

**TOWN OF OCEAN VIEW, DELAWARE**

**ORDINANCE NO. 2018 351**

AUTHORIZING A CERTAIN REFUNDING PROJECT HEREIN DESCRIBED AND THE INCURRENCE OF INDEBTEDNESS; AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES OF 2018 (THE "2018 BONDS") TO PROVIDE FUNDS FOR AND TOWARD SUCH REFUNDING PROJECT; SETTING FORTH TERMS OF THE 2018 BONDS; PROVIDING FOR BOOK-ENTRY ONLY BONDS; APPROVING AND AUTHORIZING THE EXECUTION OF A PAYING AGENT AGREEMENT AND PROVIDING FOR THE APPOINTMENT OF A PAYING AGENT; COVENANTING TO BUDGET, APPROPRIATE AND PAY DEBT SERVICE ON THE 2018 BONDS AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWN FOR PAYMENT OF THE 2018 BONDS; SETTING FORTH THE SUBSTANTIAL FORM OF THE 2018 BONDS; PROVIDING FOR THE EXECUTION AND AUTHENTICATION OF THE 2018 BONDS; CREATING A DEBT SERVICE FUND FOR THE 2018 BONDS; PROVIDING FOR THE SALE OF THE 2018 BONDS AND AUTHORIZING THE ACCEPTANCE OF A BOND PURCHASE AGREEMENT FOR THE PURCHASE OF THE 2018 BONDS, SETTING FORTH THE MAXIMUM INTEREST RATE AND UNDERWRITER'S DISCOUNT ON THE 2018 BONDS; SETTING FORTH CERTAIN FEDERAL TAX COVENANTS; PROVIDING FOR THE APPLICATION OF 2018 BOND PROCEEDS; AUTHORIZING OFFICERS TO ACT; APPROVING THE CONTENT AND FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE DISTRIBUTION THEREOF AND AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT AND THE UNDERTAKING OF CERTAIN CONTINUING DISCLOSURE; SETTING FORTH THE DATE OF THE 2018 BONDS AND OTHER DOCUMENTS; AUTHORIZING OTHER NECESSARY ACTION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL INCONSISTENT ORDINANCES; AND STATING THE EFFECTIVE DATE.

WHEREAS, the Town of Ocean View, Delaware (the "Town") is granted the power by its charter, as adopted by the Delaware General Assembly, as amended (the "Charter"), to incur indebtedness and to issue bonds within certain limitations and for certain specified purposes; and

WHEREAS, the Town has determined to undertake a certain project, consisting of (i) the current refunding for the purposes of achieving present value debt service savings (the "Refunding Project") of the Town's \$3,800,000 original amount USDA Rural Development obligation, Series 2007-RUS-A, currently outstanding in the aggregate principal amount of \$3,332,777 (with \$3,319,380 outstanding on and after June 21, 2018), and \$800,000 original amount USDA Rural Development obligation, Series 2007-RUS-B, currently outstanding in the aggregate principal amount of \$699,351 (with \$696,332 outstanding on and after June 21, 2018) (together, the "Refunded Obligations"); and (ii) the payment of costs associated with the issuance of the 2018 Bonds (as defined below); and

WHEREAS, the Town is granted the power by its Charter to borrow money, and to secure the payment of the same by pledging the full faith and credit of the Town for purposes of financing the Refunding Project; and

WHEREAS, the Town may borrow money through the incurrence of debt and issue bonds within certain limitations for the Refunding Project; and

WHEREAS, the Town intends to issue the 2018 Bonds as general obligations in an aggregate principal amount not to exceed \$5,000,000, proceeds of which will be used to finance the Refunding Project; and

WHEREAS, the Town will receive a proposal for the purchase of the 2018 Bonds at a private negotiated sale and will appoint the underwriter (the "Underwriter") and award the sale of the 2018 Bonds in accordance with the terms of this Ordinance; and

WHEREAS, the Town now desires to authorize the issuance of the 2018 Bonds, to set forth the form thereof, maximum final maturity dates and certain other terms and provisions relating to the 2018 Bonds, to authorize the sale of the 2018 Bonds pursuant to a Bond Purchase Agreement between the Town and the Underwriter (the "Bond Purchase Agreement").

