

AN ORDINANCE TO AUTHORIZE AND EMPOWER THE COMMISSIONERS OF LEONARDTOWN TO ISSUE AND SELL A GENERAL OBLIGATION BOND OR BONDS AND TO BE DESIGNATED, AS APPLICABLE, "THE COMMISSIONERS OF LEONARDTOWN TUDOR HALL PROJECT BOND" OR "THE COMMISSIONERS OF LEONARDTOWN TUDOR HALL PROJECT BONDS"

AN ORDINANCE OF THE COUNCIL OF THE COMMISSIONERS OF LEONARDTOWN, A MUNICIPAL CORPORATION OF THE STATE OF MARYLAND, TO AUTHORIZE AND EMPOWER THE COMMISSIONERS OF LEONARDTOWN TO ISSUE AND SELL, UPON ITS FULL FAITH AND CREDIT, A GENERAL OBLIGATION BOND OR BONDS, INCLUDING, WITHOUT LIMITATION, IN INSTALLMENT OR DRAW-DOWN FORM, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000.00) PURSUANT TO THE AUTHORITY OF SECTIONS 31 TO 37, INCLUSIVE, OF ARTICLE 23A OF THE ANNOTATED CODE OF MARYLAND (1998 REPLACEMENT VOLUME, AS REPLACED, SUPPLEMENTED OR AMENDED) AND SECTION 719 OF THE CHARTER OF THE TOWN OF LEONARDTOWN, AS PUBLISHED IN MUNICIPAL CHARTERS OF MARYLAND, VOLUME 5, 1990 REPLACEMENT EDITION, AS REPLACED, SUPPLEMENTED OR AMENDED, THE BOND OR BONDS TO BE ISSUED IN ONE SERIES AND TO BE DESIGNATED, AS APPLICABLE, "THE COMMISSIONERS OF LEONARDTOWN TUDOR HALL PROJECT BOND" OR "THE COMMISSIONERS OF LEONARDTOWN TUDOR HALL PROJECT BONDS", AND BY YEAR, UNLESS A SUBSEQUENT RESOLUTION OR RESOLUTIONS OF THE COUNCIL PROVIDES OTHERWISE, OR TO BE ISSUED IN MORE THAN ONE SERIES AND DESIGNATED AS THE COUNCIL BY RESOLUTION SHALL DETERMINE; THE BOND OR BONDS TO BE ISSUED AND SOLD AND THE PROCEEDS THEREOF TO BE USED AND APPLIED FOR THE PUBLIC PURPOSE OF FINANCING OR REFINANCING A PORTION OF ONE OR MORE OF THE FOLLOWING: THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, FURNISHING, EQUIPPING OR OPERATING COSTS OF (I) AN 18-HOLE PUBLIC GOLF COURSE, WITH A CLUBHOUSE AND RELATED AMENITIES, AND (II) A HOTEL AND CONFERENCE CENTER CONTAINING APPROXIMATELY 255 GUEST ROOMS AND 25,000 SQUARE FEET OF MEETING SPACE, WITH RELATED AMENITIES AND RECREATIONAL FACILITIES, TOGETHER WITH COSTS RELATING TO THE ACQUISITION OF NECESSARY PROPERTY RIGHTS AND EQUIPMENT, RELATED SITE IMPROVEMENTS AND UTILITIES AND RELATED ARCHITECTURAL, FINANCIAL, LEGAL, PLANNING, DESIGN AND ENGINEERING EXPENSES, COSTS OF ISSUANCE AND OF ESTABLISHING RESERVES, INCLUDING (WITHOUT LIMITATION) OPERATING RESERVES, AND THE COST OF INTEREST DURING CONSTRUCTION AND FOR A REASONABLE PERIOD THEREAFTER; DETERMINING THAT THE BOND OR ANY SERIES OF THE BONDS BE SOLD AT PUBLIC SALE BY SOLICITATION OF COMPETITIVE BIDS; PROVIDING THAT THE PRINCIPAL OF AND INTEREST ON THE BOND OR BONDS WILL BE PAYABLE IN THE FIRST INSTANCE FROM REVENUES RECEIVED BY THE TOWN IN CONNECTION WITH THE ACCOMMODATION TAX IMPOSED BY COUNTY COMMISSIONERS OF ST. MARY'S COUNTY; PROVIDING FOR THE LEVY AND COLLECTION OF AD VALOREM TAXES SUFFICIENT FOR THE PROMPT PAYMENT OF THE MATURING PRINCIPAL OF AND INTEREST ON THE BOND OR BONDS; PLEDGING THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF THE TOWN TO THE PROMPT PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND OR BONDS; PROVIDING THAT THE PRINCIPAL OF AND INTEREST ON THE BOND OR BONDS ALSO MAY BE PAID FROM ANY OTHER SOURCES OF REVENUE LAWFULLY AVAILABLE TO THE TOWN FOR SUCH PURPOSE;

