



**TOWN OF PORT DEPOSIT
ORDINANCE 2021-06**

**AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF GENERAL
OBLIGATION DEBT FOR THE STORMWATER DRAINAGE PROJECT-
RACE STREET/GRANITE AVENUE**

An Ordinance authorizing and empowering The Town of Port Deposit (the “Town”) to issue and sell from time to time, upon its full faith and credit, one or more series of (1)(A) general obligation bonds and (B) general obligation bond anticipation notes, each in an original aggregate principal amount not to exceed \$245,000.00, and (2) general obligation refunding bonds, subject to the limitations provided for herein, for the public purpose of financing, reimbursing or refinancing costs incurred in connection with a project generally referred to by the Town as the Stormwater Drainage Project – Race Street/Granite Avenue, as further described herein; determining that any such series of the bonds, the bond anticipation notes or the refunding bonds (each a “series of the obligations” or the “obligations”) be sold at private sale in a direct purchase transaction unless with respect to any applicable series of the obligations The Council of Port Deposit (the “Council”) determines otherwise by resolution, and providing that it is the intention of the Town to sell any series of the bonds to the United States of America as stated herein; authorizing the Council by resolution to determine or provide for various matters relating to the authorization, sale, security, issuance, delivery, payment and prepayment of and for any series of the obligations; acknowledging and confirming the provisions of a resolution adopted or to be adopted by the Council as required by the United States Department of Agriculture, to the extent applicable; pledging the full faith and credit and unlimited taxing power of the Town to the payment of debt service on any issued obligations; providing for the imposition of ad valorem taxes upon all real and personal property within the Town subject to assessment for unlimited municipal taxation to pay debt service on any issued obligations in each fiscal year, subject to reduction to the extent other revenues or funds are available for such purpose; providing that debt service on any issued obligations also may be paid from any other sources of revenue lawfully available to the Town for that purpose; providing that the Council by resolution may provide that any series of the obligations shall be payable in the first instance from any other or additional source of revenue; providing that certain actions may be taken or provided for by resolution in the event of a reissuance of any of the obligations; providing that any of the obligations may be consolidated with any bonds, bond anticipation notes or refunding bonds authorized by the Council and issued as a single series; authorizing and directing officials and employees of the Town to take certain actions with respect to the obligations; authorizing modifications of the obligations to be made or provided for by resolution unless another action is required; providing that this title is a fair summary of this Ordinance; providing that the provisions of this Ordinance shall be liberally

Underlining : Indicates material added by amendment after introduction
~~Strike through~~ : Indicates material deleted by amendment after introduction

construed; and otherwise generally relating to the sale, issuance and delivery and payment of and for any such series of obligations.

Underlining : Indicates material added by amendment after introduction
~~Strike through~~ : Indicates material deleted by amendment after introduction

RECITALS

WHEREAS, The Town of Port Deposit, a municipal corporation of the State of Maryland (the “Town”) and a municipality within the meaning of the Enabling Act, the Bond Anticipation Note Act and the Refunding Act identified herein, is authorized and empowered by Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland (previously codified as Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland), as replaced, supplemented or amended (the “Enabling Act”), and Sections 719 and 720 of the Charter of the Town of Port Deposit, as replaced, supplemented or amended (the “Charter”), to borrow money for any proper public purpose, and to evidence such borrowing by the issuance and sale of its general obligation bonds, notes or other evidences of indebtedness; and

WHEREAS, the Town has determined to undertake improvements to address stormwater drainage issues generally in the areas of Race Street and Granite Avenue (collectively, the “Project”) and, in connection therewith, to acquire or pay for, to the extent applicable, improved or unimproved land and/or other property rights; related site and utility improvements, including, without limitation, grading, landscaping, paving, sidewalk, curb, gutter, stormwater, water and sewer improvements and related or similar activities and expenses; related architectural, engineering, planning, design, feasibility, surveying, document development, bidding, permitting, demolition, removal, acquisition, construction, reconstruction, expansion, modification, renovation, rehabilitation, installation, improvement, furnishing, equipping, inspection and construction management activities or expenses; costs of related activities, improvements and appurtenances; financial, legal, and administrative expenses of such undertaking; costs of issuance of any financing or refinancing therefor; and capitalized interest or funded interest (collectively, “Costs of the Project”); and

