

**CITY OF BALTIMORE
ORDINANCE _____
Council Bill 05-0093**

Introduced by: The Council President
At the request of: The Administration (Baltimore Development Corporation)
Introduced and read first time: April 18, 2005
Assigned to: Committee of the Whole
Committee Report: Favorable with amendments
Council action: Adopted
Read second time: August 15, 2005

AN ORDINANCE CONCERNING

1

Convention Center Hotel Revenue Obligations

2 FOR the purpose of authorizing and providing for the issuance, sale and delivery by the Mayor
3 and City Council of Baltimore of its revenue bonds, notes or other obligations, to be
4 designated “Convention Center Hotel Revenue Bonds” (the “Revenue Obligations”), in the
5 aggregate principal amount not exceeding \$305,000,000 pursuant to the provisions of Article
6 II, Section (50) of the Charter (defined herein), in order to use the proceeds for the public
7 purpose of (a) financing and refinancing, the acquisition, demolition, construction,
8 renovation, expansion, improvement, furnishing and equipping of a convention center
9 headquarters hotel in the City of Baltimore, (b) funding capitalized interest on the Revenue
10 Obligations to the extent deemed necessary and in accordance with any limitation on the
11 period for such funding established by law, (c) paying the costs of issuance and all other
12 related costs of the Revenue Obligations, (d) funding any working capital or reserve funds,
13 (e) paying the cost of any pre-opening expenses of such hotel or reimbursing the City or
14 Hotel Corporation (defined herein) for such costs, and (f) paying the expenses of the Hotel
15 Corporation; making certain legislative findings, among others, concerning the public benefit
16 and purpose of the Revenue Obligations; defining certain terms used in this Ordinance;
17 authorizing the creation of a nonprofit, nonstock corporation (the “Hotel Corporation”) to
18 own and operate such hotel, authorizing the Hotel Corporation to have certain rights and to
19 take certain actions in connection with the issuance of the Revenue Obligations, and
20 prescribing certain terms and conditions for the organization of the Hotel Corporation and
21 the operation of the hotel; providing that the net proceeds from the sale of the Revenue
22 Obligations be loaned to the Hotel Corporation pursuant to a loan agreement between the
23 City and the Hotel Corporation (the “Loan Agreement”); providing that the Revenue
24 Obligations shall be nonrecourse obligations payable solely and only from (i) the Pledged
25 Revenues (as defined herein), (ii) amounts in any reserve fund established to secure the
26 Revenue Obligations, (iii) unexpended proceeds of the Revenue Obligations, and (iv) other
27 amounts legally available therefor; providing that the Revenue Obligations shall not ever
28 constitute, within the meaning of Article XI, Section 7 of the Constitution of Maryland or
29 any other constitutional, statutory or charter provision or otherwise a debt or general
30 obligation of the City, the State of Maryland, or any other subdivision of the State of

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from existing law by amendment.

1 Maryland or a pledge of the full faith and credit or the taxing powers of the City, the State of
2 Maryland, or any other subdivision of the State of Maryland; authorizing and empowering
3 the Board of Finance of the City by resolution to take certain actions and to make certain
4 commitments on behalf of the City, including, without limitation, (a) to provide that, the City
5 in each fiscal year in which any Revenue Obligations are outstanding shall use its best efforts
6 to obtain the appropriation of Hotel Tax Revenues, Tax Increment Revenues and Personal
7 Property Tax Revenues (each as defined herein) in the amounts specified in the trust
8 agreement (the "Indenture") between the City and the bank or trust company appointed as
9 trustee thereunder (the "Trustee"), (b) to determine certain matters pertaining to the Revenue
10 Obligations, including (without limitation) the form, terms, provisions, and any and all other
11 details of the Revenue Obligations, the manner or method of issuing and selling the Revenue
12 Obligations, and the terms upon which the Revenue Obligations shall be sold, (c) to approve
13 the terms and provisions of the Indenture, the Loan Agreement and any other documents the
14 Board of Finance determines are necessary and appropriate in connection with the issuance
15 of the Revenue Obligations; (d) to grant liens and encumbrances in the Hotel and related
16 improvements to secure the Revenue Obligations to the extent permitted by applicable law;
17 and (e) to determine certain other matters with respect to the Revenue Obligations;
18 authorizing certain City officials to execute and deliver the Revenue Obligations, the
19 Indenture, the Loan Agreement and every other document the Board of Finance considers
20 necessary for the execution and delivery of the Revenue Obligations and to do all acts and
21 things necessary to carry out the provisions of this Ordinance; authorizing and providing for
22 the refunding, renewal or refinancing from time to time by the City of the Revenue
23 Obligations in whole or in part, by the issuance of refunding bonds, notes or other
24 obligations, as the case may be (collectively, "Refunding Obligations") and determining
25 certain matters with respect to such Refunding Obligations; providing that the Revenue
26 Obligations and Refunding Obligations may be issued in one or more series as the Board of
27 Finance by resolution may provide; authorizing the City to enter into an interest rate
28 exchange agreement to improve the management of debt service or interest rate risks on the
29 Revenue Obligations and Refunding Obligations or reduce the cost of servicing the Revenue
30 Obligations and Refunding Obligations; providing for a special effective date; and generally
31 providing for and determining various matters in connection with the authorization, issuance,
32 security, sale and payment of the Revenue Obligations and Refunding Obligations.