NOW, THEREFORE, THE TOWN OF OCEAN VIEW HEREBY ORDAINS:

**1. Authorization of Refunding Project and Incurrence of Indebtedness.**

The Town hereby authorizes and approves the Refunding Project as described in the above recitals to this Bond Ordinance. The Town is hereby authorized to undertake the Refunding Project and to incur indebtedness for the purposes thereof provided the Refunding Project results in present value savings to the Town. The Town hereby deems the Refunding Project to be a necessary and proper undertaking in accordance with its Charter and consistent with the promotion of health, education and general welfare of the Town.

**2. Authorization of Issuance of the 2018 Bonds.**

In order to provide funds to pay the costs of the Refunding Project, the Town is hereby authorized to issue, pursuant to its Charter and this Bond Ordinance, the 2018 Bonds, in a maximum aggregate principal amount of \$5,000,000,

with a final maturity date of September 15, 2047 and a maximum average rate of interest of which shall not exceed 6 percent.

**3. Terms of the 2018 Bonds.** The 2018 Bonds shall be issued in fully registered book-entry-only form, in the denomination as to principal of \$5,000 or any multiple thereof. The 2018 Bonds shall be dated as of July 1, 2018, or such later date as may be determined by the Town. The 2018 Bonds shall be issued in a maximum aggregate principal amount of \$5,000,000 and shall pay interest at the rates and principal in the amounts as set forth in the Paying Agent Agreement (the "Paying Agent Agreement") authorized by this Bond Ordinance, subject to the limitations set forth in Section 2 hereof. Principal of the 2018 Bonds shall be payable in the form and manner set forth in the form of 2018 Bonds attached hereto as Exhibit A and made a part hereof.

The 2018 Bonds shall be subject to optional and mandatory redemption prior to maturity as stated in the Bond Purchase Agreement.

The Town is hereby authorized to purchase 2018 Bonds in the open market and present such 2018 Bonds to the Paying Agent for cancellation. The Town shall notify the Paying Agent in accordance with the Paying Agent Agreement of its intention to make such a presentment and shall state the principal amount of the 2018 Bonds to be so presented. 2018 Bonds so presented shall be credited by the Paying Agent at 100% of the principal amount thereof against the obligation of the Town with respect to such 2018 Bonds upon such mandatory redemption or at maturity, and any excess shall be so credited against future Debt Service Fund requirements for such 2018 Bonds in chronological order.

**4. Book-Entry-Only Form.** The 2018 Bonds will initially be issued in book-entry-only form, subject to the terms and conditions below, notwithstanding anything to the contrary in this Bond Ordinance:

**A. 2018 Bond Certificates.** The Town is hereby authorized to issue bond certificates, substantially in the form attached hereto as Exhibit A. The 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co., The Depository Trust Company ("DTC") partnership nominee, or such other name as may be requested by an authorized representative of DTC, one for each stated maturity of the 2018 Bonds in the aggregate principal amount of each maturity shown in the Paying Agent Agreement. The 2018 Bonds shall be numbered B -1 in order of issue or with such other numerical designation as the Town shall determine

**B. Delivery of 2018 Bonds.** The Town shall cause the 2018 Bonds to be delivered to DTC, or to be held by the Paying Agent as agent of DTC, for the account of the Underwriter on or prior to the date of issuance of the 2018 Bonds.

**C. Payment of Principal and Interest.** So long as the 2018 Bonds or any portion thereof are held by DTC under a book-entry system, payments of the principal of, and interest on, the 2018 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, at the times and in the manner set out in the Issuer's Blanket Letter of Representations, and subject to the requirements stated in DTC's Operational Arrangements, as may be amended from time to time. The payment of principal on the 2018 Bonds

shall be made only upon surrender of the 2018 Bonds to the Paying Agent on or after maturity or earlier redemption date.

D. Notices. The Town shall give notice to DTC in accordance with DTC's Operational Arrangements.

**5. Authorization of Paying Agent Agreement; Appointment of Paying Agent.** The proper officers of the Town are hereby authorized and directed to execute and deliver the Paying Agent Agreement on behalf of the Town. The Paying Agent Agreement shall be substantially in the form acceptable to the Mayor upon advice of counsel.