WHEREAS, the United States Department of Agriculture, acting through Rural Development, Rural Utilities Service, or any related department, division, agency or instrumentality (any such entity, “USDA”), has indicated the United States of America can loan the Town up to \$245,000.00 for purposes of financing, reimbursing or refinancing Costs of the Project; and

WHEREAS, USDA typically requires that borrowers obtain interim financing to finance or reimburse costs of any approved project until completion or substantial completion of the project, and proceeds of any USDA loan, which is evidenced by one or more general obligation bonds issued by a borrower to the United States of America, are applied to prepay or pay such interim financing (together with other funds to the extent necessary for such purpose); and

WHEREAS, a municipality might obtain interim financing for project costs through (1) the issuance of one or more series of general obligation bond anticipation notes pursuant to the authority of Sections 19-211 to 19-223, inclusive, of the Local Government Article of the Annotated Code of Maryland (previously codified as Section 12 of Article 31 of the Annotated Code of Maryland), as replaced, supplemented or amended (the “Bond Anticipation Note Act”), or (2) through other means (any such interim financing incurred other than pursuant to the Bond Anticipation Note Act, an “Interim Financing”); and

Underlining : Indicates material added by amendment after introduction
~~Strike through~~ : Indicates material deleted by amendment after introduction

WHEREAS, as of the date of introduction of this Ordinance, the Town anticipates that USDA will not require it to obtain interim financing from any source for Costs of the Projects, and that the Town otherwise will not need to obtain interim financing from any source in order to finance, reimburse or refinance Costs of the Project on an interim basis; and

WHEREAS, notwithstanding the Town’s present expectation to borrow money for purposes of the Project through USDA’s loan program, The Council of Port Deposit, the governing body of the Town, which consists of a Mayor and four Council members (the “Council”), by resolution, may provide for the sale of any series of the bonds authorized hereby to any one or more other lenders or purchasers or to any combination of the United States of America and any other one or more lenders or purchasers; and

WHEREAS, subsequent to the issuance of any series of bonds authorized hereby, the Town may desire to currently refund or advance refund all or a portion of such series of bonds pursuant to the authority of Section 19-207 of the Local Government Article of the Annotated Code of Maryland (previously codified as Section 24 of Article 31 of the Annotated Code of Maryland), as replaced, supplemented or amended (the “Refunding Act”); and

WHEREAS, the Town has determined to pledge its full faith and credit and unlimited taxing power to the payment of debt service on any series of bonds, bond anticipation notes or refunding bonds authorized hereby; provided that, the Town may pledge or use revenues lawfully available for such purpose to pay debt service on any such obligations; and provided further that, the Town may use proceeds of any bonds authorized hereby to pay or prepay debt service on any bond anticipation notes or any Interim Financing obtained for Project purposes, and the Town may apply proceeds of any refunding bonds authorized hereby to pay debt service on any bonds issued pursuant to the authority of this Ordinance; and

WHEREAS, the Town has determined to issue any series of bonds, bond anticipation notes or refunding bonds authorized hereby in accordance with the terms and conditions provided for in a resolution or resolutions to be adopted by the Council pursuant to this Ordinance and the Charter.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Town of Port Deposit as follows:

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

(b) References in this Ordinance to any official by title shall be deemed to refer (i) to any official authorized under the Charter, the code of ordinances of the Town (the “Town 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 Town 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

Underlining : Indicates material added by amendment after introduction
~~Strike through~~ : Indicates material deleted by amendment after introduction

such deputy, associate or assistant in accordance with the Charter, the Town 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 Town Code, the official, however known, who is charged under the Charter, the Town Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

(c) References in this Ordinance to the “principal amount” of any of the Bonds, the BANs, the Refunding Bonds or the Obligations (each as defined herein) shall be construed to mean the par amount of such Bonds, BANs, Refunding Bonds or Obligations, as applicable. References in this Ordinance to the “proceeds” of any of the Obligations shall be construed to include any investment or interest earnings on the par amount of any of the Obligations, to the extent applicable.

