



The Jewel of the Chesapeake Bay
North Beach, Maryland

8916 Chesapeake Avenue | Post Office Box 99
North Beach, MD 20714

410.257.9618 | 301.855.6681
www.northbeachmd.org

**TOWN COUNCIL MEETING
NORTH BEACH TOWN HALL
November 8, 2012
7:00 PM**

I. PLEDGE OF ALLEGIANCE

II. ROLL CALL

III. APPROVE AGENDA

IV. APPROVAL OF MINUTES

- 1) Minutes from the October 11, 2012 Town Council Meeting
- 2) Minutes from the Closed Session Meeting on October 11, 2012
- 3) Minutes from the November 1, 2012 Work Session
- 4) Minutes from the November 1, 2012 Closed Session

V. SCHEDULED APPOINTMENTS

- A. Grace Mary Brady from the Bayside History Museum
- B. Performing Arts Center Presentation

VI. PUBLIC SAFETY REPORT

- A. Sheriff's Department

VII. TREASURER'S REPORT

- A. Hotel Tax Update

VIII. REPORTS

- A. Public Works Supervisor
- B. Code Enforcement Officer
- C. Town Engineer

IX. BOARDS AND COMMISSIONS

Mark R. Frazer, Mayor

Council Members: Mike Benton Gregory Dotson Gregory McNeill Randy Hummel Gwen Schiada Kenneth Wilcox



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X. BUSINESS ITEMS

- 1) North Beach Resort Development Plan
- 2) Award contract for the replacement of wall at 8932 Dayton Avenue
- 3) Senate Bill 236 – The Sustainable Growth and Agricultural Preservation Act of 2012 (mapping of Sewer/Septic Systems)

XI. ORDINANCES AND RESOLUTIONS

- 1) Ordinance: 12-12: Bond for Boys and Girls Club Refinancing - Voting
- 2) Resolution: 12-06: Boys and Girls Club Bond - Voting

XII. MAYOR AND COUNCIL REPORTS

XIII. PUBLIC COMMENT

XIV. CLOSED SESSION MEETING IF NEEDED

XV. ADJOURNMENT

Upcoming Meetings and Events

All Meetings held at the Town Hall

- 1) Monday, November 19, 2012 – Historic Preservation Meeting – 7:00 p.m.
- 2) Monday, November 19, 2012 – Public Safety Meeting – 7:00 p.m.
- 3) Thursday, November 29, 2012 – Planning Commission Meeting – 7:00p.m.
- 4) Friday, November 30, 2012 – Light up the Town – 7:00 p.m. – Waterfront
- 5) Saturday, December 1, 2012 – Pat Carpenter Holiday Parade 12 pm on Bay Avenue
- 6) Saturday, December 1, 2012 – Santa on the Beach – 1 – 3 p.m.
- 7) Saturday, December 1, 2012 – Jollyfest on 7th Street – 12 pm to 5pm
- 8) Saturday, December 1, 2012 – Holiday Extravaganza at the Town Hall featuring The Abigail Francisco School of Classical Ballet: 4pm to 5 pm

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Minutes from the October 11, 2012 Town Council Meeting

X___ Mayor Frazer	X___ Joanne Hunt	X___ Buddy Jenkins
X___ Mr. Benton	X___ Stacy Wilkerson	X___ John Shay
X___ Mr. Dotson	X___ Donnie Bowen	X___ Dawn Richardson
X___ Mr. McNeill	X___ John Hofmann	X___ Sgt. Bowen
X___ Mr. Hummel	___ Richard Ball	
X___ Ms. Schiada	___ Mr. Wilcox	

APPROVAL OF AGENDA AND MINUTES

- a) MOTION made by Greg McNeil to approve the agenda as presented.
Seconded by Greg Dotson. All in favor. Motion carries.
- b) MOTION made by Greg McNeil to approve the Town Council Minutes from the September 13, 2012 Meeting. Seconded by Mike Benton. Gwen Schiada abstains. Motion carries.

SCHEDULED APPOINTMENTS

- a) Smart Meter Presentation: A presentation was given in regards to changing all meters on properties to digital smart meters. Customers will be notified prior to BGE entering the property to change the meters.

PUBLIC SAFETY REPORT

- a) Calvert County Sheriffs Report for September 2012. In September the Sheriff's Department responded to 226 calls for service in North Beach. This is down from 226 calls in August 2012.

TREASURER'S REPORT

Treasurers Report: Reporting Period: 9/1/12 – 9/30/12: Beginning Balance \$210,375.95; Total Debits: \$521,385.17; Total Credits: \$323,609.60; Ending Balance: \$408,151.52. MOTION made by Greg Dotson to accept the report. Seconded by Greg McNeil. Motion carries.

Mark R. Frazer, Mayor

Council Members: Mike Benton Gregory Dotson Gregory McNeill Randy Hummel Gwen Schiada Kenneth Wilcox



REPORTS

Staff Reports: Public Works Department, Code Enforcement, Waterfront Supervisor and Town Engineer are attached to this report.

BUSINESS ITEMS:

- 1) Summary of Bids from the Solicitation of taxable and non taxable bonds for Land Acquisition: There were four bids received from banks. The best rates and terms were from PNC Bank. MOTION made by Greg McNeil to go with PNC Bank for the Bonds for land acquisition. Seconded by Greg Dotson. All in favor. Motion carries.
- 2) Bayside History Museum Flooring and Remodel Bids. The Town received bids from two companies. The lowest bidder was a company that has never done work for the Town. Donnie Bowen requested from the company work references along with a certificate of insurance. Inquiries were made three times from the company with no response. Donnie Bowen is recommending the following contracts be awarded.
 - a) Flooring: Michael's Flooring - \$32,062.50. MOTION made by Randy Hummel to approve the contract as submitted. Seconded by Greg Dotson. All in favor. Motion carries.
 - b) Interior Remodel: Stalling National Enterprises - \$18,509.00. MOTION made by Greg Dotson to approve the contract as submitted. Seconded by Greg McNeil. All in favor. Motion carries.
- 3) Letter to BGE to change the street lights from mercury vapor to high pressure sodium. MOTION made by Greg McNeil to authorize the Mayor to sign the letter. Seconded by Greg Dotson. All in favor. Motion carries.

ORDINANCES AND RESOLUTIONS

- 1) Ordinance 12-12: Bond for Boys and Girls Club Refinancing. This Ordinance was introduced by Greg Dotson. Ordinance will be voted on at the November 2012 Town Council Meeting.
- 2) Resolution 12-05: Bond for Land Acquisition: MOTION made by Greg McNeil to pass Resolution 12-05: Seconded by Greg Dotson. All in favor. Motion carries.

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Meeting closed at 8:52 p.m. on a motion made by Randy Hummel. Seconded by Mike Benton.
All in favor.

Submitted:

Mark R. Frazer, Mayor

Stacy L. Wilkerson, Town Clerk

Mark R. Frazer, Mayor

Council Members: Mike Benton Gregory Dotson Gregory McNeill Randy Hummel Gwen Schiada Kenneth Wilcox



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Minutes from the November 1, 2012 Work session

Attendance: Mayor Frazer, Mike Benton, , Greg Dotson, Greg McNeil, Randy Hummel, Gwen Schiada, Ken Wilcox, John Shay, Donnie Bowen, John Hofmann, Joanne Hunt, Dawn Richardson and Stacy Wilkerson.

