

ORDINANCE NO. 3731

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") TO ISSUE AND SELL FROM TIME TO TIME, UPON ITS FULL FAITH AND CREDIT, GENERAL OBLIGATION REFUNDING BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$1,700,000.00) (THE "ORIGINAL REFUNDING BONDS"), THE PROCEEDS OF THE SALE THEREOF TO BE USED AND APPLIED FOR THE PUBLIC PURPOSE OF PROVIDING ALL OR A PORTION OF THE FUNDS NEEDED TO REFUND OR ADVANCE REFUND THE OUTSTANDING PROMISSORY NOTE DATED NOVEMBER 22, 2010 PAYABLE TO SUSQUEHANNA BANK, THE PROCEEDS OF WHICH WERE APPLIED TO FINANCE HVAC UPGRADES AT THE MEMORIAL CAMPUS FACILITY, BY PREPAYING IN WHOLE OR IN PART ALL OR A PORTION OF THE OUTSTANDING PRINCIPAL AMOUNT OF SUCH PROMISSORY NOTE AND ACCRUED INTEREST THEREON, TOGETHER WITH ANY OTHER APPLICABLE SUMS, TO PAY COSTS OF ISSUANCE, TO FUND RESERVES, AND, TO THE EXTENT PROVIDED IN A RESOLUTION OF THE MAYOR AND CITY COUNCIL, TO PAY INTEREST ON SUCH ORIGINAL REFUNDING BONDS; PROVIDING FOR THE ADOPTION OF A RESOLUTION OR RESOLUTIONS OF THE MAYOR AND CITY COUNCIL TO DETERMINE, APPROVE OR PROVIDE FOR VARIOUS MATTERS RELATING TO THE AUTHORIZATION, SALE, SECURITY,

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ISSUANCE, DELIVERY, PAYMENT, PREPAYMENT AND REDEMPTION OF AND FOR EACH SERIES OF THE ORIGINAL REFUNDING BONDS; AUTHORIZING THE CITY TO ISSUE AND SELL FROM TIME TO TIME, UPON ITS FULL FAITH AND CREDIT, ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS (THE "SUBSEQUENT REFUNDING BONDS") IN ORDER TO REFUND OR ADVANCE REFUND IN WHOLE OR IN PART ANY OF THE ORIGINAL REFUNDING BONDS ISSUED PURSUANT TO THE AUTHORITY OF THIS ORDINANCE (INCLUDING PAYING COSTS OF ISSUANCE, FUNDING RESERVES AND PAYING INTEREST ON SUCH SUBSEQUENT REFUNDING BONDS), PROVIDED THAT, THE AGGREGATE PRINCIPAL AMOUNT OF ANY SUCH SERIES OF SUBSEQUENT REFUNDING BONDS SHALL NOT EXCEED ONE HUNDRED THIRTY PERCENT (130%) OF THE AGGREGATE PRINCIPAL AMOUNT OF THE ORIGINAL REFUNDING BONDS REFUNDED THEREFROM; AUTHORIZING THE MAYOR AND CITY COUNCIL TO DETERMINE CERTAIN MATTERS RELATING TO ANY SUCH SUBSEQUENT 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 PRINCIPAL AND INTEREST ON ANY SUCH SERIES OF ORIGINAL REFUNDING BONDS OR SUBSEQUENT REFUNDING BONDS (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

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THE CITY FOR SUCH PURPOSE; PROVIDING THAT BY RESOLUTION THE MAYOR AND CITY COUNCIL MAY PROVIDE FOR CERTAIN ACTIONS TO BE TAKEN IN THE EVENT OF A REISSUANCE OF ANY OF THE OBLIGATIONS AUTHORIZED HEREBY; PROVIDING THAT ANY OF THE OBLIGATIONS AUTHORIZED HEREBY MAY BE CONSOLIDATED WITH OTHER AUTHORIZED CITY OBLIGATIONS AND ISSUED AS A SINGLE SERIES OF BONDS AND/OR REFUNDING BONDS; AUTHORIZING AND DIRECTING APPROPRIATE OFFICIALS AND EMPLOYEES OF THE CITY TO TAKE ANY AND ALL ACTION NECESSARY TO COMPLETE AND CLOSE THE SALE AND DELIVERY OF THE OBLIGATIONS PROVIDED FOR HEREBY; 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 THE OBLIGATIONS AUTHORIZED HEREBY.

