

**TOWN OF EMMITSBURG GENERAL OBLIGATION
BOND ANTICIPATION NOTES**

An Ordinance of the Town of Emmitsburg, a municipal corporation of the State of Maryland, providing for the issuance and sale of up to (and including) One Million One Thousand Dollars (\$1,001,000) par amount of bond anticipation notes to be known as “Town of Emmitsburg General Obligation Bond Anticipation Notes”, to be issued and sold pursuant to the authority of Sections 19-301 *et seq.* of the Local Government Article of the Annotated Code of Maryland, as amended, and Article V, Sections 19 through 22 of the Charter of the Town of Emmitsburg, for the purpose of providing all or a portion of the funds necessary to pay the costs of improvements and upgrades to the Town’s wastewater treatment plant, together with any ancillary or related facilities or improvements, capitalized interest on the notes and costs of issuing the notes, all in anticipation of the future issuance of the Town’s general obligation bonds for such purposes; providing that the notes shall be issued upon the full faith and credit of the Town of Emmitsburg; providing for the disbursement of the proceeds of the sale of the notes and for the levy of annual taxes upon all assessable property within the corporate limits of the Town subject to assessment for the payment of the principal of and interest on the notes as they shall mature; providing for the form, tenor, denomination, maturity date and other provisions of the notes; providing for the sale of the notes; providing for related purposes, including the method of fixing the interest rate to be borne by the notes; and providing for the addition or substitution of additional projects under certain circumstances for related purposes.

WHEREAS, the Town of Emmitsburg (the “Issuer”) is a municipal corporation of the State of Maryland organized and operating under a charter (the “Charter”) adopted in accordance with Article XI-E of the Constitution of Maryland, and Sections 19-301 *et seq.* of the Local Government Article of the Annotated Code of Maryland, as amended; and

WHEREAS, pursuant to the authority of Sections 19-301 *et seq.* of the Local Government Article of the Annotated Code of Maryland, as amended, and Article V, Sections 19 through 22 of the Charter of the Town of Emmitsburg (the “Charter”), the Issuer has determined to issue its general obligation bond anticipation notes to be known as the “Town of Emmitsburg General Obligation Bond Anticipation Notes” (the “Notes”) in the principal amount of up to (and including) One Million One Thousand Dollars (\$1,001,000) for the purpose of providing all or a portion of the funds necessary for paying the costs of improvements and upgrades to the Town’s

wastewater treatment plant, together with any ancillary or related facilities or improvements, capitalized interest on the Notes and costs of issuing the Notes (the "Project"), all in accordance with the terms and provisions of this Ordinance.

WHEREAS, concurrently with the adoption of this Ordinance, the Issuer has adopted an Ordinance authorizing the issuance and sale of its general obligation bonds (herein referred to as the "Bonds") to pay the costs of the Project, together with capitalized interest, costs of issuance and other related costs; and

WHEREAS, the Issuer intends by this Ordinance to provide for the issuance and sale of the Notes in anticipation of the issuance of the Bonds.

NOW, THEREFORE, BE IT ORDAINED:

Section 1. Authorization, Terms, Form of Notes.

(a) The Issuer shall borrow upon its full faith and credit and shall issue and sell the Notes as its general obligation in the principal amount of up to (and including) One Million One Thousand Dollars (\$1,001,000). The Notes shall be issued pursuant to the authority of Sections 19-301 *et seq.* of the Local Government Article of the Annotated Code of Maryland, as amended, and Article V, Sections 19 through 22 of the Charter. The proceeds from the sale of the Notes shall be used for the purpose of providing all or a portion of the funds necessary to pay the costs of the Project, including capitalized interest on the Notes, costs of issuance of the Notes and other related costs.

(b) The Notes shall be issued in one or more series from time to time, as fully registered notes in the principal amount of up to (and including) One Million One Thousand Dollars (\$1,001,000), payable to the registered owners thereof. The Notes of each series may be issued in such amount or such lesser amounts and in such denominations as determined by the Mayor pursuant to subsection (g) below. The interest rates and provisions for prepayment or redemption of the Notes of any series may differ from the interest rates and provisions for prepayment or redemption of the Notes of any other series.