- 1) Employee Savings Incentives (Councilman Greg McNeill) - Councilman McNeil gave an update on the Incentive programs. He put together two difference incentive programs. A retained/savings/gain sharing and an IDEA Bonuses. The Mayor and Council like the idea of these incentive programs. They would like for Greg McNeil to do some additional research and bring information back to the January 2013 Work Session.
- 2) North Beach Resort Development Plan: Development Plan: Mr. Ron Russo, owner and developer gave an overview of his proposed plan for the north corner of 5th and Bay Avenue. Attached are the documents related to the development. The project will be constructed on a 2.3 acre tract of land. It will consist of 63 lodging rooms with amenities on the south side of the building. On the north side there will be banquet rooms, food services and meeting rooms on two floors. There will be approximately 118 parking spaces. Mr. Russo stated he is considering expanding the pool area. This expansion will eliminate approximately 10-11 parking spaces. With the elimination of parking spaces the project is still under the required spaces. Mr. Russo would like to start construction in November 2013 with the opening targeted for Spring of 2015. The plan was recommended by the Planning Commission to the Mayor and Town Council for approval. This item will be placed on the November Town Council agenda for action.
- 3) Hotel Tax – Randy Hummel would like to impose a tax on rental properties that are used for vacationing along with the hotel that is being considered at 5th and Bay Avenue. John Shay advised that the County already has a 5% lodging tax in place. The staff will work with the County to find out how the tax works and if there are already procedures in place to collect these fees from the cottage vacation rentals that are already in Town. The Council would also like the Planning Commission to look into adding another category in the Zoning Regulations for overnight cottage accommodations.

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- 4) Overview of the projects at the north end of Town: John Hofmann gave an update on the projects to include the work proposed by the Army Corp of Engineers for the Wetlands Restoration, Berm Construction and the Wetlands Trail. John Hofmann is working with the Army Corp of Engineers on the next steps for these projects.
- 5) Update on the Performing Arts Center: Mayor Frazer advises the steering committee for the center has been working over the past year on the project. They are at the phase in the project to create a nonprofit status to start fundraising efforts. The Town will enter into a long term lease with Dale Thomas for the property. The building will be constructed with monies raised through fund raising. Then the building will be used a potential revenue source for the town will rent out space for plays, wedding receptions, etc. A final plan of the building still needs to be done along with a business plan. The steering committee will be at the November Council meeting for a presentation.

Meeting closed at 8:35 p.m.

Mark R. Frazer, Mayor

Council Members: Mike Benton Gregory Dotson Gregory McNeill Randy Hummel Gwen Schiada Kenneth Wilcox

Memo



CALVERT COUNTY SHERIFF'S OFFICE TWIN BEACHES PATROL

Date: November 1, 2012
To: Stacy Wilkerson
From: First Sergeant Craig Bowen
Re: Sheriff's Office Report-North Beach

In October, the Sheriff's Office handled 218 calls for service in North Beach. This is down from 226 calls in September.

Call Breakdown for October:

131 calls were self initiated (patrol checks, follow-up investigations, etc)

87 calls were received by other means (citizens, alarm companies, etc)

Of the 218 calls, we handled:

- 4 Assaults (all closed)
- 1 Robbery (victim claimed she was assaulted and a bracelet stolen – case under investigation)
- 0 CDS Violations
- 2 Thefts (both under investigation)
 - *Theft of expiration sticker*
 - *Theft of services(taxi cab)*
- 0 Burglary
- 2 Destruction of Property (1 closed and 1 under investigation)
- 3 DWI

****See Page 2 for Breakdown of Dispatched/Self Initiated Calls****

Breakdown of Dispatched/Self Initiated Calls

911 hang up - 1	Harassment - 3	Suspicious vehicle -2
Accident - 3	Intoxicated person - 2	Tampering with motor vehicle - 1
Alarm - 4	Loitering - 1	Theft - 3
Animal Complaint - 1	Loud party/music - 3	Traffic complaint - 3
Assault - 4	Mental subject - 1	Traffic control - 1
Attempt to locate - 10	Missing person - 1	Traffic assignment - 2
CDS Violation - 1	Noise complaint - 2	Trespassing - 1
Check welfare - 8	Parking violation - 1	Unknown problem - 1
Conservator - 1	Patrol check - 93	
Destruction of property - 3	Police information - 9	
Disorderly - 6	Protective order - 1	
Domestic - 10	Robbery - 1	
DWI - 3	Special assignment - 7	
Fight - 1	Summons service - 2	
Follow up - 19	Suspicious person - 4	

Note – The reportable incident totals on page 1 may differ from the dispatched totals on page 2. The breakdown on page 2 represents all calls dispatched/self initiated by the sheriff's office. The totals listed on page 1 may be less due to factors the deputy learns upon arrival to the scene

**TOWN OF NORTH BEACH
TREASURER'S REPORT**

Reporting Period 10/01/12- 10/31/12

PNC Bank:

Beginning Balance 10/01/12	\$ 408,151.52	
Total Debits (+)	\$ 8,200,537.35	
Total Credits (-)	\$ 7,776,383.76	
Ending Balance 10/31/12	\$ 832,305.11	Last Year: \$ 148,936.19
Investments (MLGIP/General Fund)	\$ 802,410.00	Last Year: \$ 1,791,960.
(MLGIP/Sewer Capital)	\$ 383,898.00	Last Year: \$ 383,435.
(MLGIP/Water Capital)	<u>\$ 137,399.00</u>	<u>Last Year: \$ 137,233.</u>
Total Cash	\$ 2,156,012.11	Last Year: \$ 2,461,564.00

CASH RECEIPTS OVER \$7,500.00

\$ 1,025,384.00 – Calvert County Tax Payment/Sept. 2012
\$ 40,186.14- DNR/Parks and Playground Reimb Overlook Park
\$ 2,261,800.00- Proceeds 2012 Bond Settlement

CASH DISBURSEMENTS OVER \$7,500.00

\$ 27,147.89- Payroll W/E 09/29/2012
\$ 24,277.27- Payroll W/E 10/13/2012
\$ 22,496.51- Payroll W/E 10/27/2012
\$ 40,098.46- Suntrust
\$ 22,289.26- Southern Maryland Recycling/ Trash Contract
\$ 81,625.75- Calvert County Deputy Sheriff Agreement
\$ 8,475.00- A.C. Schultes of Maryland (Water System)
\$ 14,766.72- Comptroller State of MD / Flush Tax
\$ 10,339.00- John A. Hofmann
\$ 2,186,512.92- Van Metre Land Acquisition
\$ 401,669.04- RAR Land Acquisition

To: Mayor Frazer and Town Council Members

From: Don Bowen DPW

Date: 11-7-2012

Subject: Monthly Report

The following is a list of task DPW has been working on in addition to routine task for this report period.

- 1) Completed painting of the interior of the town's water tower, power washed exterior and repainted all rust spots on the exterior. Repainted lettering on exterior of water tower. Tower is ready to put back in service.
- 2) Continuing work on the Bayside History Museum, progress is moving along as planned. Interior cosmetic work is almost complete. New flooring will be installed in the next week or two. Trim work and final punch out items towards the end of the month.
- 3) Sidewalk construction is underway in Burnt Oaks after a brief delay and progress is now going well. Concrete portion should be complete by the end of next week, weather permitting. Asphalt patching and backfilling will follow.
- 4) The week of October 27 the area experienced heavy rains and high winds associated with hurricane Sandy. In the week prior DPW staff Topped off all generators and equipment with fuel and test ran all equipment. DPW staff cleaned all storm drains and storm water pipes where possible. DPW rented an additional 6" portable pump incase it was needed for storm water or sewer pumping station high levels. DPW also purchase a portable fuel tank for refilling of generators and storm water pump at the 5th street outfall. Staff gave out over 300 sand bags to residents who came and picked them up.