RECITALS

1. As authorized by applicable law and Resolution No. R2010-08, adopted by the Mayor and City Council (the "Mayor and City Council") of Mayor and City Council of Cumberland, a municipal corporation of the State of Maryland (the "City"), on October 12, 2010 and effective on October 12, 2010, the City executed and delivered a Promissory Note dated November 22, 2010 (the "Promissory Note") to Susquehanna Bank (the "Bank") in order to evidence a loan from the Bank in the principal amount of \$1,532,200.00, for the public purpose of financing or reimbursing costs of HVAC upgrades to 500 Memorial Avenue, also known as the Memorial Campus Facility, in Cumberland, Maryland.

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2. In connection with the execution and delivery of the Promissory Note, the City also executed and delivered to the Bank (i) a Business Loan Agreement dated November 22, 2010 (the “Business Loan Agreement”) and (ii) a Governmental Certificate dated November 22, 2010.

3. The Promissory Note bears interest at the rate of 6.00% per annum, calculated on a 365/360 basis, and matures on October 1, 2025. Pursuant to the Promissory Note, the City is obligated to make semi-annual payments to the Bank of \$77,997.49 each on each April 1 and October 1, commencing on April 1, 2011 and ending on April 1, 2025, with a final payment of \$75,834.62 due to the Bank on October 1, 2025. Each payment is denominated into principal and interest components as set forth on the Amortization Schedule to the Promissory Note.

4. The Promissory Note provides that other than the City’s obligation to pay a minimum interest charge of \$25.00, the City may pay without penalty all or a portion of the amount owed under the Promissory Note earlier than it is due. Unless otherwise agreed to by the Bank, partial prepayments shall be applied in inverse order of maturity.

5. The City is authorized and empowered by 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 published in Municipal Charters of Maryland, Volume 3, 2008 Replacement Edition, 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.

6. Pursuant to the authority of Section 24 of Article 31 of the Annotated Code of Maryland, as replaced, supplemented or amended (the “Refunding Act”), the City is authorized to issue bonds for the purpose of refunding any of its bonds or other evidences of obligation by

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whatever name known or source of funds secured then outstanding for the public purpose of realizing debt service savings or debt restructuring.

7. The City has determined to authorize the issuance of one or more series of its general obligation refunding bonds in order to provide all or a portion of the funds needed (i) to refund or advance refund the Promissory Note in accordance with its terms by prepaying the same in whole or in part, for the public purpose of (A) realizing savings in the aggregate cost of debt service on a direct comparison or present value basis, or (B) debt restructuring that in the aggregate effects such a reduction in the cost of debt service or is determined by the Mayor and City Council to be in the best interests of the City, to be consistent with the City's long-term financial plan, and to realize a financial objective of the City, as contemplated in the Refunding Act and as to be determined by resolution of the Mayor and City Council, (ii) to pay all or a portion of the related costs of issuance of such refunding bonds, (iii) to fund any reserves deemed necessary or desirable, and (iv) to the extent determined by the Mayor and City Council by resolution, to pay interest on such refunding bonds.

8. Subsequent to the issuance of any refunding bonds to refund or advance refund the Promissory Note as authorized by this Ordinance, the City may desire to refund or advance refund all or a portion of such original refunding bonds through the issuance from time to time of one or more series of its general obligation refunding bonds pursuant to the authority of the Enabling Act, the Refunding Act and the Charter.

9. The City has determined to pledge its full faith and credit and unlimited taxing power to the prompt payment of debt service on any original refunding bonds or subsequent refunding bonds authorized hereby.

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10. Although Section 82A of the Charter provides that the City shall determine the manner of selling any bonds by resolution, it is the expectation of the Mayor and City Council that both the original refunding bonds and the subsequent refunding bonds authorized hereby shall be sold by private sale unless the Mayor and City Council determines otherwise by resolution.

11. As provided in Section 82A(d) of the Charter, the City shall issue any original refunding bonds or subsequent 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 are incorporated herein by reference. Capitalized terms used in the Sections of this Ordinance that are not otherwise defined herein shall have the meanings given to such terms in the Recitals hereto.