(d) References in this Ordinance to the Project or to Costs of the Project shall be construed to include any changes in the scope of the Project and/or Costs of the Project made by the Town through applicable budgetary procedures or applicable law, subject to the consent of USDA (to the extent applicable).

(e) References in this Ordinance to Town officials shall be deemed to include references to Town employees, to the extent applicable.

(f) References in this Ordinance to a bank shall be deemed to include any other qualifying financial institution or qualifying lender or investor.

SECTION 2. Pursuant to the authority of the Enabling Act, Sections 719 and 720 of the Charter and any other applicable law, the Town hereby determines to borrow money and incur indebtedness for the public purpose of financing, reimbursing or refinancing all or a portion of one or more components of Costs of the Project, including, without limitation, by prepaying or paying at maturity all or a portion of the principal of and interest due on the BANs (as defined in Section 7 hereof) or any other Interim Financing issued or incurred by the Town for the purpose of financing, reimbursing or refinancing Costs of the Project. The total Costs of the Project not otherwise payable from other sources is not expected to exceed Two Hundred Forty-Five Thousand Dollars (\$245,000.00). Any proceeds of the Bonds (as defined in Section 3 below) applied to prepay or pay principal, premium and/or interest on any BANs or on any Interim Financing issued or incurred by the Town with respect to Costs of the Project shall be deemed the payment of Costs of the Project for purposes of this Ordinance.

SECTION 3. To evidence the borrowing and indebtedness authorized in Section 2 of this Ordinance, the Town, acting pursuant to the authority of the Enabling Act, Sections 719 and 720 of the Charter and any other applicable law, hereby determines to issue and sell from time to time, upon its full faith and credit, one or more series of its general obligation bonds in an original aggregate principal amount not to exceed Two Hundred Forty-Five Thousand Dollars (\$245,000.00) (collectively, the “Bonds”). Any such series of the Bonds may consist of one or more general obligation bonds and any bond may be issued in installment form and/or draw-down form.

SECTION 4. Pursuant to the authority of the Enabling Act, Sections 719 and 720 of the Charter and any other applicable law, the Town hereby determines to sell each series of the Bonds at

Underlining : Indicates material added by amendment after introduction
~~Strike through~~ : Indicates material deleted by amendment after introduction

private sale through a direct purchase transaction. Each series of the Bonds are intended to be sold to the United States of America due to the attractive loan program offered by USDA, including a longer amortization period than a bank typically would be willing to offer, a competitive interest rate and the ability to prepay the Bonds in whole or in part at any time. Notwithstanding such intention, the Council, by resolution adopted in accordance with Section 6 below, may determine to sell any series of the Bonds by a direct purchase transaction to one or more lenders or purchasers in addition to or in place of USDA in the event USDA is not able to lend the Town the full amount of the Bonds needed for the purposes of the Project (subject to the to the maximum original aggregate principal amount of the Bonds provided for in this Ordinance). Any such private sale of a series of the Bonds to a lender or purchaser other than USDA is hereby determined to serve the public interest due to the lower costs of issuance typically incurred with a direct purchase transaction as opposed to a negotiated underwriting or a public sale at competitive bid.

SECTION 5. The proceeds of each series of the Bonds shall be used and applied by the Town exclusively and solely for the public purposes described in Section 2 of this Ordinance, unless a supplemental ordinance is enacted by the Council to provide for the use and application of such proceeds for some other proper public purpose authorized by the Enabling Act, the Charter or other applicable law; provided that, no such supplemental ordinance shall be required if changes in the scope of the Project and/or Costs of the Project are made as contemplated in Section 1(d) of this Ordinance.

