

MODEL ORDINANCE [RESOLUTION] NO. _____

**[NAME OF ISSUER]
INFRASTRUCTURE BONDS, 20__ SERIES [A]**

AN ORDINANCE [A RESOLUTION] OF [NAME OF ISSUER], A [MUNICIPAL CORPORATION/POLITICAL SUBDIVISION] OF THE STATE OF MARYLAND (THE “ISSUER”), PROVIDING FOR THE ISSUANCE AND SALE OF AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED _____ DOLLARS (\$ _____) OF BONDS OF [NAME OF ISSUER], MARYLAND, TO BE KNOWN AS “[NAME OF ISSUER], INFRASTRUCTURE BONDS, 20__ SERIES ____” (OR BY SUCH OTHER OR ADDITIONAL DESIGNATIONS AS REQUIRED BY THE COMMUNITY DEVELOPMENT ADMINISTRATION IDENTIFIED HEREIN) (THE “BONDS”), TO BE ISSUED AND SOLD PURSUANT TO THE AUTHORITY OF SECTIONS 4-101 THROUGH 4-255 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED, FOR THE PURPOSE OF (I) PROVIDING ALL OR A PORTION OF THE FUNDS NECESSARY FOR FINANCING AND/OR REFINANCING THE FOLLOWING PROJECTS: [IDENTIFY PROJECTS FOR WHICH BOND PROCEEDS WILL BE SPENT], [(II) REFUNDING OUTSTANDING [NAME OF DEBT OBLIGATION(S) TO BE REFUNDED],] (III) FUNDING A PORTION OF A CAPITAL RESERVE FUND AND/OR OTHER RESERVES AND (IV) PAYING ISSUANCE AND OTHER COSTS RELATED TO THE BONDS; PROVIDING THAT THE BONDS SHALL BE ISSUED UPON THE FULL FAITH AND CREDIT OF THE ISSUER; PROVIDING FOR THE DISBURSEMENT OF THE PROCEEDS OF THE SALE OF THE BONDS AND FOR THE LEVY OF ANNUAL TAXES UPON ALL ASSESSABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE ISSUER FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS AS THEY SHALL RESPECTIVELY MATURE; PROVIDING FOR THE FORM, TENOR, DENOMINATION, MATURITY DATE OR DATES AND OTHER PROVISIONS OF THE BONDS; PROVIDING FOR THE SALE OF THE BONDS; AND PROVIDING FOR RELATED PURPOSES, INCLUDING (WITHOUT LIMITATION) THE METHOD OF FIXING THE INTEREST RATE OR RATES TO BE BORNE BY THE BONDS, THE APPROVAL, EXECUTION AND DELIVERY OF DOCUMENTS, AGREEMENTS, CERTIFICATES AND INSTRUMENTS AND THE MAKING OF OR PROVIDING FOR THE MAKING OF REPRESENTATIONS AND COVENANTS CONCERNING THE TAX STATUS OF INTEREST ON THE BONDS.

WHEREAS, the [NAME OF ISSUER] (the “Issuer”) is a [municipal corporation/political subdivision] of the State of Maryland organized and operating under [a charter (the “Charter”) adopted in accordance with Article XI-E of the Constitution of Maryland

/other statutory authority] and relevant sections of the Local Government Article of the Annotated Code of Maryland, as amended; and

WHEREAS, Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the “Act”), authorize the Community Development Administration (the “Administration”), a governmental unit in the Division of Development Finance of the Department of Housing and Community Development, a principal department of the government of the State of Maryland, to provide financial assistance to political subdivisions and municipal corporations to finance, among other things, infrastructure projects and to establish a capital reserve fund in connection therewith; and

WHEREAS, pursuant to the authority of the Act, the Issuer has determined to issue one or more of its general obligation bonds in the aggregate principal amount not to exceed _____ Dollars (\$ _____) (the “Bonds” as defined herein) for the purpose of (i) financing and/or refinancing all or a portion of the costs of the Project (as defined herein), [(ii) refunding outstanding Prior Bonds (as defined herein),] (iii) funding a portion of a capital reserve fund and/or other reserves required by the Administration under the Program identified below and (iv) paying issuance and other costs related to the Bonds; and

WHEREAS, the Issuer proposes to issue and sell the Bonds to the Administration, in connection with the Local Government Infrastructure Financing Program of the Administration (the “Program”); and

WHEREAS, it is the intention of the Issuer by this Ordinance [Resolution] to provide for the issuance and sale of the aforementioned Bonds and to obtain a loan or loans from the Administration pursuant to the Program (collectively, the “Loan”); and

WHEREAS, the Issuer intends to authorize the execution and delivery of the Bonds and all other documents, certificates and other materials related to the issuance, sale and delivery of the Bonds and the Loan; and

WHEREAS, the Administration intends to issue one or more series of its Local Government Infrastructure Bonds to finance the Loan and other loans to be financed pursuant to the Program.