(c) The Notes of each series shall be dated as of their date of issue and delivery to the initial purchaser thereof; shall be numbered R-1 upwards; shall be initially registered in the name of the initial purchaser thereof or such purchaser's designee; and shall bear interest from their dated date in monthly, quarterly, semiannual or other periodic installments, all as determined by the Mayor pursuant to subsection (g) below, at the designated office of the Issuer.

(d) The Notes shall bear interest at an annual rate or rates to be set forth in the form of the Notes, shall be payable in scheduled principal installments (if any), shall be subject to redemption and prepayment and shall mature on such date or dates, all as shall be determined with the approval of the Mayor acting pursuant to subsection (g) below.

(e) The Issuer hereby determines that it is in the best interests of the Issuer to issue and sell the Notes at a private negotiated sale.

(f) The Notes shall be in substantially the form set forth on Exhibit A attached hereto and made a part hereof, subject to completion and modification as authorized by this Ordinance. The form of Notes as set forth on Exhibit A attached hereto, together with all of the covenants and conditions therein contained, is hereby adopted by the Issuer as and for the form of obligation to be incurred by the Issuer and such covenants and conditions are hereby made binding upon the Issuer, including the promise to pay therein contained.

(g) The Mayor is hereby authorized to make such changes to the amount, terms and form of the Notes and any related documents and certificates, including insertions therein or additions or deletions thereto, as may be necessary to conform the terms of the Notes to the terms and requirements of the purchaser(s) thereof and as are consistent with the other provisions of this Ordinance. Accordingly, the Mayor is specifically authorized: (i) to determine and approve the final principal amount of the Notes of any series to be issued from time to time in order to reflect the final principal amount thereof (not to exceed the maximum principal amount of Notes authorized by this Ordinance for all series of Notes), (ii) to determine and approve the interest rate or rates of the Notes of any series pursuant to either a public or private sale of the Notes of such series, the method of calculation of interest, and the date or dates for the payment of interest, all as the Mayor shall deem to be in the best interests of the Issuer, (iii) to determine and approve the maturity date or dates of the Notes of any series, the dates on which the Notes of any series are subject to mandatory or optional prepayment or redemption, and the principal amounts to be prepaid or redeemed on such dates and the redemption premium thereon, if any, (iv) to determine the number and denominations of Notes of any series, and (v) to insert into the form of the Notes a series designation for the Notes, which shall include the actual year in which the Notes of any series are issued and any additional designations as may be determined by the Mayor.

(g) Concurrently with the delivery of the Notes of any series to the purchaser thereof, the Issuer will enter into, execute and deliver in connection with the issuance of the Notes of such series additional documents, agreements, instruments and certificates (which are herein referred to as the "Related Note Documents"). The Related Note Documents shall be in such form and shall contain such terms and conditions as shall be approved by the Mayor and acceptable to the purchaser(s) of the Notes and the Issuer's bond counsel. The Issuer agrees to perform the covenants and agreements set forth in the Related Note Documents.

Section 2. Execution. The Notes shall be executed on behalf of the Issuer by the manual or facsimile signature of the Mayor of the Issuer, and the seal of the Issuer shall be affixed thereto or reproduced thereon and attested by the manual signature of the

Town Clerk of the Issuer. The Related Note Documents shall be executed on behalf of the Issuer by the manual signature of the Mayor of the Issuer, the Town Manager and other officers and employees of the Issuer, as appropriate, and the seal of the Issuer may (but is not required) be affixed thereto or reproduced thereon and attested by the manual signature of the Town Clerk of the Issuer. In the event any official whose signature appears on the Notes or any of the Related Note Documents shall cease to be an official prior to the delivery of the Notes or the Related Note Documents, or, in the event any official whose signature appears on any of the Notes or the Related Note Documents becomes an officer after the date of the issue, the Notes or Related Note Documents shall nevertheless be valid and binding obligations of the Issuer in accordance with their terms.

