

BILLNO.03-09

A BILL ENTITLED

"REFUNDING BOND AUTHORIZATION"

A PUBLIC LOCAL LAW TO AUTHORIZE AND EMPOWER QUEEN ANNE'S COUNTY, MARYLAND FROM TIME TO TIME, TO BORROW NOT MORE THAN THIRTY FIVE MILLION SIX HUNDRED SIXTY FOUR THOUSAND DOLLARS (\$35,664,000) FOR THE PUBLIC PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE COUNTY, ALL AS MORE PARTICULARLY DESCRIBED HEREIN, AND TO EVIDENCE SUCH BORROWING BY THE ISSUANCE AND SALE AT PUBLIC OR PRIVATE SALE, UPON ITS FULL FAITH AND CREDIT, OF ONE OR MORE SERIES OF ITS GENERAL OBLIGATION BONDS IN LIKE PAR AMOUNT; EMPOWERING AND DIRECTING THE COUNTY TO ADOPT A RESOLUTION IN ACCORDANCE WITH SECTION 15(4) OF ARTICLE 25B OF THE ANNOTATED CODE OF MARYLAND (2001 REPLACEMENT VOLUME AND 2002 SUPPLEMENT) PRIOR TO ISSUING ALL OR ANY PART OF THE BONDS; EMPOWERING AND DIRECTING THE COUNTY TO LEVY AD VALOREM TAXES IN RATE AND AMOUNT SUFFICIENT TO PROVIDE FUNDS FOR THE PAYMENT OF THE MATURING PRINCIPAL OF AND INTEREST ON THE BONDS AND PLEDGING THE COUNTY'S FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER; EXEMPTING THE BONDS FROM THE PROVISIONS OF SECTIONS 9 TO 11, INCLUSIVE, OF ARTICLE 31 OF THE ANNOTATED CODE OF MARYLAND

(1997 REPLACEMENT VOLUME AND 2002 SUPPLEMENT); AND RELATING
GENERALLY TO THE ISSUANCE AND SALE OF SUCH BONDS.

RECITALS

Pursuant to the authority granted by Sections 14 to 21, inclusive, of Article 25B of the Annotated Code of Maryland (the "Enabling Act") and in accordance with a public local law (Bill No. 97-03) enacted by the Board on February 18, 1997 and a resolution adopted by the Board on April 8, 1997, the County has heretofore issued its Queen Anne's County Public Facilities Bonds of 1997, dated May 15, 1997 (the "1997 Bonds") and pursuant to the authority granted by the Enabling Act and in accordance with a public local law (Bill No. 98-18) enacted by the Board on January 19, 1999, a public local law (Bill No. 00-03) enacted by the Board on April 18, 2000, and a resolution adopted by the Board on July 11, 2000, the County has heretofore issued its Queen Anne's County School and Public Facilities Bonds of 2000, dated July 15, 2000 (the "2000 Bonds").

Pursuant to the Enabling Act and Section 24 of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume and 2002 Supplement) (the "Refunding Act") the County is authorized to issue refunding bonds for the purposes specified in the Refunding Act.

NOW, THEREFORE, BE IT ENACTED BY THE BOARD OF COUNTY
COMMISSIONERS OF QUEEN ANNE'S COUNTY:

Section 1. Queen Anne's County, Maryland (the "County") is hereby authorized and empowered to borrow money and incur indebtedness for the public purposes described in Section 2 hereof, at one time or from time to time, in an aggregate amount not to exceed THIRTY FIVE MILLION SIX HUNDRED SIXTY FOUR THOUSAND

DOLLARS (\$35,664,000) and to evidence such borrowing by the issuance and sale, at public or private sale, upon its full faith and credit, of its general obligation bonds in like par amount, which may be issued at one time or from time to time, in one or more groups or series, as the County may determine.