NOW, THEREFORE, BE IT ORDAINED [RESOLVED] BY [NAME OF THE ISSUER]:

Section 1. Authorization, Terms, Form of Bonds.

(a) The [NAME OF ISSUER] (the “Issuer”) shall borrow upon its full faith and credit and shall issue and sell upon its full faith and credit an aggregate principal amount not to exceed _____ Dollars (\$ _____) of its general obligation bonds, to be issued pursuant to the authority of Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the “Act”), to be known as the [“NAME OF ISSUER] Infrastructure Bonds, 20__ Series __”, as such designation may be modified by the Administration (defined below) prior to issuance (the “Bonds”). The proceeds from the sale of the Bonds shall be used for the purpose of (i) providing all or a portion of the funds necessary for financing and/or refinancing of the costs of [IDENTIFY PROJECTS FOR WHICH BOND PROCEEDS WILL BE SPENT] (collectively, the “Project”), [(ii) refunding outstanding [NAME OF DEBT OBLIGATION(S) TO BE REFUNDED] ([collectively,]the Prior Bonds”),] (iii) funding a portion of a capital reserve fund and/or other reserves required by the Administration under the Program and (iv) paying issuance and other costs related to the Bonds.

(b) The Bonds shall be issued as one or more fully registered bond certificate(s) in the aggregate principal amount not to exceed _____ Dollars (\$ _____) payable to the Community Development Administration (the “Administration”) as the registered owner thereof. The Bonds shall be issued in such amount or such lesser amount as determined by the [Government Officer (e.g. Mayor, President of Council or other Chief Executive Government Officer)] pursuant to subsection (g) below, which shall be equal to the principal amount of the loan to the Issuer from the Administration (the “Loan”) under the Local Government Infrastructure Financing Program of the Administration (the “Program”).

(c) The Bonds shall be dated as of the date of issue, or as of such other date as is specified by the Administration; shall be numbered from R-1 upward or as otherwise required by the Administration; shall be initially registered in the name of the Administration or its designee; shall bear interest from the date of issuance of the Local Government Infrastructure Bonds issued by the Administration (the “Administration’s Bonds”), payable semiannually on April 1 and October 1, at such annual rate or rates and be payable in annual principal installments at the designated office of the Administration.

(d) The Bonds shall bear interest at an aggregate rate or rates of interest for a total interest cost (expressed as a yield) not to exceed ____ percent for a loan with a maturity of five years, ____ percent for a loan with a maturity of ten years, ____ percent for a loan with a maturity of fifteen years, ____ percent for a loan with a maturity of twenty years, ____ percent for a loan with a maturity of twenty-five years, and _____ percent for a loan with a maturity of up to thirty years, the actual maturity or maturities and rate or rates of interest to be borne by the

Bonds to be determined and established by the [Government Officer] of [Name of Issuer] acting pursuant to Section 1(g) of this Ordinance [Resolution].

(e) The Bonds shall be in substantially the form set forth on Exhibit A attached hereto and made a part hereof, which form, together with all of the covenants and conditions therein contained, is hereby adopted by the Issuer as and for the form of obligation to be incurred by the Issuer and such covenants and conditions are hereby made binding upon the Issuer, including the promise to pay therein contained.

(f) The Bonds are to be issued in connection with the Program (i) to finance and/or refinance all or a portion of the Project, [(ii) to refund the outstanding Prior Bonds,] (iii) to fund a portion of a capital reserve fund and/or other reserves required by the Administration under the Program and (iv) to pay issuance and other related costs of the Bonds. Under the Program, the Issuer will enter into a Repayment Agreement and a Pledge Agreement with the Administration (respectively, the “Repayment Agreement” and the “Pledge Agreement”). The Issuer also will execute and deliver in connection with the issuance of the Bonds and the Program any additional documents, agreements, instruments and certificates requested by the Administration (which, together with the Repayment Agreement and the Pledge Agreement are herein referred to as the “Program Documents”). The Program Documents shall be in such form and shall contain such terms and conditions as shall be approved by the [Government Officer] of [Name of Issuer] and be acceptable to the Administration.