SECTION 6. (a) Pursuant to the authority of the Enabling Act, Sections 719 and 720 of the Charter, this Ordinance and any other applicable law, the Council, prior to the sale, issuance and delivery of each series of the Bonds, shall adopt a resolution or resolutions specifying, prescribing, determining, providing for and approving such matters, details, forms (including, without limitation, the form of the Bonds of such series), documents or procedures as may be required by the Enabling Act, Sections 719 and 720 of the Charter, other applicable law or this Ordinance or as the Council may deem appropriate for the authorization, sale, security, issuance, delivery, payment or prepayment of or for such series of the Bonds. Any such resolution shall set forth, contain, determine or provide for the determination of, approve or provide for the approval of, among other matters, the designation of such series of the Bonds; the original aggregate principal amount of such series of the Bonds; the denominations of such series of the Bonds; the maturity date or dates of such series of the Bonds; the principal installment or installments payable on such series of the Bonds; subject to the provisions of subsection (b) below, the rate or rates of interest, or the method of determining the rate or rates of interest, payable on such series of the Bonds, which may be fixed or variable; provisions for the payment of late fees and/or additional interest or penalties payable on such series of the Bonds or adjustments to interest rates in appropriate circumstances; the purchase price for such series of the Bonds; provisions relating to the prepayment of such series of the Bonds at the option of the Town or by mandatory sinking fund payments; any provisions allowing the registered owners of such series of the Bonds to put or cause the prepayment of such series of the Bonds at their option; provisions relating to the sale of such series of the Bonds at private sale by a direct purchase transaction; provisions for the execution of such series of the Bonds; provisions for the appropriation, disposal and investment of proceeds of such series of the Bonds; provisions for the application of unexpended proceeds, any premium paid upon sale or investment earnings on proceeds of such series of the Bonds, which may include, without limitation, on Costs of the Project or on debt service payable on such

Underlining : Indicates material added by amendment after introduction
~~Strike through~~ : Indicates material deleted by amendment after introduction

series of the Bonds; certifications, representations, determinations, designations or elections relating to the tax-exempt or taxable status of interest payable on such series of the Bonds; and all other terms and conditions pursuant to which such series of the Bonds will be issued, sold and delivered. Any such resolution may provide for the payment by the Town to the applicable lender or purchaser of any ongoing fees or administrative costs. For any series of the Bonds sold to the United States of America, by resolution the Council may specify, prescribe, determine, approve or provide for any other matters, documents or security required by USDA for participation by the Town in its financing program. With respect to any series of the Bonds sold to the Maryland Water Quality Financing Administration (“MWQFA”), the Council by resolution may, among other matters, (i) pledge any moneys that the Town is entitled to receive from the State of Maryland, including the Town’s share of the State income tax, to secure its obligations under any loan agreement entered into with MWQFA in order to satisfy the provisions of Section 9-1606(d) of the Environment Article of the Annotated Code of Maryland, as replaced, supplemented or amended, (ii) pledge to the payment of such series of the Bonds any additional source of revenues required by MWQFA, and/or (iii) provide for the establishment, maintenance and application of any reserve fund required by MWQFA with respect to such series of the Bonds. With respect to any series of the Bonds sold to one or more lenders or purchasers other than the United States of America or MWQFA, the Council by resolution may authorize, approve or otherwise provide for (i) any commitment fee or similar fee and other costs payable in connection with such series of the Bonds and any compensation payable to the purchaser or purchasers of such series of the Bonds in the event the Town fails to deliver such series of the Bonds, (ii) the obtaining of credit or liquidity enhancement for such series of the Bonds (and the execution and delivery of any agreements or documents relating thereto), and (iii) any other agreements, documents, instruments or determinations necessary to enhance the marketability of or as security for such series of the Bonds. By resolution the Council may delegate to one or more Town officials the authority to make any final determinations with respect to a series of the Bonds. Any such resolution may determine the matters identified in this Section 6 for more than one series of the Bonds.