Section 2. The net proceeds from the sale of the bonds authorized to be issued hereunder shall be used and applied for the purpose of purchasing, or depositing with a escrow deposit agent to purchase direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America in such amounts and maturing at stated fixed prices as to principal and interest at such times as will be sufficient to effect the refunding of (i) all or a portion of the callable maturities of the 1997 Bonds (i.e. the 1997 Bonds stated to mature on and after November 15, 2008), or (ii) all or a portion of the callable maturities of the 2000 Bonds (i.e. the 2000 Bonds stated to mature on and after January 15, 2011) or (iii) some combination of all or portions of the callable maturities of both the 1997 Bonds or the 2000 Bonds, as the Board may determine and specify by a resolution adopted pursuant hereto. The proceeds of the Bonds shall be applied to the payment of the principal of, redemption premium, if any, and interest on the bonds being refunded and may be applied to the payment of other costs authorized to be paid pursuant to the Refunding Act.

Section 3. Prior to issuing all or any part of the bonds authorized to be issued hereunder, the Board of County Commissioners of Queen Anne's County shall adopt a resolution containing all of the provisions required under Sec 15(4) of Article 25B of the Annotated Code of Maryland (2001 Replacement Volume and 2002 Supplement). The resolution may also contain such other provisions as the Board of County Commissioners

may deem appropriate. The resolution may be adopted by the Board of County Commissioners at any time after the enactment of this public local law and the appropriate officers of the County may take any action deemed appropriate to effect the timely issuance and sale of the bonds pursuant to the resolution at any time after the enactment of this public local law, provided only that the resolution may not become finally effective until the effective date of this public local law. The bonds may be sold on any date or dates after the effective date of this public local law.

Section 4. For the purpose of satisfying the debt service requirements on the bonds, the County shall levy for each and every fiscal year during which any of the bonds may be outstanding ad valorem taxes upon all real and tangible personal property within its boundaries subject to assessment for unlimited County taxation in rate and amount sufficient to provide for the prompt payment of the principal of and the interest on the bonds maturing in each fiscal year; and, in the event the proceeds from the collection of the taxes so levied in any such fiscal year may prove inadequate for such purpose, additional taxes shall be levied in the subsequent fiscal year to make up any deficiency. The full faith and credit and unlimited taxing power of the County are hereby irrevocably pledged to the prompt payment of the maturing principal of and interest on the bonds as and when the same respectively mature, and to the levy and collection of the taxes hereinabove described as and when such taxes may become necessary in order to provide sufficient fluids to meet the debt service requirements of the bonds. The County hereby covenants with each holder of any of the bonds to take any action that may be appropriate from time to time during the period that any of the bonds remain outstanding and unpaid

to provide the funds necessary to make the principal and interest payments due thereon and further covenants and agrees to levy and collect the taxes hereinabove described.

Section 5. The bonds authorized to be issued hereunder are hereby specifically exempted from the provisions of Sections 9 to 11, inclusive, of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume and 2002 Supplement).

Section 6. The County is hereby authorized pursuant to the Enabling Act and the Refunding Act to issue its bonds ("Refunding Bonds") for the purpose of refunding any bonds issued hereunder. References to the bonds in Sections 2 through 5, inclusive, above, shall include the Refunding Bonds, unless the context requires otherwise.

Refunding Bonds may be issued at one time or from time to time, for one or more public purposes specified for the issuance of refunding bonds in the Refunding Act, and sold at public or private sale, as may be further provided in the resolution of the Board of County Commissioners of Queen Anne's County adopted pursuant to Section 3 hereof. The aggregate principal amount of Refunding Bonds shall not exceed 120% of the principal amount of the bonds being refunded. The validity of any such Refunding Bonds shall in no way be dependent upon or related to the validity or invalidity of the obligations so refunded.

Section 7. This public local law shall take effect forty-five days after it is enacted.

COUNTY COMMISSIONERS OF
QUEEN ANNE'S COUNTY, MARYLAND

Benjamin F. Cassell, Jr., President

Gene M. Ransom, III, Vice President

Joseph Cupani, Commissioner

Michael S. Koval, Commissioner

Rodney Nedomanski, Commissioner

INTRODUCED BY: Commissioner Cupani

DATED: April 15, 2003

PUBLIC HEARING HELD: April 22, 2003 @8:15 p.m.

VOTE: 4 yea 1 nay

DATE: April 29, 2003