



**TOWN OF PORT DEPOSIT
RESOLUTION 01-2022
USDA LOAN FOR STORMWATER DRAINAGE
PROJECT – RACE STREET/GRANITE AVENUE**

A Resolution of The Council of Port Deposit (the “Council”), the governing body of The Town of Port Deposit (the “Town”), providing for the issuance and sale by the Town, upon its full faith and credit, of its general obligation installment bond in the original principal amount of Two Hundred Forty-Five Thousand Dollars (\$245,000.00), pursuant to the authority of Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland, Sections 719 and 720 of the Charter of the Town of Port Deposit, and Ordinance 2021-06, passed by the Council on November 2, 2021 and effective on November 23, 2021, the bond to be designated “The Town of Port Deposit Taxable Stormwater Drainage Improvements Bond of 2022”, for the public purpose of financing, reimbursing or refinancing costs of undertaking stormwater drainage improvements generally in the areas of Race Street and Granite Avenue and related costs, as further described herein; prescribing the form and tenor of the bond and the terms and conditions for the issuance and sale thereof at private sale to the United States of America on its own behalf or acting through any department, division, agency or instrumentality thereof; providing for the imposition of ad valorem taxes sufficient for the payment of the principal of and interest on the bond; pledging the full faith and credit and unlimited taxing power of the Town to the payment of principal and interest on the bond; providing that principal of and interest on the bond may be payable from other sources legally available for that purpose; authorizing certain officials to take certain actions in connection with the bond; providing that the provisions of this Resolution shall be liberally construed; and generally relating to the sale, issuance, delivery and payment of and for the bond.

RECITALS

WHEREAS, The Town of Port Deposit, a municipal corporation of the State of Maryland and a municipality within the meaning of the Enabling Act identified below (the “Town”), is authorized and empowered by Sections 19-301 to 19-309, inclusive, of the Local Government Article 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; and

WHEREAS, pursuant to Ordinance 2021-06, passed pursuant to the authority of the Enabling Act and Sections 719 and 720 of the Charter by The Council of Port Deposit, the governing body of the Town, which consists of a Mayor and four Councilmembers (the “Council”), on November 2, 2021 and effective on November 23, 2021 (the “Ordinance”), the Town authorized the issuance and sale from time to time, upon its full faith and credit, of 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) (the “Authorized Bonds”), and the Ordinance provides that any such

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series may consist of one or more bonds and that any bond may be issued in installment form and/or draw-down form; and

WHEREAS, the Ordinance provides that 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 of America, acting through Rural Development, Rural Utilities Service, or any related department, division, agency or instrumentality (any such entity, referred to herein as "USDA"), has issued an obligation of funds for a loan of up to \$245,000.00 to the Town for purposes of financing, reimbursing or refinancing Costs of the Project; and

WHEREAS, the Town has been paying Costs of the Project from funds on hand, and USDA has agreed that the Project has reached a stage where an Authorized Bond in the maximum principal amount authorized by the Ordinance may be issued, with a portion of the proceeds thereof to be advanced upon delivery of such Authorized Bond and the remaining proceeds to be advanced by USDA in accordance with the provisions of this Resolution; and

WHEREAS, the interest payable on such Authorized Bond shall be includable in gross income for federal income tax purposes.

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

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

(b) References in this Resolution to any Town 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 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 Resolution to “principal amount” shall be construed to mean par amount.

(d) References in this Resolution 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.

(e) In the event the position of Treasurer of the Town is vacant at any time and (i) no person has been appointed to act in an interim or acting capacity in such position or (ii) there is no deputy, associate or assistant treasurer to whom the applicable responsibilities, rights or duties referred to herein have been delegated, any of the responsibilities, rights or duties to be exercised by the Treasurer as provided for herein shall be exercised by the Town Administrator of the Town, unless the Council determines otherwise by resolution or other appropriate action. The provisions of this Section 1(e) shall extend to any references to the Treasurer set forth in the Bond (as defined herein).