The Mayor of the Issuer is hereby authorized, empowered and directed to complete the applicable form of the Notes or the Related Note Documents and to make modifications, deletions, corrections or other changes thereto in any manner which the Mayor, in his or her discretion, shall deem necessary to complete the issuance and sale of the Notes and the execution and delivery of the Related Note Documents, as will not alter the substance thereof. The Mayor is hereby also authorized to execute other and additional documents relating to the Notes, the Related Note Documents and their administration, including subsequent modifications, deletions, corrections and other changes thereto in any manner which the Mayor, in his or her discretion, shall deem appropriate. The execution of the Notes and the Related Note Documents and any other documents relating to the Notes and the Related Note Documents by the Mayor shall be conclusive evidence of his or her approval of the form and substance thereof.

Section 3. Registration of Notes. The Town Clerk shall act as registrar for the Notes and shall maintain registration books for the registration and registration of transfer of the Notes of each series. No security or bond shall be required of the Town Clerk in the performance of the duties of registrar for the Notes. The Issuer may from time to time by resolution adopted by the Board of Commissioners, either prior to or following the issuance of the Notes of any series, designate and appoint one or more substitute or successor registrars or a paying agents for the Notes of any series.

The Notes of any series will be transferable by the Town Clerk only upon the register for the Notes maintained by the Town Clerk. Any Note presented for transfer, exchange or registration, shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Town Clerk, duly executed by the registered owner thereof or by such owner's duly authorized attorney. Upon any transfer or exchange, the Issuer shall execute and deliver in the name of the registered owner or the transferee or transferees, as the case may be, a new registered Note of authorized denomination(s) in the outstanding and unpaid principal amount of the Note, payable or maturing on the same date or dates and bearing interest at the same rate as the surrendered Note. In each case, the Issuer may require payment by the registered owner requesting the exchange or transfer of any tax, fee or other governmental charge and of any shipping and insurance charges that may be

required to be paid with respect thereto, but otherwise no charge shall be made to the registered owner for the exchange or transfer. The Registrar shall not be required to transfer or exchange any Note after the mailing or giving of a notice of redemption.

The Issuer may deem and treat the person in whose name any Notes shall be registered upon the books of the Issuer as the absolute owner of such Notes, whether such Notes shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, premium, if any, of and interest on such Notes and for all other purposes.

Section 4. Prepayment and Redemption. Principal of the Notes is subject to prepayment or redemption in whole or in part at any time prior to maturity, with or without premium or penalty, together with interest on the principal amount to be prepaid or redeemed accrued to the prepayment or redemption date, as shall be set forth in the form of the Notes. If less than all of the outstanding principal of any Note or installments of principal on any Note shall be called for prepayment or redemption, the principal amount to be so prepaid or redeemed shall be applied to reduce the installments of principal payable on any Note in the amount and order as determined by the Issuer. Notice of prepayment or redemption shall be sent to the registered owners of any Notes to be prepaid or redeemed by first class mail at such owners' addresses appearing on the register for the Notes, or by any other method accepted by the owners of the Notes, if and as required by the initial purchaser(s) of the Notes.

If, on the date designated for prepayment or redemption of any Notes, notice having been duly given or waived, moneys for the prepayment or redemption of principal of the Notes plus accrued interest to the prepayment or redemption date are then held by the Issuer, the principal called for prepayment or redemption shall become due and payable at the prepayment or redemption price provided therefor, together with any accrued interest thereon, and interest on such principal called for prepayment or redemption shall cease to accrue from and after such date. From and after any such prepayment or redemption date, the principal of the Notes called for prepayment or redemption shall cease to bear interest and the registered owners thereof shall thereafter be entitled only to receive from the Issuer payment of the principal thereof called for prepayment or redemption and any accrued interest payable on such principal to the date of prepayment or redemption.

Section 5. Replacement of Mutilated, Lost, Stolen, or Destroyed Notes. In case any of the Notes shall become mutilated or be destroyed, lost or stolen, the Issuer may cause to be executed and delivered a new Note of like date and tenor and bearing the same or a different number, in exchange and substitution for each Note mutilated, destroyed, lost or stolen, upon the owner paying the reasonable expenses and charges of the Issuer in connection therewith and, in the case of any Note being destroyed, lost or stolen, upon the owner filing with the Issuer evidence satisfactory to it that such Note was destroyed, lost or stolen, and furnishing the Issuer with indemnity satisfactory to it. Any Note so issued in substitution for a Note so mutilated, destroyed, lost or stolen: (i) may be reproduced in a manner similar to the Note being replaced, and (ii) shall constitute an