33 **Recitals**

- 34 A. For convenience of reference, Mayor and City Council of Baltimore, a body
35 corporate and politic of the State of Maryland, is hereinafter sometimes referred to as
36 the "City". The Charter of Baltimore City (1996 Edition, online update December
37 31, 2004) is hereinafter sometimes referred to as the "Charter".

- 38 B. Section (50)-Revenue Bonds and Obligations, of Article II of the Charter ("Section
39 (50)") authorizes the City to borrow money through the issuance and sale of its
40 bonds, notes or other obligations (including refunding bonds, notes or other
41 obligations) for the accomplishment of any of the purposes, objects and powers of the
42 City.

- 43 C. Section (50) further provides that the trust agreement related to any bonds, notes or
44 other obligations may pledge the revenues from or arising in connection with
45 property, facilities, developments and improvements whose financing is undertaken
46 by such bonds, notes or other obligations.

- 1 D. Section (50) further provides that, notwithstanding any other provision of Section
2 (50), bonds, notes and other obligations issued under Section (50) to finance or
3 refinance the acquisition, demolition, construction, renovation, expansion,
4 improvement, furnishing or equipping of facilities constituting “convention center
5 facilities” under Section (50) maybe payable, as to both principal and interest, from
6 Hotel Tax Revenues, provided that such Hotel Tax Revenues may not be irrevocably
7 pledged to the payment of such principal and interest and the obligation to pay such
8 principal and interest from such Hotel Tax Revenues shall be subject to annual
9 appropriation by the City. Section (50) defines convention center facilities to include
10 hotels.
- 11 E. Section (50) further authorizes the City to authorize and empower the Commissioners
12 of Finance of the City (pursuant to Resolution 13 of Mayor and City Council of
13 Baltimore, approved by the Mayor August 14, 1978, adopted by referendum on
14 November 7, 1978, the powers of the Commissioners of Finance were vested in the
15 Board of Finance, and hereinafter "Board of Finance" shall designate the former
16 Commissioners of Finance) by resolution (i) to determine and set forth certain matters
17 pertaining to such bonds, notes or other obligations and (ii) to do any and all things
18 necessary, proper or expedient in connection with the issuance and sale of such
19 bonds, notes or other obligations.
- 20 F. Section (62) – Tax Increment Financing, of Article II of the Charter (the "TIF Act")
21 authorizes the City to designate an area within the City as a "development district"
22 and to establish a special fund into which the City will deposit that portion of the
23 taxes representing the levy on the tax increment (as defined in the TIF Act) that
24 would normally be paid to the City. The TIF Act further authorizes the City to
25 establish such special fund with respect to a development district, even though no
26 bonds issued pursuant to the TIF Act have been issued by the City, and moneys in the
27 special fund may be used (i) to pay or reimburse the City for debt service that the
28 City is obligated to pay or has paid (whether as a general or limited obligation of the
29 City) on bonds issued by the City, the proceeds of which have been used for any of
30 the purposes specified in the TIF Act, including without limitation, the Revenue
31 Obligations or the Refunding Obligations or (ii) be paid to the City to provide funds
32 to be used for any legal purpose.
- 33 G. Pursuant to an Ordinance enacted prior to or simultaneously with this Ordinance (the
34 “TIF Ordinance”), the City has:
- 35 (1) designated the Convention Center Hotel Development District (the “Development
36 District”);
- 37 (2) created the Convention Center Hotel Development District Tax Increment Fund;
- 38 (3) provided that the property taxes on real property in the Development District shall
39 be divided as provided in the Tax Increment Act; and
- 40 (4) made other findings and determinations with respect to the Development District
- 41 H. Article 31, Section 34 of the Annotated Code of Maryland (2001 Replacement
42 Volume and 2004 Cumulative Supplement) authorizes the City to enter into an
43 interest rate exchange agreement or contract to improve the management of debt

1 service or interest rate risk on its Revenue Obligations or reduce the cost of servicing
 2 its Revenue Obligations; provided that before the City enters into an interest rate
 3 exchange agreement or contract, the City shall enact a local law or resolution that
 4 shall authorize the transaction upon the terms and conditions established in the local
 5 law or resolution, or the City may delegate to an officer, official, board or agency
 6 specified in the law or resolution the power to provide for the final form, terms and
 7 provisions of the agreement or contract.

