

COUNTY COMMISSIONERS OF ST. MARY'S COUNTY

RESOLUTION NO. 85-19

BY THE BOARD OF COUNTY COMMISSIONERS

August 20, 1985

3:44PM08/29/85B CO.COM \$0.00

A RESOLUTION

ENTITLED

A RESOLUTION to authorize and provide for the issuance, sale and delivery by County Commissioners of St. Mary's County of its revenue bonds in an aggregate principal amount not to exceed Six Million Dollars (\$6,000,000), to be designated "County Commissioners of St. Mary's County First Mortgage Revenue Bonds (St. Mary's Nursing Home, Inc. Project)," pursuant to the provisions of Sections 266A to 266-I, inclusive, of Article 41 of the Annotated Code of Maryland (1982 Replacement Volume and 1984 Cumulative Supplement), in order to lend the proceeds thereof to St. Mary's Nursing Home, Inc., a private nonprofit corporation organized and existing under the laws of the State of Maryland, solely for the purpose of financing the acquisition, construction and equipping of a 138-bed comprehensive care nursing home facility located on approximately 4.68 acres of land at Maryland Route 5 and Peabody Street, Leonardtown, Maryland, to replace an existing facility located at an adjacent site; to make certain legislative findings concerning, among other things, the public benefit and purpose of the revenue bonds; TO PROVIDE THAT THE REVENUE BONDS AND THE INTEREST ON THEM SHALL BE PAYABLE SOLELY FROM REVENUES RECEIVED IN CONNECTION WITH THE FINANCING OR REFINANCING OF THE FACILITY AND FROM ANY OTHER MONEYS MADE AVAILABLE TO THE COUNTY FOR SUCH PURPOSE AND THAT NEITHER THE REVENUE BONDS NOR THE INTEREST ON THEM SHALL EVER CONSTITUTE AN INDEBTEDNESS OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND NEITHER SHALL EVER CONSTITUTE OR GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COUNTY; to authorize the private (negotiated) sale of the revenue bonds; to authorize the President of the Board of County Commissioners, by order, to specify, prescribe, determine, provide for and approve all matters, details, forms, documents or procedures necessary or appropriate to the authorization, sale, security, issuance, delivery or payment of or for the

revenue bonds; and generally to provide for and determine various matters in connection with the authorization, issuance, sale and delivery of the revenue bonds.

RECITALS

Sections 266A. to 266-1, inclusive, of Article 41 of the Annotated Code of Maryland (1982 Replacement Volume and 1984 Cumulative Supplement) (the "Act") empower all the counties and municipalities of the State of Maryland (the "State") to issue and sell limited obligation revenue bonds and to lend the proceeds of the sale of such bonds to one or more facility users (as defined in the Act) under a loan agreement to finance or refinance one or more facilities (as defined in the Act).

The Act declares it to be the legislative purpose to relieve conditions of unemployment in the State, to encourage the increase of industry and commerce and a balanced economy in the State, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State through, among other things, port development and the control, reduction or abatement of pollution of the environment and the utilization and disposal of wastes (where proceeds of the bonds are used for any of these purposes), to promote economic development, to protect natural resources and encourage resource recovery, and generally to promote the health, welfare and safety of the residents of each of the counties and municipalities of the State.



By a letter of intent dated August 20, 1985 (the "Letter of Intent"), St. Mary's Nursing Home, Inc., a private nonprofit corporation organized and existing under the laws of the State of Maryland (the "Borrower"), requested County Commissioners of St. Mary's County (the "Issuer") to participate in the financing of a facility described therein (the "Facility") by authorizing, issuing and selling its limited obligation revenue bonds in an aggregate principal amount not to exceed Six Million Dollars (\$6,000,000) (the "Bonds") and lending the proceeds thereof (the "Loan") to the Borrower for the sole and exclusive purpose of financing the Facility.

The Facility, as described in the Letter of Intent, will be located at Maryland Route 5 and Peabody Street, Leonardtown, Maryland, and will consist generally of the acquisition of approximately 4.68 acres of land and the acquisition, construction and equipping thereon of a 138-bed comprehensive care nursing home facility of approximately 60,200 square feet to replace an existing facility on an adjacent site.

It is intended that this Resolution shall constitute the administrative resolution contemplated by Section 266D(d) of the Act, implementing the authority conferred on the Issuer to issue and sell the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY:

SECTION 1. It is hereby found and determined as follows:

(a) The Facility is a facility within the meaning of the Act and consists of land or interest in land, buildings, structures, machinery, equipment, furnishings or other real or personal property or interest in them (as more particularly described in Exhibit A to the Letter of Intent). The Borrower is a facility applicant and a facility user within the meaning of the Act.