(b) Notwithstanding the provisions of subsection (a) above, each series of the Bonds sold to the United States of America shall bear interest at the rate per annum of one and three hundred seventy-five thousandths of one percent (1.375%) as provided in USDA’s obligation of funds; notwithstanding such obligated interest rate, in the event the interest rate offered through USDA’s loan program is less than 1.375% at the time any such series of the Bonds is issued to the United States of America, the Council by resolution may accept or provide for the acceptance of such lower per annum interest rate offered by USDA in accordance with USDA’s standard program practice.

(c) The Council hereby acknowledges that, with respect to any series of the Bonds sold to the United States of America, pursuant to RUS Bulletin 1780-27 Loan Resolution (Public Bodies), or any similar loan resolution required by USDA, adopted or to be adopted by the Council (the “USDA Loan Resolution”), the Town, among other matters, (i) agrees to indemnify USDA in certain circumstances, (ii) resolves that upon certain defaults USDA may declare such series of the Bonds immediately due and payable and/or take certain actions with regard to the Project, (iii) agrees not to take certain actions with respect to the Project without the prior written consent of USDA, (iv) agrees not to defease such series of the Bonds or undertake other borrowings in connection with the Project without the prior written consent of USDA in certain circumstances, and (v) agrees to refinance any

Underlining : Indicates material added by amendment after introduction
~~Strike through~~ : Indicates material deleted by amendment after introduction

series of the Bonds issued to the United States of America in whole or in part upon the request of USDA, and by passage of this Ordinance the Council hereby acknowledges and confirms the provisions of the USDA Loan Resolution as if the same were set forth in full in this Ordinance.

(d) By resolution or as otherwise allowed by applicable law, and without notice to or the consent of any registered owners of any issued Bonds, the Council may determine or provide for the determination of, and reallocate, how any unexpended proceeds of any series of the Bonds, net original issue premium realized upon sale and/or any investment earnings shall be expended, which may include, without limitation, on Costs of the Projects, on costs of issuance, to prepay or pay principal, premium and/or interest on a series of the BANs, and/or on debt service payable or prepayable on any such series of the Bonds, as applicable, to the extent not prohibited by applicable law.

SECTION 7. (a) Pursuant to the authority of the Bond Anticipation Note Act, Sections 719 and 720 of the Charter and any other applicable law, the Town may issue and sell from time to time, upon its full faith and credit, one or more series of its general obligation bond anticipation notes (collectively, the “BANs”) in an original aggregate principal amount not to exceed Two Hundred Forty-Five Thousand Dollars (\$245,000.00) prior to and in anticipation of the sale of any series of the Bonds in order to finance, reimburse or refinance Costs of the Project on an interim basis. Any such series of the BANs may consist of one or more general obligation bond anticipation notes and any note may be issued in installment form and/or draw-down form. Prior to the sale, issuance and delivery of each series of the BANs, the Council shall adopt a resolution or resolutions pursuant to the authority of the Bond Anticipation Note Act, Sections 719 and 720 of the Charter and this Ordinance authorizing such series of the BANs and specifying, prescribing, determining or providing for the determination of, providing for, or approving or providing for the approval of, with respect to such series of the BANs, the same types of matters, details, forms, documents or procedures and determinations detailed in Section 6(a) above that may be made or addressed with respect to each series of the Bonds, to the extent applicable with respect to such series of the BANs, and as otherwise may be authorized or required by applicable law. Unless the Council determines otherwise in a resolution or resolutions providing for any series of the BANs, as authorized by the Bond Anticipation Note Act, such series of the BANs shall be sold by private sale in a direct purchase transaction. Any such sale by private sale in a direct purchase transaction is hereby determined to be in the public interest due to the ability to time the market, negotiate terms and thereby serve the public interest by achieving a beneficial interest rate or rates and other beneficial terms, and the lower costs of issuance typically incurred with such a direct purchase transaction as opposed to a negotiated underwriting or a public sale at competitive bid. By resolution the Council may delegate to one or more Town officials the authority to make any final determinations with respect to a series of the BANs. Any resolution may specify, prescribe, determine, provide for and approve the details required by this Section 7 for more than one series of the BANs.