During the time period from Sunday October 28 to Tuesday October 30 we experienced 7+ inches of rain in the area. The storm water pump on the beach ran over 22 hours and pumped in excess of 4 million gallons of water. Chesapeake Ave from 3rd to 5th and 5th street from Chesapeake to

Bay did start flooding around 1pm on Monday until 5am on Tuesday, but the storm water pump did keep level down as to not affect any structures in the area, only traffic had to be detoured. Tidal flooding did occur as expected in the 9th street area on Tuesday associated with the flood tides. Bay Ave north of 9th street also flooded for a short period of time during high tide on Tuesday evening around 5pm. Overall the Town made out well and had minimum storm damage and few power outages.

- 5) DPW crew has started with leave removal throughout Town, also clearing lot at 3rd and Bay of overgrowth and debris. Just a reminder to residents that special leave collection dates are 11-14 and 11-28.
- 6) Continuing to monitor progress on the wave barrier project. Contractor is continuing with the installation of the pilings required to build wall and is still on schedule to complete project in the time frame of the contract.

November 8, 2012

Town Council Meeting

To: Mayor Frazer and Town Council members

On 11/4 I started working nights at my full time position for WSSC/Louis Berger Group for an undetermined amount of time. So odds are that I will not be able to attend Town meeting this week. But if we get the nasty weather that's being called for on Wed. & Thurs., then its possible that I may be able to attend. Thank you.

From October 12, 2012 through November 8, 2012 13 new Civicall tickets have been written by Code enforcement.

In addition to continuing to address pending issues;

There was 1 business inspection and 1 business license issued.

There is 1 business inspection pending. Application submitted. Appointment to inspect attempted twice by me.

1 Boat parking in right of way violation letter sent – boat moved

There was 1 illegal burning issue on Chesapeake Ave. Issue was addressed and fire extinguished. I'd like to thank Deputy First Class Woodford of the Calvert County Sheriff's Office, who per my request accompanied me to scene of illegal burning to intervene after I had went there initially alone and received a profane chewing out. Thanks, DFC Woodford for a job well done.

Three dead trees are in the administrative process to be taken down as soon as possible. 2 are the same ones you've been hearing about each meeting. But one was removed and one added.

There have been 4 various miscellaneous permits applied for and/or issued.

Preparing to go to court for an abandoned structure on Erie Ave. and multiple violations regarding multiple properties vs. property owner of above mentioned on December 4th.

4 abandoned properties under investigation. 2 properties in Burnt Oaks , 1 on Dayton Ave. and 1 on 6th St.

There were 5 citizen complaints addressed immediately. A couple that I investigated I could find no issue. My favorite of the month is the complaint that pine needles from a tree across the street were blowing on her porch.

The biggest issues of concern that I have been directed to address at this time are still dead trees ,exterior maintenance of the building envelope ,and building/property abandonment.

Respectfully Submitted,

Buddy Jenkins

Code Enforcement Officer

MEMORANDUM

TO: Mayor & Town Council
FROM: John A. Hofmann, P.E. Town Engineer & Zoning Administrator
RE: Monthly Report
DATE: NOVEMBER 7, 2012

The following is the status of activities that are being worked on:

Timber Wave Barrier Project

Work is progressing at the site with pile driving. Next step is to start framing before the Contractor drives sheeting.

Corps of Engineers Wetland Revitalization Project

I have asked the Corps for an update on their status. They have not provided the information that I requested.

Boat Slip Dredge

We are pursuing permits and working with DNR on funding.

9th Street Flood Mitigation Project

We have determined what easements and permits will be required. This information was reviewed with the Environmental Committee on Tue. 11/6. A meeting with area residents and property owners is being scheduled for January.

New Fishing Platform for Town Pier.

The application for State and Federal permits has been submitted. We have been request to supply additional information to the MDE permit review section. We are developing detailed structural engineering drawings for the project. A request for engineering proposals for geotechnical evaluation of the soils under the stone breakwater has been submitted to several consultants.

Wetland Trail

The Town has applied for Federal & State permits for Phase 1 which includes a connection from the Overlook pier to the parcel at the north end of Frederick Ave

DNR Parcels

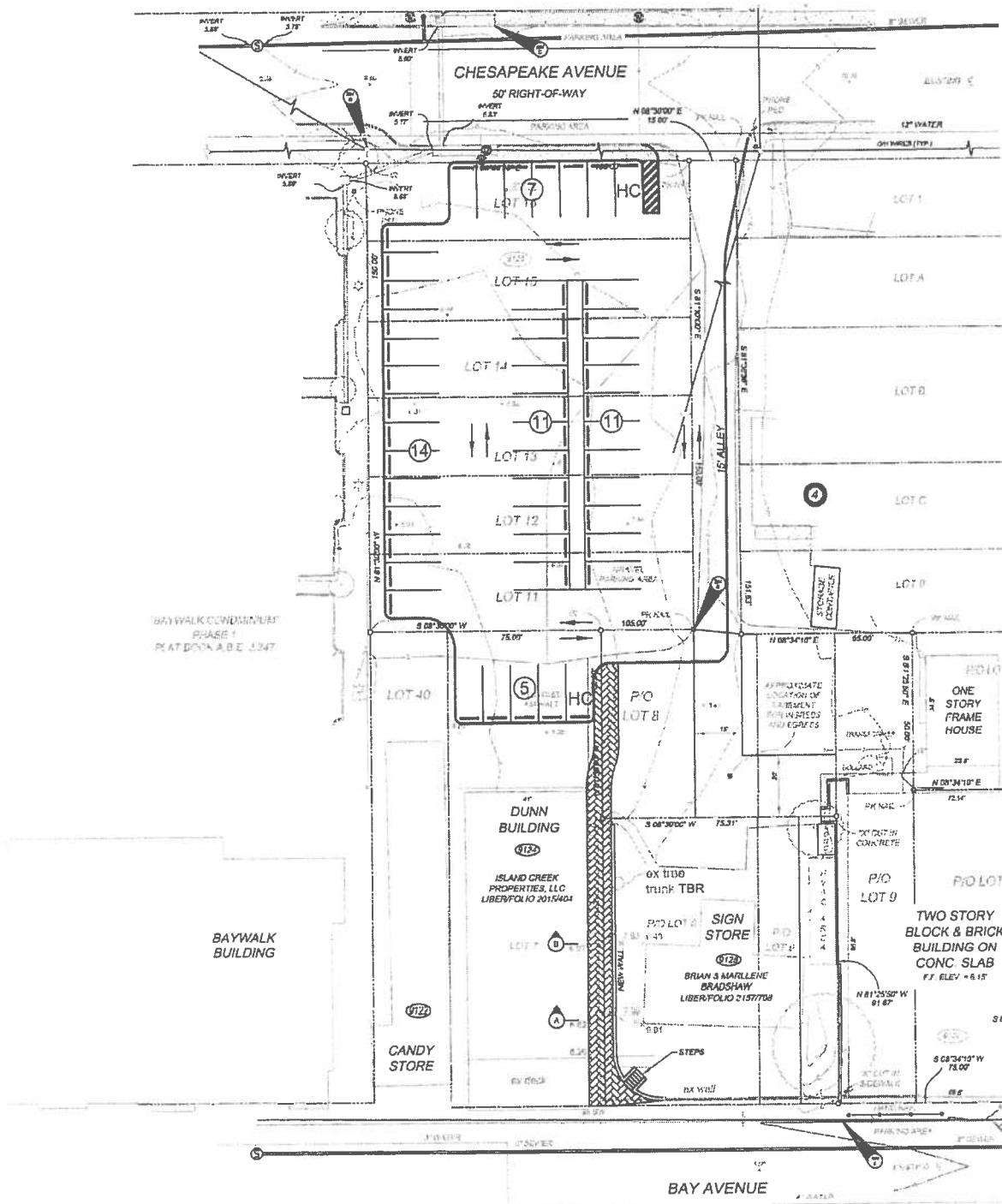
The Board of Public Works approved the parcels for disposition in September. Next step is for the Board to approve disposition to the Town in November.

