

EXECUTIVE ORDER  
COUNTY EXECUTIVE  
OF  
HOWARD COUNTY, MARYLAND

Executive Order No. 2020-06

Subject: An Order determining various matters in connection with the sale and issuance of Howard County, Maryland General Obligation Bonds, Consolidated Public Improvement Project Bonds, 2020 Series A (Tax-Exempt), Metropolitan District Project Bonds, 2020 Series B (Tax-Exempt), Consolidated Public Improvement Project and Refunding Bonds, 2020 Series C (Taxable) and Metropolitan District Refunding Bonds, 2020 Series D (Taxable)

WHEREAS, pursuant to Council Bill No. 44-2019 passed by the County Council of Howard County, Maryland (the "County Council") on October 7, 2019 and approved by the County Executive of Howard County, Maryland (the "County Executive") and effective on October 14, 2019 (the "Bond Ordinance") and Council Bill No. 45-2019 passed by the County Council on October 7, 2019 and approved by the County Executive on October 14, 2019 (the "Refunding Ordinance"), it was provided that the County Executive shall determine by order matters concerning the sale, issuance, delivery and payment of the Bonds (as defined below), including maturities of outstanding general obligation bonds of Howard County, Maryland (the "County") to be refunded, the date or dates of sale, date or dates of the Bonds, the aggregate principal amount of the Bonds, the interest payment dates of the Bonds, manner of authentication of the Bonds, manner of numbering of the Bonds and selection of a paying agent and bond registrar; and

WHEREAS, the net proceeds of the Bonds (as defined below) will be used to (i) repay all or a portion of the County's outstanding Master General Obligation Bond Anticipation Note, Series 2017A (Tax-Exempt) (the "Note"), (ii) reimburse the County for the cost of Public Improvement projects, (iii) refund certain of the County's outstanding general obligations bonds (the "Refunded Bonds"), and (iv) pay the costs of issuing the Bonds; and

WHEREAS, the County Executive has determined to prescribe such terms of the Bonds by this Order.

NOW, THEREFORE, BE IT ORDERED AND DETERMINED:

Section 1. General obligation bonds of Howard County, Maryland (the “County”) designated as “Consolidated Public Improvement Project Bonds, 2020 Series A (Tax-Exempt)” (the “Public Improvement Bonds”) are authorized to be issued, sold and delivered pursuant to the Bond Ordinance, this Order, and the statutes and other authority cited therein and shall be issued in the maximum aggregate principal amount of \$145,000,000, subject to the provisions of this Order.

Section 2. General obligation bonds of the County designated as “Metropolitan District Project Bonds, 2020 Series B (Tax-Exempt)” (the “Metropolitan District Bonds”) are authorized to be issued, sold and delivered pursuant to the Bond Ordinance, this Order, and the statutes and other authority cited therein and shall be issued in the maximum aggregate principal amount of \$60,000,000, subject to the provisions of this Order.

Section 3. General obligation bonds of the County designated as “Consolidated Public Improvement Project and Refunding Bonds, 2020 Series C (Taxable)” (the “CPI Taxable Bonds”) are authorized to be issued, sold and delivered pursuant to the Bond Ordinance, the Refunding Ordinance, this Order, and the statutes and other authority cited therein and shall be issued in the maximum aggregate principal amount of \$150,000,000, subject to the provisions of this Order.

Section 4. General obligation bonds of the County designated as “Metropolitan District Refunding Bonds, 2020 Series D (Taxable)” (the “MD Taxable Bonds”) are authorized to be issued, sold and delivered pursuant to the Bond Ordinance, the Refunding Ordinance, this Order, and the statutes and other authority cited therein and shall be issued in the maximum aggregate principal amount of \$55,000,000, subject to the provisions of this Order.