(b) The Town hereby covenants (i) to pay from the proceeds of one or more series of the Bonds the principal of and/or interest on any series of the BANs actually issued, (ii) to pay interest on any series of the BANs from other sources to the extent not paid from such series of the BANs or a series of the Bonds, and (iii) to issue the applicable series of the Bonds as soon as there is no longer a reason for deferring its issuance. This covenant shall not be construed to prevent the Town from

Underlining : Indicates material added by amendment after introduction
~~Strike-through~~ : Indicates material deleted by amendment after introduction

paying or prepaying principal of and/or interest on any series of the BANs from sources of funds other than proceeds of the Bonds, to the extent available therefor.

(c) As authorized by the Bond Anticipation Note Act, by resolution the Council may provide for the renewal of any series of the BANs at maturity with or without resale, together with any amendments or modifications to such series of the BANs and any related documentation.

(d) By resolution or as otherwise allowed by applicable law, and without notice to or the consent of any registered owners of any issued BANs, the Council may determine or provide for the determination of, and reallocate, how any unexpended proceeds of any series of the BANs, net original issue premium realized upon sale and/or any investment earnings shall be expended, which may include, without limitation, on Costs of the Projects, on costs of issuance, and/or on debt service payable or prepayable on any such series of the BANs, as applicable, to the extent not prohibited by applicable law.

SECTION 8. (a) Pursuant to the authority of the Refunding Act, Sections 719 and 720 of the Charter and any other applicable law, the Town is hereby authorized and empowered to issue and sell from time to time, upon its full faith and credit, one or more series of general obligation bonds (collectively, the “Refunding Bonds”) for the purpose of currently refunding or advance refunding in whole or in part any of the Bonds then outstanding, including paying or prepaying in whole or in part outstanding principal, prepayment premium and/or interest accrued or to accrue to the date of prepayment, purchase or maturity of the Bonds to be refunded, paying costs and expenses in connection with the sale, issuance and delivery of such Refunding Bonds, and, to the extent determined by the Council by resolution, paying interest on such Refunding Bonds, for the public purpose of (A) realizing savings to the Town in the total cost of debt service on a direct comparison or present value basis or (B) debt restructuring that is permitted by applicable law, or for any other purpose then-authorized by the Refunding Act or other applicable law; provided that, the original aggregate principal amount of any such series of the Refunding Bonds may not exceed one hundred thirty percent (130%) of the aggregate principal amount of the Bonds refunded therefrom. Any such series of the Refunding Bonds may consist of one or more general obligation refunding bonds and any refunding bond may be issued in installment form and/or draw-down form. Prior to the sale, issuance and delivery of each series of the Refunding Bonds, the Council shall adopt a resolution or resolutions authorizing such series of the Refunding Bonds and specifying, describing, determining or providing for the determination of, providing for, or approving or providing for the approval of, with respect to such series of the Refunding Bonds, the same types of matters, details, forms, documents, procedures and determinations detailed in Section 6(a) above that may be made or addressed with respect to any series of the Bonds, to the extent applicable to such series of the Refunding Bonds, and as otherwise may be authorized or required by applicable law, including, without limitation the purposes of the Refunding Act to be achieved by the issuance of such series of the Refunding Bonds, the selection of any escrow agent, verification consultant, escrow bidding agent or other service provider, the determination of the Bonds to be refunded in whole or in part from such series of the Refunding Bonds, and any agreements, documents or other instruments necessary or desirable in connection with the refunding. Unless the Council determines otherwise in a resolution providing for any series of the Refunding Bonds, as authorized by the Refunding Act, such series of the Refunding Bonds

Underlining : Indicates material added by amendment after introduction
~~Strike-through~~ : Indicates material deleted by amendment after introduction

shall be sold at a private sale through a direct purchase transaction. Any such sale on a private basis through a direct purchase transaction is hereby determined to be in the public interest due to the ability to time the market, negotiate terms and thereby serve the public interest by achieving a beneficial interest rate or rates and other beneficial terms (including restructuring terms, if applicable), and the lower costs of issuance typically incurred with such a direct purchase transaction as opposed to a negotiated underwriting or a public sale at competitive bid. By resolution the Council may delegate to one or more Town officials the authority to make any final determinations with respect to a series of the Refunding Bonds. Any resolution may specify, prescribe, determine, provide for and approve the details required by this Section 8 for more than one series of the Refunding Bonds.