Sidewalk Projects

The Contractor is working at the site. Concrete work may be finished this week.


Block 4 Parking Lot

The design of the parking lot for the site being acquired from RAR is under way. The design includes a walkway from the parking lot to Bay Ave. We are working on easement agreements with 3 property owners and bid specs for portions of the work which be done under contract. A copy of the current plan for this project is attached.



BLOCK 4 PARKING LOT
 TOWN OF NORTH BEACH
 3RD DISTRICT CALVERT COUNTY MARYLAND
 1" = 30' 10/15/12

Memo

To: Mayor & Town Council
From: John Hofmann, Zoning Administrator 
CC: Stacy Wilkerson, Joanne Hunt, Don Bowen, Buddy Jenkins, John Shay
Date: November 8, 2012
RE: Wall Repair 8932 Dayton Ave

The existing masonry wall at 8932 Dayton Ave. is in serious disrepair and in some areas falling down causing the potential disturbance to the Town sidewalk. The attached pictures show the condition of the wall which has been the subject of many citations and notices from the Town Code Compliance Officer. As the property owner has never made any attempts to correct the deficiencies at the property, the Town prepared bid specifications and drawings for work to bring the wall into compliance with the Town's requirements.

The work included in the bid documents includes repairs to the existing wall in areas where repairs are possible and replacing and rebuilding the wall in areas where repairs are not possible due to the poor condition of the wall. Also included in the scope of work is removing some trees and tree stumps that are endangering the integrity of the wall.

The project was publically bid and the following bids were received on November 8, 2012:

Ferguson Masonry Huntingtown	\$16,850
Earth Tech, LLC. North Beach	\$ 18,000

If the work is done by the Town to make the required corrections to the wall and the areas adjacent to it, the Town will be able to recover what is spent from the property Owner who will be given notice of what actions the Town is taking to correct the violations.

At this time, Town Council should award a Contract to Ferguson Masonry for the needed work. Ferguson Masonry is well qualified to do the work and has successfully completed work for the Town in the past.



8937 DAYTON
1/2



8932 DAYTON
2/2

Memo

To: Mayor & Town Council
From: John Hofmann, Zoning Administrator *JH*
CC: Stacy Wilkerson & Joanne Hunt
Date: November 6, 2012
Re: Sustainable Growth and Agriculture Preservation Act of 2012 Senate Bill 236

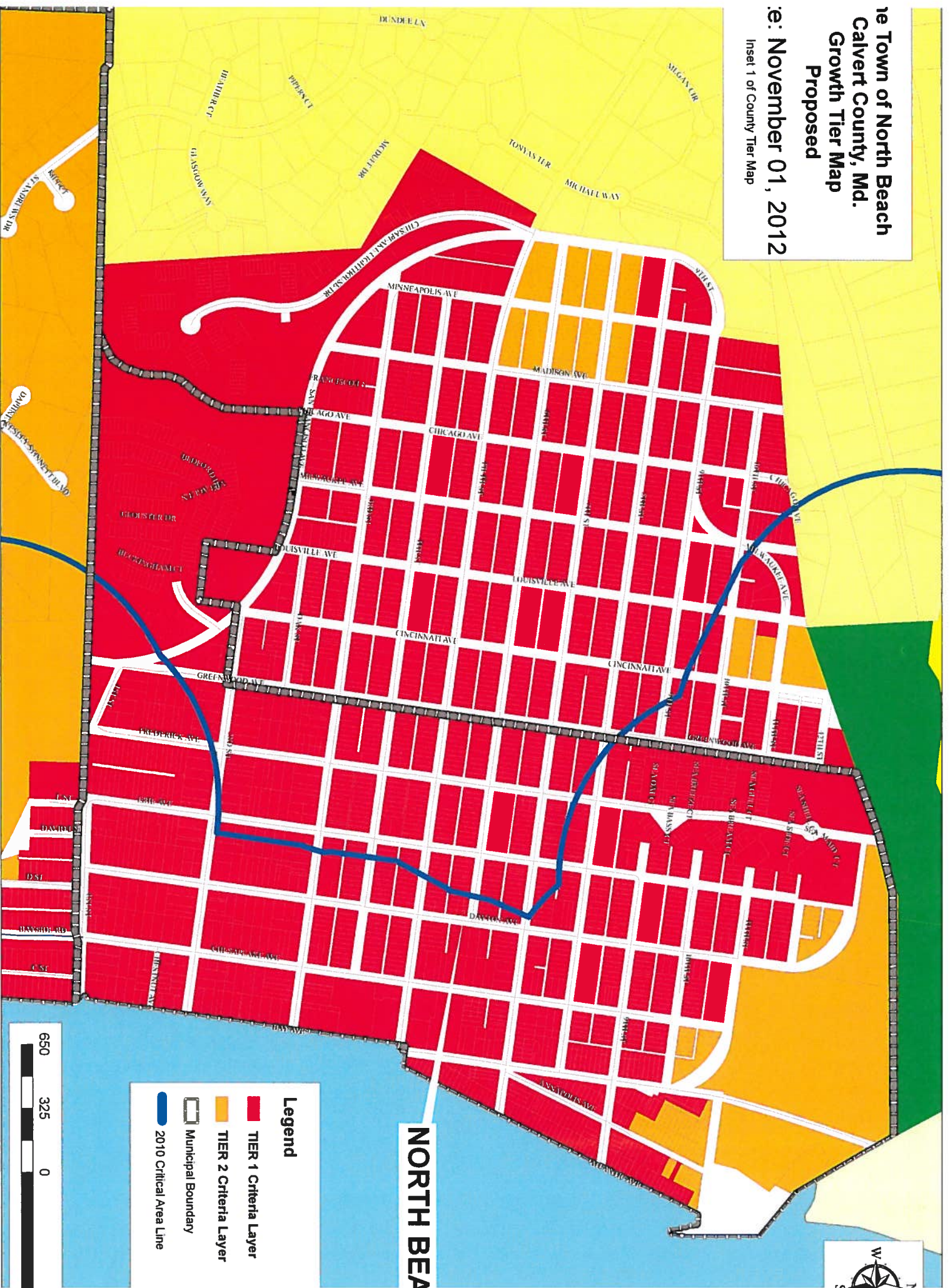
Under the subject State Act better known as the "Septic Bill", the Town is required to adopt mapping that shows the current status of property in the Town relative to sewerage system service. The Septic Bill was passed by the State to give the State some powers over the creation of new subdivisions in areas not served by sewerage systems. This means very little to the Town as there are no areas in the Town that can develop with septic systems. However, the Town is required by the State to provide a map of the Town which depicts which tier as defined in the Law different areas of the Town are in. There are two tiers applicable to Town properties. Tier I is for areas presently served by sewerage systems. Tier II are areas that are planned to be served by sewerage systems or are areas that are not developable (e.g. wetlands).

