

CHAPTER 26

AN ORDINANCE PERTAINING TO
\$322,800 SEWER SYSTEM BONDS OF
THE TOWN OF WILLIAMSPORT, MARYLAND

DATED: JANUARY 5, 1977

EXHIBIT A

BOND RESOLUTION

THE TOWN OF WILLIAMSPORT

RESOLUTION of the Mayor and Council of The Town of Williamsport, the governing body of The Town of Williamsport, providing for the issuance and sale of Three Hundred Twenty-Two Thousand Eight Hundred (\$322,800) Dollars aggregate par amount of bonds of said Town, to be known as "The Town of Williamsport Sewer System Bonds of 1977," to be issued and sold pursuant to the authority of Article 43, Sections 428 to 444, inclusive, of the Annotated Code of Maryland (1957 Edition, 1971 Replacement Volume, 1976 Cumulative Supplement, as amended), prescribing the amount of said bonds and other details incident to the private (negotiated) sale hereof; providing that said bonds shall be issued upon the full faith and credit of the Town of Williamsport; providing for the disbursement of the proceeds of the sale of said bonds and for the levy of annual taxes upon all assessable property within The Town of Williamsport for the principal of and interest on said bonds as they shall respectively mature.

WHEREAS, The Town of Williamsport (the "Town") is a municipal corporation of the State of Maryland organized and operating under a charter (the "Charter") adopted on July 8, 1957 in accordance with Article XI-E of the Constitution of Maryland and Article 23A of the Annotated Code of Maryland (1957 Edition, 1972 Replacement Volume, 1976 Cumulative Supplement, as amended) ("Article 23A"); and

WHEREAS, under subsection (b) of Section 78 of the Charter, the Town is empowered to construct, operate and maintain a sanitary sewerage system and a sewage treatment plant;

WHEREAS, Section 31 of Article 23A provides in pertinent part that:

"Notwithstanding the provisions of . . . any such charter, every such municipal corporation shall also have the authority . . . to exercise the powers conferred upon municipal corporations by Sections 428 to 444, inclusive, of Article 43 of this Code, title 'Health,' subtitle "Municipal Corporations';" and

WHEREAS, Section 430 of Article 43 of the Annotated Code of Maryland (1957 Edition, 1971 Replacement Volume, 1976 Cumulative Supplement, as amended ("Article 43") provides impertinent part that:

"In addition to the powers which it may now have, any municipality shall have power under this subtitle: (a) To plan, construct, acquire by gift, purchase, or the exercise of the right of eminent domain, reconstruct, improve, better or extend any sewerage facilities, within or without the municipality, or partially within or partially without the municipality, and to acquire by gift, purchase, or exercise of the right of eminent domain, lands or rights in land or water rights in connection therewith, (b) to operate and maintain any sewerage facilities for its own use or for the use and benefit of its inhabitants and also to operate and maintain such facilities for the use and benefit of persons, firms, and corporations (including municipal corporations and inhabitants thereof), whose residences or places of business are located outside the territorial boundaries of such municipality but within the State and within a radius of ten miles from the territorial boundaries of such municipalities, . . . (d) to issue its bonds to finance, either in whole or in part, the cost of the planning, acquisition, purchase, construction, reconstruction, improvement, betterment or extension of any sewerage facilities, (e) to prescribe and collect rates, fees, benefit assessments, charges for the services, facilities and commodities furnished by such sewerage facilities, and to designate the agency of the municipalities responsible for the furnishing of said services, facilities and commodities, and the collection of fees and charges, (f) to pledge to the punctual payment of said bonds and interest thereon an amount of the revenues of such sewerage facilities (including the revenues of the existing facilities, if any, comprising sewerage facilities which are being improved, bettered, or extended, and the revenues to be derived from any improvements, betterments and extensions thereafter constructed or acquired), or of any part of such facilities sufficient to pay, on either an equal or priority basis, said bonds and interest as the same shall become due and to create and maintain reasonable reserves therefore (such amount may consist of all or any part of portion of such revenue, and (g) to accept from any authorized agency of the federal government loans or grants for the planning, construction, acquisition, lease, reconstruction, improvement, betterment or extension of sewerage facilities and to enter into agreements with such agency respecting such loans and grants"; and