(b) By resolution or as otherwise allowed by applicable law, and without notice to or the consent of the registered owners of any issued series of the Refunding Bonds, the Council may determine or provide for the determination of, and reallocate, how any unexpended proceeds of such series of the Refunding Bonds, net original issue premium realized upon sale and/or investment earnings shall be expended, which may include, without limitation, on refunding the applicable Bonds, on costs of issuance of such series of the Refunding Bonds, to reduce the par amount of such series of the Refunding Bonds to be issued, or on debt service payable or prepayable on such series of the Refunding Bonds, to the extent not prohibited by applicable law.

SECTION 9. (a) The full faith and credit and unlimited taxing power of the Town are hereby pledged to the payment of the principal of and interest on each series of the Bonds, the BANs and the Refunding Bonds (each, a series of the “Obligations” and, collectively, the “Obligations” or, individually, an “Obligation”) as and when the same are payable and to the imposition of the taxes hereinbelow described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of such series of the Obligations. Subject to the further provisions of this Section 9, the Town shall impose for each and every fiscal year during which each such series of the Obligations may be outstanding, ad valorem taxes upon all real and tangible personal property in the Town that is subject to assessment for unlimited municipal taxation at a rate and in an amount sufficient to pay the principal of and interest on such series of the Obligations payable in each such fiscal year and, in the event the proceeds from the collection of the taxes so imposed may prove inadequate for such purposes in any fiscal year, additional taxes shall be imposed in the subsequent fiscal year to make up any deficiency. The Town hereby covenants with the registered owner of each Obligation to take any action that lawfully may be appropriate from time to time during the period that such Obligation remains outstanding and unpaid to provide the funds necessary to pay promptly the principal and interest due thereon.

(b) The foregoing provisions shall not be construed so as to prohibit the Town from paying the principal of and interest on any series of the Obligations from the proceeds of the sale of any other obligations of the Town (including, without limitation, (i) with respect to any BANs, from proceeds of any Bonds, and (ii) with respect to any Bonds, from proceeds of any Refunding Bonds) or from any other funds legally available for that purpose. Subject to any provisions of applicable federal or Maryland law, the Town may apply to the payment of the principal of or interest on each series of the Obligations any funds received by it from the State of Maryland or the United States of America, or any governmental agency or instrumentality, or from any other source, if the funds are granted or paid to the Town for the purpose of accomplishing the Project or are otherwise available

Underlining : Indicates material added by amendment after introduction
~~Strike through~~ : Indicates material deleted by amendment after introduction

for such purpose, and to the extent of any such funds received or receivable in any fiscal year, the taxes hereby required to be imposed may be reduced proportionately.

(c) To the extent required by the lender for or purchaser of any series of the Obligations or as otherwise applicable, the Town, by resolution, may identify any other or additional sources of revenues either (i) to be pledged to the payment of such series of the Obligations or (ii) from which such series of the Obligations shall payable in the first instance.

SECTION 10. By resolution, the Council may make any appropriate arrangements (including, without limitation, by authorizing one or more appropriate officials to make any elections, designations, determinations or filings on the Town's behalf) in the event the right of the registered owner of any Obligation to put or cause the prepayment of such Obligation at its option, or any change in the interest rate of an Obligation, or any other modification of an Obligation could lead to a reissuance of such Obligation for purposes of the Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder.

SECTION 11. By resolution, the Council may determine that any of the Bonds, the BANs or the Refunding Bonds may be consolidated with any other bonds, bond anticipation notes and/or refunding bonds authorized by the Council and issued as a single series of bonds, bond anticipation notes and/or refunding bonds.