(f) To the extent that applicable laws, orders, regulations or other authority allow for signatures of Town officials or employees to be made by facsimile, electronic or other means, whether due to the impact of the COVID-19 pandemic or for other applicable reasons, the provisions of such applicable laws, orders, regulations or other authority allowing signatures to be made in a manner other than manually shall apply to any signatures of Town officials or employees provided for in or contemplated by this Resolution, including on this Resolution.

SECTION 2. Pursuant to the authority of the Enabling Act, Sections 719 and 720 of the Charter and the Ordinance, the Town hereby determines to borrow money and incur indebtedness for the public purpose of financing, reimbursing and/or refinancing in whole or in part any one or more components of Costs of the Project. The Town shall use proceeds of the Bond identified in Section 3 hereof, as the same are advanced to the Town, to finance, reimburse or refinance Costs of the Project. The total Costs of the Project not covered by grants, loans or funds otherwise available to the Town are not expected to be less than Two Hundred Forty-Five Thousand Dollars (\$245,000.00).

SECTION 3. To evidence the borrowing and indebtedness authorized in Section 2 of this Resolution, the Town, acting pursuant to the authority of the Enabling Act, Sections 719 and 720 of the Charter and the Ordinance, shall issue and sell, upon its full faith and credit, a general obligation installment bond in the original principal amount of Two Hundred Forty-Five Thousand Dollars (\$245,000.00), to be known as “The Town of Port Deposit Taxable Stormwater Drainage Improvements Bond of 2022” (the “Bond”). The proceeds of the sale of the Bond shall be used and applied as described in the Recitals to this Resolution and as provided in Section 2 hereof.

SECTION 4. (a) The Bond shall be issued and sold upon the full faith and credit of the Town, shall be dated the date of delivery, shall be issued in the form of a single fully-registered installment bond, as a draw-down bond, without coupons attached, in the original principal denomination of Two Hundred Forty-Five Thousand Dollars (\$245,000.00), and shall mature on the date that is forty (40) years from the date of delivery of the Bond (or such earlier date occurring within the month in which the 40th anniversary of the date of delivery of the Bond occurs as may be required by USDA in accordance with applicable law and regulations).

(b) Subject to the provisions of subsection (c) of this Section 4, the Bond shall bear interest on the unpaid principal balance from its date at the per annum rate of one and twenty-five hundredths of one percent (1.25%); such interest rate is based on the interest rate offered by USDA for a closing occurring by March 31, 2022, which interest rate is lower than the interest rate set forth in USDA's obligation of funds. Subject to the provisions of subsection (c) of this Section 4, the principal of and interest on the Bond shall be paid in one hundred sixty (160) quarterly installments of One Thousand Nine Hundred Fifty-One Dollars (\$1,951.00) each, or such other amounts as shall be calculated by USDA prior to issuance of the Bond as being the amount necessary to amortize the Bond on the schedule provided for in this Section 4. Notwithstanding the foregoing, the last such installment payable on the Bond shall be in such greater or lesser amount as is calculated to be necessary to fully amortize principal and interest due on the Bond. The first installment of principal and interest on the Bond shall be due and payable on the date three months following the date of delivery of the Bond (or such earlier date occurring within the third month following the date of delivery of the Bond as may be required by USDA in accordance with applicable law and regulations) and subsequent installments of principal and interest shall be payable at three-month intervals thereafter until the principal of and interest on the Bond are fully paid, except that the final installment of the entire indebtedness evidenced by the Bond, if not sooner paid, shall be due and payable on the date that is forty (40) years from the date of delivery of the Bond (or such earlier date occurring within the month in which the 40th anniversary of the date of delivery of the Bond occurs as may be required by USDA in accordance with applicable law and regulations), and except that prepayments may be made as provided in Section 5 of this Resolution.