(g) Because this Ordinance [Resolution] is being adopted before the details have been finalized for the financing pursuant to which the Administration will issue the Administration’s Bonds (the “Administration Financing”) that will fund the Loan to the Issuer under the Program, the [Government Officer] of [Name of Issuer] is hereby authorized to make such changes to the amount and form of the Bonds, including insertions therein or additions or deletions thereto, as may be necessary or appropriate to conform the terms of the Bonds to the terms of the financing to be provided to the Issuer under the Program. Without limiting the foregoing, it is presently contemplated that the Loan will be in an amount not to exceed \$_____ in aggregate principal amount hereby authorized, subject to final approval by the Administration; accordingly, the [Government Officer] of [Name of Issuer] is specifically authorized: (i) to make changes to the maturity or maturities and aggregate principal amount of the Bonds in order to reflect the final aggregate principal amount of the Loan not to exceed \$_____ as approved by the Administration and accepted by the Issuer and (ii) to authorize and approve an interest rate or rates and payment schedule(s) reflecting the principal and interest payments with respect to the Bonds but not to exceed the maximum total interest cost to be borne by the Bonds as set forth in subsection (d) above.

(h) This borrowing shall be exempt from the provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated Code of Maryland, as amended.

[(i) This borrowing is in conformance with and does not exceed any and all applicable debt limitations under the Charter.]

Section 2. Execution. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the [Government Officer] of [Name of Issuer], and the seal of the Issuer shall be affixed thereto or reproduced thereon and attested by the manual signature of the [Clerk/Other Officer] of the Issuer. The Program Documents shall be executed on behalf of the Issuer by an authorized official of the Issuer. In the event any official whose signature appears on any of the Bonds or the Program Documents shall cease to be an official prior to the delivery of the Bonds or the Program Documents, or, in the event any official whose signature appears on any of the Bonds or the Program Documents becomes an official or officer after the date of the issue, the Bonds and the Program Documents shall nevertheless be valid and binding obligations of the Issuer in accordance with their terms. The [Government Officer] of the Issuer is hereby authorized, empowered and directed to complete the applicable form of the Bonds and to make modifications, deletions, corrections or other changes thereto in any manner which the [Government Officer], in the [Government Officer]'s discretion, shall deem necessary or appropriate to complete the issuance and sale of the Bonds, as will not alter the substance thereof. The [Government Officer] or other duly authorized official of the Issuer is hereby authorized, empowered and directed to complete the applicable form of the Program Documents and to make modifications, deletions, corrections or other changes thereto in any manner which such official, in the discretion of such official, shall deem necessary or appropriate to complete the execution and delivery of the Program Documents in accordance with the provisions of this Ordinance [Resolution], as will not alter the substance thereof. The execution and delivery of the Bonds and the Program Documents by the duly authorized official shall be conclusive evidence of such official's approval of the form and substance thereof.

Section 3. Registration of Bonds. The [Clerk/Other Officer] shall act as registrar for the Bonds and shall maintain registration books for the registration and registration of transfer of the Bonds. No security or bond shall be required of the [Clerk/Other Officer] in the performance of the duties of registrar for the Bonds.

The Issuer may deem and treat the person in whose name any Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on such Bond and for all other purposes.

Section 4. Prepayment. The Bonds are being issued in connection with the Program and will secure payment of the Administration's Bonds, which are being issued by the Administration to provide funds to purchase the Bonds from the Issuer, among other purposes. The Repayment Agreement limits the right of the Issuer to prepay the Bonds in accordance with

restrictions upon the right of the Administration to redeem the Administration's Bonds. Accordingly, the Issuer may prepay the Bonds only in accordance with the provisions of the Repayment Agreement and the terms governing prepayments as set forth in the Bonds.