The Paying Agent Agreement shall provide for the appointment of the Paying Agent. The Mayor is hereby authorized to appoint any bank or trust company qualified to serve in such capacity (the "Paying Agent"). The appointment of the Paying Agent shall be conclusively evidenced by the execution of the Paying Agent Agreement by the proper officers of the Town.

**6. Covenant to Pay Debt Service - Pledge of Taxing Power.** The Town hereby covenants with the registered owners of the 2018 Bonds outstanding pursuant to this Bond Ordinance, as follows: That the Town will include in its annual budget (and amend the budget within a reasonable time after the issuance of the 2018 Bonds with respect to the budget for the fiscal year ending April 30, 2019), and in its budgets for each fiscal year thereafter, the amount of the debt service on the 2018 Bonds issued hereunder which will be payable in each such fiscal year so long as any of the 2018 Bonds shall remain outstanding; that the Town shall appropriate such amounts to the payment of such debt service; that the Town shall duly and punctually pay or cause to be paid the principal of every 2018 Bond and the interest thereon at the dates and places and in the manner stated in the 2018 Bonds according to the true intent and meaning thereof, and for such budgeting, appropriation and payment the Town hereby pledges its full faith, credit and taxing power. The covenant contained in this Section 6 shall be specifically enforceable. The amounts to be budgeted, appropriated and paid pursuant to the foregoing covenant are those set forth in the Paying Agent Agreement which shall be deemed to be incorporated in the foregoing covenant with the same effect as if the same were specified in the text of such covenant. Notwithstanding, the Town intends to pay such debt service out of its "Water Fund".

The principal of the 2018 Bonds shall be payable in lawful money of the United States of America which shall be legal tender at the time of payment at the designated office of the Paying Agent or its agent for such purpose. Interest on the 2018 Bonds shall be payable in the manner provided in the form of 2018 Bonds set forth in Exhibit A hereto.

**7. Form of 2018 Bonds.** The 2018 Bonds shall be substantially as set forth in Exhibit A hereto, subject only to such appropriate changes, additions, deletions or modifications as counsel to the Town may recommend and the Mayor may approve, such approval to be conclusively evidenced by the execution thereof by the Mayor.

**8. Execution and Authentication of 2018 Bonds.** The 2018 Bonds shall be executed by the Mayor of the Town and the Town seal shall be affixed, imprinted or reproduced thereon and attested to by the Town Clerk. Each such execution may be by facsimile signature. If any officer whose signature appears on the 2018 Bonds shall cease to hold such office before the actual delivery date of the 2018 Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such person had remained in such office until the actual delivery date of the

2018 Bonds. The 2018 Bonds shall be authenticated by the manual signature of the Paying Agent, which shall also certify that the approving opinion of Bond Counsel, which shall be printed on or attached to each 2018 Bond, is an accurate reproduction of the approving opinion delivered at the closing for the 2018 Bonds.

**9. Creation of and Deposits in Debt Service Fund.** The Town covenants that there shall be established and that it shall maintain a debt service fund (the "Debt Service Fund") for the 2018 Bonds to be held by the Paying Agent (or such substitute or successor Paying Agent which shall hereafter be appointed) in the name of the Town, but subject to withdrawal only by the Paying Agent.

The Town covenants and agrees to deposit in the Debt Service Fund at least two (2) business days prior to the date interest and principal is due, the debt service payable on the 2018 Bonds on such interest and principal payment dates, all as set forth in the Paying Agent Agreement, or such greater or lesser amount as at the time shall be sufficient to pay the principal or redemption price of, and interest on, the 2018 Bonds.

The Paying Agent is hereby authorized and directed, without further action by the Town, to pay from the Debt Service Fund the principal or redemption price of, and interest on, the 2018 Bonds as the same become due and payable in accordance with the terms thereof, and the Town hereby covenants that such moneys, to the extent required, will be applied to such purposes.