original contractual obligation on the part of the Issuer, whether or not the Note in exchange for which said new Note is issued shall at any later date be presented for payment and such payment shall be enforceable by anyone, and any such new Note shall be equally and proportionately entitled to the benefits of the Notes with all other like Notes, in the manner and to the extent provided herein. The Issuer may require payment by the registered owner requesting a replacement Note of any tax, fee or other governmental charge, costs of preparation of the replacement Note and any shipping and insurance charges that may be required to be paid with respect thereto.

Section 6. Use of Proceeds; Records.

(a) The proceeds of the Notes shall be held, invested, administered and disbursed by the Issuer and shall be used, when and as required, to pay the costs of the Project, including capitalized interest on the Notes and costs of issuing the Notes, together with other related costs.

(b) Pending expenditure of the proceeds of the Notes as contemplated hereby, the Town Treasurer may invest all or part of such proceeds in such manner as authorized or permitted by law; provided, however, that no such investments shall be made which would cause the Notes to be “arbitrage bonds” as more fully set forth in Section 13 below.

(c) Upon the issuance of the Bonds in anticipation of which the Notes are expected to be issued, the Issuer is required and hereby covenants to use the first proceeds of the Bonds or other available taxes or revenues to pay or redeem the Notes. Upon the redemption of the Notes from the first proceeds of the Bonds or otherwise, any unexpended proceeds of the Notes shall be deemed to be proceeds of the Bonds.

(d) The Town Treasurer shall create and maintain, or cause to be created and maintained, full and complete books and records of account for the receipt, investment and disbursement of the proceeds of the Notes of any series.

Section 7. Covenants. The Issuer covenants for the benefit of the owners from time to time of the Notes, that so long as the Notes or installments of principal thereunder shall remain outstanding and unpaid:

(a) The Issuer will duly and punctually pay, or cause to be paid, to the owners of the Notes the principal of the Notes and interest accruing thereon, at the dates and places and in the manner mentioned in the Notes from unlimited *ad valorem* taxes in the event that available monies or revenues of the Issuer are inadequate to make such payment.

(b) The Issuer covenants that so long as the Notes are outstanding and not paid, unless other monies or revenues are available for payment of principal of, premium (if any) and interest on the Notes, it will levy annually, in the manner prescribed by law, a tax on all real and tangible personal property within its corporate limits subject to assessment for unlimited taxation, ad valorem taxes in rate and amount and sufficient, to provide for the payment of the principal of and interest on the Notes as the same become

due and payable. In the event that available monies or revenues or the taxes so levied in any fiscal year shall prove inadequate for the above purposes, the Issuer shall levy additional taxes in the succeeding fiscal year to make up such deficiency. The full faith and credit and the unlimited taxing power of the Issuer are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Notes as the same become due.

(c) The Issuer intends to pay principal of, premium (if any) and interest on the Notes from any available monies or revenues of the Issuer. Accordingly, to the extent any such monies or revenues are used to pay principal of, premium (if any) and interest on the Notes, the Issuer shall not be obligated to levy and collect a tax on all real and tangible personal property within its corporate limits subject to assessment for unlimited taxation, to provide for the payment of the principal of, premium (if any) and interest on the Notes as the same become due and payable.

(d) The Issuer, in accordance with the provisions of Section 19-212 of the Local Government Article of the Annotated Code of Maryland, as amended, covenants to pay the Notes and any interest thereon not paid from the proceeds of the sale of the Notes from the proceeds of the Bonds in anticipation of the sale of which the Notes are issued and further covenants to issue the Bonds when, and as soon as, the reason for deferring their issuance no longer exists.

Section 8. Ordinance a Contract. The provisions of this Ordinance shall constitute a contract with the registered owners from time to time of the Notes, and this Ordinance shall not be repealed, modified or altered in any manner materially adverse to the interests of such owners while the Notes or any portion thereof remain outstanding and unpaid without the consent of the owners of the Notes.

