extent required by the purchaser of such series of the Obligations, from revenues received by the City from the operation of the wastewater system serving the City, including charges for the use of or connection to such wastewater system, all to the extent such revenues are lawfully available for such purpose. (Any such identification of wastewater system revenues as a source of payment for the applicable series of the Obligations shall be provided for in any resolution relating to a series of the BANs or the Refunding Bonds or a Loan Agreement, as applicable.) To the extent of any funds received or receivable as described in this subsection (b) in any fiscal year, the taxes required to be imposed in accordance with subsection (a) of this Section 14 may be reduced proportionately.

(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

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sale of any other obligations of the City (including, without limitation, (i) with respect to any series of the BANs, from the proceeds of any series of the Bonds, and (ii) with respect to any series of the Bonds, from the proceeds of any series of the Refunding Bonds) or from any other funds legally available for that purpose. Within any applicable limitations of Maryland or federal law (including, without limitation, the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder), the City may apply to the payment of the principal of or interest on any 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 or projects which such series of the Obligations are issued to finance, reimburse 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.

(d) Any source of revenues referred to in this Section 14, and any additional source of revenues agreed to by the City and the Administration and provided for by resolution, if applicable, may be identified as a dedicated source of revenue contemplated by the MWQFA Act in any Loan Agreement entered into by the City with the Administration in connection with a series of the Obligations. Any applicable Loan Agreement exhibits may describe such dedicated revenues by references that are similar but not identical to any references contained in this Ordinance or in any resolution relating to such series of the Obligations.

SECTION 15. In addition to the refunding authority provided for in Section 12 of this Ordinance, subsequent to the sale, issuance and delivery of any series of the Bonds or the Refunding Bonds to the Administration, the Mayor and City Council by resolution may specify, prescribe, determine or provide for the determination of, or approve or provide for the approval

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of, any amendments or modifications to such series of the Bonds or the Refunding Bonds and/or the related Loan Agreement or Loan Agreements and any other documents, agreements or instruments executed and delivered in connection with the sale, issuance and delivery of such series of the Bonds or the Refunding Bonds, and/or provide for the execution and delivery of additional documents, agreements, certificates or instruments relating to such amendments or modifications (including, without limitation, any bond or bonds to be issued and exchanged for one or more of such series of the Bonds or the Refunding Bonds originally issued and delivered and any new or restated Loan Agreement), whether or not such amendments or modifications constitute a refunding or reissuance for purposes of federal and/or Maryland law.

SECTION 16. By resolution, the Mayor and City Council may make any appropriate arrangements (including, without limitation, by authorizing one or more appropriate officials to make any elections, designations, determinations or filings on the City's behalf) in the event any right of the registered owner of an Obligation to put or cause the redemption or prepayment of such Obligation at its option, or any change in the interest rate of an Obligation, or any other modification to an Obligation could lead to a reissuance of such Obligation for purposes of the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

SECTION 17. The Mayor and City Council by resolution may determine that any series of the Obligations authorized hereby may be consolidated with any bond anticipation notes, bonds and/or refunding bonds authorized by the Mayor and City Council, as applicable, and issued as a single series of obligations.

SECTION 18. The following City officials: the Mayor, the City Administrator, the Comptroller, the Treasurer, the City Clerk, and all other appropriate officials and employees of the City, are hereby authorized and directed to (i) take any and all action necessary to complete and

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close the sale, issuance and delivery of any of the Bonds, the BANs and the Refunding Bonds authorized hereby, (ii) negotiate, approve, execute and deliver all documents, certificates and instruments necessary or appropriate in connection with any such sale, issuance and delivery, and (iii) carry out the transactions contemplated by this Ordinance, any resolution adopted in furtherance of this Ordinance and any such documents, certificates or instruments executed and delivered in connection with the issuance of a series of the Obligations.

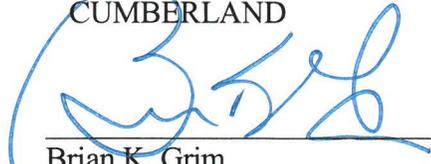
SECTION 19. The title of this Ordinance shall be deemed to be, and is, a fair summary of this Ordinance for publication and all other purposes.

SECTION 20. The provisions of this Ordinance shall be liberally construed in order to effectuate the transactions authorized or contemplated by this Ordinance.

SECTION 21. 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.

(SEAL)

MAYOR AND CITY COUNCIL OF
CUMBERLAND



Brian K. Grim
Mayor

ATTEST:



Marjorie A. Woodring, City Clerk

Introduced: **May 1** , 2018

Passed: **May 15** , 2018

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

Effective: June 14, 2018

#203442;10002.069

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