(c) Notwithstanding the provisions of subsection (b) above, in the event USDA determines prior to the date of delivery of the Bond that (i) the amortization schedule provided for in such subsection needs to be modified due to USDA allowing the Bond to be issued as a draw-down bond, including (by way of illustration and not in limitation) to provide for interest only payments for some period of time, (ii) the interest rate reflected in subsection (b) needs to be adjusted based on the date of delivery and/or USDA's program requirements, and/or (iii) the amortization schedule provided for in subsection (b) needs to be modified for any reason, including to reflect a change in the interest rate and/or because of a calculation error by USDA, the Mayor of the Town (the "Mayor") is hereby authorized and empowered to approve any such adjustments or modifications to such amortization schedule and/or the interest rate as required by USDA, such approval to be evidenced conclusively by the Mayor's execution and delivery of the Bond reflecting such adjustments or modifications in accordance with Sections 6 and 8 of this Resolution.

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(d) The registered owner of the Bond will make advances of the principal amount of the Bond to the Town as provided herein to be applied to finance, reimburse and/or refinance Costs of the Project in accordance with applicable rules and regulations of USDA or, to the extent the United States of America on its own behalf or acting through any department, division, agency or instrumentality thereof is no longer the registered owner of the Bond, upon requests of the Town submitted to such registered owner. Unless otherwise authorized by USDA, Account Summaries submitted by the Town to USDA to obtain advances of the principal amount of the Bond shall be processed no more frequently than every thirty (30) days. Once advances totaling Two Hundred Forty-Five Thousand Dollars (\$245,000.00) have been made, no further advances may be made under the Bond, even if all or a portion of principal of the Bond has been prepaid. Each Account Summary or other form of request for an advance required by USDA may be signed by the Mayor and/or the Town Administrator of the Town (the "Town Administrator"). By resolution or other appropriate action, evidence of which shall be provided to USDA or the registered owner of the Bond, as applicable, the Council may authorize one or more additional, alternative or different officials to sign Account Summaries or request advances under the Bond or revoke the authority of any previously identified official to take either such action. Any advance of the principal of the Bond and the remaining amount available to be drawn on the Bond shall be noted on Schedule A to the Bond by the registered owner thereof, but the failure of the registered owner to make any such notation shall not affect the validity or legal effect of any advances made.

SECTION 5. The Town shall have the right to prepay scheduled installments, or any portion thereof, at any time at par without premium or penalty. Prepayments and any refunds or extra payments, as designated in the regulations of the United States of America according to the source of funds involved shall, after payment of interest then due on the Bond, be applied to the installments of principal last to become due under the Bond and shall not affect the obligation of the Town to pay the remaining principal of and interest on the Bond as and when due. Notice of prepayment shall be given at least thirty (30) days prior to the date fixed for prepayment (or such fewer number of days as is acceptable to the registered owner of the Bond) by mailing or otherwise providing to the registered owner a notice fixing the prepayment date and the amount to be prepaid.

SECTION 6. The Bond shall be executed in the name of the Town and on its behalf by the Mayor. The corporate seal of the Town shall be affixed to the Bond and attested to by the signature of the Town Administrator. For so long as the registered owner of the Bond is the United States of America, acting through any department, division, agency or instrumentality thereof, principal and interest on the Bond shall be paid through the Preauthorized Debit (PAD) process, unless otherwise required by such registered owner. With respect to any registered owner of the Bond other than the United States of America or any department, division, agency or instrumentality thereof, the principal of and interest on the Bond shall be paid by check or draft mailed (by depositing such check or draft, correctly addressed and postage prepaid, in the United States mail on or before the payment date) to the registered owner at its address as it appears in the books kept for that purpose at the office of the Treasurer of the Town (the "Treasurer"), if such address is within the United States of America; otherwise, the principal of and interest on the Bond shall be paid at the office of the Treasurer in Port Deposit, Maryland. Notwithstanding the preceding sentence, the Treasurer and such other registered owner may agree to any other