**10. Award and Sale of Bonds.** The Town hereby determines that it is in its best financial interest to sell the 2018 Bonds by private negotiated sale to the Underwriter. The Town hereby authorizes the Mayor, upon the advice of counsel of its Town Manager, Chief Financial Officer and its legal counsel to award and sell the 2018 Bonds to the Underwriter in accordance with the terms of this Bond Ordinance, the Charter and the Bond Purchase Agreement. The form of the Bond Purchase Agreement, which has been presented at this meeting, shall be approved by the Mayor, upon the advice of counsel of its Town Manager, Chief Financial Officer and its legal counsel, and shall contain terms not inconsistent with this Bond Ordinance. The Mayor, Town Manager, Chief Financial Officer and its legal counsel (or other officer authorized under the Charter to execute contracts on behalf of the Town) is hereby authorized to execute the Bond Purchase Agreement on behalf of the Town, with such modifications, additions and deletions as are deemed necessary and appropriate by the officer executing the same, the execution of the Bond Purchase Agreement to be conclusive evidence of such approval.

The average rate of interest on the 2018 Bonds shall not exceed 6 percent. The underwriting discount shall not be more than \$20 per \$1,000 of aggregate principal amount of the 2018 Bonds, exclusive of any original issue discount. The minimum savings achieved through issuance of the 2018 Bonds shall be at least \$100,000, net of all expenses related thereto.

**11. Federal Tax Covenants.**

A. General. The Town hereby covenants not to take or omit to take any action so as to cause interest on the 2018 Bonds to be no longer excluded from gross income of the owners of the 2018 Bonds for the purposes of federal income taxation and to otherwise comply with the requirements of sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable regulations promulgated under the Code (the "Treasury Regulations"), throughout the term of the 2018 Bonds.

B. Investment of Proceeds. The Town further covenants that it will make no investments or other use of the proceeds of the 2018 Bonds during the term thereof which would cause the 2018 Bonds to be "arbitrage bonds," within the meaning of section 148 of the Code and the Treasury Regulations promulgated under the Code. The Town further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in section 148(f) of the Code and the Treasury Regulations thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable.

C. Bank Qualified Bonds. The Town hereby designates the 2018 Bonds (to the extent they are not deemed designated) as "qualified tax-exempt obligations" within the meaning of section 265(b)(3)(B) of the Code. The Town covenants that it will take such steps as may be necessary to cause the 2018 Bonds to continue to be obligations described in such Code section during the period in which the 2018 Bonds are outstanding.

**12. Application of 2018 Bond Proceeds.** Upon receipt of the purchase price for the 2018 Bonds, the same shall be deposited with the Paying Agent. The proper officers of the Town are authorized to direct the Paying Agent to pay the issuance costs on behalf of the Town in amounts set forth in written directions to the Paying Agent and to pay or cause to be paid all amounts remaining for payment of costs of the Refunding Project. The Paying Agent shall, pursuant to such written directions, pay the issuance costs on behalf of the Town upon presentation of proper invoices therefor.

**13. Officers Authorized to Act.** For the purpose of expediting the closing and the issuance and delivery of the 2018 Bonds, or in the event that the Mayor or the Town Clerk shall be absent or otherwise unavailable for the purpose of executing documents, or for the purpose of taking any other action which they or either of them may be authorized to take pursuant to this Bond Ordinance, the Vice Mayor or the Town Manager or the Chief Financial Officer of the Town, respectively (or other officer authorized under the Charter to execute contracts on behalf of the Town), are hereby authorized and directed to execute documents, or otherwise to act on behalf of the Town in their stead.

The Town covenants to provide such continuing disclosure, at such times, in such manner and of such nature as is described in the Official Statement and to execute and deliver such agreements and certificates with respect to continuing disclosure as are described in the Official Statement. Any continuing disclosure filing under this Bond Ordinance may be made by transmitting such filing to the continuing disclosure service of the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") System.

**14. Approval of Preliminary Official Statement.** The Mayor of the Town, upon the advice and counsel of the Town Manager, Chief Financial Officer and its legal counsel,

is hereby authorized to approve and make public and to distribute or cause to be distributed, a Preliminary Office Statement and an Official Statement and the Mayor, upon the advice and counsel of the Town Manager, Chief Financial Officer and its legal counsel, is hereby authorized to sign and deliver or cause to be delivered such Official Statement to the Underwriter within seven business days of the execution of the Bond Purchase Agreement (and in sufficient time to accompany any confirmation that requests payment from any customer).