8 I. The City has determined that the financing of a publicly-owned headquarters hotel to
 9 be located adjacent to the Baltimore Convention Center (defined herein) will enhance
 10 operations at the Baltimore Convention Center and promote economic development
 11 in the City. To implement the acquisition of such hotel, the City desires to create a
 12 public, non-profit corporation, to construct and operate such hotel. The City wishes
 13 to provide for organization and governance of such corporation and authorize such
 14 corporation to take actions and pledge certain collateral in connection with the
 15 Revenue Obligations.

16 J. The City has determined to issue and sell its Revenue Obligations in an aggregate
 17 principal amount not to exceed \$305,000,000 and to loan the proceeds thereof to the
 18 Hotel Corporation to finance and refinance the acquisition, demolition, construction,
 19 renovation, expansion, improvement, furnishing and equipping of the Hotel (defined
 20 herein), to pay the costs of issuance and fund working capital and reserve funds for
 21 the Revenue Obligations, including reserves for the payment of interest on the
 22 Revenue Obligations, pay the cost of any pre-opening expenses of the Hotel or
 23 reimburse the City or Hotel Corporation for such costs, and paying the expenses of
 24 the Hotel Corporation.

25 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That it
 26 is hereby found and determined that the presence in the City of Baltimore of a modern
 27 convention center headquarters hotel which will meet the demands of users of convention center
 28 facilities is vital to the promotion and retention of convention and meeting business and tourism
 29 in the City of Baltimore and the State of Maryland. The convention and meeting business and
 30 tourism are vital to the economy of the City of Baltimore, the Baltimore metropolitan area and
 31 the State of Maryland. The City desires to continue and increase the role of the City’s existing
 32 convention center facilities (the “Baltimore Convention Center”) in attracting convention and
 33 meeting business and tourism to the City of Baltimore and the State of Maryland. The financing
 34 and construction of the Hotel serves the public benefit and purpose of the City by enhancing the
 35 City’s ability to attract and meet the demand of larger conventions and to permit more efficient
 36 and effective operation of the Baltimore Convention Center.

37 **SECTION 2. AND BE IT FURTHER ORDAINED,** That, in addition to any other terms defined
 38 elsewhere in this Ordinance, the following terms shall have the following meanings in this
 39 Ordinance:

40 (a) “City-Wide Hotel Tax Revenues” means all revenues and receipts of the City from
 41 the hotel room tax levied and collected by the City pursuant to Article 28, Subtitle 21,
 42 inclusive of the Baltimore City Code, as amended, replaced or supplemented from
 43 time to time, but shall not include that portion of the hotel room tax revenues and
 44 receipts appropriated by the City to the payment of the principal of, premium, if any,
 45 and interest on bonds issued by the City to finance or refinance the Baltimore
 46 Convention Center.

- 1 (b) “Debt Service Requirement” means, for any fiscal year of the City, the amount of all
2 payments of principal, premium, if any, and interest payable on the Revenue
3 Obligations and Refunding Obligations for such period.

- 4 (c) “Hotel” means the headquarters hotel for the Baltimore Convention Center which is
5 expected to include:
 - 6 (1) the Land;
 - 7 (2) a state-of-the-art building containing a minimum of 750 guest rooms, a ballroom
8 and an area or areas for meeting space;
 - 9 (3) structured parking at or adjoining the Hotel located on the Land;
 - 10 (4) street-level retail and outdoor public spaces;
 - 11 (5) pedestrian bridges across Eutaw Street and Howard Street connecting the Hotel to
12 the Baltimore Convention Center;
 - 13 (6) other complimentary and related amenities and furniture, fixtures and equipment
14 associated with the Hotel’s operation;
 - 15 (7) other facilities and properties used or useful or having present capacity for future
16 use as, or in connection with the foregoing.

- 17 (d) “Hotel Revenues” means the revenues and receipts from or arising in connection with
18 the operation of the Hotel as described in the Loan Agreement.

- 19 (e) “Hotel Tax Revenues” means, collectively, the City-Wide Hotel Tax Revenues and
20 the Site Specific Hotel Tax Revenues.

- 21 (f) “Land” means Lots 6A, 6B, 7A and 7B as set forth in the Inner Harbor West Urban
22 Renewal Plan, as amended, together with the adjoining roads, highways, alleys,
23 rights-of-way and other similar property (as the same may be renumbered or
24 redesignated as a result of any resubdivision or consolidation of such property),
25 shown on the map attached to this Ordinance as Exhibit A, and made a part of this
26 Ordinance. Ownership of the Land will be transferred by the City to the Hotel
27 Corporation to facilitate the construction of the Hotel.

- 28 (g) “Loan Agreement” means the loan agreement to be executed by the City and the
29 Hotel Corporation pursuant to which the City will lend the proceeds of the Revenue
30 Obligations to the Hotel Corporation.

- 31 (h) “Maximum Annual Debt Service Requirement” means the greatest amount of Debt
32 Service Requirement in any fiscal year of the City during which the Revenue
33 Obligations and the Refunding Obligations are outstanding, as defined in the
34 Indenture.

