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COUNTY COUNCIL OF  
DORCHESTER COUNTY, MARYLAND

RESOLUTION NO. 616

A **RESOLUTION** of the County Council of Dorchester County, Maryland (the “County Council”) amending and supplementing Resolution No. 603, adopted by the County Council on September 19, 2017 and effective on September 19, 2017 (“Resolution No. 603”), in order to extend the maturity date of the Dorchester County, Maryland Public Facilities Bond Anticipation Note of 2017, issued on October 2, 2017 in the principal amount of \$8,491,354.00, from October 2, 2018 to December 2, 2018 (or such earlier date as provided for in this Resolution); authorizing officials of the County to take certain actions in connection with the extension of the maturity date of such note; making or providing for certain covenants, agreements, and determinations pertaining to the tax-exempt status of such note; providing that the provisions of Resolution No. 603 will continue to apply to such note, as so extended, except as otherwise provided herein; and generally relating to the extension of the maturity date of such note.

RECITALS:

1. Dorchester County, Maryland, a body politic and corporate of the State of Maryland (the “County”), is authorized and empowered by Sections 10-203 and 19-401 of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the “Enabling Act”) and Section 509 of the Charter of Dorchester County, Maryland (the “Charter”), to issue general obligation debt for authorized purposes.

2. Pursuant to the authority of the Enabling Act, the Charter and Bill No. 2017-6, passed by the County Council of the County (the “County Council”) on July 18, 2017 and effective on September 18, 2017 (“Bill No. 2017-6”), the County authorized the issuance and sale from time to time, upon its full faith and credit, of one or more series of general obligation bonds in an aggregate principal amount not exceeding \$31,000,000.00 (collectively, the “Authorized Bonds”); and

3. Bill No. 2017-6 provides that the proceeds of the sale of the Authorized Bonds are to be used and applied for the public purpose of financing, reimbursing or refinancing costs of the projects identified in Recital 4 below, including, without limitation, costs of the following activities, to the extent applicable: planning, design, architectural, engineering, surveying, studies, bidding, acquisition of land or other property rights, site development, utilities, landscaping, acquisition, demolition and removal, construction, reconstruction, renovation, rehabilitation, expansion, enlargement, construction management, improvement, installation, equipping, and furnishing, together with the costs of related items, appurtenances and incidental activities or expenses, capitalized interest during construction and for a reasonable period thereafter, whether or not specifically stated, legal, financial and administrative expenses, and costs of issuance of any borrowing therefor, and which may represent the County’s share or contribution to the financing or refinancing of such projects (collectively, “Costs”).

4. The projects identified in Section 1 of Bill No. 2017-6 are defined collectively therein as the "Projects" and are defined herein as the "Authorized Projects", and the maximum principal amounts of any bonds allocated to each of such Authorized Projects pursuant to Bill No. 2017-6, are as follows:

<b>Department/Agency</b>	<b>Description</b>	<b>Maximum Amount</b>	<b>Principal</b>
Board of Education	Replace NDHS		\$20,300,000.00
Finance	Replace Finance Hardware/ software		\$700,000.00
Public Safety – Emerg. Comm.	Replace Radio System		\$10,000,000.00

Section 1 of Bill No. 2017-6 provides as follows: "It is hereby recognized and acknowledged that the Project identified above under the Department/Agency category of "Board of Education" and under the Description category with a designation of "Replace NDHS" was included in the Capital Budgets of the County for Fiscal Years 2016 and 2017 under the Department/Agency category of "Board of Education" and under the Description category with a designation of "NDHS Replacement Planning/Design". The other two Projects were identified for the first time in the Capital Budget of the County for Fiscal Year 2018. Any such Capital Budgets are necessarily subject to change because of corresponding changes in construction and other costs, Project time schedules, availability of other funding sources and other circumstances not now known or anticipated. It is the purpose and intent of this Act to authorize the borrowing of money to finance, reimburse or refinance Costs of the Projects identified in this Section 1 as any such Project is referenced in the Capital Budgets for Fiscal Year 2016 to 2018, inclusive, as the same may be amended, and in any subsequent Capital Budget or capital improvement program, as originally approved or as amended, unless otherwise contrary to applicable law, subject to the limitations set forth in Section 4 hereof."

5. Pursuant to the authority of Sections 19-211 to 19-223, inclusive, of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented and amended (the "Bond Anticipation Note Act"), the Enabling Act and Section 3 of Bill No. 2017-6, the County, by resolution, was authorized to issue and sell from time to time, upon its full faith and credit, general obligation bond anticipation notes in one or more series in an aggregate principal amount not exceeding \$31,000,000.00 (the "Authorized Notes") prior to and in anticipation of the sale of the Authorized Bonds in order to finance or reimburse Costs of the Authorized Projects on an interim basis.