(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, and/or (iii) to the extent an identified official commonly uses another title not provided for in the Charter or 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, the Refunding Act and the Charter, the City hereby determines to borrow money and incur indebtedness from time to time for

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the public purpose of providing all or a portion of the funds needed (i) to refund or advance refund the Promissory Note in whole or in part by prepaying all or a portion of the outstanding principal amount thereof, plus interest accrued thereon to the date of prepayment and any other amounts due in connection with such prepayment (including, without limitation, any minimum interest charge), in order to realize an objective authorized by the Refunding Act, as determined in the Resolution (as defined in Section 5 hereof), (ii) to finance or reimburse all or a portion of related costs of issuance of such refunding bonds, including, without limitation, legal and financial costs and costs of any credit or liquidity enhancement, (iii) to fund any reserves deemed necessary or desirable, and (iv) to the extent determined by the Mayor and City Council pursuant to the Resolution, paying interest on such refunding bonds (collectively, the “Refunding Project”). The total cost of the portion of the Refunding Project to be paid from proceeds of the Original Refunding Bonds identified in Section 3 hereof will not exceed One Million Seven Hundred Thousand Dollars (\$1,700,000.00).

SECTION 3. To evidence the borrowing and indebtedness authorized in Section 2 of this Ordinance, the City, acting pursuant to the authority of the Enabling Act, the Refunding Act and the Charter, hereby determines to issue and sell from time to time, in one or more series, upon its full faith and credit, its general obligation bonds in an aggregate principal amount not to exceed One Million Seven Hundred Thousand Dollars (\$1,700,000.00) (collectively, the “Original Refunding Bonds”). Any series of the Original Refunding Bonds may consist of one or more bonds and any bond may be issued in installment form.

SECTION 4. The proceeds of the Original Refunding Bonds shall be used and applied by the City exclusively and solely for the public purposes described in Section 2 of this Ordinance or as otherwise determined in accordance with Section 5 hereof, unless a supplemental ordinance is

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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 Refunding 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 Original Refunding 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 Original Refunding Bonds of such series), documents or procedures as may be required by the Enabling Act, the Refunding 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 Original Refunding Bonds. The Resolution shall set forth, determine or provide for the determination of, or approve or provide for the approval of, among other matters, as applicable, the designation of such series of the Original Refunding Bonds; the date of issue of such series of the Original Refunding Bonds; the aggregate principal amount of such series of the Original Refunding Bonds; the denominations of such series of the Original Refunding Bonds; the maturity or maturities of such series of the Original Refunding Bonds; the principal installment or installments payable on such series of the Original Refunding Bonds; the rate or rates of interest, or the method of determining the rate or rates of interest, payable on such series of the Original Refunding Bonds, which may be fixed or variable; provisions for the payment of late fees and/or additional interest or penalties payable on such series of the Original Refunding Bonds or adjustments to interest rates in appropriate circumstances; the purchase price for such series of the Original Refunding Bonds;

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provisions relating to the prepayment or redemption of such series of the Original Refunding Bonds at the City's option or by mandatory sinking fund payments; provisions allowing the registered owners of such series of the Original Refunding Bonds to put or cause the prepayment or redemption of the same at their option; the manner of selling the Original Refunding Bonds, which may be either at public or private sale; the specific components of the Refunding Project the costs of which are to be financed, reimbursed or refinanced from proceeds of such series of the Original Refunding Bonds; provisions for the appropriation, disposal and investment of proceeds of such series of the Original Refunding Bonds; how any unexpended proceeds of such series of the Original Refunding Bonds, premium realized upon sale and/or any investment earnings on proceeds of such series of the Original Refunding Bonds shall be expended, which may include, without limitation, on costs of the Refunding Project or on debt service payable on such series of the Original Refunding Bonds; certifications, representations, determinations, designations or elections relating to the tax-exempt or taxable status of interest payable on such series of the Original Refunding Bonds; the purposes of the Refunding Act to be achieved by the issuance of such series of the Original Refunding Bonds; and all other terms and conditions pursuant to which such series of the Original Refunding 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 or similar fee and other costs payable in connection with any series of the Original Refunding Bonds and any compensation payable to the purchaser or purchasers of such series of the Original Refunding Bonds in the event the City fails to deliver such

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series of the Original Refunding Bonds, (ii) the obtaining of credit or liquidity enhancement for any series of the Original Refunding Bonds (and the execution and delivery of any agreements or documents relating thereto), and (iii) any other agreements, documents, certificates or instruments necessary to enhance the marketability of or as security for any series of the Original Refunding 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. Any Resolution may determine the matters identified in this Section 5 for more than one series of the Original Refunding Bonds.