- 35 (i) “Personal Property Tax Revenues” means an amount equal to all revenues and
36 receipts of the City from the tax levied on the personalty of the Hotel and collected by

- 1 the City pursuant to Article 28, Subtitle 4, inclusive of the Baltimore City Code, as
2 amended, replaced or supplemented from time to time.
- 3 (j) “Pledged Revenues” means (i) all or a portion of the loan payments made by the
4 Hotel Corporation to the City pursuant to the Loan Agreement from Hotel Revenues,
5 (ii) all or a portion of the Site Specific Hotel Tax Revenues, but only to the extent that
6 the Site Specific Hotel Tax Revenues are appropriated by the City to the payment of
7 the principal of, premium, if any, and interest on the Revenue Obligations or
8 Refunding Obligations and for other purposes as provided under the Indenture, (iii)
9 all or a portion of the City-Wide Hotel Tax Revenues in an amount not to exceed, in
10 any fiscal year, 25% of the Maximum Annual Debt Service Requirement of the
11 Revenue Obligations or Refunding Obligations but only to the extent that the City-
12 Wide Hotel Tax Revenues are appropriated by the City to the payment of the
13 principal of, premium, if any, and interest on the Revenue Obligations and Refunding
14 Obligations and for other purposes as provided under the Indenture, (iv) all or a
15 portion of the Personal Property Tax Revenues, but only to the extent that the
16 Personal Property Tax Revenues are appropriated by the City to the payment of the
17 principal of, premium, if any, and interest on the Revenue Obligations or Refunding
18 Obligations and for other purposes as provided under the Indenture, and (v) all or a
19 portion of the Tax Increment Revenues but only to the extent that the Tax Increment
20 Revenues are appropriated by the City to payment of, premium, if any, on and interest
21 on the Revenue Obligations and Refunding Obligations and for other purposes as
22 provided in the Indenture, each as determined by the Board of Finance.
- 23 (k) “Refunding Obligations” means refunding bonds, notes or other obligations issued by
24 the City to refund, renew, refinance, defease or prepay any Revenue Obligations or
25 Refunding Obligations.
- 26 (l) “Revenue Obligations” means revenue bonds, notes or other obligations issued by the
27 City to provide funds for the financing of the Hotel.
- 28 (m) “Site Specific Hotel Tax Revenues” means an amount equal to all revenues and
29 receipts of the City from the hotel room tax levied on all gross amounts of money
30 paid to the owners or operator of the Hotel by transient guests occupying rooms and
31 collected by the City pursuant to Article 28, Subtitle 21, inclusive of the Baltimore
32 City Code, as amended, replaced or supplemented from time to time but shall not
33 include the portion of the Hotel Tax Revenues appropriated by the City to the
34 payment of the principal of, premium, if any, and interest on bonds issued by the City
35 to finance or refinance the Baltimore Convention Center.
- 36 (n) “Tax Increment Revenues” means the revenues and receipts from the property taxes
37 representing the levy of the tax increment (as defined in the TIF Ordinance) that
38 would normally be paid to the City, including any scheduled payments thereof,
39 interest thereon and a portion of the net proceeds of the redemption or sale of
40 property sold as a result of foreclosure of the lien equal to the amount of such lien
41 and interest thereon, including any penalties collected in connection with delinquent
42 taxes but excluding any expenses of sale or any other administrative expenses
43 collected by the City in connection with such delinquent taxes, in each case to the
44 extent attributable to such levy, but only to the extent that such amounts are
45 appropriated by the City. No statewide property taxes constitute Tax Increment
46 Revenues.

1 (o) “Trustee” means the bank or trust company appointed by the Board of Finance
2 pursuant to this Ordinance to act as Trustee under the Indenture.

3 **SECTION 3. AND BE IT FURTHER ORDAINED,** That the City hereby authorizes the creation of
4 a Maryland non-profit, non-stock corporation, to be known as the “Baltimore Hotel Corporation”
5 or such other name as shall be approved by the Board of Finance (the “Hotel Corporation”) to
6 have certain legal rights including the right to borrow the proceeds of the Revenue Obligations
7 and to own and oversee the construction and management of the Hotel. The Hotel Corporation is
8 hereby authorized to pledge the Hotel Revenues, the Hotel, including the Land and all
9 improvements thereon and any other collateral that the Hotel Corporation is authorized by law or
10 resolution to pledge, to secure its obligations under the Loan Agreement, including to pay the
11 principal of, premium, if any, and interest on the Revenue Obligations and the Refunding
12 Obligations, to pay all operating expenses of the Hotel, to fund operating, capital improvement
13 and other reserves, and for other purposes as set forth in the Indenture and as approved by the
14 Board of Finance.

15 The Hotel Corporation shall not be a municipal agency of the City as defined in Section 2(j)
16 – General Provisions, of Article I of the Charter or under any state law and its officers and
17 employees are not agents, officials or employees of the City.