Section 9. Purchase Price of Notes. The Notes shall be sold for cash at not less than 100% of the face value thereof in accordance with the terms and provisions of this Ordinance and Section 19-304 of the Local Government Article of the Annotated Code of Maryland, as amended.

Section 10. Sale of Notes.

(a) The Notes shall be sold either at a public sale or private negotiated sale as the Mayor of the Issuer deems to be in the best interests of the Issuer. The form of the notice of public sale or request for bids (the "Notice of Sale"), if any, shall be prescribed by the Mayor of the Issuer. In either event, the issuance and sale of the Notes shall be subject to receipt of the approving opinion of Abramoff Neuberger LLP as Bond Counsel to the Issuer.

(b) The Mayor and other officers, employees, attorneys and agents of the Issuer are authorized to: (i) if a public sale of the Notes is contemplated, prescribe the form of the Notice of Sale, including any amendments or supplements thereto, and to establish requirements and procedures for the public sale and award of the Notes upon terms the Mayor determines to be in the best interests of the Issuer, (ii) take any necessary or

appropriate actions in connection with any advertisement of the sale of the Notes and publication of the Notice of Sale, and (iii) take such actions and make such determinations, including the award of the Notes upon terms the Mayor determines to be in the best interests of the Issuer, either at a public competitive sale, by seeking bids from a limited number of financial institutions or prospective purchasers, or by the private negotiated sale of the Notes with one or more prospective purchasers, all as may be necessary to effectuate the sale and issuance of the Notes in accordance with the provisions of this Ordinance, the Notice of Sale (if a public sale) and applicable requirements of law. All actions heretofore taken by the officers or employees of the Issuer in connection with the offer and sale of the Notes are hereby approved, ratified and confirmed.

Section 11. Bank Qualified Status of Interest Paid on the Notes. The Issuer hereby authorizes the Notes to be designated as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, (the “Internal Revenue Code”), if and to the extent any such designation may be made by the Issuer at the time the Notes or any series of Notes are issued. In connection with any such designation, the Issuer shall certify at the time the Notes or series of Notes are issued that: (a) the Notes are not “private activity bonds” for purposes of Section 265(b)(3)(B)(i)(II) of the Internal Revenue Code, (b) the Issuer, including all subordinate entities of the Issuer, has not issued and will not issue more than \$10,000,000 (or any other amount as may then be applicable) of tax exempt obligations during the calendar year in which any series of the Notes may be issued, and (c) the Issuer, including all subordinate entities of the Issuer, have not designated and will not designate more than \$10,000,000 (or any other amount as may then be applicable) of obligations as qualified tax exempt obligations during the calendar year in which the Notes or series of Notes are issued.

Section 12. Authority to Take Action. The officers and employees of the Issuer are hereby authorized and directed to do all acts and things required of them by the provisions of this Ordinance, for the full, punctual and complete performance of all the terms, covenants and provisions of the Notes, the Related Note Documents and this Ordinance and to do and perform all acts and to execute, seal and deliver all documents, certificates or instruments of writing which may be necessary or desirable to carry out the full intent and purposes of this Ordinance and the Related Note Documents. Any and all acts heretofore taken by the officers or employees of the Issuer in connection with the authorization, offer, sale and delivery of the Notes are hereby approved, ratified and confirmed.

Section 13. Covenants Relating to Tax Exempt Status of the Notes and Build America Bonds.

(a) The Mayor and the Town Manager shall be the officials of the Issuer responsible for the execution and delivery on the date of the issuance of the Notes of a certificate or certificates of the Issuer (a “Tax and Section 148 Certificate”) that the Notes

comply with the requirements of Sections 103 and 141 through 150 and other provisions of the Internal Revenue Code and Treasury Regulations applicable to the Notes, including, without limitation, the provisions and requirements of Section 148 of the Internal Revenue Code (“Section 148”), and the applicable Treasury Regulations thereunder (the “Arbitrage Regulations”), and such officials are hereby authorized and directed to execute and deliver a Tax and Section 148 Certificate to counsel rendering an opinion on the validity of the Notes on the date of issuance of the Notes. The Mayor and the Town Manager shall be the officials of the Issuer responsible for the issuance of the Notes within the meaning of Treasury Regulations Section 1.148-2 of the Arbitrage Regulations.