6. Pursuant to the authority of the Bond Anticipation Note Act, the Enabling Act, Bill No. 2017-6 and Resolution No. 603, adopted by the County Council on September 19, 2017 and effective on September 19, 2017, as modified to date ("Modified Resolution No. 603"), the County issued on October 2, 2017 to 1880 Bank (the "Bank") its Dorchester County, Maryland Public Facilities Bond Anticipation Note of 2017 in the original principal amount of \$8,491,354.00 (the "2017 Note"), in order to finance or reimburse Costs of the Authorized Projects identified in

Modified Resolution No. 603 in the maximum principal amounts listed below for each such Authorized Project:

<b>Department/Agency</b>	<b>Description</b>	<b>Maximum Principal Amount</b>
Board of Education	Replace NDHS	\$5,191,354.00
Public Safety – Emerg. Comm.	Replace Radio System	\$3,300,000.00

Modified Resolution No. 603 further provided that the County, without notice to or the consent of the registered owner of the 2017 Note, may reallocate the maximum principal amount of the 2017 Note to be spent among the Authorized Projects referenced above in accordance with applicable County budgetary procedures or applicable law.

7. Principal of the 2017 Note matures by its terms on October 2, 2018, the 2017 Note bears interest at a rate of seventy-eight one-hundredths of one percent (0.78%) per annum, subject to increase upon the occurrence and continuance of a payment failure, and the 2017 Note is subject to prepayment in whole or in part at any time.

8. While the County has expended all proceeds of the 2017 Note and investment earnings thereon, the process for providing for the issuance of a series of the Authorized Bonds to pay at maturity or prepay the 2017 Note has taken longer than anticipated, and the Bank has agreed to extend the maturity date of the 2017 Note until a date no later than December 2, 2018, and the County anticipates closing on the issuance of the Authorized Bonds prior to that date.

**BE IT RESOLVED BY THE COUNTY COUNCIL OF DORCHESTER COUNTY, MARYLAND THAT:**

**SECTION 1.** (a) The Recitals to this Resolution are incorporated by reference herein and deemed a substantive part of this Resolution. Capitalized terms used in the Sections of this Resolution and not otherwise defined herein shall have the meanings given to such terms in the Recitals.

(b) References in this Resolution to any official by title shall be deemed to refer (i) to any official authorized under the Charter, the code of ordinances of the County (the “County Code”), or other applicable law or authority to act in such titled official’s stead during the absence or disability of such titled official, (ii) to any person who has been elected, appointed or designated to fill such position in an acting or interim capacity under the Charter, the County Code or other applicable law or authority, (iii) to any person who serves in a “deputy”, “associate” or “assistant” capacity as such an official, provided that the applicable responsibilities, rights or duties referred to herein have been delegated to such deputy, associate or assistant in accordance with the Charter, the County Code or other applicable law or authority, and/or (iv) to the extent an identified official commonly uses another title not provided for in the Charter or the County Code, the official, however known, who is charged under the Charter, the County Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

SECTION 2. The maturity date of the 2017 Note shall be extended to December 2, 2018. All other terms and provisions of the 2017 Note, including (without limitation) the interest rate borne by the 2017 Note, the circumstances under which the rate of interest payable on the 2017 Note may be increased and the formula for any such increase, the dates of payment of interest on the 2017 Note, and the provisions of the 2017 Note relating to the mechanics of the payment of the principal of and interest on the 2017 Note and the prepayment of the same; provided that, in addition to interest on the 2017 Note being due and payable on the October 2, 2018, interest shall also be due and payable on the extended maturity date of December 2, 2018 unless the 2017 Note is prepaid in full prior to such extended maturity date, and upon any date of prepayment of the 2017 Note prior to such extended maturity date. References in Modified Resolution No. 603 to the maturity date of the 2017 Note are hereby deemed amended and supplemented to mean December 2, 2018 and references in Modified Resolution No. 603 to interest payment dates on the 2017 Note are hereby deemed amended and supplemented to include the date of maturity or any date of prepayment. The provisions of this Section 2 are subject to the provisions of Section 5 of this Resolution.

SECTION 3. In order to evidence the extension of the maturity date of the 2017 Note from October 2, 2018 to December 2, 2018, and as determined upon the advice of counsel, the County may deliver a new note to the Bank in exchange for the 2017 Note, substantially in the form of the 2017 Note with such changes therein as are necessary in order to reflect extension of the maturity date of the 2017 Note, and executed on behalf of the County in the manner provided for in Modified Resolution No. 603 with respect to the original execution and delivery of the 2017 Note, and/or the President of the County Council of the County (the "President of the County Council") may prepare or cause to be prepared, negotiate, execute and deliver on behalf of the County an allonge with or other instrument or document to the Bank evidencing the extension of the maturity date of the 2017 Note from October 2, 2018 to December 2, 2018. Each of the following officials of the County: the County Manager, the Director of Finance, the Executive Administrative Specialist or any other official authorized by applicable law is hereby authorized and directed to attest as to the seal on any such replacement note, allonge, instrument or document. The provisions of this Section 3 are subject to the provisions of Section 5 of this Resolution.