18 The Hotel Corporation shall indemnify and hold harmless the City and its officers, agents,
19 and employees against all acts, conditions, damages, suits, claims, and liabilities arising out of or
20 in connection with any activities of the Hotel Corporation or of its board of directors, executive
21 director, officers, agents, or employees.

22 The Hotel Corporation shall (i) maintain adequate books and records and (ii) prepare, or
23 cause to be prepared, audited financial statements in accordance with generally accepted
24 accounting principles. A copy of the audited financial statements the Hotel Corporation’s annual
25 budget and other financial information and reports as shall be requested shall be delivered to the
26 Mayor, the President of the City Council, and the Board of Estimates no later than 180 days
27 following the close of the fiscal year of the Hotel Corporation. The Hotel Corporation shall also
28 allow the City or its representatives to inspect its books upon reasonable notice.

29 The Charter documents of the Hotel Corporation shall provide that, among other things,
30 (i) the Hotel Corporation is established to assist the City in accomplishing an essential
31 governmental function of enhancing economic development within the City by promoting and
32 expanding the use of the Baltimore Convention Center, (ii) the Hotel Corporation shall be
33 operated as a non-profit corporation, none of the income of which shall inure to the benefit of
34 any private person or entity, (iii) the City shall have the right, upon the payment in full of the
35 Revenue Obligations or Refunding Obligations, to become the unencumbered owner of the Hotel
36 and all other assets of the Hotel Corporation, (iv) upon the retirement of the Revenue Obligations
37 and the Refunding Obligations and the dissolution of the Hotel Corporation, all assets of the
38 Hotel Corporation shall vest in the City, (v) all income derived from the operation of the Hotel,
39 after payment of all debt service, and the funding of reserves and other amounts payable under
40 the Indenture, and the payment of operating expenses of the Hotel Corporation and other costs of
41 the Hotel Corporation, shall be paid to the City, and (vi) such other terms and provisions as shall
42 be approved by the Board of Finance. The Hotel Corporation may adopt by-laws for the
43 management and regulation of its affairs.

44 **SECTION 4. AND BE IT FURTHER ORDAINED,** That the powers of the Hotel Corporation shall
45 be exercised by a Board of Directors of the Hotel Corporation (the “Board”). The Board shall

1 (i) have a minimum of nine and a maximum of fifteen members, (ii) initially consist of nine
2 voting members of which a majority shall be members who are not employees or officials of the
3 City, (iii) be comprised of five ex-officio members to include (a) the Mayor or his or her
4 designee, (b) the President of the City Council or his or her designee, (c) the Comptroller of the
5 City, (d) the Director of Finance and (e) the President of the Baltimore Development
6 Corporation and four individuals who are not officials or employees of the City, initially selected
7 by the Mayor and thereafter any vacancies shall be filled by individuals nominated and elected
8 by the Board. All selections by the Mayor are subject to confirmation by the City Council in the
9 same manner as provided in the City Charter for municipal officers. Each member serves for a
10 term of 3 years, except that the initial terms shall be staggered so that the terms of one-third of
11 the members will expire each year. No member may serve more than 2 consecutive full terms.
12 At least one such member shall have hotel and hospitality experience, at least one member shall
13 have marketing experience, and at least one member shall have convention planning experience.
14 All members of the Board shall be residents of Baltimore City. Eligibility Additional eligibility
15 criteria and term limitation provisions shall may be set forth in the by-laws adopted by the Hotel
16 Corporation. In no event, however, may any officer, director, or employee of the Baltimore Area
17 Convention and Visitors Association, of any entity engaged to operate or manage the Hotel, or of
18 any auditor or legal counsel engaged by the Hotel Corporation serve as a member of the Board.

19 The Board shall be considered a “public body” under the State Open Meetings Act, and shall
20 comply with all requirements imposed by the Act on public bodies.

21 The provisions of City Code Article 5, Subtitle 26 {“Hours and Wages – Service Contracts”}
22 shall apply to all employees of the hotel to the same extent as if the Hotel Corporation, any entity
23 engaged to operate or manage the Hotel, or any of their contractors or subcontractors were
24 “service contractors”, as defined in Article 5, Subtitle 26. The Wage Commission shall adopt
25 rules, regulations, and procedures and take all other steps necessary to assure that all non-
26 professional employees of these entities (i) receive no less than the “prevailing minimum hourly
27 wage rate” (aka “living wage”) set from time to time under Article 5, Subtitle 26, and (ii) are
28 provided with all enforcement and other rights granted by that law.

29 The Board (i) may not pledge the full faith and credit of the City or otherwise obligate the
30 City to any borrowing or contract, (ii) does not have any taxing authority, (iii) may not exercise
31 the power of eminent domain and (iv) may not issue any public bonds.