The Town hereby authorizes and directs the Underwriter to file the Official Statement with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") System immediately upon receipt by the Underwriter of the Official Statement.

**15. Dating of 2018 Bonds and Documents.** The 2018 Bonds and the Paying Agent Agreement are to be dated as of July 1, 2018, or such later date as may be determined by the Chief Financial Officer. Additionally, the Council hereby approves and consents to a later date for the 2018 Bonds and such documents if the sale or closing for the 2018 Bonds is delayed.

**16. Further Action.** The proper officers of the Town are hereby authorized and directed to take all such action, to execute, deliver, file and/or record all such documents, to publish all notices and otherwise comply with the provisions of this Bond Ordinance and the Charter in the name and on behalf of the Town.

**17. Contract with Bondholders.** This Bond Ordinance constitutes a contract with the registered owners from time to time of the 2018 Bonds outstanding hereunder and shall be enforceable in accordance with the provisions of the laws of the State of Delaware.

**18. Parties Interested Herein.** Nothing in this Bond Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Town, and the registered owners of the 2018 Bonds, any right, remedy or claim under or by reason of this Bond Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Bond Ordinance contained by and on behalf of the Town shall be for the sole and exclusive benefit of the Town, and the registered owners of the 2018 Bonds.

**19. Severability.** In case any one or more of the provisions contained in this Bond Ordinance or in any 2018 Bond issued pursuant hereto shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Bond Ordinance or of said 2018 Bonds and this Bond Ordinance or said 2018 Bonds shall be construed herein or and enforced as if such invalid, illegal or unenforceable provisions had never been contained herein or therein.

**21. Repealer.** All ordinances and parts of ordinances heretofore enacted, to the extent that the same are inconsistent herewith, are hereby repealed.

**22. Effective Date.** This Bond Ordinance shall take effect on the earliest date permitted by law; namely, upon the occurrence of the following:

- (a) Its adoption by a majority of all members elected to the Council; and

(b) More than thirty-one days shall have elapsed from date of its final passage without the filing of a petition calling for a borrowing referendum, as set forth in the Charter.

[Remainder of Page Intentionally Left Blank]



**CERTIFICATE OF TOWN CLERK**

The undersigned, Town Clerk, **HEREBY CERTIFIES** that:

The foregoing Bond Ordinance authorizing the issuance of General Obligation Bonds, Series of 2018 of the Town of Ocean View, Delaware, was duly moved and seconded and adopted by a majority vote of all Town Council members of the Town at a duly called public meeting of said Council held on June 12, 2018; that the roll of the Town Council was called and such members voted or were absent as follows:

VOTE

<u>Name</u>	<u>Aye</u>	<u>Nay</u>	<u>Absent</u>
Mayor Walter F. Curran	x		
William Olsen, District 1	x		
Frank Twardzik, District 2	x		
Thomas A. Maly, Mayor Pro Tem & District 3	x		
Berton Reynolds, District 4	x		

and that such Bond Ordinance and the votes thereon have been duly recorded in the minutes.

**WITNESS** my hand and seal of the Town this 12th day of June, 2018.

Town Clerk

---

(Seal)

**SUPPLEMENTAL CERTIFICATE**

I certify that the foregoing Bond Ordinance has not been altered, amended, modified, suspended or repealed and is still in full force and effect as of the date of the delivery of this Certificate.

**WITNESS** my hand and seal of the Town this \_\_\_\_ day of July, 2018.

Town Clerk

\_\_\_\_\_

(Seal)

EXHIBIT A

(FORM OF 2018 BOND)

*Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Paying Agent or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.*

No. B-\_\_\_\_

\$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF DELAWARE  
TOWN OF OCEAN VIEW, DELAWARE  
GENERAL OBLIGATION BOND, SERIES OF 2018

REGISTERED OWNER: Cede & Co.