(b) The accomplishment of the transactions contemplated and authorized by this Resolution, including (without limitation) the acquisition, construction, reconstruction, equipping, expansion, extension, improvement, rehabilitation or remodeling (collectively, the "Acquisition") of the Facility will promote the declared legislative purposes of the Act by (i) sustaining jobs and employment opportunities, thereby relieving conditions of unemployment in the State and in St. Mary's County; (ii) encouraging the increase of industry and commerce and a balanced economy in the State and in St. Mary's County; (iii) assisting in the retention of existing industry and commerce in the State and in St. Mary's County; (iv) promoting economic development in the State and in St. Mary's County; and (v) generally promoting the health, welfare and safety of the residents of the State and of St. Mary's County.



(c) The issuance of the Bonds will facilitate and expedite the Acquisition of the Facility by the Borrower as evidenced by the Letter of Intent.

(d) The Act expressly authorizes, and it is hereby declared to be in the best interests of, the Issuer to sell the Bonds at private (negotiated) sale upon terms and conditions satisfactory to the Issuer and the Borrower.

(e) The Act expressly authorizes, and it is hereby declared to be in the best interests of, the Issuer to finance the Acquisition of the Facility by lending the proceeds of the sale of the Bonds to the Borrower pursuant to a loan agreement between the Issuer and the Borrower. Accordingly, this Resolution and the other documents authorized hereby contain such provisions as the Issuer deems appropriate to finance the Acquisition of the Facility in this manner.

(f) NEITHER THE BONDS NOR THE INTEREST ON THEM SHALL EVER CONSTITUTE AN INDEBTEDNESS OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND NEITHER SHALL EVER CONSTITUTE OR GIVE RISE TO ANY PECUNIARY LIABILITY OF THE ISSUER. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS TO WHICH THE FAITH AND CREDIT OF THE ISSUER IS PLEDGED. THE BONDS AND THE INTEREST ON THEM SHALL BE LIMITED OBLIGATIONS OF THE ISSUER, AND THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE BONDS SHALL BE PAYABLE SOLELY FROM REVENUES RECEIVED IN

CONNECTION WITH THE FINANCING OR REFINANCING OF THE FACILITY AND FROM ANY OTHER MONEYS MADE AVAILABLE TO THE ISSUER FOR SUCH PURPOSE, INCLUDING (WITHOUT LIMITATION) ANY MONEYS REALIZED AS A RESULT OF ANY SECURITY FOR THE LOAN.

(g) As security for the Bonds, the Issuer may enter into an agreement with a trustee for the benefit of the holders of the Bonds (the "Trustee") for the purpose of assigning or pledging revenues received in connection with the financing or refinancing of the Facility. Except for certain rights of the Issuer to indemnification and to payments with respect to its administrative expenses, the entire revenues derived from payments on the Loan shall be set apart and applied to the payment of the principal of, premium if any, and interest on the Bonds.

(h) The proceeds of the sale of the Bonds will be paid directly to, and will be disbursed by, the Trustee. No moneys will be commingled with the Issuer's funds or will be subject to the absolute control of the Issuer, but only to such limited supervision and checks as are deemed necessary or desirable to insure that the proceeds of the sale of the Bonds are used to accomplish the public purposes of the Act and this Resolution. The transactions contemplated by this Resolution do not constitute the acquisition of any physical public betterment or improvement of property for public use.



(1) The Issuer will acquire and retain no interest in the Facility, either on its own behalf or for the purpose of creating any security for the Bonds (other than such interest as may be held by parties secured by a mortgage or deed of trust granted by the Borrower). Any such security interest in favor of the Issuer shall be assigned to the Trustee. The security for the Bonds shall be solely and exclusively the pledging and setting aside of the revenues received by the Issuer from the absolute, irrevocable and unconditional obligation of the Borrower to make the payments required by the loan agreement and any and all moneys realized as a result of any security for the Loan.

SECTION 2. Pursuant to the authority conferred by the Act, the Issuer hereby determines to issue, sell and deliver the Bonds, designated "County Commissioners of St. Mary's County First Mortgage Revenue Bonds (St. Mary's Nursing Home, Inc. Project)", at any time and from time to time in one or more series, in the aggregate principal amount not to exceed Six Million Dollars (\$6,000,000).

SECTION 3. The Bonds shall be sold at private (negotiated) sale, as permitted by the Act, under terms and conditions satisfactory to the Issuer and the Borrower.

SECTION 4. The proceeds of the sale of the Bonds will be lent by the Issuer to the Borrower and shall be used by the Borrower solely for the purpose of financing costs of the

Acquisition of the Facility, including payment of the necessary expenses of preparing, printing, selling and issuing the Bonds, the funding of reserves, payment of interest prior to and during the period of Acquisition of the Facility and for a reasonable period thereafter and payment of any other costs permitted by the Act.