AUTHORIZING THE ADOPTION OF A RESOLUTION OR RESOLUTIONS OF THE COUNCIL TO DETERMINE AND PROVIDE FOR VARIOUS MATTERS RELATING TO THE AUTHORIZATION, SALE, SECURITY, ISSUANCE, DELIVERY, PAYMENT AND REDEMPTION OF AND FOR THE BOND OR ANY SERIES OF THE BONDS; AUTHORIZING THE ADOPTION OF A RESOLUTION OR RESOLUTIONS TO PROVIDE FOR OR APPROVE ANY NECESSARY DETAILS OR DOCUMENTS RELATING TO THE TOWN'S PARTICIPATION IN THE FINANCING OR REFINANCING OF THE INDICATED PROJECT COSTS; AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION BOND ANTICIPATION NOTE OR NOTES, PURSUANT TO THE AUTHORITY OF SECTION 12 OF ARTICLE 31 OF THE ANNOTATED CODE OF MARYLAND (1997 REPLACEMENT VOLUME, AS REPLACED, SUPPLEMENTED OR AMENDED) AND THE CHARTER, PRIOR TO AND IN ANTICIPATION OF THE SALE OF THE BOND OR BONDS; PROVIDING THAT THIS TITLE, OR A CONDENSED VERSION THEREOF PREPARED IN ACCORDANCE WITH SECTION 209 OF THE CHARTER, SHALL BE DEEMED A FAIR SUMMARY OF THIS ORDINANCE FOR ALL PURPOSES; AUTHORIZING AND DIRECTING OFFICIALS AND EMPLOYEES OF THE TOWN TO TAKE ANY AND ALL ACTION NECESSARY TO COMPLETE AND CLOSE THE SALE AND DELIVERY OF THE BOND OR BONDS AND THE NOTE OR NOTES; AND OTHERWISE GENERALLY RELATING TO THE ISSUANCE, SALE, DELIVERY AND PAYMENT OF AND FOR THE BOND OR BONDS AND THE NOTE OR NOTES.

RECITALS

WHEREAS, The Commissioners of Leonardtown, a municipal corporation of the State of Maryland (the "Town"), is authorized and empowered by Article 23A, Sections 31 to 37, inclusive, of the Annotated Code of Maryland (1998 Replacement Volume, as replaced, supplemented or amended) (the "Enabling Act") and Section 719 of the Charter of the Town of Leonardtown, as published in Municipal Charters of Maryland, Volume 5, 1990 Replacement Edition, as replaced, supplemented or amended (the "Charter"), to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds.

WHEREAS, the Town has created Leonardtown Recreation, Inc., a non-profit, non-stock corporation (the "Corporation"), pursuant to the general non-profit corporation laws of the State of Maryland and in accordance with Revenue Ruling 63-20 and Revenue Procedure 82-26 as an "on behalf of" corporation, in order to provide for the acquisition, construction,

improvement, furnishing and equipping, and the operation, of (i) an 18-hole public golf course, with a clubhouse and related amenities, and (ii) a hotel and conference center containing approximately 255 guest rooms and 25,000 square feet of meeting space, with related amenities and recreational facilities (collectively, the "Facility"). The Town desires to participate in the financing or refinancing of a portion of the Facility by providing moneys in an amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000.00), such moneys to be used for acquisition, construction, improvement, furnishing, equipping or operating costs related to the Facility (including costs relating to the acquisition of necessary property rights and equipment, related site and utility improvements and related architectural, financial, legal, planning, design and engineering expenses and costs of issuance), and/or the costs of establishment of reserves deemed desirable by the Corporation, including (without limitation) operating reserves, and/or the cost of interest during construction and for a reasonable period thereafter (collectively, "Project Costs").

WHEREAS, the Town intends to pay the principal of and interest on the bond or bonds issued pursuant to this Ordinance and the Resolution (as defined herein) in the first instance from revenues received by the Town from the "accommodation tax" imposed by County Commissioners of St. Mary's County (the "County") pursuant to Article 24, Sections 9-301 through 9-326 of the Annotated Code of Maryland (1998 Replacement Volume, as replaced, supplemented or amended) and Ordinance No. 99-09, approved by the Board of County Commissioners for St. Mary's County on July 20, 1999 and effective on August 1, 1999, each as the same may be replaced, supplemented or amended from time to time (collectively, the "Hotel Rental Tax Authorization"), and the Town has further determined to

pledge its full faith and credit and unlimited taxing power to the prompt payment of the principal of, premium, if any, on and interest on the bond or bonds.

WHEREAS, the Town has determined that each series of the bonds shall be sold at public sale by solicitation of competitive bids.

WHEREAS, the Town has determined to issue the bond or bonds in accordance with the terms and conditions provided for in a resolution or resolutions to be adopted by the Council pursuant to this Ordinance.

WHEREAS, the Town has determined that it may issue and sell bond anticipation notes in one or more series prior to and in anticipation of the sale of the bond or bonds to provide interim financing for a portion of the Project Costs.

SECTION 1. NOW, THEREFORE, BE IT ORDAINED AND ENACTED that pursuant to the authority of Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland (1998 Replacement Volume, as replaced, supplemented or amended) (the "Enabling Act") and Section 719 of the Charter of the Town of Leonardtown, as published in Municipal Charters of Maryland, Volume 5, 1990 Replacement Edition, as replaced, supplemented or amended, The Commissioners of Leonardtown (the "Town") hereby determines to borrow money and incur indebtedness for the public purpose of financing or refinancing a portion of the Project Costs. The total cost of the Project Costs not otherwise payable from other sources is not expected to be greater than Three Million Five Hundred Thousand Dollars (\$3,500,000.00).

SECTION 2. BE IT FURTHER ORDAINED AND ENACTED that to evidence the borrowing and indebtedness authorized in Section 1 of this Ordinance, the Town,

acting pursuant to the authority of the Enabling Act and the Charter, hereby determines to issue and sell, upon its full faith and credit, its general obligation bond or bonds, in an aggregate principal amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000.00) (whether sold as a single bond or as one or more series of bonds, hereinafter, the "Bonds"). The Bonds, if sold as a single bond, shall be designated "The Commissioners of Leonardtown Tudor Hall Project Bond", or if sold as a single series of bonds, shall be designated "The Commissioners of Leonardtown Tudor Hall Project Bonds", or such other designation or designations as the Council shall determine in the Resolution (as defined herein). Unless otherwise determined by the Mayor and Council in the Resolution, there shall be added to the title of the Bonds a designation corresponding to the year in which the Bonds are issued so that, if the Bonds are issued on or after January 1, 1999 but before January 1, 2000, the Bonds shall be known as "The Commissioners of Leonardtown Tudor Hall Project Bonds of 1999". If the Bonds are issued in more than one series the Bonds shall be designated as the Council shall determine in the Resolution. The Bonds may be issued as installment bonds or draw-down bonds or in any other form not contrary to the Enabling Act and the Charter, as determined by the Council in the Resolution.

SECTION 3. BE IT FURTHER ORDAINED AND ENACTED that pursuant to the authority of the Enabling Act and the Charter, the Town hereby determines that it is in the best interests of the Town to sell each series of the Bonds at public sale by solicitation of competitive bids.

SECTION 4. BE IT FURTHER ORDAINED AND ENACTED that the proceeds of the Bonds shall be used and applied by the Town exclusively and solely for the public purposes described in Section 1 of this Ordinance unless a supplemental ordinance is enacted by the Council to provide for the use and application of such proceeds for some other proper public purpose authorized by the Enabling Act or the Charter.

SECTION 5. BE IT FURTHER ORDAINED AND ENACTED that (a) the principal of and interest on the Bonds will be payable in the first instance from revenues received by the Town in connection with the Accommodation Tax imposed by the County pursuant to the Hotel Rental Tax Authorization. In the event such moneys are insufficient to provide for the prompt payment, when due, of the principal of and interest on the Bonds, the Town shall levy or cause to be levied in all fiscal years in which the Bonds are outstanding, upon all real and tangible personal property within its corporate limits subject to assessment for unlimited municipal taxation, ad valorem taxes in rate and amount sufficient to provide for the prompt payment of the principal of and interest on the Bonds in each such fiscal year. If the proceeds from the taxes so levied in any such fiscal year are inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up such deficiency.

(b) 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 the Bonds as and when they become due and payable and to the levy and collection of the taxes herein above described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the Bonds. The Town hereby covenants and agrees with the registered owners, from time to time, of the Bonds to levy and collect the taxes herein

above described and to take any further action that may be appropriate from time to time during the period that the Bonds remain outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and the interest due thereon.

(c) The foregoing provisions shall not be construed so as to prohibit the Town from paying the principal of and interest on the Bonds from the proceeds of the sale of any other obligations of the Town or from any other funds legally available for that purpose. The Town may apply to the payment of the principal of or interest on the Bonds any funds received by it from the State of Maryland or the United States of America, or any governmental agency or instrumentality, or from any other source, if such funds are granted or paid to the Town for the purpose of assisting the Town in accomplishing the type of project which the Bonds are issued to finance, and to the extent of any such funds received or receivable in any fiscal year, the taxes hereby required to be levied may be reduced proportionately.

SECTION 6. BE IT FURTHER ORDAINED AND ENACTED that pursuant to the authority of this Ordinance, the Council, prior to the issuance, sale and delivery of any series of the Bonds, shall adopt a resolution or resolutions (the "Resolution") specifying, prescribing, determining, providing for and approving such matters, details, forms (including, without limitation, the complete forms of the Bonds of such series and the official notice of sale), documents or procedures as may be required by the Enabling Act, the Charter or this Ordinance or as the Council may deem appropriate for the authorization, sale, security, issuance, delivery, payment or redemption of or for such series of the Bonds. The Resolution shall set forth or approve, among other things, the aggregate principal amount of such series of the Bonds; the maturities or installments of such series of the Bonds or the method of

determining the maturities or installments of such series of the Bonds; the rate or rates of interest, or the method of determining the rate or rates of interest, which may be fixed or variable, payable on such series of the Bonds; provisions relating to the redemption of such series of the Bonds; the procedures for the sale of such series of the Bonds at public sale by solicitation of competitive bids and the award of such series of the Bonds to the successful bidder or bidders, if appropriate, and all other terms and conditions pursuant to which such series of the Bonds will be awarded, issued, sold and delivered.

SECTION 7. BE IT FURTHER ORDAINED AND ENACTED that the Council, pursuant to a resolution or resolutions adopted prior to or in connection with the issuance of any series of the Bonds, may provide for or approve any necessary details or documents with any party or parties relating to the Town's participation in the financing or refinancing of the Project Costs.

SECTION 8. BE IT FURTHER ORDAINED AND ENACTED that pursuant to the authority of Section 12 of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume, as replaced, supplemented or amended) (the "Bond Anticipation Note Enabling Act") and the Charter, the Town may issue and sell, upon its full faith and credit, a bond anticipation note or bond anticipation notes (in either such case, the "Notes") prior to and in anticipation of the sale of the Bonds. Prior to the issuance, sale and delivery of any such Notes, the Council shall adopt a resolution or resolutions pursuant to the authority of this Ordinance authorizing the Notes and specifying, prescribing, determining, providing for and approving such matters, details, forms, documents or procedures as may be required by applicable law. In accordance with the Bond Anticipation Note Enabling Act, such Notes may

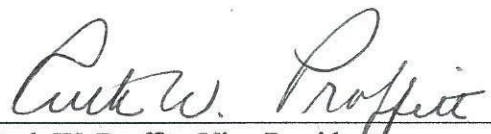
be sold by private negotiation without solicitation of competitive bids if the Council so provides in a resolution or resolutions.

SECTION 9. BE IT FURTHER ORDAINED AND ENACTED that the title of this Ordinance, or a condensed version thereof prepared in accordance with Section 209 of the Charter, shall be deemed to be, and is, a fair summary of this Ordinance for publication and all other purposes.

SECTION 10. BE IT FURTHER ORDAINED AND ENACTED that the Mayor, the Town Administrator, the Town Secretary and all other officials and employees of the Town are hereby authorized and directed to take any and all action necessary to complete and close the award, sale and delivery of the Bonds and the Notes and to execute and deliver all documents, certificates and instruments necessary or appropriate in connection therewith.

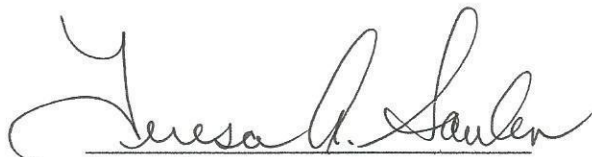
SECTION 11. BE IT FURTHER ORDAINED AND ENACTED that this Ordinance shall become effective at the expiration of twenty (20) calendar days following approval by the Mayor or passage by the Council over the Mayor's veto.

THE COMMISSIONERS OF LEONARDTOWN

(SEAL) 
Ruth W. Proffitt, Vice-President

ATTEST:


Susan H. Erichsen, Council Member


Teresa Saulen
Town Secretary


Charles R. Faunce, Council Member

Walter R. Gillette
Walter R. Gillette, Council Member

ABSTAINED
Walter Wise, Council Member

Introduced: 10/4/99, 1999

Passed: 10/11/99, 1999

Approved by the Mayor this 11th day of OCTOBER, 1999

J. Harry Norris, III
J. Harry Norris, III, Mayor

Effective: 11/1, 1999