WHEREAS, Section 431 of Article 43 provides in pertinent part that:

"The planning, construction, acquisition, reconstruction, improvement, betterment or extension of any sewerage facilities may be authorized under this subtitle and bonds may be authorized to be issued under this subtitle to provide funds for such purpose or purposes by resolution ore resolutions of the governing body which may be adopted at the same meeting at which they are introduced by a majority of all the members thereof then in office and

shall take effect immediately upon adoption . . . Provided, however, that said bonds may be sold at private sale to the United State of America or to any agency, instrumentality or corporation thereof, at a price or prices not less than par"; and

WHEREAS, Section 442 of Article 43 provided in pertinent party that:

"The powers conferred by this subtitle shall be in addition and supplemental to the powers conferred by any other general, special or local law, and shall in no manner be restricted by debt or tax rate limitations in any local or general law or in any municipal charter. Sewerage facilities may be planned, acquired, purchased, constructed, reconstructed, improved, bettered, and extended, and bonds may be issued under this subtitle for said purposes, notwithstanding that nay general, special or local laws may provide for the planning, acquisition, purchase, construction, reconstruction, improvement, betterment, and extension of like facilities, or the issuance of bonds for like purposes, and without regard to the requirements restrictions, limitations or other provisions contained in any other general, special or local law including, but not limited to, any requirement for the approval by the voters of any municipality"; and

WHEREAS, the Farmers Home Administration of the United States Department of Agriculture (the "Government") is an agency or instrumentality of the United States of America and has agreed to lend \$322,800 to the Town (the "Loan") pursuant to the terms and conditions of a letter dated November 19, 1975 to the Mayor of the Town; and

WHEREAS, the Government will require that the Loan be evidenced by the general obligation bonds of the Town; and

WHEREAS, pursuant to the authority of Sections 428 to 444, inclusive, of Article 43, the Town has determined to issue its general obligation bonds in the principal amount of Three Hundred Twenty-Two Thousand Eight Hundred (\$322,800) Dollars, to be known as "The Town of Williamsport Sewer Bonds 1977" for the purpose of providing the funds necessary for the design and construction of additions to and extensions of the sewer system within the Town; and

WHEREAS, it is the intention of the Town by this Resolution to provide for the issuance and sale of the aforementioned bonds to the Government.

NOW, THEREFORE, BE IT RESOLVED:

SECTION 1

(a) That the town borrow upon its full faith and credit and issue and sell upon its full faith and credit Three Hundred Twenty-Two Thousand Eight Hundred (\$322,800) Dollars aggregate principal amount of its bonds, to be issued pursuant to the authority of Sections

428 to 444, inclusive, of Article 43 of the Annotated Code of Maryland (1957 Edition, 1971 Replacement Volume, 1976 Cumulative Supplement, as amended), and to be known as "The Town of Williamsport Sewer System Bonds of 1977" (the "Bonds"). The proceeds from the sale of the Bonds shall be used for the purposes of providing the funds necessary for the design and construction of additions to and extensions of the sewer system within the Town (the "Project").