SECTION 12. By resolution the Council may make or authorize (including, without limitation, by authorizing one or more appropriate officials to make any final determinations) any modifications to (i) any series of the Obligations, once issued, and (ii) any related documentation, certificates or instruments, unless under applicable law the proposed modifications require action by ordinance in addition to or in place of a resolution.

SECTION 13. (a) With respect to any series of the Obligations, the Council by resolution may delegate to one or more specified officials or employees the authority to negotiate, approve, execute and deliver, as applicable, any documents, agreements, certificates or instruments relating to such Obligations or to take other actions with respect thereto. The following Town officials and employees: the Mayor, the Town Administrator, the Treasurer, and all other appropriate officials and employees of the Town are hereby authorized and directed to (i) take any and all action necessary to complete and close the sale, issuance and delivery of each series of the Obligations, (ii) negotiate, approve, execute and deliver all documents, agreements, certificates and instruments necessary or appropriate in connection with any such sale, issuance and delivery, and (iii) carry out the transactions contemplated by this Ordinance, any ordinance amendatory of or supplemental to this Ordinance, any resolution adopted in furtherance of this Ordinance, as the same may be further amended or supplemented, and any documents, agreements, certificates or instruments executed and delivered in connection with the issuance of any series of the Obligations, all to the extent such action is within the scope of such official's or employee's authority and such authorization has not otherwise been delegated to one or more specified Town officials or employees by ordinance or resolution.

(b) As determined by the Council by resolution, (i) the Town seal, if any, may be impressed, imprinted or affixed on or to any series of the Obligations and any documents, agreements, certificates or instruments, and (ii) any Town seal or the signature of any Town official on any series

Underlining : Indicates material added by amendment after introduction
~~Strike through~~ : Indicates material deleted by amendment after introduction

of the Obligations and any documents, agreements, certificates or instruments may be attested to by the Town Administrator or any other authorized official.

SECTION 14. With respect to any series of the Bonds issued to the United States of America, the Town acknowledges and agrees to comply with the provisions of the letter of conditions issued by USDA with respect to the Project and the funding therefor, except to the extent any of the provisions of such letter of conditions are amended by the Town and USDA, or waived by USDA, or another agreement is made by the Town and USDA with respect to the provisions of such letter of credit.

SECTION 15. The title of this Ordinance shall be deemed to be, and is, a fair summary of this Ordinance for publication and all other purposes; provided that, the Mayor, the Town Administrator or other appropriate Town official is each hereby authorized to provide for publication of the passage of this Ordinance in some other format that constitutes a fair summary hereof and satisfies the requirements of Article III, Section 309.d of the Charter.

SECTION 16. The provisions of this Ordinance shall be liberally construed in order to effectuate the transactions contemplated by this Ordinance.

SECTION 17. This Ordinance shall become effective at the expiration of twenty (20) calendar days from the date of its passage.

INTRODUCED:	<u>October 5, 2021</u>
PUBLIC HEARING:	<u>November 2, 2021</u>
PASSAGE:	<u>November 2, 2021</u>
EFFECTIVE DATE:	<u>November 23, 2021</u>


[CONTINUED ON FOLLOWING PAGE]

Underlining : Indicates material added by amendment after introduction
~~Strike-through~~ : Indicates material deleted by amendment after introduction

IN WITNESS WHEREOF, we have set our hands and passed the foregoing Ordinance this 2nd day of November, 2021.

Affirmative 3 Absent 1
Negative 0 Abstained 0


ATTEST:



Vicky Rinkerman
Town Administrator

THE TOWN OF PORT DEPOSIT

By the Council:



Robert Kuhs, Mayor



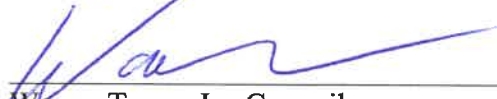
Kevin Brown, Deputy Mayor

ABSENT

Daniel Berlin, Council



Thomas Knight, Council



Wayne Tome, Jr., Council

Underlining : Indicates material added by amendment after introduction
Strike through : Indicates material deleted by amendment after introduction