PRINCIPAL:

DOLLARS

TOWN OF OCEAN VIEW (the "Town"), a municipal corporation organized and existing under the laws of the State of Delaware (the "State"), for value received, hereby promises to pay in lawful money of the United States of America to the registered owner noted above or registered assigns (the "Bondholder") on the Maturity Date set forth above, unless this 2018 Bond shall have been duly called for prior redemption and payment of the redemption price shall have been made or provided for, upon presentation and surrender hereof at the designated office of Bank of New York Mellon Trust Company (the "Paying Agent") or its agent for such purpose, the principal sum set forth above and to pay interest thereon semiannually on March 1 and September 1 of each year, commencing March 1, 2019 (each, an "Interest Payment Date"), at the annual rate specified above, calculated on the basis of a 360-day year of twelve 30-day months until the principal amount is paid or has been provided for. This 2018 Bond will bear interest from the most recent Interest Payment Date next preceding the authentication date hereof, unless the authentication date is (a) an Interest Payment Date in which event this 2018 Bond shall bear interest from said Interest Payment Date, or (b) after a Regular Record Date (as defined below) and before the next succeeding Interest Payment Date, in which event this 2018 Bond shall bear interest from such succeeding Interest Payment Date, or (c) on or prior to the Regular Record Date preceding September 1, 2018, in which event this bond shall bear interest from July \_\_, 2018 (the "Dated

Date”) specified above. The interest on this 2018 Bond will be paid on each Interest Payment Date by check mailed on such Interest Payment Date to the person in whose name this 2018 Bond is registered on the registration books of the Town maintained by the Paying Agent at the address appearing thereon at the close of business on the April 15 or August 15 immediately preceding such Interest Payment Date (each, a "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person in whose name this 2018 Bond is registered as of the Regular Record Date, and shall be payable to the person in whose name this 2018 Bond is registered at the close of business on a special record date (the "Special Record Date") for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to Bondholders not less than ten (10) days prior thereto.

Whenever the due date for payment of interest on or principal of the 2018 Bonds or the date fixed for redemption of any 2018 Bond shall be a Saturday or Sunday, a legal holiday or a day on which banking institutions in the State of Delaware are authorized or required by law or executive order to close, then payment of such interest, principal or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day upon which banks are authorized or required by law or executive order to close, with the same force and effect as if made on the due date for payment of principal, interest or redemption price and no interest shall accrue on the amount due for any period after such due date.

THE 2018 BONDS ARE SECURED BY A PLEDGE OF THE FULL FAITH AND CREDIT OF THE TOWN. THE SERIES 2018 BONDS ARE THE DIRECT OBLIGATIONS OF THE TOWN.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this 2018 Bond, exist, have happened and have been performed, and that the issuance of this 2018 Bond is within every debt and other limit prescribed by the laws of the State of Delaware and the Town of Ocean View, Delaware.

This 2018 Bond shall not be valid or become obligatory for any purpose until this 2018 Bond shall have been authenticated by the execution by the Paying Agent of the certificate of authentication endorsed hereon.

This 2018 Bond is one of a duly authorized issue of bonds of the Town of Ocean View designated "Town of Ocean View, Delaware General Obligation Bonds, Series of 2018" issued in the aggregate principal amount of \$\_\_\_\_\_. Proceeds of the 2018 Bonds are expected to be used to pay for the costs of a refunding project. The 2018 Bonds are issued pursuant to the charter of the Town adopted by the General Assembly of the State of Delaware, as amended (the "Charter"), and a Bond Ordinance of the Town enacted on June 12, 2018 (collectively, the "Bond Ordinance"). The 2018 Bonds are payable in accordance with the terms and conditions contained in a Paying Agent Agreement, dated as of July \_\_, 2018, between the Town and the Paying Agent (the "Paying Agent Agreement").

The 2018 Bonds maturing prior to and including \_\_\_\_\_, 20 \_\_, ,

are not subject to redemption prior to their stated maturities. 2018 Bonds maturing on \_\_\_\_\_ and after \_\_\_\_\_, 20\_\_ shall be subject to redemption prior to maturity at the option of the Town, as a whole or from time to time in part on \_\_\_\_\_, 20\_\_, or on any date thereafter, upon payment of a redemption price of 100% of the principal amount of 2018 bonds to be redeemed, together with interest accrued to the date fixed for redemption. If less than an entire year's maturity of 2018 Bonds are to be redeemed at any particular time, such 2018 Bonds to be called for redemption shall be chosen by lot or any other customary manner by the Paying Agent.