Most all of the Town is Tier I. The exception are areas that are wetlands that cannot develop and the Walton parcel at the north end of Frederick Ave. which are a Tier II areas. There are no limitations in the Septic Bill that prevents properties in Tier II from developing with sewerage system service notwithstanding they need to comply with all other local and state development requirements such as wetland regulations and the Critical area Law.

With the assistance of the mapping department in the County Department of Community Planning and Building, we have developed a map for the Town Council to adopt and submit to the State.

I will be presenting the Town map for your approval at the Council meeting on November 8, 2012. At that time I can answer any questions you may have on what the State requires.

e: November 01, 2012
Inset 1 of County Tier Map



Town of North Beach
8916 Chesapeake Avenue
PO Box 99
North Beach, MD 20714

ORDINANCE NO. 12-12

AN ORDINANCE OF THE COUNCIL OF THE TOWN OF NORTH BEACH TO authorize and empower The Town of North Beach (the "Town") to issue and sell from time to time, upon its full faith and credit, general obligation bonds in one or more series in an aggregate principal amount not to exceed Two Hundred Thousand Dollars (\$200,000.00) (the "Original Refunding Bonds") pursuant to the authority of Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland, Section 24 of Article 31 of the Annotated Code of Maryland, and Sections 19-719(A) and 19-720 of the Charter of the Town of North Beach, the proceeds of the sale thereof to be used and applied for the public purpose of refunding or advance refunding in whole or in part certain indebtedness of the Town to PNC Bank, National Association identified herein as the Existing Note, which indebtedness was applied to finance or reimburse in part costs of construction of a facility and improvements located at 9021 Dayton Avenue, North Beach, Maryland 20714 and related costs, paying costs of issuance of the Original Refunding Bonds and, to the extent determined by the Council by resolution, paying interest on the Original Refunding Bonds; determining that the Original Refunding Bonds of each series be sold on a negotiated basis without solicitation of bids, unless by resolution the Council provides for the public sale after publication or dissemination of the notice of sale of any series of the Original Refunding Bonds; authorizing the adoption of a resolution or resolutions of the Council to determine, approve or provide for various matters relating to the authorization, sale, security, issuance,

delivery, payment, prepayment or redemption of and for each series of the Original Refunding Bonds; authorizing and empowering the issuance and sale by the Town from time to time of one or more series of general obligation bonds to refund or advance refund any of the Original Refunding Bonds issued pursuant to the authority of this Ordinance (including paying related costs of issuance and interest on such refunding bonds) (the “Subsequent Refunding Bonds”), provided that, the aggregate principal amount of any such series of Subsequent Refunding Bonds shall not exceed one hundred thirty percent (130%) of the aggregate principal amount of the Original Refunding Bonds refunded therefrom; providing that any such series of Subsequent Refunding Bonds shall be sold on a negotiated basis without solicitation of bids, unless otherwise determined by the Council by resolution, and authorizing the Council to determine other matters relating to any such Subsequent Refunding Bonds by resolution; providing for the levy and collection of ad valorem taxes sufficient for, and pledging the full faith and credit and unlimited taxing power of the Town to, the prompt payment of the principal of and interest on each series of the Original Refunding Bonds and the Subsequent Refunding Bonds (each, a series of the “Obligations”); providing that the principal of and interest on each series of the Obligations also may be paid from any other sources of revenue lawfully available to the Town for such purpose; authorizing and directing officials and employees of the Town to take any and all action necessary to complete and close the sale, issuance and delivery of the Obligations authorized hereby; providing that by resolution the Council may arrange for certain actions to be taken in the event of a reissuance of any of the Obligations authorized hereby; providing that any of the Obligations authorized hereby may be consolidated with any bonds

Underlining = material added to the Ordinance as introduced

~~Strikethrough~~ = material deleted from the Ordinance as introduced

and/or refunding bonds authorized by the Council and issued as a single series of bonds and/or refunding bonds; authorizing officials to take certain actions in connection with the issuance, sale and delivery of each series of the Obligations and authorizing the Mayor to take certain actions in connection with the refunding or advance refunding, in whole or in part, of the Existing Note; providing that this title shall be deemed a fair summary of this Ordinance for all purposes; and otherwise generally relating to the issuance, sale, delivery and payment of and for the Obligations authorized hereby.

RECITALS

1. The Town of North Beach, a municipal corporation of the State of Maryland (the “Town”), is authorized and empowered by Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland (West 2002, as replaced, supplemented or amended) (the “Enabling Act”), and Sections 19-719(A) and 19-720 of the Charter of the Town of North Beach, as published in Municipal Charters of Maryland, Volume 6, 2008 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.

2. Pursuant to Section 24 of Article 31 of the Annotated Code of Maryland (West 2002, as replaced, supplemented or amended) (the “Refunding Act”), the Town is further authorized to issue bonds for the purpose of refunding or advance refunding any of its bonds or other evidences of obligation by whatever name known or source of funds secured then outstanding for the public purpose of realizing debt service savings or debt restructuring. Pursuant to the Refunding Act, the procedures for the issuance of refunding bonds shall be the same as those applicable to the bonds being refunded, except that refunding bonds may be sold on a negotiated basis without

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solicitation of bids if the Town determines in a public meeting that such procedure is in the public interest.

3. On April 9, 2007, the Town executed and delivered to Mercantile Southern Maryland Bank (“Mercantile Southern”) a Promissory Note dated April 9, 2007 in the original principal amount of \$200,000.00 (the “2007 Note”) in order to finance or refinance a portion of the costs of constructing a new facility and improvements to house the Bayside Unit of Boys & Girls Clubs of Southern Maryland, Inc. (the “Facility”) on property owned by the Town, related costs and closing costs related to the 2007 Note. The 2007 Note, as originally issued, matured by its terms on April 9, 2012, bore interest at the rate of 5.48% (calculated on an actual/360 day basis), and monthly payments of \$1,235.48 were due on the 9th of each month, commencing May 9, 2007, with a final balloon payment of the unpaid principal balance and interest due on April 9, 2012. In connection with the delivery of the 2007 Note, the Town, in order to secure its obligations with respect to the 2007 Note, (i) entered into a Commercial Loan Agreement dated April 9, 2007 (the “2007 Loan Agreement”) with Mercantile Southern and (ii) executed and delivered a Deed of Trust dated April 9, 2007 (the “Deed of Trust”) relating to certain property described therein and identified as 9021 Dayton Avenue, North Beach, Maryland 20714 and any improvements therein (collectively, the “Property”), on which Property the Facility was constructed. The Deed of Trust was recorded on April 11, 2007 in the Calvert County Recorder of Deeds office in Book 02970, Page 612.

4. In 2012, PNC Bank, National Association, the successor to Mercantile Southern (“PNC Bank”), extended the maturity date of the 2007 Note so that the Town and PNC could negotiate a modification of the 2007 Note. On May 9, 2012, the Town executed and delivered to

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PNC Bank a Promissory Note dated May 9, 2012 in the original principal amount of \$179,116.55 (the “2012 Note”) in order to amend, restate and modify the 2007 Note. The 2012 Note provides that it does not constitute a novation and shall in no way extinguish the Town’s obligation to repay all indebtedness evidenced by the 2007 Note.