Section 5. Replacement of Mutilated, Lost, Stolen, or Destroyed Bonds. In case any Bond (a "Bond" being, for purposes of this Section, any one of the Bonds) shall become mutilated or be destroyed, lost or stolen, the Issuer may cause to be executed and delivered a new Bond of like date and tenor and bearing the same or a different number, in exchange and substitution for each Bond mutilated, destroyed, lost or stolen, upon the owner paying the reasonable expenses and charges of the Issuer in connection therewith and, in the case of any Bond being destroyed, lost or stolen, upon the owner filing with the Issuer evidence satisfactory to it that such Bond was destroyed, lost or stolen, and furnishing the Issuer with indemnity satisfactory to it. Any Bond so issued in substitution for a Bond so mutilated, destroyed, lost or stolen: (i) may be typewritten, printed or otherwise reproduced in a manner acceptable to the Administration, and (ii) shall constitute an original contractual obligation on the part of the Issuer under this Ordinance [Resolution] whether or not the Bond in exchange for which said new Bond is issued shall at any later date be presented for payment and such payment shall be enforceable by anyone, and any such new Bond shall be equally and proportionately entitled to the benefits of this Ordinance [Resolution] with all other like Bonds, in the manner and to the extent provided herein.

Section 6. Use of Proceeds. The proceeds of the Bonds shall be held and invested by the Administration in its sole discretion and shall be:

(a) Administered and disbursed by the Administration pursuant to the Repayment Agreement. The proceeds of the Bonds shall be used, when and as required, to pay Development Costs (as defined in the Repayment Agreement).

(b) After [the Prior Bonds have been refunded,] the Project has been completed and all Development Costs in connection therewith have been paid, any balance of the proceeds of the sale of the Bonds held by the Administration under the Repayment Agreement may be applied to the next maturing principal installment, payment of interest on the Bonds or prepayment of the Bonds, as permitted by the Administration.

Section 7. Covenants. The Issuer covenants with the Administration, for the benefit of the Administration and the owners from time to time of the Bonds, that so long as the Bonds or installments of principal thereunder shall remain outstanding and unpaid:

(a) The Issuer will duly and punctually pay, or cause to be paid, to the Administration the principal of the Bonds, premium (if any) and interest accruing thereon, at the dates and places

and in the manner mentioned in the Bonds from unlimited ad valorem taxes in the event that available funds are inadequate to make such payment.

(b) The Issuer covenants that so long as any of the Bonds are outstanding and not paid, unless other funds are available for payment of principal of, premium, if any, and interest on the Bonds, it shall levy annually, in the manner prescribed by law, a tax on all real and tangible personal property within its corporate limits subject to assessment for unlimited taxation, ad valorem taxes in rate and amount sufficient to provide for the payment of the principal of and interest on the Bonds as the same become due and payable; and in the event that the revenues available from the taxes so levied in any fiscal year shall prove inadequate for the above purposes, the Issuer shall levy additional taxes in the succeeding fiscal year to make up such deficiency; and the full faith and credit and the unlimited taxing power of the Issuer are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as the same become due.

(c) The Issuer will promptly provide to the Administration (or to any person designated by the Administration) all financial information and operating data concerning the Issuer as may be required by the Administration in its discretion in order to comply with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, as in effect from time to time, applicable to the Administration's Bonds.

Section 8. Ordinance [Resolution] a Contract. The provisions of this Ordinance [Resolution] shall constitute a contract with the purchasers and owners from time to time of the Bonds, and this Ordinance [Resolution] shall not be repealed, modified or altered in any manner materially adverse to the Administration and/or the interests of such purchasers or owners while the Bonds or any portion thereof remain outstanding and unpaid without the consent of the owners of the Bonds and the Administration.

Section 9. Pledge of Local Government Payments. As contemplated and authorized by Section 4-229(b) of the Act, the Issuer hereby pledges, assigns and grants a lien and a security interest to the Administration, its successors in trust and assigns, in all right title and interest of the Issuer in and to the Local Government Payments (as defined in the Pledge Agreement), now or hereafter acquired, (i) to secure payment of the principal of, premium, if any, and interest on the Bonds and any other Local Obligations (as defined in the Pledge Agreement) issued and to be issued from time to time by the Issuer under the Program and (ii) to provide for deposits to the capital reserve fund securing the Bonds and/or other reserves required under the Program the amount of the Issuer's portion of any deficiency in such capital reserve fund and/or such other reserves as the Administration shall require, all as more fully set forth and provided in the Pledge Agreement.

