

**TOWN OF HAMPSTEAD  
ORDINANCE NO. 554**

AN ORDINANCE FOR THE PURPOSE OF AUTHORIZING AND EMPOWERING TOWN OF HAMPSTEAD (THE "TOWN") TO ISSUE AND SELL FROM TIME TO TIME, UPON ITS FULL FAITH AND CREDIT, ONE OR MORE SERIES OF ITS (1)(A) GENERAL OBLIGATION BONDS AND (B) GENERAL OBLIGATION BOND ANTICIPATION NOTES, EACH IN AN ORIGINAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THREE MILLION DOLLARS (\$3,000,000.00), AND (2) GENERAL OBLIGATION REFUNDING BONDS, SUBJECT TO THE LIMITATIONS PROVIDED FOR HEREIN, THE PROCEEDS OF THE SALE THEREOF TO BE USED AND APPLIED FOR THE PUBLIC PURPOSE OF FINANCING, REIMBURSING OR REFINANCING COSTS OF THE PUBLIC PURPOSE PROJECT GENERALLY REFERRED TO BY THE TOWN AS THE WATER SYSTEM CENTRALIZATION AND MODERNIZATION PROJECT, TOGETHER WITH RELATED COSTS; PROVIDING THAT THE MAXIMUM ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF ANY ISSUED BONDS AND ANY ISSUED BOND ANTICIPATION NOTES MAY BE REALLOCATED TO OTHER PROJECTS AS PROVIDED HEREIN; PROVIDING FOR THE REALLOCATION OF THE PROCEEDS OF ANY OF THE ISSUED BONDS, BOND ANTICIPATION NOTES OR REFUNDING BONDS; DETERMINING THAT THE BONDS, ANY BOND ANTICIPATION NOTES AND ANY REFUNDING BONDS BE SOLD AT A PRIVATE (NEGOTIATED) SALE UNLESS BY RESOLUTION THE COUNCIL OF THE TOWN (THE "COUNCIL") PROVIDES FOR THE PUBLIC SALE OF ANY SERIES THEREOF; AUTHORIZING AND EMPOWERING THE COUNCIL BY RESOLUTION TO DETERMINE, APPROVE OR PROVIDE FOR VARIOUS MATTERS RELATING TO THE AUTHORIZATION, SALE, SECURITY, ISSUANCE, DELIVERY, PAYMENT AND PREPAYMENT OR REDEMPTION OF AND FOR EACH SERIES OF THE BONDS, THE BOND ANTICIPATION NOTES AND THE REFUNDING BONDS (THE "OBLIGATIONS" OR A "SERIES OF THE OBLIGATIONS") ISSUED; PROVIDING FOR THE IMPOSITION OF AD VALOREM TAXES SUFFICIENT FOR, AND PLEDGING THE TOWN'S FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER TO, THE PAYMENT OF DEBT SERVICE ON ANY ISSUED OBLIGATIONS AND PROVIDING FOR THE IMPOSITION OF AD VALOREM TAXES SUFFICIENT FOR SUCH PURPOSE; PROVIDING THAT DEBT SERVICE ON ANY ISSUED OBLIGATIONS ALSO MAY BE PAID FROM ANY OTHER SOURCES OF REVENUE LAWFULLY AVAILABLE TO THE TOWN FOR SUCH PURPOSE; PROVIDING THAT CERTAIN ACTIONS MAY BE TAKEN OR PROVIDED FOR BY RESOLUTION IN CONNECTION WITH THE REISSUANCE OR MODIFICATION OF ANY OF THE OBLIGATIONS; PROVIDING THAT ANY OF THE OBLIGATIONS MAY BE CONSOLIDATED WITH OTHER OBLIGATIONS OF THE TOWN AND ISSUED AS A SINGLE SERIES OF BONDS, BOND ANTICIPATION NOTES AND/OR REFUNDING BONDS; AUTHORIZING AND DIRECTING OFFICIALS AND EMPLOYEES OF THE TOWN TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE OBLIGATIONS; PROVIDING THAT THE PROVISIONS OF THIS ORDINANCE SHALL BE LIBERALLY CONSTRUED; AND OTHERWISE GENERALLY RELATING TO THE SALE, ISSUANCE, DELIVERY AND PAYMENT OF THE OBLIGATIONS.