SECTION 6. Pursuant to the authority of the Refunding Act, the Enabling Act and the Charter, the City is hereby authorized and empowered to issue and sell, upon its full faith and credit, its general obligation refunding bonds in one or more series from time to time (collectively, the “Subsequent Refunding Bonds”), for the purpose of refunding or advance refunding in whole or in part any of the Original Refunding Bonds authorized hereby then outstanding, including paying all or any portion of any prepayment or redemption premium and all or any portion of any interest accrued or to accrue to the date of prepayment, redemption, purchase or maturity of the Original Refunding Bonds to be refunded, paying or reimbursing all or any portion of costs and expenses incurred in connection with the issuance, sale and delivery of such Subsequent Refunding Bonds, funding any reserves deemed necessary or desirable, and, to the extent determined by the Mayor and City Council by resolution, paying interest on such Subsequent Refunding Bonds, for the public purpose of realizing savings to the City in the aggregate cost of debt service on either a direct comparison or present value basis or in order to accomplish any debt restructuring that is permitted by applicable law; provided that, the

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aggregate principal amount of any such series of the Subsequent Refunding Bonds shall not exceed one hundred thirty percent (130%) of the aggregate principal amount of the Original Refunding Bonds refunded therefrom. Any such series of the Subsequent Refunding Bonds may consist of one or more bonds and any such bond may be issued in installment form. Prior to the issuance, sale and delivery of each series of the Subsequent Refunding Bonds, the Mayor and City Council shall adopt a resolution or resolutions authorizing such series of the Subsequent 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 Subsequent Refunding Bonds, the types of matters, details, forms, documents, procedures and determinations specified to be made in Section 5 hereof with respect to each series of the Original Refunding Bonds, to the extent applicable to such series of the Subsequent 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.

SECTION 7. (a) For the purpose of paying the principal of and interest on any series of the Original Refunding Bonds or the Subsequent Refunding Bonds (in any such case, a series of the “Obligations”) when due, the City shall levy or cause to be levied, for each and every fiscal year during which any 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 prompt payment, when due, of the principal of and interest on such series of the Obligations in each such fiscal year. 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.

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(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 they become due and 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 funds to meet the debt service requirements of such series of the Obligations. The City hereby covenants and agrees with the registered owners, from time to time, of each series of the Obligations to levy and collect the taxes hereinabove described and to take any further action that may be lawfully appropriate from time to time during the period that such series of the Obligations remains outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and the 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 or from any other funds legally available for that purpose (including, without limitation, with respect to the Original Refunding Bonds, from the proceeds of the Subsequent Refunding Bonds authorized hereby). Subject to any applicable limitations of the Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder, 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, reimburse or refinance or are otherwise available for

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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 8. 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 the right of any registered owner of any Obligation to put or cause the prepayment or redemption of such Obligation at its option, or any change in the interest rate of an Obligation, or any other modification of an Obligation could lead to a reissuance of such Obligation for purposes of the Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder.

SECTION 9. By resolution the Mayor and City Council may determine that any of the Original Refunding Bonds or the Subsequent Refunding Bonds authorized hereby may be consolidated with any other bonds and/or refunding bonds authorized by the Mayor and City Council and issued as a single series of obligations.

SECTION 10. The Mayor, the City Administrator, the Treasurer, the Director of Administrative Services, 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 sale, issuance and delivery of any series of the Obligations and to negotiate, approve, execute and deliver all documents, certificates and instruments necessary or appropriate in connection therewith, including (without limitation), with respect to the Original Refunding Bonds, the appropriate City official or officials are hereby authorized and directed to negotiate, approve, execute and deliver any documents, certificates, instruments or notices deemed necessary or

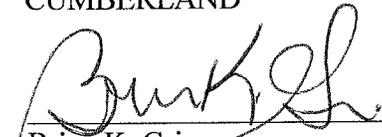
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desirable to evidence the prepayment of the Promissory Note or to transfer or release any security interest of the Bank under the Business Loan Agreement.

SECTION 11. 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 12. 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.

MAYOR AND CITY COUNCIL OF
CUMBERLAND



Brian K. Grim
Mayor

(SEAL)

ATTEST:


Marjorie A. Eirich, City Clerk

Introduced: January 15, 2013

Passed: January 29, 2013

Votes for passage: 5

Votes against passage: 0

Abstentions: 0

Effective: February 28, 2013

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BULLET POINTS SUMMARY OF
ORDINANCE RE: ORIGINAL AND SUBSEQUENT REFUNDING
OF 2010 HVAC LOAN

- Ordinance Recitals trace the City's 2010 borrowing from Susquehanna Bank for HVAC upgrades at the Memorial Campus Facility (which was evidenced by a Promissory Note, a Business Loan Agreement and a Governmental Certificate), the City's right to prepay the Promissory Note in whole or in part at any time, and the City's determination to authorize the issuance of (i) general obligation refunding bonds to refund such Promissory Note and (ii) future general obligation refunding bonds to refund any refunding bonds issued to refund the Promissory Note. Recitals also indicate the City plans to sell any such refunding bonds by private sale unless by resolution the Mayor and City Council determines otherwise.