Section 10. Purchase Price of Bonds. The Bonds shall be sold for cash in accordance with the terms and provisions of this Ordinance [Resolution] at par, or if premium or discount is permitted by law, at such premium or discount as is agreed to by the Administration in accordance with the terms and provisions of this Ordinance [Resolution], and as authorized by Section 4-229(a) of the Act.

Section 11. Sale of Bonds. The Bonds shall be sold to the Administration under the Program at private sale, as authorized by Section 4-229(a) of the Act.

Section 12. Authority to Take Action; Publication and Public Hearing.

(a) The officials, officers and employees of the Issuer are hereby authorized and directed to do all acts and things required of them by the provisions of this Ordinance [Resolution], for the full, punctual and complete performance of all the terms, covenants and provisions of the Bonds, the Program Documents and this Ordinance [Resolution] and to do and perform all acts and to execute, seal and deliver all documents or instruments of writing which may be necessary or desirable to carry out the full intent and purpose of this Ordinance [Resolution] and the Program Documents.

(b) As required by the Act, prior to the issuance of the Bonds, the Issuer shall publish in a newspaper of general circulation in the jurisdiction of the Issuer a notice of the proposed issuance of the Bonds, which notice shall include the proposed amount of the issue, the nature of the project(s) to be financed or refinanced, the time and place of the public hearing, the name of the person(s) and address of the place where written comments may be sent, and the Issuer shall hold a public hearing on the proposed issuance of the Bonds. Such actions may be (or have been) taken prior to or simultaneously with the adoption of this Ordinance [Resolution].

[(c) Pursuant to the requirements of Section ____ of the Charter, the Issuer shall promptly cause a summary of this Ordinance [Resolution] to be published in the _____, once a week for ____ successive weeks [shall promptly cause a certified copy of this Ordinance [Resolution] to be posted at _____] [shall promptly cause a copy of this Ordinance [Resolution] to be filed in the records of _____].]

Section 13. Tax Matters

(a) The [Government Officer] and/or the [Financial Officer] shall be the officers of the Issuer responsible for the issuance of the Bonds within the meaning of the Arbitrage Regulations (defined herein). The [Government Officer] and/or the [Financial Officer] shall also be the officers of the Issuer responsible for the execution and delivery (on the date of issuance of the Bonds) of a certificate of the Issuer (the 'Section 148 Certificate') which complies with the

requirements of Section 148 of the Internal Revenue Code of 1986, as amended (“Section 148”), and the applicable regulations thereunder (the “Arbitrage Regulations”), and such official is hereby directed to execute the Section 148 Certificate and to deliver the same to the Administration on the date of the issuance of the Bonds. The Section 148 Certificate may be contained within any of the Program Documents at the discretion of the Administration.

(b) The Issuer shall set forth in the Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Bonds, or of any monies, securities or other obligations to the credit of any account of the Issuer which may be deemed to be proceeds of the Bonds pursuant to Section 148 or the Arbitrage Regulations (collectively, “Bond Proceeds”). The Issuer covenants that the facts, estimates and circumstances set forth in the Section 148 Certificate will be based on the Issuer’s reasonable expectations on the date of issuance of the Bonds and will be, to the best of the certifying official’s knowledge, true and correct as of that date.

(c) The Issuer covenants and agrees with each of the holders of any of the Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Bond Proceeds which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 and the regulations thereunder which are applicable to the Bonds on the date of issuance of the Bonds and which may subsequently lawfully be made applicable to the Bonds.

(d) The Issuer further covenants that it shall make such use of the proceeds of the Bonds, regulate the investment of the proceeds thereof, and take such other and further actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Bonds. All officials, officers, employees and agents of the Issuer are hereby authorized and directed to take such actions, and to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the Bonds, as may be necessary or appropriate from time to time to comply with, or to evidence the Issuer’s compliance with, the covenants set forth in this Section.