RECITALS

WHEREAS, Town of Hampstead, a municipal corporation of the State of Maryland and a municipality within the meaning of the Enabling Act, the Bond Anticipation Note Act and the Refunding Act identified below (the "Town"), 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 Section C7-17 of the Charter of the Town of Hampstead, 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; and

WHEREAS, the Town is undertaking a project generally referred to by the Town as the Water System Centralization and Modernization Project, which involves the design, construction and equipping of new water treatment facilities and the modification of an existing water treatment facility in order to treat emerging contaminants, including perfluoroalkyl and polyfluoroalkyl substances (PFAS), together with related activities, all in order to upgrade the Town’s water system (collectively, the “Project”), and, in connection therewith, the Town expects to acquire or pay for, as applicable, land and right-of-way acquisition and development; acquisition of other property rights; site and utility improvements, including, without limitation, grading, landscaping, paving, sidewalk, curb, gutter, drainage, water, sewer and stormwater improvements, and related or similar activities and expenses; demolition, razing and removal and related or similar activities and expenses; acquisition, construction, expansion, reconstruction, replacement, renovation, rehabilitation, improvement, installation, furnishing and equipping activities and expenses, and related or similar activities and expenses, including functionally related activities at or near the locations at which such undertakings occur; planning, testing, feasibility, surveying, design, engineering, architectural, document development, bidding, permitting, inspection, and construction management, and related or similar activities and expenses; financial, administrative and legal expenses, and related or similar activities and expenses; costs of issuance of any borrowing for Project purposes (which may include, without limitation, counsel, lender or municipal financial advisor fees and expenses, costs of bond insurance or other credit enhancement or liquidity enhancement expenses); capitalized interest (whether or not expressly so stated); and any such costs that may represent the Town’s share or contribution to the financing, reimbursement or refinancing of any components of the costs of the Project (collectively, “Costs of the Project”); and

WHEREAS, the Town has determined to authorize the issuance and sale from time to time of one or more series of its general obligation bonds in order to finance, reimburse or refinance all or a portion of any components of the Costs of the Project; and

WHEREAS, prior to issuing one or more series of the bonds authorized hereby, the Town may need to obtain financing in order to finance or reimburse all or a portion of any components of Costs of the Project on an interim 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 Act”), or other applicable law; and

WHEREAS, subsequent to the issuance of any bonds provided for herein, the Town may desire to currently refund or advance refund all or a portion of such bonds through the issuance and sale from time to 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”), or other applicable law; and

WHEREAS, the Town has determined to pledge its full faith and credit and unlimited taxing power to the payment of debt service on any general obligation bonds, bond anticipation notes or refunding bonds authorized hereby; and

WHEREAS, the Town 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 Council of the Town (the “Council”) pursuant to the authority of the Enabling Act, the Bond Anticipation Note Act, the Refunding Act, other applicable law, the Charter and this Ordinance, as applicable.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF HAMPSTEAD, THAT:

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 Ordinance and not 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, the code of ordinances of the Town (the “Town Code”) or other applicable law or authority to act in such titled official’s stead in the event the position of such official is vacant or during the absence, disability or unavailability 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 Town 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 Town 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 Town Code, the official, however known, who is charged under the Charter, the Town Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

(c) References in this Ordinance to “proceeds” shall be construed to include principal, original issue premium and investment earnings, as applicable. References in this Ordinance to investment earnings shall be construed to include references to interest income, to the extent applicable.

(d) References in this Ordinance to the Project shall be deemed to include any modifications to the Project, including, without limitation, changes in scope of the Project, effected through applicable budgetary procedures or applicable law, unless applicable law requires that this Ordinance be amended and supplemented to reflect such modifications.

(f) References in this Ordinance to officials of the Town shall be deemed to include references to employees of the Town, to the extent applicable.

SECTION 2. Pursuant to the authority of the Enabling Act, Section C7-17 of the Charter and any other applicable law, the Town is hereby authorized and empowered to borrow money and incur indebtedness from time to time for the public purpose of financing, reimbursing or refinancing Costs of the Project.

SECTION 3.

(a) To evidence the borrowing and indebtedness authorized in Section 2 of this Ordinance, the Town, acting pursuant to the authority of the Enabling Act, Section C7-17 of the Charter and any other applicable law, hereby determines to authorize the issuance and sale from time to time, in one or more series, upon its full faith and credit, of its general obligation bonds in an original aggregate principal amount not to exceed Three Million Dollars (\$3,000,000.00) (collectively, the “Bonds” and, individually, a “Bond”). Any series of the Bonds may be issued as one or more general obligation bonds and any such bond may be issued in installment form and/or draw-down form.