32 **SECTION 5. AND BE IT FURTHER ORDAINED,** That the issuance, sale and delivery of
33 Revenue Obligations in an aggregate principal amount not to exceed \$305,000,000 hereby
34 designated "Convention Center Hotel Revenue Bonds" are hereby authorized, subject to the
35 provisions of this Ordinance and the Indenture between the City and the Trustee.

36 **SECTION 6. AND BE IT FURTHER ORDAINED,** That the net proceeds from the sale of the
37 Revenue Obligations authorized to be issued and sold by this Ordinance shall be loaned to the
38 Hotel Corporation pursuant to the Loan Agreement and used and applied for the public purposes
39 of (i) financing and refinancing the acquisition, demolition, construction, renovation, expansion,
40 improvement, furnishing and equipping of the Hotel, (ii) paying the cost of issuance and sale of
41 the Revenue Obligations, including (without limitation), underwriting costs, consulting fees,
42 credit enhancement fees (including bond insurance premiums and letter of credit fees) and all
43 other incidental related expenses, (iii) funding capitalized interest on any series of Revenue
44 Obligations to the extent deemed necessary and in accordance with any limitation on the period
45 for such funding established by law, (iv) paying the cost of any pre-opening expenses of the
46 Hotel or reimbursing the City or Hotel Corporation for such costs, (v) paying the expenses of the

1 Hotel Corporation, and (vi) (to the extent provided by resolution of the Board of Finance adopted
2 pursuant to this Ordinance) to fund a debt service reserve fund and other working capital or
3 reserve funds as provided in the Indenture.

4 **SECTION 7. AND BE IT FURTHER ORDAINED,** That the Revenue Obligations shall be solely
5 and exclusively payable from the (i) Pledged Revenues, (ii) amounts in any reserve fund
6 established to secure the Revenue Obligations, (iii) unexpended proceeds of the Revenue
7 Obligations and (iv) other amounts legally available therefore. Additionally, the Board of
8 Finance may authorize additional security for the Revenue Obligations by (i) insuring the
9 Revenue Obligations through bond insurance provided by one or more bond insurers selected by
10 the Board of Finance, or through one or more letters of credit, lines of credit, standby bond
11 purchase agreements or other financial guaranty issued or entered into by one or more banks or
12 financial institutions selected by the Board of Finance; (ii) such other security as the Board of
13 Finance may approve including, but not limited to, a lien on the Hotel; or (iii) any combination
14 of (i) and (ii). The Tax Increment Revenues, the Hotel Tax Revenues and the Personal Property
15 Tax Revenues, however, are not irrevocably pledged to the payment of the principal of and
16 interest on the Revenue Obligations or to the other purposes provided in the Indenture and the
17 obligation to make any such payment is subject to annual appropriation by the City. Revenue
18 Obligations issued under this Ordinance and the Indenture do not constitute, within the meaning
19 of Article XI, Section 7 of the Constitution of Maryland or any other Constitutional, Statutory or
20 Charter Provision, (i) a debt or general obligation of the City, the State of Maryland or any other
21 subdivision of the State of Maryland or (ii) a pledge or an involvement of the faith and credit or
22 the taxing powers of the City, the State of Maryland, or any other subdivision of the State of
23 Maryland.

24 **SECTION 8. AND BE IT FURTHER ORDAINED,** That the City hereby authorizes the Board of
25 Finance, unless the City shall otherwise prescribe prior to the issuance and delivery of the
26 Revenue Obligations, by resolution to take the following actions and to make the following
27 commitments on behalf of the City:

- 28 (1) to covenant that, subject to applicable law and public policy, in each fiscal year in
29 which any Revenue Obligations are outstanding, the City shall use its best efforts to
30 obtain the appropriation of Hotel Tax Revenues, Tax Increment Revenues and the
31 Personal Property Tax Revenues in the amount specified in the Indenture;
- 32 (2) to determine the form, terms, and provisions of the Revenue Obligations, including
33 the principal amount, rate or rates of interest, denomination or denominations, date or
34 dates and maturity or maturities of the Revenue Obligations, the time or times of
35 issuance thereof and any and all other details of the Revenue Obligations;
- 36 (3) to determine the manner or method of issuing and selling the Revenue Obligations
37 (including negotiated or competitive bid sale), the terms upon which the Revenue
38 Obligations are to be sold and the selection of the underwriters or placement agents
39 for the Revenue Obligations;
- 40 (4) to prepare and distribute such preliminary and final official statements or placement
41 memoranda as the Board of Finance deems necessary and appropriate in connection
42 with the sale of the Revenue Obligations;
- 43 (5) to approve the terms and provisions of the Indenture, which may (i) pledge and assign
44 the Pledged Revenues, (ii) authorize other security for the Revenue Obligations,

