

## **Bank Loan Summary**

MSRB NOTICE 2012-18 (April 3, 2012)

NOTICE CONCERNING VOLUNTARY DISCLOSURE OF BANK LOANS TO EMMA

**Borrower:** Mayor and City Council of Ocean City, Maryland, Airport Improvement Bond of 2010

**Par Amount:** \$725,000

**Dated Date/Closing Date:** June 14, 2010

**Purpose of loan/financing:** To construct hangar at Ocean City Airport

**Lender:** Suntrust Bank

**Optional, mandatory and extraordinary prepayment provisions:** Interest rate reset on June 15, 2020

**Security for repayment:** General Obligation of the Town of Ocean City backed by its full faith and credit which are irrevocably pledged

**Source of repayment:** First – rental payments for hangars, Second- tax receipts of Town of Ocean City

**3<sup>rd</sup> party guarantees:** None

**Payment dates:** June 15 and December 15 each year

**Maturity and amortization of loan:** 10 year maturity with 20 year amortization

**Current credit rating of borrower (if applicable):** S&P AA-, Fitch AA-, Moodys Aa2

**Tax status of interest:** Taxable

**Governing law:** State of Maryland

**Events of default/remedies:** Adequate taxes must be collected in subsequent year to pay debt

**CUSIP number (if applicable):** None

**Interest rates (or index if variable) including method of computation, if applicable:** 5.82%

**Redistribution rights, if applicable:** Per the Bond R-1, "This bond is transferable only upon the books of the City at the office of the Finance Administrator by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to the Finance Administrator, duly executed by the Registered Owner or his duly authorized attorney.

From Investment Purpose Letter, "the Purchaser is acquiring the Bond for its own account and the Purchaser has not subdivided its interest in the Bond with, nor is it holding all or any portion of the Bond for, any other person. The Purchaser has no present intention of distributing or reselling the Bond or any interest therein. The Purchaser acknowledges that the Bond provides that it may only be sold to and owned by "accredited investors." The Purchaser agrees that it will comply with the Securities Act and any applicable state securities laws in connection with any disposition by the Purchaser of the Bond or any interest therein."