(b) In the event the Town issues any series of the BANs pursuant to Section 7 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 Bond Anticipation Note Act, and such application shall be deemed the payment of Costs of the Project for purposes of this Ordinance.

(c) It is the intention of the Council that, without having to amend this Ordinance, unless an amendment is necessary to modify the definition of “Costs of the Project,” and without notice to or the consent of the owners of any issued Bonds (or the owners of any issued BANs provided for in Section 7 hereof, as applicable), the principal amount of any issued Bonds (or of any issued BANs, as applicable) may be spent on any applicable Costs of the Project, notwithstanding the descriptive name used for the Project in the table above, including, without limitation, costs related to changes in the scope of and/or name of the Project effected through applicable budgetary procedures or applicable law.

(d) The Council, by enactment of a supplemental ordinance, and without notice to or consent of the owners of any issued Bonds (or the owners of any issued BANs, as applicable), may reallocate any portion of the principal amount thereof to be spent on Costs of the Project of one or more additional projects identified in such supplemental ordinance and, in such event, (i) references in this Ordinance to the “Project” shall be deemed to include the Project identified in the Recitals to this Ordinance and all such additional projects, and (ii) references in this Ordinance to “Costs of the Project” shall be deemed to include any modifications to such definition, as applicable. After any such reallocation is made by supplemental ordinance, the Council, without notice to or the consent of the owners of any issued Bonds (or the owners of any issued BANs, as applicable), may reallocate the maximum principal amount of any issued Bonds (and of any issued BANs, as applicable) to be spent on Costs of the Project among all such authorized projects in compliance with applicable budgetary procedures or applicable law.

(e) Subject to the provisions of subsection (d) above, by ordinance, resolution or as otherwise allowed by applicable law, and without notice to or the consent of any registered owners of any issued Bonds (or of any issued BANs, as applicable), the Council may determine or provide for the determination of, and subsequently reallocate, how any unexpended principal amount of any

series of the Bonds (or any series of the BANs, as applicable), any net original issue premium realized with respect to a series of Bonds or BANs, and/or any investment earnings shall be expended, which may include (subject to applicable law at the time in question), without limitation, on Costs of the Project (including costs of issuance), to prepay or pay debt service payable or prepayable on any such series of the Bonds or of the BANs, as applicable, to make arbitrage rebate or yield reduction payments, or for any other lawful purpose.

SECTION 4. The proceeds of the Bonds shall be used and applied by the Town exclusively and solely for the public purposes described in Sections 2 and 3 of this Ordinance, unless a supplemental ordinance is enacted by the 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; provided that, no such supplemental ordinance shall be required if changes in the scope of or name of the Project are otherwise made as contemplated in Section 1(d) of this Ordinance.

SECTION 5. Pursuant to the authority of the Enabling Act and Section C7-17 of the Charter, and unless otherwise determined in accordance with this Section 5, the Town hereby determines to sell each series of the Bonds at a private (negotiated) sale through a direct purchase transaction with one or more banks due to the ability to time the issuance of each series of the Bonds, the ability to negotiate terms, and the lower costs of issuance typically incurred with a direct purchase transaction as opposed to a negotiated underwriting or a public sale by competitive bid. Notwithstanding the foregoing, by resolution the Council may determine that it is in the best interests of the Town to sell any one or more series of the Bonds by public sale or by private (negotiated) sale by a means other than a direct purchase transaction.

SECTION 6. Pursuant to the authority of the Enabling Act, Section C7-17 of the Charter, this Ordinance and any other applicable law, the Council, prior to the sale, issuance and delivery of each series of the Bonds, shall adopt a resolution or resolutions specifying, prescribing, determining, providing for or approving such matters, details, forms (including, without limitation, the substantially final form of the Bonds of such series), documents or procedures as may be required by the Enabling Act, the Charter, other applicable law or this Ordinance or as the Council may deem appropriate for the authorization, sale, security, issuance, delivery, payment, prepayment or redemption of or for such series of the Bonds, subject to the limitations of any applicable law. Any such resolution or resolutions may, subject to the limitations of applicable law, set forth, determine or provide for the determination of, provide for, or approve or provide for the approval of, among other matters, as applicable, the designation of such series of the Bonds; the date of issuance of such series of the Bonds; the original aggregate principal amount 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, or the method of determining such maturity or maturities; the principal installment or installments (including, without limitation, serial maturities and/or mandatory sinking fund installments) payable on such series of the Bonds or the method of determining such principal installments; 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, additional interest and/or penalties payable with respect to such series of the Bonds and/or adjustments to interest rates in appropriate circumstances; the purchase price for such series of the Bonds (which may not be below par value unless the Charter is amended to allow general obligation bonds of the Town to be sold below par value) or the method of determining the purchase price; provisions relating to the

