

THE MAYOR AND COUNCIL OF BOONSBORO

ORDINANCE NO. 2014-05 (Emergency)

AN ORDINANCE to authorize the issuance, sale and delivery by the Mayor and Council of Boonsboro, a municipal corporation of the State of Maryland (the "Town") of its modified and restated bond designated "Mayor and Council of Boonsboro Modified and Restated Water Quality Bond, Series 2014" (the "Amended Bond") in the aggregate principal amount not to exceed One Million Five Hundred Thirty-Six Thousand Six Hundred Seventy-Two Dollars and Fifty-Seven Cents (\$1,536,672.57), modifying and restating the Town's \$2,000,000 Water Quality Bond, Series 2009 (the "Original Bond") issued on July 31, 2009, which Original Bond was issued pursuant to the provisions of Sections 31 through 37, inclusive, of former Article 23A of the Annotated Code of Maryland, the Sewerage Facilities Bond Act (Sections 9-801 through 9-814), inclusive, of the Environment Article of the Annotated Code of Maryland, (the "Sewerage Facilities Bond Act"), the Maryland Water Quality Financing Administration Act (Sections 9-1601 through 9-1622, inclusive, of the Environment Article of the Annotated Code of Maryland, as amended) (the "WQFA Act")' Ordinance No. 2009-05 enacted by the Mayor and Council of Boonsboro on July 6, 2009 ("Ordinance No. 2009-05") (the "Authorizing Legislation"); and

WHEREAS, in accordance with Ordinance No. 2009-05, and in connection with the issuance of the Original Bond, on July 31, 2009, the Town entered into a loan agreement (the "Original Loan Agreement") with the Maryland Water Quality Financing Administration (the "Administration") to provide for a loan by the Administration to the Town to finance a portion of the cost of the Boonsboro Wastewater Treatment Plant BNR/ENR Upgrade & Expansion project (the "Project") and to pay the administrative fees payable to the Administration; and

WHEREAS, the Original Bond bears interest at the rate of 1.00% per annum with principal amount payable on February 1 of each years 2015 through 2029, inclusive and interest payable of February 1 and August 1 of each year commencing August 1, 2010; and

WHEREAS, the final aggregate principal amount advanced by the Administration to the Town pursuant to the Original Loan Agreement and the Original Bond was Two Million Dollars (\$2,000,000) and

WHEREAS, due to a reduction in the principal amount advanced to the Town by Administration as well as the Town's budgetary considerations, the Town desire to modify the terms of the Original bond by reducing the principal payments due and payable with respect to the Original Bond on February 1, 2015, February 1, 2016 and February 1, 2017 and to increase the amount of the principal installments due on February 1, 2027 and February 1, 2028, with a final principal payment due on February 1, 2029; and

WHEREAS, the Town and the Administration have agreed to the issuance of the Amended Bond in replacement of the Original Bond, reflecting the amended principal installments repayment schedule.

NOW THEREFORE, BE IT ORDAINED by the Mayor and Council of Boonsboro, Maryland that:

The Recitals of this Ordinance shall be incorporated herein by reference and deemed a substantive part of the Ordinance.

Section 1. Pursuant to the authority of Sections 9-801 through 9-814, of the Environment Article of the Annotated Code of Maryland, the Sewerage Facilities Bond Act, the WQFA Act, Ordinance No. 2009-05, the Charter, the Code of the Town of Boonsboro, the laws of the State of Maryland and the Loan Agreement, the Town is authorized to issue a general obligation bond in the aggregate principal amount not to exceed and One Million Five Hundred Thirty-Six Thousand Six Hundred Seventy-Two Dollars and Fifty-Seven Cents (\$1,536,672.57), modifying and restating the Original Bond to be designated "Mayor and Council of Boonsboro, Modified and Restated Water Quality Bond, Series 1" (the "Amended Bond").

Section 2. The Original Bond shall be modified and restated in its entirety by the Amended Bond, substantially in the form attached hereto as Exhibit A, with such modifications, deletions, and insertions as may be necessary and appropriate. The Amended Bond shall be dated the date of execution thereof. All the covenants contained in the form of Amended Bond are hereby adopted by the Town as and for the form of obligation to be incurred by the Town, and the covenants and conditions contained therein are hereby made binding upon the Town, including the promise to pay therein contained.

Section 3. The Amended Bond shall be issued and sold by the Town pursuant to the Original Loan Agreement, as amended by Amendment No. 1 to the Original Loan Agreement (the "Amendment no.1"), which is attached hereto as Exhibit B, between the Town and the Administration. All other terms and conditions, and provisions of the Original Loan Agreement, except as provided in Amendment No. 1 and this Ordinance shall remain unchanged.

Section 4. The Amended Bond is an amendment and restatement of the Original Bond. All of the provisions of the Original Bond are incorporated herein by reference and are modified and restated in their entirety by the Amended Bond and such other instruments as the Town had delivered to the Administration in connection with the modification and restatement of the indebtedness evidence by the Original Bond. Nothing herein or in the Amended Bond or Amendment No. 1 shall be construed to extinguish, release or discharge or constitute, create or affect a novation of, or an agreement to extinguish, any of the obligations, liabilities and indebtedness of the Town under the Original Bond.

Section 5. In accordance with Authorizing Legislation and the Town's Tax Certificate and Compliance Agreement (the "Tax Certificate"), the Town hereby covenants to take all action necessary to ensure that the interest on the Amended Bond shall remain excludable from gross income for federal

income tax purposes and the Town hereby incorporates by reference herein all the tax covenants included in the Authorizing Legislation and Tax Certificate.

Section 6. With respect to all documents, certificates and other forms the execution, authentication and delivery of which is authorized herein, the official(s) or representative(s) authorized to execute, authenticate or deliver such documents, certificates or other forms is (are) necessary, prudent or desirable to effect the transactions contemplated by this Ordinance and which are consistent with Sections 9-801 through 9-814, of the Environment Article of the Annotated Code of Maryland, the Sewerage Facilities Bond Act, the WQFA Act, the Authorizing Legislation and this Ordinance.

Section 7. The Mayor, Town Manager and Treasurer are authorized to execute and deliver the Amended Bond, the Amendment No. 1 to the Loan Agreement, and such other documents and certificates as many be necessary or appropriate to complete the issuance and delivery of the Amended Bond.

ADOPTED:

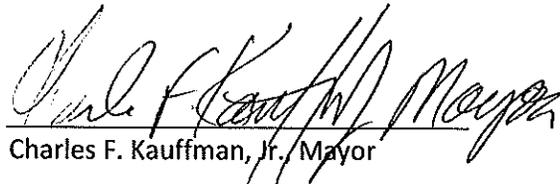
Adopted by The Mayor and Council of Boonsboro the 1st day of December 2014, as an emergency ordinance.

ATTEST:

THE MAYOR AND COUNCIL OF BOONSBORO



Sarah Campbell, Town Clerk

By: 

Charles F. Kauffman, Jr., Mayor

Introduced: November 3, 2014

Adopted: December 1, 2014

Effective: December 1, 2014