(b) The Bonds shall be sold to the Government, shall be dated as of the date of delivery to the Government, shall be issued as a single fully registered bond in the principal amount of Three Hundred Twenty-Two Thousand Eight Hundred (\$322,800) Dollars, numbered \$-1, and shall be registered in the name of "United States of America, Farmers Home Administration." The principal amount of Three Hundred Twenty-Two Thousand Eight Hundred (\$322,800) Dollars shall be repaid in annual installments as set forth in the "Form of Single Fully Registered Bond" below, and interest at the rate of five (5%) percent per annum shall be paid on the balance of said principal amount from time to time remaining unpaid, semi-annually on the first day of January and the first day of July in each year until said principal amount has been paid. Payments of the principal amount of and interest on the Bonds shall be made by Town at the office of the Farmers Home Administration, 138 East Antietam Street, Hagerstown, Maryland 21740, which is the local office of the Farmers Home Administration for Washington County, Maryland, or such other place as the Government may designate, so long as the Bonds are registered as stated above. If the Bonds shall be properly transferred and registered as provided in the "Form of Single Fully Registered Bond" below, then in that event, payments of the principal of and interest on the Bonds shall be made at the office of the Clerk-Treasurer of the Town, Town Hall, Williamsport, Maryland 21795. The single fully registered Bond shall be substantially in the following form, which form, together with the statement of maturities of annual installments of principal therein set forth and all of the covenants and conditions therein contained, is 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, in accordance with the statement of annual maturities:

(Form of Single Fully Registered Bond)

United States of America

State of Maryland

The Town of Williamsport

Sewer System Bond of 1977

Dated _____, 1977

No. R-1

\$322,800.00

The Town of Williamsport, a municipal corporation duly organized and existing under the Constitution and laws of the State of Maryland (the "Town"), hereby promises to pay to UNITED STATES OF AMERICA, FARMERS HOME ADMINISTRATION, or its successors (the "Government"), or its registered assigns, the principal amount of Three Hundred Twenty-Two Thousand Eight Hundred (\$322,800) Dollars on the first day of January in each year in installments as follows (unless any or all of said installments shall have been prepaid as provided herein):

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1980	\$3,000.00	1999	\$8,000.00
1981	3,000.00	2000	8,000.00
1982	3,000.00	2001	8,000.00
1983	3,000.00	2002	9,000.00
1984	4,000.00	2003	9,000.00
1985	4,000.00	2004	10,000.00
1986	4,000.00	2005	10,000.00
1987	4,000.00	2006	11,000.00
1988	4,000.00	2007	11,000.00
1989	5,000.00	2008	12,000.00
1990	5,000.00	2009	12,000.00
1991	5,000.00	2010	13,000.00
1992	5,000.00	2011	14,000.00
1993	6,000.00	2012	14,000.00
1994	6,000.00	2013	15,000.00
1995	6,000.00	2014	16,000.00
1996	7,000.00	2015	17,000.00
1997	7,000.00	2016	17,000.00
		2017	17,800.00

in coin or currency of the United States of Americas as at the time of payment shall be legal tender for the payment of debts due the United States of America, and to pay interest on the balance of said principal amount from time to time remaining unpaid, in like coin or currency, at the rate of five per cent (5%) per annum on January 1, and July 1 in each year until the principal amount hereof has been paid. During the time the Government is the registered owner of this bond, payment of the principal installments and interest due shall be made at the office of the Farmers Home Administration, 138 East Antietam Street, Hagerstown, Maryland 21740, which is the local office of the Farmers Home Administration for Washington County, Maryland, or such other place as the government may designate. In the event this bond is assigned as herein provided, then, during such time as the Government is not the registered owner of this bond, payment of the principal installment and interest due shall be made at the office of the Clerk-Treasurer of the Town, Town Hall, Williamsport, Maryland 21795.

This bond, designated as "The Town of Williamsport Sewer System Bond of 1977" (the "Bond"), is a general obligation of The Town of Williamsport, a municipal corporation of the State of Maryland (the "Town"), limited to an aggregated principal amount of Three Hundred Twenty-Two Thousand Eight Hundred (\$322,800) Dollars duly issued by the Town for the purpose of providing the funds necessary for the design and construction of additions to and extensions of the sewer system within the Town.

The Bond is issued pursuant to the authority of Article 43, Section 428 to 44, inclusive of the Annotated Code of Maryland (1957 Edition, 1971 Replacement Volume, 1976 Cumulative Supplement, as amended). The full faith and credit of the Town is hereby irrevocably pledged to the payment of the principal of the Bond and the interest to accrue thereon.