5. The 2012 Note, as originally issued, matured by its terms on October 9, 2012, bore interest at the rate of 5.48% (calculated based on a year of 360 days), subject to change upon a default, and monthly payments of \$1,235.48 were due in five installments, with a final balloon payment of the unpaid principal balance plus accrued interest due at maturity on October 9, 2012 (such final payment was estimated in the 2012 Note to be \$177,900.34). In connection with the delivery of the 2012 Note, the Town entered into a Business Loan Agreement dated May 9, 2012 (the “2012 Loan Agreement”) with PNC Bank. The 2012 Note expressly provides that it is secured by the Deed of Trust. As of the date of introduction of this Ordinance, the Property is leased by the Town to Boys & Girls Clubs of Southern Maryland, Inc. (“BGC”), and the Town, BGC and County Commissioners of Calvert County have entered into a Memorandum of Understanding with respect to the shared use of the Property.

6. The 2012 Note provides that upon prepayment thereof prior to maturity, the Town shall, upon demand by PNC Bank, pay the Bank an amount equal to the Cost of Prepayment (as such term is defined in the 2012 Note).

7. PNC Bank has agreed to extend the maturity date of the 2012 Note for approximately ninety (90) days. In connection with such extension, PNC Bank may require a modification, amendment, restatement and/or renewal of some or all of the terms of the 2007 Note, the 2007 Loan Agreement, the Deed of Trust, the 2012 Note, the 2012 Loan Agreement

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and any other documents, certificates or instruments executed and delivered in connection with the 2007 Note, the 2007 Loan Agreement, the Deed of Trust, the 2012 Note or the 2012 Loan Agreement, or PNC Bank may require the Town to execute and deliver any new documents, certificates or instruments (any of the same, as so modified, amended, restated, renewed or entered into from time to time, the “Existing Obligations”). The 2007 Note, as amended and restated by the 2012 Note, and as the same may be further modified, amended, restated or renewed and any other promissory note or similar obligation delivered by the Town from time to time in replacement therefor or in extension thereof, is referred to herein as the “Existing Note”.

8. The Town has determined to authorize the issuance of one or more series of its general obligation bonds from time to time in order to (i) refund or advance refund all or a portion of the then-outstanding and unpaid principal amount of the Existing Note and, in connection therewith, to pay any applicable prepayment premium on such refunded Existing Note and to pay interest accrued or to accrue to the dates of maturity or prepayment of such refunded Existing Note, for the public purpose of (X) realizing savings in the aggregate cost of debt service on a direct comparison or present value basis, or (Y) debt restructuring that in the aggregate effects such a reduction in the cost of debt service or is determined by the Council of the Town (the “Council”) to be in the best interests of the Town, to be consistent with the Town’s long-term financial plan, and to realize a financial objective of the Town, as contemplated in the Refunding Act and as to be determined by resolution of the Council, (ii) to pay all or a portion of the related costs of issuance of such refunding bonds, and (iii) to the extent determined by the Council by resolution, to pay interest on such refunding bonds.

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9. The Town has determined that, as authorized by the Refunding Act, each series of such original refunding bonds shall be sold on a negotiated basis without solicitation of bids, unless, following the recommendation of the financial advisor to the Town, the Council by resolution provides for the solicitation of competitive bids at public sale for any series of such original refunding bonds.

10. Subsequent to the issuance of any original refunding bonds to refund or advance refund the Existing Note as authorized by this Ordinance, the Town may desire to refund or advance refund all or a portion of such original refunding bonds through the issuance from time to time of one or more series of its general obligation refunding bonds pursuant to the authority of the Enabling Act, the Refunding Act and the Charter.

11. The Town has determined to pledge its full faith and credit and unlimited taxing power to the prompt payment of debt service on the original refunding bonds and the subsequent refunding bonds authorized hereby.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF NORTH BEACH:

SECTION 1. (a) The Recitals to this Ordinance are deemed a substantive part of this Ordinance and incorporated by reference herein. Capitalized terms used in the Sections of this Ordinance that are not otherwise defined herein shall have the meanings given to such terms in the Recitals to this Ordinance.

(b) References in this Ordinance to any official by title shall be deemed to refer (i) to any official authorized under the Charter or other applicable law to act in such titled official's stead during the absence or disability of such titled official, (ii) to any person who has been elected,

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appointed or designated to fill such position in an acting capacity under the Charter or other applicable law, and/or (iii) to the extent an identified official commonly uses another title not provided for in the Charter or the Town Code, the official, however known, who is charged under the Charter, the Town Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

SECTION 2. Pursuant to the authority of the Enabling Act, the Refunding Act and the Charter, the Town hereby determines to borrow money and incur indebtedness for the public purpose of (i) refunding or advance refunding all or a portion of the then-outstanding and unpaid principal amount of the Existing Note and, in connection therewith, to pay all or a portion of any applicable prepayment premium on such refunded Existing Note and to pay all or a portion of interest accrued or to accrue to the dates of maturity or prepayment of such refunded Existing Note, in order to realize an objective authorized by the Refunding Act, as determined in the Resolution (as defined in Section 6 hereof), (ii) paying or reimbursing all or a portion of related costs of issuance of such refunding bonds, including, without limitation, legal and financial costs and costs of any credit or liquidity enhancement, and (iii) to the extent determined by the Council by resolution, paying interest on such refunding bonds (collectively, the “Refunding Project”). The total cost of the portion of the Refunding Project to be financed from proceeds of the Original Refunding Bonds authorized by Section 3 of this Ordinance will not exceed Two Hundred Thousand Dollars (\$200,000.00).

SECTION 3. To evidence the borrowing and indebtedness authorized in Section 2 of this Ordinance, the Town, acting pursuant to the authority of the Enabling Act, the Refunding Act and the Charter, hereby determines to issue and sell from time to time, in one or more series, upon its

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full faith and credit, its general obligation bonds in an aggregate principal amount not to exceed Two Hundred Thousand Dollars (\$200,000.00) (collectively, the “Original Refunding Bonds”). Any series of the Original Refunding Bonds may be issued as one or more general obligation installment bonds.

SECTION 4. Pursuant to the authority of the Enabling Act, the Refunding Act and the Charter, the Town hereby determines that it is in the public interest of the Town to sell each series of the Original Refunding Bonds on a negotiated basis without solicitation of bids due to the ability to time the market, negotiate terms and thereby achieve a beneficial interest rate or rates and other beneficial terms, and the lower costs of issuance typically associated with a negotiated sale, unless based on the recommendation of the financial advisor to the Town, the Council determines pursuant to the Resolution to sell a series of the Original Refunding Bonds at public sale after publication or dissemination of the notice of sale.

SECTION 5. The proceeds of the Original Refunding Bonds shall be used and applied by the Town exclusively and solely for the public purposes described in Section 2 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, the Refunding Act, the Charter or other applicable law.