The 2018 Bonds stated to mature \_\_\_\_\_, 20 \_\_\_\_ (the "20 \_\_\_\_ Term Bonds"), \_\_\_\_\_, 20 \_\_\_\_ (the "20 \_\_\_\_ Term Bonds") and \_\_\_\_\_, 20 \_\_\_\_ (the "20 \_\_\_\_ Term Bonds" and collectively with the 20 \_\_\_\_ Terms Bonds and 20 Term Bonds, the "Term Bonds") are subject to mandatory redemption (to the extent that 2018 Bonds in the principal amount otherwise required to be redeemed have not been previously purchased by the Town and surrendered to the Paying Agent, or redeemed at the option of the Town) prior to their stated maturity by the Town in the order of their maturity and within maturities by lot from moneys to be deposited in the Debt Service Fund established under the Bond Ordinance at a redemption price of 100% of principal amount, together with accrued interest to the date fixed for redemption. The Town hereby covenants that it will cause the Paying Agent to give notice of redemption and to redeem Term Bonds at said price from moneys deposited in the Debt Service Fund sufficient to effect such redemption (to the extent that Term Bonds of the maturity currently required to be redeemed shall not have been previously purchased from said moneys as permitted by law) on the dates, from the maturity and in the annual principal amounts as set forth in the following schedule, or such lesser principal amounts as shall at the time represent all Term Bonds of the maturity currently required to be redeemed which shall then be outstanding:

20 Term Bonds Mandatory Redemption Schedule

<u>Mandatory Redemption Date ( )</u>	<u>Principal Amount to be Redeemed</u>
--------------------------------------	--

\*maturity date

20 Term Bonds Mandatory Redemption Schedule

<u>Mandatory Redemption Date ( )</u>	<u>Principal Amount to be Redeemed</u>
--------------------------------------	--

\*maturity date

For the purpose of selection of 2018 Bonds for redemption, any 2018 Bond of a denomination greater than \$5,000 shall be treated as representing such number of separate 2018 Bonds, each of the denomination of \$5,000, as is obtained by dividing the actual principal amount of such 2018 Bond by \$5,000. Any 2018 Bond which is to be redeemed only in part shall be surrendered at the designated office of the Paying Agent, together with a duly executed instrument

of transfer in form satisfactory to the Paying Agent or its agent for such purpose, and the registered owner of such 2018 Bond shall receive, without service charge, a new 2018 Bond or Bonds, of any authorized denomination as requested by such registered owner in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the 2018 Bond so surrendered.

On the date designated for redemption and upon deposit with the Paying Agent of funds sufficient for payment of the principal of and accrued interest on the 2018 Bonds called for redemption, interest on the 2018 Bonds or portions thereof so called for redemption shall cease to accrue and the 2018 Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Bond Ordinance, and registered owners of the 2018 Bonds so called for redemption shall have no rights with respect to the 2018 Bonds or portions thereof so called for redemption, except to receive payment of the principal of and accrued interest on the 2018 Bonds so called for redemption to the date fixed for redemption.

Notice of any redemption shall be given by first class mail, postage prepaid, mailed by the Paying Agent not less than 30 days nor more than 60 days before the redemption date to the registered owners of the 2018 Bonds at their addresses as they appear on the 2018 Bond register maintained by the Paying Agent. Such notice shall be given in the name of the Town, shall identify the 2018 Bonds to be redeemed (and, in the case of a partial redemption of any 2018 Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price, and shall state that on the redemption date the 2018 Bonds called for redemption will be payable at the office of the Paying Agent or its agent for such purpose designated in such notice and that from the date of redemption interest will cease to accrue. The Paying Agent shall use "CUSIP" numbers (if then generally in use) in notices of redemption as a convenience to 2018 Bond owners, provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the 2018 Bonds or as contained in any notice of redemption and that reliance may be placed only on the identification numbers prefixed "B-" printed on the 2018 Bonds. Failure to mail any notice of redemption, or any defect therein, or in the mailing thereof, with respect to any 2018 Bond shall not affect the validity of any proceeding for redemption of other 2018 Bonds so called for redemption.