The Town may prepay on any interest payment date the entire unpaid principal amount of the Bond or, from time to time in the inverse chronological order of the installments of principal, such lesser portion thereof in multiples of One Thousand Dollars (\$1,000) as the Town may determine, as the principal amount thereof plus accrued interest to the date of such payment.

If less than all of the outstanding installments of principal be called for prepayment, such prepayment shall be in inverse chronological order of installments of principal in multiples of One Thousand Dollars (\$1,000).

Unless notice of prepayment shall be waived in writing by the registered owner of the Bond, a notice calling for prepayment of the installments of principal to be prepaid shall be mailed by the Town, postage prepaid, at least thirty (30) days prior to the prepayment date, to the registered owner of the Bond, at its last address appearing on the registration books kept by the Town. Such notice shall specify the installments of principal to be prepaid, which shall be in multiples of One Thousand (\$1,000) Dollars, the date fixed for prepayment and the prepayment price, and shall further state that, on such date the installments of principal called for prepayment will be due and become payable at the office of the Clerk-Treasurer of the Town, Town Hall, Williamsport, Maryland 21795, and that from and after such date,

interest thereon shall cease to accrue. Provided, however, that failure to mail any such notice or any defect in the notice so mailed, or in the mailing thereof, shall not affect the validity of any prepayment proceedings, except where the Government is the registered owner.

On the date designated for prepayment, notice having been published or waived, and moneys for the payment of the prepayment price plus accrued interest being held by the Town, the installments of principal so called for prepayment shall become due and payable at the prepayment price provided for prepayment of such installments of principal on such date, interest on such installments of principal so called for prepayment shall cease to accrue, and the registered owner of the Bond shall have no rights in respect to the installments of principal so called for prepayment except to receive payment of the prepayment price thereof, plus accrued interest thereon to the prepayment date from such moneys held by the Town.

The Town may treat the person in whose name the Bond is registered as the absolute owner hereof, whether or not the Bond shall be overdue, for the purpose of receiving payment thereof and for all other purposes whatsoever, and shall not be affected by any notice to the contrary, except as provided below.

The Bond is assignable, and upon such assignment the assignor shall promptly notify the Town by registered mail, and the assignee shall surrender the Bond to the Town for transfer on the registration records and verification of the endorsements made on the payment record attached hereto of the portion of the principal amount thereof and interest hereon paid or unpaid, and every such assignee shall take the Bond subject to such condition.

As declared by Section 4 31 of Article 43 of the Annotated Code of Maryland (1957 Edition, 1971 Replacement Volume, 1976 Cumulative Supplement, as amended), the Bond shall have all the qualities and incidents of negotiable instruments under the laws of the State of Maryland and nothing contained in the Bond shall affect or impair the negotiability of the Bond. The Bond is issued with the intent that the laws of the State of Maryland shall govern its construction.

No recourse shall be had for the payment of the principal of, the interest on, or for any claim based hereon against any elected or appointed official or employee, past, present or future of the Town or any agency thereof; and any such recourse, claim or liability is expressly waived by acceptance by the registered owner of the delivery of the Bond.

Under existing laws, the Bond is exempt from state, county, and city taxation in the State of Maryland.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to an in the issuance of the Bond does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland.

IN WITNESS WHEREOF, The Town of Williamsport has caused this Bond to be signed in its name by the manual signature of the Mayor of said Town and has caused its corporate seal to be affixed hereto, attested by the manual signature of the Clerk-Treasurer of the Town, all as of the 1st day of January, 1977.

(seal)

THE TOWN OF WILLIAMSPORT

ATTEST:

By: _____
Walter Sprankle, Mayor

Warren M. Seymour, Jr.
Clerk-Treasurer

EFFECTIVE DATE: January 1, 1977
REACTED: September 11, 1989

Former Chapter 14 in 1989 Codification.