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commercially reasonable method of payment of principal of and interest on the Bond (including, by way of illustration and not in limitation, by wire or electronic funds transfer). In the event any official whose signature appears on the Bond shall cease to be such official prior to delivery of the Bond, or, in the event any official whose signature appears on the Bond shall have become such official after the date of delivery thereof, the Bond shall, nevertheless, be a valid and legally binding obligation of the Town in accordance with its terms. Any such new Bond issued in transfer or exchange may be executed and sealed as provided in this Section 6 with respect to the original execution and delivery of the Bond, or as otherwise required by then-applicable law, and appropriate changes may be made to the form of such Bond delivered in transfer or exchange to account for the dated date of such replacement Bond or the principal amount of such replacement Bond.

SECTION 7. The Bond shall be transferable only upon the books kept for that purpose by the Treasurer at the Town office, by the registered owner thereof in person or by his duly authorized attorney, upon surrender thereof, together with a written instrument of transfer satisfactory to the Treasurer, duly executed by such registered owner or duly authorized attorney. At the expense of any transferor, other than the United States of America on its own or acting through any department, division, agency or instrumentality thereof, the Town shall, within a reasonable time, issue in the name of the transferee a new registered bond or bonds, in denominations of \$100.00 and integral multiples thereof and in such odd denomination or denominations as may be requested by the transferee and approved by the Treasurer on behalf of the Town, or as otherwise required by the regulations of the United States of America, if applicable, in an original aggregate principal amount equal to the unpaid principal amount of the Bond surrendered, and with the same maturity, series, installment payment dates and interest rate. If more than one bond is issued upon any such transfer, the installment of principal and interest to be paid on each such bond on each payment date shall be equal to the product of the following formula: the total installment due on the bonds of the same series bearing interest at the same rate on such payment date multiplied by a fraction, the numerator of which shall be the unpaid principal amount of such bond and the denominator of which shall be the aggregate principal amount of bonds of the same series bearing interest at the same rate then outstanding and unpaid, or as otherwise required by the regulations of the United States of America, as applicable. No bond shall be transferred upon the books kept by the Town except upon payment of any taxes on, and any shipping or insurance expenses relating to, such transfer; provided, however, that if the United States of America or any department, division, agency or instrumentality thereof is the owner of the bond or bonds sought to be transferred, the costs thereof shall be borne by the Town. In the event the Bond is ever transferred or exchanged for more than one bond of such series, references in this Resolution to the "Bond" shall be deemed to refer to all bonds of such series and references in this Resolution to the "owner" of the Bond shall be deemed to refer to the registered owners of all bonds of the same series as the Bond, as the context requires.

SECTION 8. Except as provided hereinafter or in a resolution or resolutions of the Council adopted prior to the issuance of the Bond, the Bond shall be issued in substantially the form attached hereto as Exhibit A and incorporated by reference herein. Appropriate variations and insertions shall be made by the Mayor to provide dates, numbers, amounts and any other

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modifications contemplated by this Resolution, and the Mayor may make other modifications not altering the substance of the Bond. The covenants contained in the substantially final form of the Bond, as modified in accordance with the provisions of this Section 8 and as executed and delivered by the Town in accordance with the provisions of Section 6 of this Resolution, are hereby adopted by the Town as and for the form of obligation to be incurred by the Town, and such covenants and conditions are hereby made binding upon the Town, including the promise to pay therein contained.

SECTION 9. The Bond shall be sold at private sale to the United States of America on its own behalf or acting through any department, division, agency or instrumentality thereof (the "Purchaser") at a price of par and for cash, the purchase price of the Bond to be advanced as provided in Section 4(d) of this Resolution. The Council hereby finds that such private sale serves the public interest 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 Bond in whole or in part at any time at par, without premium or penalty.