Section 5. The Public Improvement Bonds, the Metropolitan District Bonds, the CPI Taxable Bonds and the MD Taxable Bonds (collectively, the “Bonds”) shall be dated the date of their initial delivery and shall be issuable in registered form in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof. The Bonds will initially be issued in book-entry only form without physical distribution of certificates to the public. The Depository Trust Company (“DTC”) will act as the securities depository for the Bonds and the Bonds will be registered in the name of Cede & Co. as nominee for DTC. The Bonds of each issue, when first issued, may be numbered from No. R-1 upward in the order of their maturities or in some other manner which conforms to standard bond registration practices and is acceptable to DTC and the Director of Finance. Registration books (the “Bond Register”) for the Bonds shall be maintained by the County, which shall also act as paying agent for the Bonds (the “Bond Registrar and Paying Agent”). The Director of Finance from time to time may designate a bank or other financial institution to serve as Bond Registrar and Paying Agent upon thirty (30) days’ prior written notice to the registered owners of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, the County will send all payments of principal of and premium, if any, and interest on and notices to Cede & Co., and consider Cede & Co. as registered owner for all other purposes under the Bond Ordinance and the Refunding Ordinance. Principal payments shall be made to Cede & Co. by check, draft or wire transfer at its address as it appears on the Bond Register on the respective

payment or redemption dates. Interest shall be paid to Cede & Co. by check, draft or wire transfer at its address as it appears on the Bond Register, such interest being payable semi-annually on February 15 and August 15 in each year (commencing August 15, 2020), accruing from the most recent date to which interest has been paid or, if no interest has been paid, from the date of initial delivery of the Bonds.

The Bonds shall contain similar provisions to and be in substantially the forms set forth in Exhibits A, B, C, and D attached hereto, with such variations as are necessary or appropriate to reflect the provisions with respect to book-entry bonds set forth herein as long as the Bonds are in book-entry form. So long as the Bonds are in book-entry form, the manual or facsimile signature of the Director of Finance shall be sufficient to authenticate the Bonds. Bonds issued substantially in accordance with such forms, with appropriate insertions as indicated, when properly executed and authenticated as required by this Section, shall be deemed to constitute unconditional general obligations of the County, to the payment of which, in accordance to the terms thereof, the County's full faith and credit are pledged, and all the covenants and conditions contained in such Bonds shall be deemed to be binding on the County.

Section 6. The net proceeds of the Bonds, including any premium received therefor, will be used to repay all or a portion of the Notes, refund all or a portion of the Refunded Bonds set forth in Exhibit E attached hereto, pay or reimburse the County for the payment of costs related to certain projects and pay the costs of issuing the Bonds, and as otherwise permitted under the Bond Ordinances and the Refunding Ordinance. The refunding of the Refunded Bonds meets a public purpose of restructuring the debt of such Refunded Bonds in order to realize savings to the County in the aggregate cost of debt service. The Director of Finance is hereby authorized to finally determine the maturities of the Refunded Bonds to be redeemed with the proceeds of the Bonds in accordance with the provisions of this Order.

Section 7. A portion of the proceeds of the sale of the Bonds shall be paid to the Director of Finance who shall deposit the same with an escrow deposit agent in trust accounts established in the name of the County as hereinafter provided. Such proceeds shall be paid over to Manufacturers and Traders Trust Company, to be held, administered and disbursed by it in its capacity as escrow deposit agent under an Escrow Deposit Agreement (the "Escrow Deposit Agreement") substantially in the form attached hereto as Exhibit F, with such additions, deletions, and modifications as the Director of Finance shall deem necessary or appropriate.

Section 8. (a) The Public Improvement Bonds shall mature on August 15 in installments as serial or term bonds, commencing on August 15, 2020 and shall bear interest at the rates set forth in the bids selected by the Director of Finance in accordance with Section 9 of this Order. The final maturity for the Public Improvement Bonds shall not be later than August 15, 2039.

(b) The Metropolitan District Bonds shall mature on August 15 in installments as serial or term bonds, commencing on August 15, 2020 and shall bear interest at the rates set forth in the bids selected by the Director of Finance in accordance with Section 9 of this Order. The final maturity for the Metropolitan District Bonds shall not be later than August 15, 2049.

(c) The CPI Taxable Bonds shall mature on August 15 in installments as serial or term bonds, commencing on August 15, 2020 and shall bear interest at the rates set forth in the bids selected by the Director of Finance in accordance with Section 9 of this Order. The final maturity for the CPI Taxable Bonds shall not be later than August 15, 2039.