(b) The Issuer shall set forth in the Tax and Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Notes or of any monies, securities or other obligations on deposit to the credit of any account of the Issuer which may be deemed to be proceeds of the Notes pursuant to Section 148 or the Arbitrage Regulations. The Issuer covenants that the facts, estimates and circumstances set forth in the Tax and Section 148 Certificate will be based on the Issuer's reasonable expectations on the date of the issuance of the Notes and will be, to the best of the certifying officials' knowledge, true and correct as of that date.

(c) The Issuer covenants and agrees with the registered owner or owners of the Notes that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the proceeds of the Notes that would cause the Notes to be “arbitrage bonds” within the meaning of Section 148 and the Arbitrage Regulations. The Issuer further covenants that it will comply with Section 148 and the Arbitrage Regulations which are applicable to the Notes on the date of issuance thereof and which may subsequently be made applicable thereto as long as the Notes remains outstanding and unpaid. The Mayor and the Town Manager are hereby authorized and directed to prepare or cause to be prepared and to execute any certification, opinion or other document, including, without limitation, the Tax and Section 148 Certificate, which may be required to assure that the Notes will not be deemed to be “arbitrage bonds” within the meaning of Section 148 and the Arbitrage Regulations. All officers, employees and agents of the Issuer are hereby authorized and directed to take such actions, and to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the Notes as may be necessary or appropriate from time to time to comply with, or to evidence the Issuer's compliance with, the covenants set forth in this Section.

(d) The Issuer further covenants that it shall make such use of the proceeds of the Notes, regulate the investment of the proceeds thereof, and take such other and further actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest paid on such Notes.

(e) The Issuer further covenants with the registered owner or owners of the Notes (i) that it will not take any action or (to the extent that it exercises control or direction) permit any action to be taken that would cause the Notes or a portion of the Notes to be

“federally guaranteed” within the meaning of Section 149(b) of the Internal Revenue Code, and (ii) that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the proceeds of the Notes or a portion of such proceeds that would cause the Notes or a portion of the Notes to be “private activity bonds” within the meaning of Section 141(a) of the Internal Revenue Code.

(f) The Mayor may make such covenants or agreements in connection with the issuance of the Notes as he or she shall deem advisable in order to assure the registered owner or owners of the Notes that interest thereon shall be and remain excludable from gross income for federal income tax purposes, and such covenants or agreements shall be binding on the Issuer so long as the observance by the Issuer of any such covenants or agreements is necessary in connection with the maintenance of the exclusion of the interest paid on the Notes from gross income for federal income tax purposes. The foregoing covenants and agreements may include such covenants or agreements on behalf of the Issuer regarding compliance with the provisions of the Internal Revenue Code as the Mayor shall deem advisable in order to assure the registered owner or owners of the Notes that the interest paid thereon shall be and remain excludable from gross income for federal income tax purposes, including (without limitation) covenants or agreements relating to the use and investment of proceeds of the Notes, the payment of certain earnings (if any) resulting from such investment to the United States, limitations on the times within which and the purposes for which proceeds of the Notes may be expended, the use of specified procedures for accounting for and segregating proceeds of the Notes, the operation and use of the Project, and retention of records relating to the foregoing matters and the Notes. Such covenants and agreements may be set forth in a Tax and Section 148 Certificate or other agreement.

Section 14. Project; Additional Projects. The Issuer reserves the right, prior to or after the issuance of the Notes, to amend and supplement this Ordinance to add or substitute additional capital projects to the Project, or to amend or modify the Project, without the consent of the holders of the Notes, provided that the Issuer receives an opinion of bond counsel to the effect that the use of the proceeds of the Notes for the Project as proposed to be modified will not adversely affect the exclusion from federal income taxation applicable to interest paid on the Notes. If the expected owner of the bonds in anticipation of which the Notes are being issued is the United States Government, any additions to, substitutions for, or amendments or modifications of the Project being financed with the proceeds of such notes shall be approved by the United States Government.

Section 15. Effective Date; Miscellaneous.

(a) **Effective Date.** This Ordinance shall take effect from the date of its approval by the Mayor after its adoption by the Board of Commissioners, or from the date it is passed by the Board of Commissioners over the Mayor’s veto.