SECTION 10. On January 20, 2022 or such other date as shall be acceptable to the Mayor and USDA, the Bond shall be suitably prepared in definitive form, executed and delivered to the Purchaser upon receipt of the initial advance of the purchase price therefor. To the extent not otherwise expressly provided for herein, the Mayor, the Town Administrator, and 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 the Bond, (ii) negotiate, approve, execute and deliver all documents, certificates and instruments necessary or appropriate in connection with any such sale, issuance and delivery, including, without limitation, making such changes or modifications in the form of Bond adopted herein as may be necessary or appropriate to comply with United States of America regulations, practices and policies applicable from time to time, and (iii) carry out the transactions contemplated by this Resolution, any additional resolution adopted in furtherance of this Resolution, and any documents, certificates or instructions executed and delivered in connection with the issuance of the Bond.

SECTION 11. Upon issuance and delivery of the Bond, a portion of the proceeds of the Bond will be advanced to the Town, with subsequent advances to be made by the registered owner of the Bond as provided in Section 4(d) of this Resolution. Each advance of the proceeds of the Bond shall be advanced by the registered owner of the Bond and paid (i) directly to the Town and deposited by the Treasurer or other appropriate municipal official in the proper municipal accounts and/or (ii) directly to a third party at the direction of the Mayor. By resolution or other appropriate action, evidence of which shall be provided to USDA or the registered owner of the Bond, as applicable, the Council may authorize one or more additional, alternative or different officials to direct a third party to which an advance of any proceeds of the Bond shall be paid in whole or in part or revoke the authority of any previously identified official to make such direction. The proceeds of the sale of the Bond are hereby appropriated for, and shall be used and applied by the Town exclusively and solely for, the public purposes described in Section 2 hereof. If the proceeds received from the sale of the Bond exceed the amount actually expended or required for such public purpose, the amount of such unexpended excess shall be applied to the prepayment of the

Bond, unless a supplemental ordinance or resolution, as applicable, is passed by the Council to provide for the expenditure of that excess for some other valid purpose authorized by the Enabling Act, the Charter or other applicable law, and except that the unexpended excess shall be applied in accordance with United States of America regulations, practices and policies applicable from time to time.

SECTION 12. (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 the Bond 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 the Bond. The Town shall impose, for each and every fiscal year during which the Bond 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 the Bond 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 and agrees with the registered owner of the Bond to take any action that may be lawfully appropriate from time to time during the period that the Bond 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 the Bond from the proceeds of the sale of any other obligations of the Town or from any other funds legally available for that purpose. The Town may apply to the payment of the principal of or interest on the Bond 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 such funds are granted or paid to the Town for the purpose of assisting the Town in accomplishing the Project or are otherwise available for such purpose, and to the extent of any such funds received or receivable in any fiscal year, the taxes hereby required to be levied may be reduced proportionately.

SECTION 13. The provisions of this Resolution shall be liberally construed in order to effectuate the transactions contemplated by this Resolution.

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SECTION 14. This Resolution shall become effective immediately upon its adoption.

Resolution 01-2022 passed and adopted this 4th day of January, 2022.

THE COUNCIL OF PORT DEPOSIT

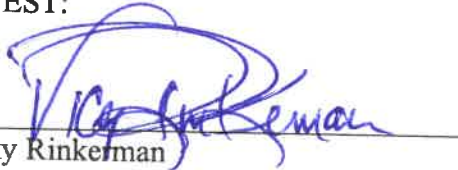

Robert Kuhs, Mayor

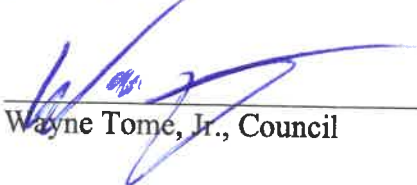

Daniel Berlin, Council


Kevin Brown, Deputy Mayor


Thomas Knight, Council

ATTEST:


Vicky Rinkerman
Town Administrator


Wayne Tome, Jr., Council

#224878;50069.003

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EXHIBIT A
FORM OF BOND

No. R-__

\$245,000.00

REGISTERED

UNITED STATES OF AMERICA

STATE OF MARYLAND

THE TOWN OF PORT DEPOSIT

Taxable Stormwater Drainage Improvements Bond of 2022
Dated Date: _____, 2022

IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER ALL OR ANY PART OF THE PRINCIPAL OF OR INTEREST ON THIS BOND HAS BEEN PAID.