- Section 1 - Provides that the Recitals are an integral part of the Ordinance and terms defined therein and not otherwise defined in the Ordinance Sections shall have meanings given to such terms in the Recitals, any official referred to by title in the Ordinance shall include any person serving in absence or disability of a titled official or in an acting capacity and any person generally referred to by another title (titles used in the Ordinance conform to titles used in the Charter or the City Code).

- Sections 2 –The City determines to borrow money and incur indebtedness for the public purpose of financing, reimbursing or refinancing costs relating to refunding or advance refunding the Promissory Note in whole or in part, including paying all or a portion of accrued interest on the Promissory Note, funding reserves deemed necessary or desirable, paying costs of issuance and, to the extent determined by resolution, interest on such refunding bonds (defined as the “Refunding Project”).

- Section 3 – The City is authorized to issue its general obligation bonds in one or more series from time to time in an aggregate principal amount not to exceed \$1,700,000 (the “Original Refunding Bonds”) in order to pay costs of the Refunding Project.

- Section 4 – Proceeds of the Original Refunding Bonds will be used solely for the public purposes described in Section 2 of the Ordinance or as otherwise determined in accordance with Section 5, unless the Mayor and City Council enacts a supplemental ordinance to provide otherwise.

- Section 5 - Prior to issuing any series of the Original Refunding Bonds, and as required by the Charter, the Mayor and City Council shall adopt one or more resolutions fixing, determining, approving or providing for all details relating to such series. Section 5 sets forth the types of determinations to be made by resolution.
- Section 6 - The City is authorized to issue and sell from time to time one or more series of general obligation bonds in order to refund or advance refund any Original Refunding Bonds issued pursuant to authority of the Ordinance, including paying accrued interest on such Original Refunding Bonds and any premium, issuance costs, funding reserves and paying funded interest, provided that the maximum principal amount of any series of such refunding bonds may not exceed 130% of the maximum principal amount of the Original Refunding Bonds refunded therefrom (the "Subsequent Refunding Bonds"). As required by the Charter, details regarding each series of Subsequent Refunding Bonds will be determined by resolution of the Mayor and City Council, and any such resolution shall make or provide for the same types of determinations provided for in Section 5 with respect to the Original Refunding Bonds, to the extent applicable to the Subsequent Refunding Bonds. (Notes: The reason the maximum principal amount of each series of the Subsequent Refunding Bonds is expressed as a percentage of the outstanding principal amount of the Original Refunding Bonds being refunded is because refunding bonds are usually sized to cover not only the outstanding principal of the bonds being refunded but also accrued interest, any prepayment premium and costs of issuance of the refunding bonds. Also, refunding authority is included in this Ordinance because if the market moves in the right direction at a later date that makes it advantageous for the City to refund any of the Original Refunding Bonds, the City can move quickly because it can determine the details by resolution rather than having to first authorize the Subsequent Refunding Bonds by ordinance at that time.)
- Section 7 – The City pledges its full faith and credit and unlimited taxing power to the payment of the Original Refunding Bonds and the Subsequent Refunding Bonds (collectively, the "Obligations"); to the extent other moneys are available for such purpose, the City may apply such other moneys to pay debt service on such Obligations as long as such application does not violate federal tax code limitations, if applicable.
- Section 8 – By resolution the Mayor and City Council may make appropriate arrangements in the event any put option, change in interest rate or modification of any issued Obligation could lead to a reissuance of the same for tax code purposes.

- Section 9 - By resolution, the Mayor and City Council may determine that any series of the Obligations may be consolidated with any other bonds or refunding bonds of the City, as applicable, and issued as a single series.
- Section 10 – Appropriate officials are authorized to take all action necessary to complete and close the sale and delivery of each series of the Obligations.
- Section 11 – Title of Ordinance is deemed a fair summary thereof for publication and all other purposes.
- Section 12 - Ordinance will be effective 30 days after its passage, subject to the petition-to-referendum rights contained in the Charter.

Note: Even though it is currently expected that the City will issue all the authorized Original Refunding Bonds at the same time, we always authorize bonds to be issued in one or more series from time to time at a stated not-to-exceed aggregate principal amount in case the City decides to undertake the contemplated borrowing in stages.