SECTION 4. The County Council expressly ratifies and confirms the covenants and agreements of the County contained in the 2017 Resolution (including, without limitation) in Section 12 (relating to payment of the 2017 Note and the pledge of the full faith and credit and unlimited taxing power of the County to the same) and Section 3 (relating to compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury Regulations identified in such Section) and the applicability of the same to the 2017 Note, as modified in accordance with the provisions of this Resolution.

SECTION 5. (a) To the extent the provisions of this Resolution and the resulting modifications to the 2017 Note result in a reissuance of the 2017 Note for purposes of Section 1001 of the Code and the Treasury Regulations (the determination of which shall be made by bond counsel to the County with the assistance of the financial advisor to the County), this Resolution shall constitute the approval of the County Council with respect to such reissuance for all purposes thereof.

(b) To the extent the provisions of this Resolution and the resulting modifications to the 2017 Note result in a reissuance of the 2017 Note for purposes of Section 1001 of the Code and the Treasury Regulations (the determination of which shall be made by bond counsel to the County with the assistance of the financial advisor to the County), the County Manager or the Director of Finance is hereby authorized and empowered to execute and deliver any Form 8038-G required by bond counsel.

(c) Notwithstanding the foregoing provisions of this Resolution, in the event it is determined that the provisions of this Resolution and the extension of the maturity date of the 2017 Note to December 2, 2018 and resulting modifications to the 2017 Note provided for herein will result in a reissuance of the 2017 Note for purposes of Section 1001 of the Code and the Treasury Regulations, the President of the County Council, with the advice of the Director of Finance, the financial advisor to the County and bond counsel to the County, is hereby authorized to determine that the date of maturity of the 2017 Note shall be extended to a date earlier than December 2, 2018 in order not trigger such a reissuance, and, in such event (i) all references in this Resolution to December 2, 2018 shall be construed to refer to such earlier date determined in accordance with this Section 5(c), and such earlier extended maturity date of the 2017 Note shall be reflected in any replacement note, allonge, instrument or document provided for in Section 3 hereof and any other additional or supplemental certifications or other instruments delivered pursuant to the provisions of this Resolution.

(d) In the event bond counsel to the County determines that the provisions of this Resolution and the resulting modifications to the 2017 Note do not result in a reissuance of the 2017 Note for purposes of Section 1001 of the Code and the Treasury Regulations, the provisions of this Section 7 shall be disregarded.

SECTION 6. In connection with the extension of the maturity date of the 2017 Note as provided for in this Resolution, any two of the President of the County Council, the County Manager and the Director of Finance are hereby authorized and directed, on behalf of the County, upon the request of Funk & Bolton, P.A. (which issued the approving and tax opinion relating to the 2017 Note), to execute and deliver any additional or supplemental certifications or other instruments relating to or intending to preserve the tax-exempt status of the 2017 Note, as modified, and to provide for any elections, designations, or determinations contemplated or authorized by the Code or the Treasury Regulations.

SECTION 7. The provisions of this Resolution shall be broadly construed in order to effectuate the extension of the maturity date of the 2017 Note as contemplated herein and to preserve the tax-exempt status of the 2017 Note, as modified.

SECTION 8. The provisions of this Resolution shall be deemed to amend and supplement the provisions of Modified Resolution No. 503 to the extent provided for herein. Provided that a replacement note or allonge or other instrument or document is provided to the Bank as contemplated by Section 3 of this Resolution, references in Modified Resolution No. 603 to the Note from and after such date of execution, delivery and acceptance of such replacement note, allonge or other instrument or document, shall be deemed to refer to the 2017 Note, as modified as provided for in this Resolution, unless the context clearly requires otherwise.

SECTION 9. The provisions of this Resolution shall be liberally construed in order to effectuate the transactions contemplated by this Resolution.


SECTION 10. This Resolution shall become effective immediately upon its adoption.

ADOPTED this 18<sup>th</sup> day of September, 2018.

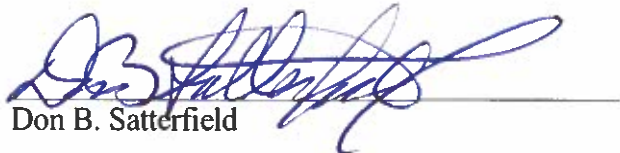
ATTEST:

By:   
Jeremy Goldman, County Manager

COUNTY COUNCIL OF  
DORCHESTER COUNTY:

  
Ricky C. Travers, President

  
Tom Bradshaw, Vice President

  
Don B. Satterfield

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William V. Nichols

  
Rick M. Price

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