The Town of Port Deposit, a municipal corporation of the State of Maryland and a municipality within the meaning of the Enabling Act identified herein (the "Town"), hereby acknowledges itself indebted and for value received promises to pay to the United States of America, acting through the Rural Utilities Service, U.S. Department of Agriculture, the registered owner, the principal amount of Two Hundred Forty-Five Thousand Dollars \$245,000.00), plus interest on the unpaid balance from the date hereof at the rate of one and twenty-five hundredths of one percent (1.25%) per annum. The principal of and interest on this bond shall be paid in quarterly installments of \$1,951.00 each, commencing on _____ and each _____, _____, _____ and _____ thereafter until the principal of and interest on this bond are fully paid (provided that the last such installment shall be in such greater or lesser amount as is calculated to be necessary to fully amortize principal and interest due on this bond), except that the final installment of the entire indebtedness evidenced by this bond, if not sooner paid, shall be payable on _____, 2062, [40 YEARS FROM DATE OF DELIVERY OR EARLIER WITHIN SAME MONTH IF DATE OF DELIVERY IS AT END OF CORRESPONDING MONTH] and except that prepayments may be made as provided below.

The registered owner of this bond shall make advances of the principal amount hereof to the Town in accordance with the Resolution (defined herein) and applicable rules and regulations of the United States Department of Agriculture. Once advances totaling Two Hundred Forty-Five Thousand Dollars (\$245,000.00) have been made under this bond, no further advances may be made. The registered owner of this bond shall make a notation as to the date and amount of each

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advance on Schedule A hereto, but the failure to make any such notation shall not affect the validity or legal effect of any advance made.

Both the principal of and interest on this bond will be paid in lawful money of the United States of America at the time of payment. For so long as the registered owner of this bond is the United States of America, acting through any department, division, agency or instrumentality thereof, principal and interest on this bond shall be paid through the Preauthorized Debit (PAD) process, unless such registered owner requires a different payment process. With respect to any registered owner of this bond other than the United States of America or any department, division, agency or instrumentality thereof, the principal of and interest on this bond shall be paid by check or draft mailed (by depositing such check or draft, correctly addressed and postage prepaid, in the United States mail on or before the payment date) to the registered owner at its address as it appears in the books kept for that purpose by the Treasurer of the Town (the "Treasurer"), if such address is within the United States of America, and otherwise, the principal of and interest on this bond shall be paid at the Town office in Port Deposit, Maryland, unless the registered owner and the Treasurer agree to a different place or manner of payment.

If any scheduled payment date provided for in this bond is not a Business Day, payment shall be made on the next succeeding Business Day. As used herein, a "Business Day" means any day other than a Saturday, Sunday or day on which the Town or banks in the State of Maryland and/or the state in which the registered owner of this bond are authorized or obligated by law to close. Each installment of principal and interest shall be applied first to interest accrued (calculated on a 365/366 day year basis) and then to principal; provided that, for so long as the registered owner is the United States of America, acting through any department, division, agency or instrumentality thereof, principal and interest on this bond shall be calculated and applied as required by such registered owner.

This bond is issued pursuant to and in full conformity with the provisions of Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended, Sections 719 and 720 of the Charter of the Town of Port Deposit, as replaced, supplemented or amended (the "Charter"), and by virtue of due proceedings had and taken by the Town, particularly Ordinance 2021-06 passed by The Council of Port Deposit, the governing body of the Town (the "Council"), on November 2, 2021 and effective on November 23, 2021 (the "Ordinance"), and Resolution __-2022, adopted by the Council on _____, 2022 and effective on _____, 2022 (the "Resolution"). This bond and the Town are also subject to the provisions of RUS Bulletin 1780-27 Loan Resolution (Public Bodies) adopted by the Council on _____, 2022 and effective on _____, 2022.