prepayment or redemption of such series of the Bonds at the Town's option or by mandatory sinking fund payments and the method of providing notice of prepayment, which may be by mail, electronic delivery or other means; 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 and the method of providing for notice thereof, which may be by mail, electronic delivery or other means; matters in connection with the sale of such series of the Bonds in a direct purchase transaction or, if the Council determines to sell any series of the Bonds other than through a direct purchase transaction, the manner of selling such series of the Bonds, which may be by private (negotiated) sale, and matters in connection therewith, including any forms or substantially final forms of documents, certificates, instruments or notices authorized or required by applicable law; any limitations on the Costs of the Project on which the proceeds of such series of the Bonds may be expended; provisions for the appropriation, disposal and investment of such proceeds; provisions for the application of unexpended proceeds, any premium paid upon sale and/or investment earnings on proceeds of such series of the Bonds; the selection of any bond registrar, paying agent, investment bidding agent or other appropriate service providers in connection with such series of the Bonds; certifications, representations, determinations, designations or elections relating to the tax-exempt or taxable status of interest payable on 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. Among other matters, the Council, by resolution, may authorize, approve or otherwise provide for (i) payment of any commitment fee or similar fee and any other costs (including other parties' legal costs and expenses) payable in connection with any series of the Bonds, (ii) the obtaining of credit enhancement or liquidity enhancement for any series of the Bonds (and the negotiation, approval, execution and delivery of any agreements or documents relating thereto), and (iii) the negotiation, approval, execution and delivery of 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 6 to providing for determinations by resolution shall be construed to permit the Council to delegate to one or more officials the authority to make or provide on behalf of the Town any of the final determinations, approvals or other decisions contemplated or provided for by this Section 6. Any resolution may specify, prescribe, determine or provide for the determination of, provide for, or approve or provide for the approval of, the matters identified in this Section 6 for more than one series of the Bonds.

## SECTION 7.

(a) Pursuant to the authority of the Enabling Act, the Bond Anticipation Note Act, Section C7-17 of the Charter and any other applicable law, the Town is hereby authorized and empowered to issue and sell, upon its full faith and credit, its general obligation bond anticipation notes in one or more series from time to time in an original aggregate principal amount not to exceed Three Million Dollars (\$3,000,000.00) (each, a “series of the BANs” and collectively, the “BANs”), prior to and in anticipation of the sale of any series of the Bonds, for the public purpose of financing or reimbursing Costs of the Project on an interim basis. 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.

(b) Prior to the sale, issuance and delivery of each series of the BANs, the Council shall adopt a resolution or resolutions pursuant to the authority of the Enabling Act, the Bond Anticipation Note Act, the Charter, any other applicable law and/or 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 same types of matters, details, forms, documents, procedures or determinations detailed in Section 6 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. By resolution the Council may delegate to one or more Town officials the authority to make any such final determinations, approvals or decisions with respect to any series of the BANs. Unless the 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. Any such sale by private negotiation is determined to be in the public interest due to the ability to time the market, negotiate terms and thereby achieve a beneficial interest rate or rates and other beneficial terms, and with respect to a private sale that involves a direct purchase by one or more banks, the lower costs of issuance typically incurred with a direct purchase transaction as opposed to a negotiated underwriting or a public sale at competitive bid. 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 7 for more than one series of the BANs.

(c) The Town hereby covenants (i) to pay from the proceeds of one or more series of the Bonds (A) the principal of any series of the BANs actually issued, and/or (B) interest on any issued series of the BANs to the extent not paid within the limitations of applicable law from proceeds of such series of the BANs, and (ii) 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 Town 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.