(e) The [Government Officer] and/or the [Financial Officer], on behalf of the Issuer, may make such covenants or agreements in connection with the issuance of Bonds issued hereunder as such officer(s) shall deem advisable in order to assure the registered owners of such Bonds that interest thereon shall be and remain excludable from gross income for federal income tax purposes, and such covenants or agreements shall be binding on the Issuer so long as the observance by the Issuer of any such covenants or agreements is necessary in connection with the maintenance of the exclusion of the interest on such Bonds from gross income for federal income tax purposes. The foregoing covenants and agreements may include such covenants or agreements on behalf of the Issuer regarding compliance with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), as the [Government Officer] and/or the [Chief Financial Officer] shall deem advisable in order to assure the registered owners of such Bonds

that the interest thereon shall be and remain excludable from gross income for federal income tax purposes, including (without limitation) covenants or agreements relating to the investment of the proceeds of such Bonds, the payment of rebate (or payments in lieu of rebate) to the United States, limitations on the times within which, and the purpose for which, such proceeds may be expended, or the use of specified procedures for accounting for and segregating such proceeds. Such officer(s) may also make on behalf of the Issuer any elections, designations or determinations authorized or permitted by the Code or the Arbitrage Regulations.

Section 14. Effective Date; Miscellaneous. (a) Pursuant to Section 4-232(c) of the Act, this Ordinance [Resolution] shall take effect from the date of its adoption, and it is the intent hereof that the laws of the State of Maryland shall govern its construction and the construction of the Bonds. Any copy of this Ordinance [Resolution] duly certified by the [Clerk/Other Officer] or the [Clerk/Other Officer]'s successor in office shall constitute evidence of the contents and provisions hereof.

(b) References in this Ordinance [Resolution] to the phrase “to finance,” “to pay” or “to fund” or similar phrases shall be deemed to refer to and include “to reimburse” or “to refinance” or similar phrases.

(c) To the extent not paid from proceeds of the Bonds, the Issuer shall pay costs of issuance relating to the Bonds from other available sources.

ADOPTED THIS _____ DAY OF _____, 20__ BY [GOVERNING BODY]
OF [THE NAME OF THE ISSUER], MARYLAND BY AFFIRMATIVE VOTE OF ____ TO
____ OPPOSED.

APPROVED THIS ____ DAY OF _____, 20__

[Government Officer]

ATTEST: _____
[Clerk/Other Officer]

Exhibit A. – Form of Bond

[FORM OF BOND]

EXHIBIT A

**United States of America
State of Maryland
[NAME OF ISSUER]
Infrastructure Bond, 20__ Series [A]**

No. R-1

[\$_____]

The [NAME OF ISSUER], a [MUNICIPAL CORPORATION/POLITICAL SUBDIVISION] duly organized and existing under the Constitution and laws of the State of Maryland (the "Issuer"), hereby promises to pay to the

Maryland Community Development Administration

or its registered assigns, the principal amount of [_____] Dollars (\$[_____]), plus interest on each unpaid principal installment at the rates per annum set forth under the column designated "Coupon" on Exhibit A attached hereto for each principal installment, in lawful money of the United States of America, as follows: (a) interest on the outstanding and unpaid principal of this bond shall be due and payable in semiannual payments commencing on _____, 20__, and continuing on the first day of [October] and [April] in each year thereafter until final maturity; and (b) principal of this bond shall be paid commencing on _____ and on [April] 1 in each year thereafter until final maturity in the aggregate amount of principal installments as set forth on Exhibit A. Payment of the principal hereof and the interest due hereon shall be made by check mailed to the address of the registered owner of this bond as shown on the registration books maintained by the Issuer, or in such other manner and to such other address as the registered owner of this bond may designate. If any payment of the principal of or interest on this bond shall be due on a day other than a Business Day (defined herein), such payment shall be made on the next Business Day with like effect as if made on the originally scheduled date. A "Business Day" is any day other than a Saturday, Sunday or legal holiday in the State of Maryland observed as such by the Issuer.

In the event any payment hereon (whether principal, interest or both) is not paid when due and payable, such payment shall continue as an obligation of the Issuer and shall bear interest until paid at the rate or rates of interest borne by this bond.

This bond, designated as “[NAME OF THE ISSUER] Infrastructure Bond, 20__ Series [A],” is a general obligation of the Issuer, and has been duly issued by the Issuer for the purpose of (i) providing all or a portion of the funds necessary for financing or refinancing the following projects: _____, [(ii) refunding the outstanding [NAME OF DEBT OBLIGATION(S) TO BE REFUNDED],] (iii) funding a portion of a capital reserve fund and/or other reserves required by the Administration (defined below) and (iv) paying issuance and other costs related to this bond. Unless paid from other sources, the Issuer covenants that so long as any portion of this bond is outstanding and not paid, it shall levy annually, in the manner prescribed by law, ad valorem taxes on all real and tangible personal property within its corporate limits subject to assessment for unlimited taxation, in rate and amount sufficient to provide for the payment of the principal of and interest on this bond as the same become due and payable.