SECTION 6. Pursuant to the authority of the Charter and this Ordinance, the Council, prior to the issuance, sale and delivery of each series of the Original Refunding Bonds, shall adopt a resolution or resolutions (in each such case and, collectively, the “Resolution”) specifying, prescribing, determining, providing for or approving such matters, details, forms (including, without limitation, the complete forms of the Original Refunding Bonds of such series and the form of bond

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purchase agreement or any similar agreement with the purchaser or purchasers of such series of the Original Refunding Bonds, if deemed necessary or desirable or, if such series of Original Refunding Bonds are to be sold by public sale at competitive bid, the form of any notice of sale for such series of the Original Refunding Bonds), documents or procedures as may be required by the Enabling Act, the Refunding Act, the Charter or this Ordinance or as the Council may deem appropriate for the authorization, sale, security, issuance, delivery, payment, prepayment or redemption of or for such series of the Original Refunding Bonds. The Resolution shall set forth, determine or provide for the determination of, or approve or provide for the approval of, among other things, as applicable, the designation of such series of the Original Refunding Bonds; the aggregate principal amount of such series of the Original Refunding Bonds; the date of issue of such series of the Original Refunding Bonds; the denominations of such series of the Original Refunding Bonds; the aggregate principal amount of such series of the Original Refunding Bonds; the maturity or maturities of such series of the Original Refunding Bonds; the principal installment or installments payable on such series of the Original Refunding Bonds; the rate or rates of interest, or the method of determining the rate or rates of interest payable on such series of the Original Refunding Bonds, which may be fixed or variable; provisions for the payment of late fees and/or additional interest or penalties in appropriate circumstances; the purchase price for such series of the Original Refunding Bonds; provisions relating to the prepayment or redemption of such series of the Original Refunding Bonds at the Town's option or by mandatory sinking fund payments; provisions allowing the registered owners of such series of the Original Refunding Bonds to put or cause the prepayment or redemption of the same at their option; the procedures for the sale of the Original Refunding Bonds of such series on a negotiated basis without solicitation of bids, unless the Resolution shall provide

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for the sale of such series of the Original Refunding Bonds by public sale at competitive bid after publication or dissemination of the notice of sale, in which case the Resolution shall set forth the procedures for the sale of the Original Refunding Bonds of such series at public sale (including any advertising or bidding requirements) and the award of such series of the Original Refunding Bonds to the successful bidder, if appropriate; provisions for the appropriation, disposal and investment of proceeds of such series of the Original Refunding Bonds; provisions for the application of unexpended proceeds, any premium paid upon sale or investment earnings on proceeds of such series of the Original Refunding Bonds, which may include, without limitation, on expenditures and costs related to the refunding or debt service payable on such series of the Original Refunding Bonds; whether proceeds of the Original Refunding Bonds of such series shall be applied to refund or advance refund the Existing Note in whole or in part, and all matters related thereto; the purposes of the Refunding Act to be achieved by the issuance of such series of the Original Refunding Bonds; and all other terms and conditions pursuant to which such series of the Original Refunding Bonds will be issued, sold and delivered, including, without limitation, any determinations to be made or provided for by resolution as contemplated by Section 19-719(A)(c) of the Charter to the extent not determined or provided for in this Ordinance. Among other matters, the Council, pursuant to the Resolution, may authorize, approve or otherwise provide for (i) any commitment fee or similar fee and other costs payable in connection with any series of the Original Refunding Bonds and any compensation payable to the purchaser or purchasers of such series of the Original Refunding Bonds in the event the Town fails to deliver such series of the Original Refunding Bonds, (ii) the obtaining of credit or liquidity enhancement for any series of the Original Refunding Bonds (and the execution and delivery of any agreements, documents or instruments relating

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thereto), and (iii) any other agreements, documents, instruments or determinations necessary to enhance the marketability of or as security for any series of the Original Refunding Bonds, including (without limitation) any ratings, any official statement or similar disclosure document or any continuing disclosure undertaking required to satisfy the requirements of Securities and Exchange Commission Rule 15c2-12. Any Resolution may determine the matters identified in this Section 6 for more than one series of the Original Refunding Bonds.

SECTION 7. Pursuant to the authority of the Enabling Act, the Refunding Act and the Charter, the Town is hereby authorized and empowered to issue and sell from time to time one or more series of its general obligation bonds (collectively, the “Subsequent Refunding Bonds”) for the purpose of refunding or advance refunding any of the Original Refunding Bonds authorized hereby then outstanding, including paying any prepayment or redemption premium and any interest accrued or to accrue to the dates of prepayment, redemption, purchase or maturity of the Original Refunding Bonds to be refunded, paying or reimbursing costs and expenses in connection with the issuance, sale and delivery of such Subsequent Refunding Bonds, and, to the extent determined by the Council by resolution, paying interest on such Subsequent Refunding Bonds, for the public purpose of realizing savings to the Town in the aggregate cost of debt service on either a direct comparison or present value basis or in order to accomplish any debt restructuring that is permitted by applicable law; provided that, the aggregate principal amount of any such series of the Subsequent Refunding Bonds shall not exceed one hundred thirty percent (130%) of the outstanding aggregate principal amount of the Original Refunding Bonds refunded therefrom. Any such series of the Subsequent Refunding Bonds may consist of one or more bonds and any such bond may be issued in installment form. Prior to the issuance, sale and

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delivery of each series of the Subsequent Refunding Bonds, the Council shall adopt a resolution or resolutions authorizing such series of the Subsequent Refunding Bonds and specifying, describing, determining, or providing for the determination of, providing for, or approving or providing for the approval of, with respect to such series of the Subsequent Refunding Bonds, the same types of matters, details, forms, documents, procedures or determinations specified to be made or addressed in Section 6 hereof with respect to each series of the Original Refunding Bonds, to the extent also applicable to such series of the Subsequent Refunding Bonds, and as otherwise may be authorized or required by applicable law. Unless the Council determines otherwise in a resolution providing for any series of the Subsequent Refunding Bonds, pursuant to the authority of the Refunding Act, each series of the Subsequent Refunding Bonds shall be sold on a negotiated basis without solicitation of bids, due to the ability to time the market, negotiate terms and thereby serve the public interest by achieving a beneficial interest rate or rates and other beneficial terms by undertaking a private (negotiated) sale, and the lower costs of issuance typically incurred with a negotiated sale.

SECTION 8. (a) The Town shall levy or cause to be levied, for each and every fiscal year during which each series of the Original Refunding Bonds or the Subsequent Refunding Bonds (individually or collectively, the “Obligations”) may be outstanding, ad valorem taxes upon all real and tangible personal property within its corporate limits subject to assessment for unlimited municipal taxation in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on such series of the Obligations payable in each such fiscal year; provided that, the Council, by resolution (which, with respect to any series of the Original Refunding Bonds, may be the Resolution), may provide that all or any portion of the debt service payable on any series

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of the Obligations shall be payable in the first instance from a specified source of revenue and, to the extent of any funds received or receivable as described in such resolution in any fiscal year, the taxes hereby required to be levied may be reduced proportionately. In the event the proceeds from the collection of the taxes so levied may prove inadequate for such purposes in any fiscal year, additional taxes shall be levied in the subsequent fiscal year to make up any 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 each series of the Obligations as and when the same are payable and to the levy and collection of the taxes hereinabove described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of such series of the Obligations. The Town hereby covenants with the registered owner of each Obligation to take any action that may be lawfully appropriate from time to time during the period that such Obligation remains outstanding and unpaid to provide the funds necessary to pay promptly the principal and 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 any series of the Obligations from the proceeds of the sale of any other obligations of the Town (including, without limitation, with respect to any Original Refunding Bonds, from proceeds of any Subsequent Refunding Bonds) or from any other funds legally available for that purpose. Subject to any limitations of applicable federal or Maryland law, the Town may apply to the payment of the principal of or interest on each series of the Obligations 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 the funds are granted or paid to the Town for the purpose of assisting the Town in accomplishing the type of project or projects

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which such series of the Obligations are issued to finance or refinance or are otherwise available for such purpose, 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 9. By resolution, the Council may make any appropriate arrangements (including, without limitation, by authorizing one or more appropriate officials to make any elections, designations, determinations or filings on the Town's behalf) in the event the right of any registered owner of any Obligation to put or cause the prepayment or redemption of such Obligation at its option, or any change in the interest rate of an Obligation, or any other modification of an Obligation could lead to a reissuance of such Obligation for purposes of the Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder.