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

## SECTION 8.

(a) Pursuant to the authority of the Enabling Act, the Refunding Act, Section C7-17 of the Charter and any other applicable law, the Town 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 (each, a “series of the Refunding Bonds” and, collectively, the “Refunding Bonds”), for the purpose of currently refunding or advance refunding in whole or in part any of the Bonds then outstanding, including paying all or any portion of the following: outstanding principal, prepayment or redemption premium, and/or interest accrued or to accrue to the date or dates 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 series of the Refunding Bonds (including, without limitation, legal and financial costs and costs of any credit enhancement or liquidity enhancement), and, to the extent determined or provided for by the Council by resolution, paying interest on such series of the Refunding Bonds, for the public purpose of (A) realizing savings to the Town in the total cost of debt service on a direct comparison or present value basis, (B) debt restructuring that reduces the total cost of debt service, (C) debt restructuring that is determined by the Council to be in the best interests of the Town, to be consistent with the Town’s long-term financial plan, and to realize a financial objective of the Town, including improving the relationship of debt service to any source of payment such as taxes, assessments or other charges, and/or (D) for any other purpose then authorized by the Refunding Act or other applicable law; provided that, the original aggregate principal amount of any series of the Refunding Bonds shall 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.

(b) Prior to the sale, issuance and delivery of each series of the Refunding Bonds, the Council shall adopt a resolution or resolutions pursuant to the authority of the Enabling Act, the Refunding Act, Section C7-17 of the Charter, any other applicable law and/or this Ordinance 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, documents, procedures and determinations detailed in Section 6 hereof that may be made or addressed with respect to any 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, without limitation, the purposes of the Refunding Act or other applicable law to be achieved by the issuance of such series of the Refunding Bonds, the selection of any escrow agent or verification consultant, the selection of any escrow bidding agent or other service provider, the determination of the Bonds to be refunded in whole or in part from such series of the Refunding Bonds, and any agreements, documents, certificates or other instruments necessary or desirable in connection with the refunding. Unless the 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. Any such sale by private sale is determined to be in the public interest due to the ability to time the market, negotiate terms and thereby achieve a beneficial interest rate or rates and other beneficial terms, and with respect to a private sale that involves a direct purchase by one or more banks, the lower costs of issuance typically incurred with a direct purchase transaction as opposed to a negotiated underwriting or a public sale at competitive bid. By resolution the Council may delegate to one or more Town officials



the authority to make any such final determinations, approvals or decisions with respect to any 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 8 for more than one series of the Refunding Bonds.

(c) By ordinance, resolution or as otherwise allowed by applicable law, and without notice to or the consent of the registered owners of any issued series of the Refunding Bonds, the Council may determine or provide for the determination of, and subsequently reallocate, how any unexpended principal amount of such series of the Refunding Bonds, net original issue premium realized upon sale and/or investment earnings shall be expended, which may include, without limitation, on costs of issuance of such series of the Refunding Bonds, on debt service payable or prepayable on such series of the Refunding Bonds, and/or to make arbitrage rebate or yield reduction payments, to the extent not prohibited by applicable law.

#### SECTION 9.

(a) The full faith and credit and unlimited taxing power of the Town are hereby pledged to the payment of the principal of and interest on each issued series of the Bonds, the BANs or the Refunding Bonds, as applicable (each, a “series of the Obligations” and, collectively, the “Obligations”), when due 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 issued series of the Obligations. Subject to the further provisions of this Section 9, the Town hereby covenants with the registered owners of the Obligations of each issued series to impose ad valorem taxes on all real and tangible personal property in the Town 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 such Obligations in each fiscal year in which any of such 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 the principal thereof and the interest due thereon. If the proceeds from the taxes so imposed in any such fiscal year are inadequate for such payment, additional taxes shall be imposed in the succeeding fiscal year to make up such deficiency.

(b) The foregoing provisions shall not be construed so as to prohibit the Town from paying the principal of and interest on the issued Obligations of any series from the proceeds of the sale of any other obligations of the Town or from any other funds legally available for that purpose (including, without limitation, (i) with respect to any issued BANs, from the proceeds of any issued Bonds and, (ii) with respect to any issued Bonds, from the proceeds of any issued Refunding Bonds). Within the limitations of any applicable Maryland or federal law (including, without limitation, the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder), the Town may apply to the payment of the principal of or interest on the issued Obligations of any series 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 Town for the purpose of assisting the Town in accomplishing the components of Costs of the Project which the Obligations of such series 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 imposed may be reduced proportionately.

