



## RECITALS

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

2. Pursuant to the authority of Sections 19-211 to 19-223, inclusive, of the Local Government Article of the Annotated Code of Maryland (previously codified as Section 12 of Article 31 of the Annotated Code of Maryland), as replaced, supplemented or amended (the “Bond Anticipation Note Enabling Act”), the City is authorized and empowered to issue general obligation bond anticipation notes in order to obtain interim financing prior to issuing any general obligation bonds authorized by the City.

3. The City has determined to undertake a public purpose project referred to by the City as the “Maryland Avenue Redevelopment Project”, which involves the acquisition, demolition and improvement of certain properties in the general vicinity of Maryland Avenue and, in connection therewith, to finance, reimburse or refinance related costs of, as applicable, land and right-of-way acquisition and development; site and utility improvements; acquisition, demolition, removal, reconstruction, replacement, renovation, rehabilitation, construction, improvement,

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

4. Pursuant to the authority of the Enabling Act, the Bond Anticipation Note Enabling Act and the Charter, as applicable, and Ordinance No. 3793, passed by the Mayor and City Council of the City (the "Mayor and City Council") on December 15, 2015 and effective on January 14, 2016 ("Ordinance No. 3793"), the City authorized (i) 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 aggregate principal amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) (collectively, the "Bonds") for the public purpose of financing, reimbursing or refinancing costs of any components of the Project, and (ii) the issuance and sale from time to time, upon its full faith and credit, of one or more series of its general obligation bond anticipation notes in an aggregate principal amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) (collectively, the "BANs") prior to and in anticipation of the sale of any series of the Bonds in order to finance or reimburse costs of the Project on an interim basis, pay costs and expenses in connection with the issuance, sale and delivery of the BANs, and, to the extent determined by the Mayor and City Council by resolution, pay capitalized interest on the BANs.

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5. The City has determined that it may need to borrow more than Two Million Five Hundred Thousand Dollars (\$2,500,000) in order to finance, reimburse or refinance Project costs on an interim and/or permanent basis, and desires to increase the maximum aggregate principal amount of the Bonds and the BANs authorized to be issued and sold for purposes of the Project.

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

SECTION 1. 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 that are not otherwise defined herein shall have the meanings given to such terms in the Recitals to this Ordinance.

SECTION 2. From and after the effective date of this Ordinance, subsection (a) of Section 3 of Ordinance No. 3793 shall be deleted in its entirety and inserted in place thereof shall be the following:

SECTION 3. (a) To evidence the borrowing and indebtedness authorized in Section 2 of this Ordinance, the City, acting pursuant to the authority of the Enabling Act and the Charter, hereby determines to issue and sell from time to time, in one or more series, upon its full faith and credit, its general obligation bonds in an aggregate principal amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) (collectively, the “Bonds”). Any series of the Bonds may consist of one or more bonds and any such bond may be issued in installment form and/or draw-down form.”

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SECTION 3. From and after the effective date of this Ordinance, subsection (a) of Section 6 of Ordinance No. 3793 shall be deleted in its entirety and inserted in place thereof shall be the following:

“SECTION 6. (a) Pursuant to the authority of the Bond Anticipation Note Enabling Act, the City is hereby authorized and empowered to issue and sell from time to time, upon its full faith and credit, one or more series of its general obligation bond anticipation notes in an aggregate principal amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) (collectively, the “BANs”) prior to and in anticipation of the sale of any series of the Bonds in order to finance or reimburse costs of the Project on an interim basis, pay costs and expenses in connection with the issuance, sale and delivery of the BANs, and, to the extent determined by the Mayor and City Council by resolution, pay capitalized interest on the BANs. Any such series of the BANs may consist of one or more notes and any such note may be issued in installment form and/or draw-down form. Prior to the issuance, sale and delivery of each series of the BANs, the Mayor and City Council shall adopt a resolution or resolutions pursuant to the authority of the Bond Anticipation Note Enabling Act, the Charter and this Ordinance authorizing such series of the BANs and specifying, prescribing, determining or providing for the determination of, providing for, or approving or providing for the approval of, with respect to such series of the BANs, the types of matters, details, forms, documents or procedures and determinations specified to be made or addressed in Section 5 hereof with respect to each series of the Bonds, to the extent applicable with respect to such

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series of the BANs, and as otherwise may be authorized or required by applicable law. Unless the Mayor and City Council determines otherwise in a resolution providing for any series of the BANs, pursuant to the authority of the Bond Anticipation Note Enabling Act, each series of the BANs shall be sold by private negotiation due to the ability to time the market, negotiate terms and thereby achieve a beneficial interest rate or rates and other beneficial terms by undertaking a private sale, and the lower costs of issuance typically incurred with a negotiated sale.”

SECTION 4. From and after the effective date of this Ordinance, Ordinance No. 3793 shall be amended and supplemented as provided herein, and all other terms and provisions of Ordinance No. 3793 shall otherwise remain in full force and effect.

SECTION 5. The provisions of this Ordinance shall be liberally construed in order to effectuate the transactions contemplated by this Ordinance.

SECTION 6. The title of this Ordinance shall be deemed to be, and is, a fair summary of this Ordinance for publication and all other purposes.

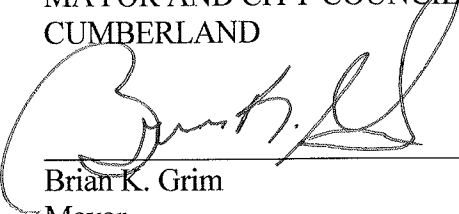
SECTION 7. This Ordinance shall become effective thirty (30) days after its passage pursuant to the provisions of Section 82A of the Charter, subject to the petition-to-referendum provisions of Section 82A(c) of the Charter.

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MAYOR AND CITY COUNCIL OF  
CUMBERLAND

  
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Brian K. Grim  
Mayor

(SEAL)

ATTEST:

  
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Marjorie A. Woodring, City Clerk

Introduced:     **May 3**    , 2016

Passed:     **May 17**    , 2016

Votes for passage:         **5**        

Votes against passage:         **0**        

Abstentions:         **0**        

Effective:     **June 16**    , 2016

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