(d) The MD Taxable Bonds shall mature on August 15 in installments as serial or term bonds, commencing on August 15, 2020 and shall bear interest at the rates set forth in the bids selected by the Director of Finance in accordance with Section 9 of this Order. The final maturity for the MD Taxable Bonds shall not be later than August 15, 2044.

Section 9. Bonds maturing on and after August 15, 2031 are subject to redemption prior to their respective maturities, at the option of the County, on or at any time after August 15, 2030, in whole or in part, at a redemption price of 100 percent of the principal amount thereof, together with interest accrued to the redemption date, or at such other redemption price as the Director of Finance shall approve.

Section 10. Current market conditions are volatile and an inflexible approach to borrowing by the County threatens its ability to initiate necessary capital projects and will diminish the resources available to provide for the needs of the citizens of the County and the interest of the County are best served by providing the County with reasonable flexibility in accessing the capital markets.

Section 11. The Bonds shall therefore be sold by private negotiated sale to Citigroup Global Markets Inc., Barclays Capital Inc., M&T Securities, Inc. and Siebert Williams Shank & Co., LLC (collectively, the "Underwriters") upon the terms and conditions set forth in the Bond Purchase Agreements to be entered into among the County and the Underwriters.

Section 12. The distribution of the Preliminary Official Statement is hereby ratified and approved and the execution and delivery of a final official statement (the "Official Statement") regarding the issuance and sale of the Bonds is hereby authorized. The Chief Administrative Officer and the Director of Finance are hereby authorized and directed to prepare, execute, issue and distribute the Official Statement in connection with the sale of the Bonds.

Section 13. Prior to the delivery of the Bonds, the County shall have received a report from a firm of independent certified public accountants, nationally recognized in the field of refunding of tax-exempt obligations, verifying that the maturing principal amounts of the obligations held in the funds created under the Escrow Deposit Agreement and interest earned thereon, together with any other amounts deposited in such funds, will be sufficient to pay all principal of and interest on the Refunded Bonds when due and all redemption prices of the Refunded Bonds and accrued interest thereon on their respective dates of redemption.

Section 14. In connection with the Bonds, the County shall enter into a continuing disclosure agreement pursuant to which the County shall provide certain information and notices to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB. Such continuing disclosure agreement shall be substantially in the form attached as Appendix B to the Preliminary Official Statement. The Director of Finance of

the County is hereby authorized to execute and deliver such continuing disclosure agreement in connection with the issuance of the Bonds.

Section 15. The County shall comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to the Public Improvement Bonds and the Metropolitan District Bonds (together, the "Tax-Exempt Bonds"), including, without limitation, compliance with any provisions of the Code regarding the timing of the expenditure of the proceeds of such Tax-Exempt Bonds, the use of such proceeds, the restriction of investment yields, the filing of information with the IRS and the rebate of certain earnings resulting from the investment of the proceeds of the Tax-Exempt Bonds. The County shall make such use of the proceeds of the Tax-Exempt Bonds, regulate the investment of the proceeds thereof and take such other and further actions as may be required to maintain the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

Section 16. There may be deducted from the gross proceeds received from the sale of the Bonds the cost of printing, underwriting fees and expenses and legal fees and expenses relating to such sale as may be determined by the Director of Finance. There may also be deducted from the gross proceeds of the sale of the Bonds any other incidental expenses relating thereto and the reimbursement of the general tax receipts of the County for any monies previously expended therefrom for the projects more specifically described in this Order.

Section 17. The Chief Administrative Officer of the County is hereby authorized and directed to take such actions required or permitted to be taken by the County Executive pursuant to the Bond Ordinance and the Refunding Ordinance in connection with the sale and issuance of the Bonds.

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This Order shall take effect this 24<sup>th</sup> day of April, 2020.

[SEAL]



HOWARD COUNTY, MARYLAND

ATTEST:

  
Lonnie R. Robbins  
Chief Administrative Officer  
Howard County, Maryland

By:   
Calvin Ball  
County Executive  
Howard County, Maryland

[Signature page to Executive Order]