This bond is issued pursuant to the authority of Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, Section __ of the Charter of the Issuer, and Ordinance [Resolution] __ of the Issuer passed/adopted on _____, 20__ (the “Ordinance” [the “Resolution”]). The full faith and credit of the Issuer are hereby irrevocably pledged to the payment of the principal of this bond and the interest to accrue hereon.

This bond is issued in connection with the Local Government Infrastructure Financing Program of the Community Development Administration, a governmental unit in the Division of Development Finance of the Department of Housing and Community Development, a principal department of the government of the State of Maryland (the “Administration”). This bond is subject to the terms and conditions of the Repayment Agreement dated as of _____, between the Issuer and the Administration (the “Repayment Agreement”).

This bond is not subject to prepayment by the Issuer prior to [June] 1, 20____. On or after _____, this bond is subject to prepayment by the Issuer at the prepayment prices, expressed as a percentage of the principal amount to be prepaid, plus accrued interest, if any, to the prepayment date, on the principal amount thereof, and during the periods (both dates inclusive) listed below:

Period	Price
_____ through _____	%
_____ through _____	
_____ and thereafter	

Notice of prepayment shall be given, the date of prepayment determined, and all prepayments of this bond shall be applied in accordance with the provisions of the Repayment Agreement.

The Issuer may treat the person in whose name this bond is registered as the absolute owner hereof, whether or not this bond shall be overdue, for the purpose of receiving payment thereof and for all other purposes whatsoever, and shall not be affected by any notice to the contrary, except as provided below.

This bond is assignable and upon such assignment the assignor shall promptly notify the Issuer by certified mail, and the assignee shall surrender this bond to the Issuer for transfer on the registration records and verification of the portion of the principal amount hereof and interest hereon paid or unpaid, and every such assignee shall take this bond subject to such condition. In connection with any transfer of this bond, the Issuer may make a charge sufficient to reimburse it for any tax, or other governmental charge required to be paid with respect to such transfer and any reasonable fees or expenses of the Issuer incurred in connection with such transfer.

Principal of this bond is paid in annual installments and this bond is subject to partial redemption without any notation of such payment being made on this bond or the surrender of this bond for cancellation and the issuance of a new bond or bonds in the amount of the unpaid principal hereof. Accordingly, the outstanding principal of this bond may be less than the stated face amount hereof and any purchaser or transferee of this bond should contact the Issuer and the prior owner of this bond to ascertain the outstanding face amount hereof.

As declared by Section 4-231(c) of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, this bond shall have and possess all the attributes of negotiable instruments as provided in Section 19-224 of the Local Government Article of the Annotated Code of Maryland, as amended. This bond is issued with the intent that the laws of the State of Maryland shall govern its construction.

No recourse shall be had for the payment of the principal of, the interest on, or for any claim based hereon or on the Ordinance [Resolution] against any elected or appointed official or employee, past, present or future of the Issuer or any agency thereof; and any such recourse, claim or liability is expressly waived by acceptance by the owner of the delivery of this bond.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to and in the issuance of this bond does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland, the Charter of the Issuer and the proceedings of the Issuer.

IN WITNESS WHEREOF, the [NAME OF ISSUER] has caused this bond to be signed in its name by the manual or facsimile signature of its [Government Officer], its corporate seal to be affixed hereto and attested by the manual signature of the [Clerk/Other Officer], as of _____, 20__.

ATTEST:

[NAME OF ISSUER]

[Clerk/Other Officer]

By: _____
[Government Officer],

[SEAL]

BOND PAYMENT SCHEDULE

[Use the following paragraph (with necessary modifications) to clarify the amount to be paid under the schedule prepared by the Financial Advisor.]

[Repayment Schedule to be Inserted.]

Each installment of Principal and Interest or Interest alone shall be the aggregate of amounts set forth in this Exhibit A for the date of such payment as shown under the heading designated “[Total].”