SECTION 10. By resolution, the Council may determine that any of the Original Refunding Bonds or the Subsequent Refunding Bonds authorized hereby may be consolidated with any bonds and/or refunding bonds authorized by the Council and issued as a single series of bonds and/or refunding bonds.

SECTION 11. The Mayor of the Town (the "Mayor"), the Town Treasurer, the Clerk of the Town (the "Clerk") and all other appropriate officials and employees of the Town are hereby authorized and directed to take any and all action necessary to complete and close the issuance, sale and delivery of any series of the Obligations authorized hereby and to negotiate, approve, execute and deliver all documents, certificates and instruments necessary or appropriate in connection therewith. In addition, in connection with the issuance of any series of the Original Refunding Bonds to refund or advance refund the Existing Note in whole or in part, the Mayor is hereby authorized to negotiate, approve, execute and deliver any agreements, documents, certificates or

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instruments deemed necessary or desirable in order to effectuate the release of the Deed of Trust and the extinguishment or release of any of the Existing Obligations in whole or in part, as applicable.

SECTION 12. The title of this Ordinance shall be deemed to be, and is, a fair summary of this Ordinance for publication and all other purposes.

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SECTION 13. This Ordinance shall become effective at the expiration of twenty calendar days following approval by the Mayor or passage by the Council over the Mayor's veto, subject to the provisions of Section 19-313 of the Charter.

THE TOWN OF NORTH BEACH

Gregg Dotson, Vice President and Council member

Michael Benton, Councilmember

Randy Hummel, Councilmember

Gregory McNeill, Councilmember

Gwen Schiada, Councilmember

Kenneth Wilcox, Councilmember

Attest:

Stacy L. Wilkerson, Clerk

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Introduced: October 10, 2012

Passed: _____ as introduced _____ as amended _____ on an emergency basis [CHECK
APPLICABLE LINE(S)] _____, 2012

Approved by the Mayor and Council this 8th day of November, 2012:

Mark R. Frazer, Mayor

Effective: November 29, 2012

#150479;50014.014

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BULLET POINTS SUMMARY OF
2012 NORTH BEACH B&GC LOAN REFINANCING RESOLUTION

Note: PNC Bank offered to purchase the Bond with EITHER a maturity date of 01/01/2018 or 01/01/2020. Two forms of Resolution will be prepared for the 11/08 meeting; prior to introducing/adopting the Resolution the Council will determine in open session which maturity schedule it prefers, and then it will introduce and adopt the appropriate form of Resolution.

- Recitals trace in detail the existing loan from PNC Bank for the Boys & Girls Club project (the “Existing Note”).
- Section 1 – Terms used in the Resolution and defined in the Recitals will have the meanings given to them in the Recitals; details re: how references to titled officials shall be construed.
- Section 2 – Town determines to borrow money TO refund and prepay in whole the Existing Note, pay costs of issuance and to pay or prepay debt service to the extent proceeds remain. Proceeds appropriated for purposes described in Resolution.
- Section 3 – The Town of North Beach Taxable Refunding Bond of 2012 (the “Bond”) will be issued in the principal amount of \$200,000.00 or such lesser amount as the Mayor, with the advice of the Town Treasurer and the financial advisor, shall determine.
- Section 4(a) and (b) – Bond will be issued as a single general obligation installment bond, dated the date of its delivery, with principal due each January 1, commencing on January 1, 2013, with a maturity date of EITHER January 1, 2018 or January 1, 2020 (Mayor and Council to make that determination before the Resolution is introduced and adopted). The Bond will be payable pursuant to the principal amortization schedule set forth in Section 4(b) unless the Mayor, with the advice of the Town Treasurer and the financial advisor, as authorized, determines to change the presumed delivery date of the Bond, the prepayment date of the Existing Note or in certain other identified circumstances, including to meet the Purchaser’s (identified below) requirements.
- Section 4(c) – If Bond matures on January 1, 2018, interest rate will be 1.89% per annum and if Bond matures on January 1, 2020, interest rate will be 2.13%, subject to adjustment for yield protection purposes as described in Section 4(d).
- Section 4(d) – Sets forth the circumstances in which the interest rate is subject to yield protection adjustment; provided that adjustment is subject to a cap of 50 basis points. The Mayor is authorized to change the language of the section as reflected in the final executed bond to clarify/confirm matters. (Note: these yield protection provisions are the same as are in effect with respect to the two bonds issued by the Town on 10/19/2012.)
- Section 4(e) – Interest will be payable semiannually on January 1 and July 1, commencing January 1, 2013. Registered owner to provide Town Treasurer with payment reminders, but failure to provide the same will not excuse the Town from making timely payment.
- Rest of Section 4 – Standard provisions re: payment dates not falling on business days, and method of payment.
- Section 5 – Bond can be prepaid in whole or in part on any interest payment date (therefore, the Town has the right to prepay twice a year). For a Bond maturity of

January 1, 2018, the Town may owe a prepayment premium calculated as provided in this Section if prepayment occurs prior to January 1, 2015; prepayment on or after January 1, 2015 is at par. For a Bond maturity of January 1, 2020, the Town may owe a prepayment premium calculated as provided in this Section if prepayment occurs prior to January 1, 2016; prepayment on or after January 1, 2016 is at par. Town to give 10 days (or such fewer number of days as are acceptable to the registered owner) notice of prepayment.

- Sections 6-8 – Standard provisions for execution, transfer and approval of final form of Bond.
- Section 9 – Council determines to sell the Bond to PNC Bank, National Association on a negotiated basis without solicitation of bids for a price of par, with no payment of accrued interest. Bond to be sold for investment purposes only and PNC Bank required to deliver a certification to bond counsel at closing.
- Section 10 - Bond to be prepared and delivered on date acceptable to Mayor, Town Treasurer and PNC Bank (identified as the Purchaser), and appropriate officials authorized to take all action necessary to close the Bond.
- Section 11 - Town Treasurer authorized to direct application of Bond proceeds and provide for any investment. Section 12 – Town pledges full faith and credit and unlimited taxing power to payment of the Bond and agrees to levy taxes sufficient to make such payments, provided that if other funds are available to make such payments the taxes required to be levied shall be reduced proportionately.
- Section 13 – Contingent upon issuance of the Bond Town determines to prepay the Existing Note on November 30, 2012 or such later date as determined. Mayor and/or Town Treasurer authorized to make certain determinations and take certain actions relating to such prepayment.
- Section 14 – Resolution shall be effective on the same date as Ordinance No. 12-12 becomes effective.
- Exhibit A – Form of bond, which Mayor authorized to complete/modify before delivering pursuant to Sections 6 and 8 of Resolution.

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