(b) **Governing Law.** The laws of the State of Maryland shall govern the construction of this Ordinance and the Notes.

(c) **Publication of Ordinance; Filing; Certified Copies of Ordinance.** The Town Clerk of the Issuer shall cause (i) a notice of this Ordinance to be published in accordance with the requirements of Section 2.04.010 E. of the Municipal Code of the Issuer, and (ii) a true and correct copy of this Ordinance to be recorded in the ordinance book and attested by the Town Clerk in accordance with the requirements of Section 2.04.010 A. of the Municipal Code of the Issuer. Any copy of this Ordinance duly certified by the Town Clerk or any successor in office shall constitute evidence of the contents and provisions hereof.

(d) **Severability.** The provisions of this Ordinance are severable, and if any provision, sentence, phrase, clause, section or part of this Ordinance shall be held or deemed to be illegal, invalid, inoperative, or unenforceable, the same shall not affect or impair any other provision, sentence, phrase, clause, section or part of this Ordinance. Any references in this Ordinance to any provisions of state, federal or local law are not exclusive of any other provisions of federal, state or local law applicable to any provisions hereof. It is hereby declared to be the legislative intent that this Ordinance would have been adopted if such illegal, invalid or unconstitutional provision, sentence, phrase, clause, section or part had not been included herein.

(e) **No Personal Liability of Officers, Agents or Employees.** No stipulation, obligation or agreement herein contained or contained in the Notes or in any Related Note Documents executed on behalf of the Issuer shall be deemed to be a stipulation, obligation or agreement of any officer, agent or employee of the Issuer in his or her individual capacity, and no such officer, agent, or employee shall be personally liable on the Notes or be subject to personal liability or accountability by reason of the issuance thereof.

(f) **Supplements to Ordinance.** The Board of Commissioners of the Issuer may adopt a resolution for the purpose of supplementing the terms of this Ordinance or carrying out any of the actions authorized by this Ordinance.

PASSED AND ADOPTED by the Board of Commissioners of the Town of Emmitsburg on November 3, 2014.

ATTEST:

**BOARD OF COMMISSIONERS
TOWN OF EMMITSBURG**

Vickie Felix, Recording Secretary

Tim O'Donnell President

APPROVED

Donald N. Briggs, Mayor

Date: November 3, 2014

Exhibit A

Form of Notes

[Subject to modification as authorized herein.]

PAYMENTS OF PRINCIPAL AND INTEREST ON THIS BOND MAY BE MADE BY CHECK, DRAFT OR ELECTRONIC FUNDS TRANSFER TO THE REGISTERED OWNER. 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.

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**UNITED STATES OF AMERICA
STATE OF MARYLAND**

Town of Emmitsburg

General Obligation Bond Anticipation Notes, Series _____

Dated _____, 20__

Registered Owner: _____

The Town of Emmitsburg, a municipal corporation of the State of Maryland (the "Town"), hereby acknowledges itself obligated to pay to the Registered Owner shown above, the principal amount of \$_____, plus interest on the unpaid principal amount at the rate of _____ per cent (____%) per annum.

[The principal amount hereof and interest due and payable hereon shall be paid in _____ installments on the dates and in the amounts as set forth in Schedule A attached hereto.]

Interest due on the unpaid principal amount hereof shall accrue on the basis of a 360-day year of twelve 30-day months, from the date hereof, first payable on _____ 1, 201__, and _____ thereafter on the first day of _____ in each year until the principal amount hereof has been paid or provision for payment shall have been made.

Both the principal of and interest on this note will be paid to the registered owner in lawful money of the United States of America, at the time of payment, and will be paid by electronic funds transfer, or by check or draft mailed (by depositing such check or draft, correctly addressed and postage prepaid, in the United States mails before the payment date) to the registered owner at such address as the registered owner may designate from time to time by notice in writing delivered to the Town Manager, Town of Emmitsburg, Maryland, 300A South Seton Avenue, P. O. Box 990, Emmitsburg, Maryland 21727.