- 1 including bond insurance or any other financial guaranty, subject to the provisions of
- 2 applicable law and this Ordinance, (iii) permit the assignment of the City's
- 3 obligations under the Indenture and the Pledged Revenues as is in the public interest,
- 4 (iv) permit that Hotel Revenues be used or applied solely to pay debt service on the
- 5 Revenue Obligations, to fund operating and other reserve funds, to repay other
- 6 obligations of the Hotel or the Hotel Corporation and otherwise as forth in the
- 7 Indenture, and (v) contain whatever other provisions are deemed reasonable and
- 8 proper for the security of the Bondholders, and appoint a Trustee for the Revenue
- 9 Obligations;

- 10 (6) to approve the terms and provisions of the Loan Agreement, including the security for
- 11 the repayment and other obligations of the Hotel Corporation thereunder;

- 12 (7) to approve the terms and provisions of any other documents as the Board of Finance
- 13 deems necessary or appropriate in connection with the issuance of the Revenue
- 14 Obligations;
- 15 (8) to grant liens and encumbrances in the City's interest or interests in the Hotel and
- 16 related improvements to secure the Revenue Obligations and the Refunding
- 17 Obligations to the extent permitted by applicable law; and

- 18 (9) to perform any and all actions necessary or deemed appropriate by such Board in
- 19 order to effect the issuance, sale and delivery of the Revenue Obligations in
- 20 accordance with and pursuant to this Ordinance.

21 **SECTION 9. AND BE IT FURTHER ORDAINED**, That, prior to the sale of the Revenue
22 Obligations, the Board of Finance, unless the City shall otherwise prescribe, may determine by
23 resolution:

- 24 (1) provisions for authentication and delivery of the Revenue Obligations;
- 25 (2) the manner of registration and transfer of the Revenue Obligations;
- 26 (3) the details of the procedure for the redemption of the Revenue Obligations;
- 27 (4) provisions for creation, holding and disbursement of the funds and accounts to be
- 28 held by the Trustee or the City in connection with the Revenue Obligations;
- 29 (5) provisions for the security for and investment of moneys and securities held by the
- 30 Trustee;
- 31 (6) remedies for Bondholders in the event of default;
- 32 (7) the duties, rights and immunities of the Trustee;
- 33 (8) the manner of execution of instruments by Bondholders and the method of proof of
- 34 ownership of the Revenue Obligations;
- 35 (9) provisions for modification of this Ordinance;
- 36 (10) provisions for defeasance of the Revenue Obligations; and

1 (11) such other matters in connection with the transactions contemplated herein as may
2 be
3 deemed appropriate by the Board of Finance.

4 Any resolution or resolutions adopted pursuant to this Ordinance shall be deemed to be of an
5 administrative nature.

6 **SECTION 10. AND BE IT FURTHER ORDAINED, That,**

7 (a) The Revenue Obligations shall be executed in the name of the City and on its behalf
8 by the Mayor, by manual or facsimile signature. The corporate seal of the City or a
9 facsimile of it shall be impressed or otherwise reproduced on the Revenue
10 Obligations and attested by the Custodian or Alternate Custodian of the City Seal by
11 manual, or facsimile signature.

12 (b) The Indenture, the Loan Agreement and each and every other document the Board of
13 Finance considers necessary for the issuance, sale and delivery of the Revenue
14 Obligations shall be executed in the name of the City and on its behalf by the Mayor
15 or Director of Finance, by manual signature and, if necessary, the corporate seal of
16 the City or a facsimile of it shall be impressed or otherwise reproduced on the
17 documents and attested by the Custodian or Alternate Custodian of the City Seal, by
18 manual signature.

19 (c) If any officer whose signature or countersignature or a facsimile of whose signature
20 or countersignature appears on the Revenue Obligations or any other document
21 ceases to be an officer before the delivery of the Revenue Obligations or any other
22 document, the signature or countersignature or the facsimile shall nevertheless be
23 valid and sufficient for all purposes, as if the officer had remained in office until
24 delivery.

25 (d) The Mayor, the Director of Finance, the Custodian of the City Seal and the Alternate
26 Custodian of the City Seal, and other officials of the City are authorized and
27 empowered to do all acts and things and execute all documents and certificates as the
28 Board of Finance determines to be necessary to carry out the provisions of this
29 Ordinance.

30 **SECTION 11. AND BE IT FURTHER ORDAINED, That** the Board of Finance is hereby
31 authorized to refund or advance refund the Revenue Obligations, at any time or from time to
32 time, through the issuance of Refunding Obligations. Refunding Obligations shall be issued
33 pursuant to one or more resolutions adopted by the Board of Finance, which resolution(s) shall
34 specify (i) the terms and conditions upon which the Refunding Obligations will be issued, (ii) the
35 plan or method by which the Revenue Obligations will be refunded, and (iii) such other matters
36 as the Board of Finance shall deem necessary or advisable to determine by resolution including,
37 but not limited to, the powers enumerated in Section 8 and Section 9 herein pertaining to
38 Revenue Obligations. It is hereby expressly provided that the issuance of Refunding Obligations
39 hereunder shall not be subject to any dollar limitations set forth in this Ordinance; provided,
40 however, that the proceeds of such Refunding Obligations shall be used solely to refund
41 Revenue Obligations and pay costs associated therewith (including, without limitation, the costs
42 of issuing such Refunding Obligations). The Refunding Obligations shall be secured as set forth
43 in Section 7 of this Ordinance, subject to any changes to such security as shall be set forth in the
44 resolution of the Board of Finance described in this Section 11. The Tax Increment Revenues,