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 this bond according to its terms, and the Town does hereby covenant and agree to pay the principal of this bond and the interest hereon, at the dates and in the manner mentioned herein, according to the true intent and meaning hereof.

The Town shall impose, in each and every fiscal year in which this bond is outstanding, ad valorem taxes upon all real and tangible personal property within the Town that is subject to assessment for unlimited municipal taxation at a rate and in an amount sufficient to provide for such payments when due. In the event the proceeds from the taxes so imposed in any fiscal year are inadequate for such purpose, the Town shall impose additional taxes in the succeeding fiscal year to make up any deficiency.

This bond is transferable only upon the books kept for that purpose at the Town office by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to the Treasurer, duly executed by the registered owner or his duly authorized attorney. At the expense of any transferor, other than the United States of America or any department, division, agency or instrumentality thereof, the Town shall, within a reasonable time, issue in the name of the transferee a new registered bond or bonds, in denominations of \$100.00 and integral multiples thereof and in such odd denomination or denominations as may be requested by the transferee and approved by the Treasurer on behalf of the Town, or as otherwise required by the regulations of the United States of America, if applicable, in an aggregate principal amount equal to the unpaid principal amount of the bond or bonds of the same series surrendered, and with the same maturities, installment payment dates and interest rate. If more than one bond is issued upon any such transfer, the installment of principal and interest to be paid on each such bond on each such payment date shall be equal to the product of the following formula: the total installment due on the bonds of the same series bearing interest at the same rate on such payment date multiplied by a fraction the numerator of which shall be the unpaid principal amount of such bond and the denominator of which shall be the aggregate principal amount of the bonds of the same series bearing interest at the same rate then outstanding and unpaid, or, if the registered owner is the United States of America or any department, division, agency or instrumentality thereof, as otherwise required by the regulations of the United States of America, as applicable. Except for transfers made by the United States of America on its own behalf or acting through any department, division, agency or instrumentality thereof, the new bond or bonds shall be delivered to the transferee only after payment of any taxes on, and any shipping or insurance expenses relating to, such transfer. The Town may deem and treat the party in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

The Town has the right to prepay scheduled installments, or any portion thereof, at any time at par without premium or penalty. Prepayments (and, if this bond is registered in the name of the United States of America or any department, division, agency or instrumentality thereof, any refunds or extra payments, as designated in the regulations of the United States of America according to the source of funds involved) shall, after payment of interest then due on this bond, be applied to the installments of principal last to become due under this bond and shall not affect the obligation of the Town to pay the remaining principal of and interest on this bond as and when due. Notice of prepayment shall be given at least thirty (30) days prior to the dated fixed for prepayment (or such fewer number of days as is acceptable to the registered owner of this bond) by mailing or otherwise providing to the registered owner a notice fixing the prepayment date and the amount to be prepaid.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Maryland, the Charter, the Ordinance and the Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this bond, exist, have happened and have been performed, and that the issuance of this bond, together with all other indebtedness of the Town, is within every debt and other limit prescribed by said Constitution or statutes or Charter.

IN WITNESS WHEREOF this bond has been executed by the manual signature of the Mayor and the corporate seal of the Town has been affixed hereto, attested by the manual signature of the Town Administrator, as of the Dated Date set forth above.

(SEAL)

ATTEST:

THE TOWN OF PORT DEPOSIT

Town Administrator

By: _____
Mayor

(Form of Transfer)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within bond and all rights thereunder and does hereby constitute and appoint _____ to transfer the within bond on the books of the Town kept for the registration thereof, with full power of substitution in the premises.

Dated:

In the presence of:

(SEAL)
Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular without alteration or enlargement or any change whatever.

_____ Underlining = text added to the Resolution after introduction
~~Strike-through~~ = text deleted from the Resolution after introduction