SECTION 10. By resolution, the 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 Town's behalf) in the event any right of the registered owner of an 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 to 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 11. By resolution, the Council may determine that any of the Bonds, the BANs or the Refunding Bonds may be consolidated with any other bonds, bond anticipation notes and/or refunding bonds authorized by the Council and issued as a single series of bonds, bond anticipation notes and/or refunding bonds, as applicable.

SECTION 12. By resolution the Council may make or authorize any modifications to (i) any series of the Obligations once issued, and (ii) any related documentation, certificates or instruments, unless under applicable law the proposed modifications require action by ordinance in addition to or in place of a resolution.

SECTION 13. With respect to any series of the Obligations, the Council by resolution may delegate to one or more specified officials the authority to negotiate, approve, execute and deliver, as applicable, any documents, agreements, certificates or instruments relating to such Obligations or to take other actions with respect thereto. The following Town officials: the Mayor, the Town Manager, the Clerk to the Council, the Finance Administrator, and all other appropriate officials of the Town are hereby authorized, empowered and directed to (i) take any and all action necessary to complete and close the sale, issuance and delivery of the Bonds, the BANs and the Refunding Bonds, (ii) negotiate, approve, execute and deliver all documents, agreements, 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 ordinance amendatory of or supplemental to this Ordinance, any resolution adopted in furtherance of this Ordinance (including any amendatory or supplemental resolutions), and any documents, agreements, certificates or instruments executed and delivered in connection with any series of the Obligations, all to the extent any particular action is within the scope of such official's authority and such authorization has not otherwise been delegated to one or more specified Town officials by ordinance or resolution.

SECTION 14. Nothing in this Ordinance shall be construed as preventing the Town from applying other available moneys to any of the purposes for which any series of the Obligations is issued, in addition to proceeds of such Obligations.

SECTION 15. In the event that, to the extent not prohibited by the Charter, at the time the Town seal needs to be or may be impressed or affixed on any of the Obligations or any related documents, agreements, certificates or instruments the position of the Town Manager (and therefore the Clerk to the Council) is vacant, or in the absence, disability or unavailability of any incumbent Town Manager, if no other Town official has the authority to attest to the impression or affixing of the Town seal under the Charter, the Town Code or other applicable law or authority, such attestation may be made by any of the following in the following order of priority: any Acting Clerk designated in accordance with Section C8-1 of the Charter, the Finance Administrator of the Town, the Administrative Assistant of the Town, or any other official designated by the Council by resolution,

motion or other appropriate action; provided that, the same official may not both execute any such document or agreement on behalf of the Town and attest to the impression or affixing of the Town seal on the same, but any such official may both certify to the impression or affixing of the Town seal on and make other certifications in any closing certificate.

SECTION 16. The provisions of this Ordinance shall be liberally construed in order to effectuate the transactions contemplated by this Ordinance.

SECTION 17. This Ordinance may be executed (i) in counterparts and/or (ii) to the extent not prohibited by applicable law, by electronic, stamped or facsimile signature, and all executed counterparts of this Ordinance shall be treated as one and the same ordinance.

SECTION 18. This Ordinance shall become effective twenty (20) calendar days following approval by the Mayor or passage by the Council over the Mayor's veto, subject to the provisions of Section C2-11 of the Charter.

[CONTINUED ON FOLLOWING PAGE]

Introduced this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Jim Roark  
Clerk of the Council

Passed this \_\_\_\_\_ day of \_\_\_\_\_, 2024 by a vote of \_\_\_\_\_ Council members in favor, \_\_\_\_\_ Council members opposed, and \_\_\_\_\_ abstentions.

Delivered to the Mayor for his approval or disapproval this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

ATTEST:

\_\_\_\_\_  
Jim Roark  
Clerk of the Council

\_\_\_\_\_  
Christopher M. Nevin  
Mayor

Effective this \_\_\_\_\_ day of \_\_\_\_\_, 2024

Approved as to form and legal sufficiency:

By: \_\_\_\_\_  
Michelle M. Ostrander, Esquire  
Town Attorney

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NOTE: Matter in [brackets] is deleted from the Ordinance as introduced.  
Matter underlined is new material added to the Ordinance following introduction.

#236896;50021.011