1 the Hotel Tax Revenues and the Personal Property Tax Revenues, however, are not irrevocably
2 pledged to the payment of the principal of and interest on the Refunding Obligations or to the
3 other purposes provided in the Indenture and the obligation to make any such payment is subject
4 to annual appropriation by the City. Refunding Obligations issued under this Ordinance and the
5 Indenture do not constitute, within the meaning of Article XI, Section 7 of the Constitution of
6 Maryland or any other Constitutional, statutory or charter provision, (i) a debt or general
7 obligation of the City, the State of Maryland or any other subdivision of the State of Maryland or
8 (ii) a pledge or an involvement of the faith and credit or the taxing powers of the City, the State
9 of Maryland, or any other subdivision of the State of Maryland.

10 **SECTION 12. AND BE IT FURTHER ORDAINED,** That the Board of Finance is hereby
11 authorized and empowered to adopt one or more resolutions from time to time, either before or
12 after the issuance, sale and delivery of the Revenue Obligations and Refunding Obligations, to
13 supplement the resolution or resolutions referred to in the provisions of Sections 8, 9 and 11
14 hereof, and thereby approve amendments or supplements to or substitutes for the forms and
15 provisions of the Revenue Obligations, the Refunding Obligations, the Indenture, the Loan
16 Agreement, and all other documents approved by such resolution or resolutions, provided that
17 each supplemental resolution and each amendment, supplement or substitute shall be in
18 accordance with the provisions of the Ordinance and the documents executed in connection with
19 the Revenue Obligations and the Refunding Obligations and then in effect.

20 **SECTION 13. AND BE IT FURTHER ORDAINED,** That the Board of Finance may approve the
21 issuance of and that the Revenue Obligations and Refunding Obligations may be issued in one or
22 more series from time to time as the Board of Finance by resolution, adopted pursuant to this
23 Ordinance, deems necessary or appropriate.

24 **SECTION 14. AND BE IT FURTHER ORDAINED,** That the City is empowered and authorized to
25 enter into one or more interest rate exchange agreements or contracts providing for payments
26 based on levels of or changes in interest rates, or combinations of the foregoing and to appoint
27 any agents necessary to implement and administer the interest rate exchange agreements or
28 contracts. The interest rate exchange agreements or contracts may be entered into in connection
29 with, or incidental to, the Revenue Obligations or Refunding Obligations prior to, at the time of,
30 or subsequent to, the issuance of any of the Revenue Obligations or Refunding Obligations. The
31 Board of Finance, by resolution, may approve (i) the execution and delivery of the interest rate
32 exchange agreement or contract, (ii) the final form, terms and provisions of the interest rate
33 exchange agreement or contract, after giving due consideration to the creditworthiness of the
34 counterparty or counterparties, and (iii) such other matters in connection with the transactions
35 contemplated by the interest rate exchange agreement or contract as may be deemed appropriate
36 by the Board of Finance.

37 **SECTION 15. AND BE IT FURTHER ORDAINED,** That, if any action on any matter delegated to
38 the Board of Finance, or authorized for implementation by the Board of Finance shall not be
39 acted upon by the Board of Finance, such actions and matters may be acted upon or implemented
40 by a resolution, approved by the City Council of the City, which is subsequently approved by the
41 Mayor or acting Mayor of the City.

42 **SECTION 16. AND BE IT FURTHER ORDAINED,** That the provisions of this Ordinance are
43 severable, and if any provision, sentence, clause, section or part thereof is held illegal, invalid or
44 unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity or
45 unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions,
46 sentences, clauses, sections, or parts of this Ordinance or its application to other persons or

1 circumstances. It is hereby declared to be the legislative intent that this Ordinance would have
2 been adopted if such illegal, invalid or unconstitutional provision, sentence, clause, section or
3 part had not been included therein, and if the person or circumstances to which this Ordinance or
4 any part thereof is inapplicable had been specifically exempted therefrom.

5 **SECTION 17. AND BE IT FURTHER ORDAINED,** That in the construction of this Ordinance the
6 singular number shall include the plural number and the plural the singular.

7 **SECTION 18. AND BE IT FURTHER ORDAINED,** That this Ordinance shall take effect on the
8 date it is enacted.

1

EXHIBIT A

2

Description of Land

Certified as duly passed this _____ day of _____, 20__

President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,

this _____ day of _____, 20__

Chief Clerk

Approved this _____ day of _____, 20__

Mayor, Baltimore City