The principal of this note is subject to prepayment or redemption in whole or in part [on or after _____] [at any time prior to maturity] [without premium or penalty] [together with a redemption premium of _____], together with interest on the principal amount to be prepaid or redeemed accrued to the prepayment or redemption date upon not less than ____ days notice to the registered owner hereof mailed to the registered owner's address as shown on the Town's registrations books for this note. If less than all of the outstanding installments of principal shall be called for prepayment or redemption, the principal amount to be so prepaid or redeemed shall be applied to reduce the installments of principal in the amount and order as determined by the Town. From and after any prepayment or redemption date, the principal of this note called for prepayment or redemption shall cease to bear interest and the registered owner hereof shall thereafter be entitled only to receive from the Town payment of the principal hereof called for prepayment or redemption and any accrued interest payable on such principal to the date of prepayment or redemption.

This note constitutes one of the Town of Emmitsburg General Obligation Bond Anticipation Notes of the series designed above, and is issued pursuant to the provisions of (a) Sections 19-301 *et seq.* of the Local Government Article of the Annotated Code of Maryland, as amended, (b) Article V, Sections 19 through 22 of the Charter of the Town of Emmitsburg, Maryland (the "Charter"), and (c) Ordinance No. 2014-____ adopted by the Board of Commissioners and approved by the Mayor of the Town of Emmitsburg, Maryland on _____, 2014 (the "Ordinance"). The terms and conditions set forth herein concerning payment, prepayment or redemption and all other rights and remedies of the registered owner of this note are subject to the terms and conditions set forth in the Ordinance.

The full faith and credit and unlimited taxing power of the Town are hereby irrevocably pledged to the prompt payment of the principal of and interest on this note according to its terms, and the Town hereby covenants and agrees to pay the principal of and interest on this note at the dates and in the manner prescribed herein. Under the Ordinance the Town has the right to pay principal of and interest on this note from any available monies or revenues of the Town.

This note is transferable only upon the registration books for this note maintained by the Town at the office of the Town Clerk by the registered owner hereof in person or by such owner's attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to the Town Clerk, duly executed by the registered owner or such owner's duly authorized attorney. The Town shall, within a reasonable time, issue in the name of the transferee a new registered note in an aggregate principal amount equal to the unpaid principal amount of the note surrendered and with the same maturities and interest rate. The new note 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 person in whose name this note 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.

No covenant or agreement contained in this note or the Ordinance shall be deemed to be a covenant or agreement of any officer, agent, representative or employee of the Town in his or her individual capacity, and neither the officers, agents, representatives or employees of the Town, nor any officer executing this note, shall be liable personally on this note or be subject to any personal liability or accountability by reason of the issuance or sale of this note.

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 and the Ordinance to exist, to have happened or to have been performed precedent to or in the issuance of this note, exist, have happened and have been performed, and that the issuance of this note, together with all other indebtedness of the Town, is within every debt and other limit prescribed by said Constitution or statutes.

[The Issuer has designated this note as a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Internal Revenue Code.]

IN WITNESS WHEREOF, this note has been executed by the manual signature of the Mayor and the seal of the Town has been affixed hereto and attested by the manual signature of the Town Clerk, all as of _____, 20__.

TOWN OF EMMITSBURG

[SEAL]

By: _____
Donald N. Briggs, Mayor

Attest:

Cathy Willets, Town Clerk

UNITED STATES OF AMERICA
STATE OF MARYLAND
Town of Emmitsburg
General Obligation Bond Anticipation Notes, Series _____

Schedule A

Date	Principal Amount	Date	Principal Amount
	\$ _____		

Assignment

For Value Received, the undersigned, hereby sells, assigns and transfers unto

[NAME AND ADDRESS OF TRANSFEREE.]

(TAX IDENTIFICATION OR SOCIAL SECURITY NO. _____)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within Note on the books kept for registration thereof by the Town Clerk of the Town of Emmitsburg, Maryland, at the offices of the Town located at 300A South Seton Avenue, Emmitsburg, Maryland 21727, with full power of substitution in the premises.

Dated: _____

Signature of Registered Owner

Notice: The signature to this assignment must correspond with the name as it appears on the face of the within note in every particular, without alteration or enlargement or any change whatever. The signature must be guaranteed.

INSERT SIGNATURE GUARANTY HERE: