

SUPPLEMENTAL ORDINANCE 7-2009

Introduced by _____

AN ORDINANCE SUPPLEMENTING ORDINANCE 11-2006 TO EXTEND THE TIME PERIOD FOR ISSUANCE OF THE BONDS WHICH WERE AUTHORIZED BY ORDINANCE 11-2006 PASSED ON DECEMBER 6, 2006 (THE "ORIGINAL ORDINANCE") (AS SUPPLEMENTED BY ORDINANCE 11-2007 PASSED ON NOVEMBER 7, 2007 AND ORDINANCE 8-2008 PASSED ON NOVEMBER 5, 2008) BY THE COUNCIL OF THE TOWN OF TRAPPE (THE "TOWN"), WHICH ORIGINAL ORDINANCE, AMONG OTHER THINGS, CONFIRMED THE CREATION OF THE LAKESIDE SPECIAL TAXING DISTRICT (THE "LAKESIDE DISTRICT"); PROVIDED FOR THE CREATION OF THE LAKESIDE SPECIAL FUND (THE "SPECIAL FUND"); PROVIDED FOR THE LEVY OF A SPECIAL TAX ON ALL REAL PROPERTY SUBJECT TO TAX WITHIN THE LAKESIDE DISTRICT; PLEDGED THE SPECIAL TAX ON REAL PROPERTY WITHIN THE LAKESIDE DISTRICT TO THE SPECIAL FUND AND PROMISED THAT THE PROCEEDS OF THE SPECIAL TAX WILL BE PAID INTO THE SPECIAL FUND; PROVIDED FOR THE USE OF MONEYS IN THE SPECIAL FUND; AUTHORIZED THE TOWN TO ENTER INTO CONSTRUCTION AND FUNDING AGREEMENTS WITH THE CURRENT OWNER OF ALL OF THE PROPERTY WITHIN THE LAKESIDE DISTRICT; MADE CERTAIN LEGISLATIVE FINDINGS, AMONG OTHERS, CONCERNING THE PUBLIC BENEFIT AND PURPOSE OF SPECIAL OBLIGATION BONDS TO BE ISSUED BY THE TOWN; AUTHORIZED AND EMPOWERED THE TOWN TO ISSUE, SELL AND DELIVER, AT ANY ONE TIME OR FROM TIME TO TIME, ITS SPECIAL OBLIGATION BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000; PROVIDED THAT SUCH SPECIAL OBLIGATION BONDS AND THE INTEREST THEREON SHALL NEVER CONSTITUTE A GENERAL OBLIGATION DEBT OF OR A PLEDGE OF THE TOWN'S FULL FAITH AND CREDIT OR TAXING POWERS; AUTHORIZED AND EMPOWERED THE TRAPPE TOWN COUNCIL TO ADOPT A RESOLUTION PRIOR TO THE ISSUANCE, SALE AND DELIVERY OF SUCH SPECIAL OBLIGATION BONDS, TO PRESCRIBE THE RATE OR RATES OF INTEREST SUCH SPECIAL OBLIGATION BONDS ARE TO BEAR, THE FORM, TENOR, TERMS AND CONDITIONS OF AND SECURITY FOR SUCH SPECIAL OBLIGATION BONDS, AND TO PRESCRIBE, DETERMINE, PROVIDE FOR AND APPROVE VARIOUS OTHER MATTERS, DETAILS, DOCUMENTS AND PROCEDURES IN CONNECTION WITH THE AUTHORIZATION, ISSUANCE, SECURITY, SALE AND PAYMENT FOR SUCH SPECIAL OBLIGATION BONDS; AND GENERALLY PROVIDED FOR THE FINANCING OF PUBLIC INFRASTRUCTURE IMPROVEMENTS WITHIN AND OUTSIDE THE LAKESIDE DISTRICT AND FOR THE IMPOSITION AND LEVY OF A SPECIAL TAX AND THE ISSUANCE OF SPECIAL OBLIGATION BONDS, ALL IN ACCORDANCE WITH ARTICLE 23A, SECTION 44A OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED.

Under the provisions of Article 23A, Section 44A of the Annotated Code of Maryland, as amended (the "Act"), and pursuant to Ordinance 11-2006 passed on December 6, 2006 (the "Original Ordinance"), the Council of the Town of Trappe (the "Town") (i) confirmed the

creation of the “Lakeside Special Taxing District” (the “Lakeside District”), created pursuant to Resolution 2-2006 which was adopted on June 7, 2006 (the “Resolution”) (ii) created the Lakeside District Special Fund (the “Special Fund”), (iii) provided for the levy and imposition of a special tax on all real property within the Lakeside District (the “Lakeside Special Tax”), except for Public Property (as defined in the Original Ordinance) and Owner Association Property (as defined in the Original Ordinance), (iv) pledged the Lakeside Special Tax to the Special Fund and covenanted to cause the proceeds of the Lakeside Special Tax to be deposited into the Special Fund, (v) implemented the authority conferred upon it by the Act to issue the Bonds for the Improvements (as defined in the Original Ordinance), (vi) made findings that the Improvements (as defined in the Original Ordinance) will serve the public purpose of the Town and determined that the costs of the Improvements (as defined in the Original Ordinance) can be financed with the proceeds of its special obligation bonds (the “Bonds”) under the Act, (vii) authorized the execution and delivery of such documents as shall be necessary to be delivered in connection with the issuance of the Bonds and the financing of the Improvements (as defined in the Original Ordinance), (viii) authorized the execution and delivery of one or more Development Agreements (as defined in the Original Ordinance) between the Town and the Owner (as defined in the Original Ordinance), and (ix) specified certain other matters relating to the Bonds and the Improvements (as defined in the Original Ordinance).

Section 17B of the Original Ordinance provided that in the event no Bonds are issued to finance the Improvements (as defined in the Original Ordinance) within one year after the date the Original Ordinance was adopted (December 6, 2007), the Original Ordinance shall be automatically revoked without further action by the Council or the Town.

The timeframe for issuance of Bonds under the Original Ordinance was extended to December 31, 2008 by Ordinance No. 11-2007 and then to December 31, 2009 by Ordinance No. 8-2008.

The Owners (as defined in the Original Ordinance) have advised the Town that, although the development of the Property (as defined in the Original Ordinance) is proceeding with due diligence in light of current housing market conditions, the Bonds will not be issued by December 31, 2009 and have requested that the period for issuing the Bonds be extended until December 31, 2011.

This Ordinance supplements the Original Ordinance.

Prior to the adoption of this Ordinance, the Town will hold a public hearing regarding this Ordinance.

NOW, THEREFORE, the Town hereby ordains:

Section 1. Section 17B of the Original Ordinance is hereby repealed and reenacted to read as follows:

“This Ordinance shall be revoked in the event that no Bonds are issued to finance Improvements on or before December 31, 2011, unless provided in an ordinance of the Council of the Town supplemental to this Ordinance.”

Section 2. Except as amended by this Ordinance, the Original Ordinance shall remain in full force and effect.

Section 3. This Ordinance supplements the Original Ordinance and shall become effective upon its adoption by a majority of all members elected to the Council of the Town of Trappe.

Robert H. Crosswell

Walter Chase

Richard A. Dorbin

Norman Fegel

Rosalee S. Potter

I hereby certify that the foregoing Ordinance Number ____ of the Town of Trappe was duly read, advertised and enacted in accordance with the applicable provisions of the Charter of the Town of Trappe.

Attest: _____
Joedy Cecil, Clerk-Treasurer
Town of Trappe