With respect to any optional redemption of 2018 Bonds, if at the time of mailing such notice of redemption, the Town shall not have deposited with the Paying Agent moneys sufficient to redeem all the 2018 Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

**THIS 2018 BOND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF DELAWARE OR ANY POLITICAL SUBDIVISION OF THE STATE OF DELAWARE OTHER THAN THE TOWN, AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OF DELAWARE OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE TOWN.**

No recourse shall be had for payment of the principal or redemption price of or the interest on this 2018 Bond or for any claim based hereon, against any past, present or future official,

officer or employee, as such, of the Town, either directly or through the Town or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being by the acceptance hereof and, as a material part of the consideration for the issuance hereof, expressly waived and released.

The 2018 Bonds are issuable solely as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof.

This 2018 Bond is transferable and exchangeable by the 2018 Bondholder in person or by his attorney duly authorized in writing at the designated office of the Paying Agent or its agent for such purpose upon presentation and surrender hereof at said office, together with the duly executed instrument of transfer (in the case of a transfer), all subject to the exceptions and the terms and conditions provided in the Paying Agent Agreement. Upon any such transfer or exchange, the Paying Agent shall authenticate and deliver to or upon the order of the registered owner, a new registered 2018 Bond or Bonds, in authorized denominations aggregating the principal amount hereof, maturing on the same date, bearing interest at the same rate and bearing the same series designation as this 2018 Bond. No service charge to the 2018 Bondholder shall be made for any registration, transfer or exchange, but the Town may require the 2018 Bondholder to pay a sum sufficient to cover any tax or other governmental charge which may be imposed in connection therewith.

Reference is hereby made to the Paying Agent Agreement and Bond Ordinance, copies of which are on file with the Paying Agent, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Town, the Paying Agent and the owners of the 2018 Bonds. The owners of the 2018 Bonds, by their acceptance of the 2018 Bonds, are deemed to have agreed and consented to the terms and provisions of the Paying Agent Agreement. Any capitalized term not defined herein shall have the meaning given to such term in the Paying Agent Agreement.

The Town and the Paying Agent may treat the person in whose name this 2018 Bond is registered as the absolute owner of this 2018 Bond, for all purposes, whether or not this 2018 Bond shall be overdue, and neither the Town, nor the Paying Agent shall be affected by any notice to the contrary. All payments of the principal and interest made to the 2018 Bondholder registered on the books of the Paying Agent in the manner set forth herein and in the Paying Agent Agreement shall be valid and effectual to satisfy and discharge the liability upon this 2018 Bond to the extent of the sum or sums so paid, whether or not notation of the same be made hereon, and any consent, waiver or other action taken by such 2018 Bondholder hereof pursuant to the provisions of the Paying Agent Agreement shall be conclusive and binding upon such 2018 Bondholder, his heirs, successors or assigns and upon all transferees hereof, whether or not notation thereof be made hereon or on any 2018 Bond issued in exchange hereof.

IN WITNESS WHEREOF, the Town of Ocean View, Delaware, has caused this 2018 Bond to be signed in its name by the signature of the Mayor and its corporate seal is hereunto affixed and duly attested by the signature of the Town Clerk, all as of the Dated Date specified above.

TOWN OF OCEAN VIEW, DELAWARE

By. \_\_\_\_\_  
Mayor, Town of Ocean View, Delaware

(SEAL)

Attest:

Town Clerk

\_\_\_\_\_



CERTIFICATE OF AUTHENTICATION

This 2018 Bond is one of the Town of Ocean View, Delaware General Obligation Bonds, Series of 2018 described in the within mentioned Resolutions. The text of the approving opinion of Dinsmore & Shohl LLP attached hereto is the text of the opinion on file with the undersigned, which was dated and delivered on the date of delivery and payment for the 2018 Bonds.

as Paying Agent

By: \_\_\_\_\_  
Authorized Representative

Date of Authentication: \_\_\_\_\_

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

\_\_\_\_\_ (Name, Address and Taxpayer Identification

No. of Assignee) the within Bond and does hereby irrevocably constitute and appoint

to transfer the said Bond on the

books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guarantee: \_\_\_\_\_

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.