SECTION 5. As permitted by the Act, the President of the Board of County Commissioners, by order, is hereby authorized and directed to specify, prescribe, determine, provide for and approve all matters, details, forms, documents or procedures necessary or appropriate to the authorization, sale, security, issuance, delivery or payment of or for the Bonds, including (without limitation) determining or approving the purchaser of the Bonds, the purchase price for the Bonds, the principal amount of Bonds to be issued, the date or dates on which the Bonds shall mature, the rate or rates of interest which the Bonds shall bear or the method for determining the same, the prepayment or redemption provisions relating to the Bonds, and all terms, provisions, form, content and substance of any purchase contract, loan agreement, trust indenture or agreement, deed of trust, mortgage, agreement and declaration of covenants, collateral security agreement, guaranty agreement or other financing or security agreement (collectively, the "Documents"), relating to the issuance and sale of the Bonds; provided that all such matters, details, forms, documents or



procedures specified, prescribed, determined, provided for or approved by the President of the Board of County Commissioners shall be within the scope of the transactions authorized by, and consistent with the terms of, the Act and this Resolution. Any order issued pursuant to this Section 5 shall be deemed administrative in nature and shall be effective upon the date specified therein.

SECTION 6. (a) The President of the Board of County Commissioners of the Issuer, by his manual or facsimile signature, is hereby authorized and directed to execute the Bonds in the name and on behalf of the Issuer and to deliver the Bonds to the purchaser thereof, and the President of the Board of County Commissioners shall direct that the corporate seal of the Issuer be impressed on the Bonds and attested by the manual or facsimile signature of the County Administrator.

(b) The President of the Board of County Commissioners is hereby authorized and directed to execute, by his manual or facsimile signature, to deliver, in the name and on behalf of the Issuer, and to cause the corporate seal of the Issuer, attested by the manual or facsimile signature of the County Administrator, to be impressed upon the Documents. Upon due execution by the President of the Board of County Commissioners on behalf of the Issuer, the Bonds and the Documents shall become binding upon the Issuer in accordance with their respective terms, as authorized by the Act and this Resolution.

SECTION 7. If any officer or employee of the Issuer who shall have signed or sealed the Bonds or any of the Documents shall cease to be such officer or employee before the delivery of the Bonds or any of the Documents, the signature or countersignature shall nevertheless be valid and sufficient for all purposes, as if the officer or employee had remained in the office or position until delivery of the Bonds or Documents.

SECTION 8. The President of the Board of County Commissioners, the County Administrator and all other officials, agents and employees of the Issuer are hereby authorized to do any and all things, execute, acknowledge, seal and deliver such other and further instruments, supporting documents and certificates, and otherwise take any and all action, necessary, proper or expedient to consummate the transactions contemplated by this Resolution in accordance with the Act.

SECTION 9. The Borrower shall pay directly all costs, fees and expenses incurred by or on behalf of the Issuer in connection with the authorization, issuance, sale and delivery of the Bonds including, without limitation, costs of preparing, printing, selling and issuing the Bonds the fees of bond counsel to the Issuer and compensation to any person performing services by or on behalf of the Issuer in connection therewith (other than compensation of full-time employees of the Issuer).



insofar as such costs, fees and expenses are not paid from the proceeds of the Bonds.

SECTION 10. (a) The President of the Board of County Commissioners shall be the officer of the Issuer responsible for the issuance of the Bonds within the meaning of Section 1.103-13(a)(2)(ii)(C) of the Arbitrage Regulations (hereinafter defined) and shall also be the officer of the Issuer responsible for the execution and delivery (on the date of issuance of the Bonds) of a certificate of the Issuer (the "Section 103(c) Certificate") which, in the opinion of bond counsel, complies with the requirements of Section 103(c) of the Code ("Section 103(c)") and the applicable regulations thereunder (the "Arbitrage Regulations"), and the President of the Board of County Commissioners is hereby authorized and directed to execute the Section 103(c) Certificate and to deliver the same to bond counsel on the date of the issuance of the Bonds.

(b) The Issuer recognizes its obligation to set forth in the Section 103(c) Certificate its reasonable expectations as to relevant facts, estimates and circumstances based on the representations of the Borrower relating to the use of the proceeds of the sale of the Bonds, or of any moneys, securities or other obligations on deposit to the credit of any funds created and established by the Documents which may be deemed to be proceeds of the sale of the Bonds pursuant to Section 103(c)

or the Arbitrage Regulations (collectively, "Bond Proceeds"), in order that correct legal conclusions can be reached regarding the effect of such facts, estimates and circumstances. Accordingly, the Issuer covenants that (i) the facts, estimates and circumstances set forth in the Section 103(c) Certificate will be based on the Issuer's reasonable expectations on the date of issuance of the Bonds and will be, to the best of the certifying officer's knowledge, true and correct as of that date and (ii) the certifying officer will certify that he is not aware of any facts or circumstances that would cause him to question the accuracy of the representations made by the Borrower.

(c) The Issuer covenants that it will not make, or (to the extent it exercises control or direction) permit any other person to make, any use of the Bond Proceeds which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 103(c) and the Arbitrage Regulations. The Issuer further covenants that it will comply with those provisions of Section 103(c) and the Arbitrage Regulations which are applicable to the Bonds on the date of issuance of the Bonds and which may subsequently lawfully be made applicable to the Bonds.

SECTION 11. The Bonds shall never constitute or give rise to any pecuniary liability of the Issuer. No covenant or



agreement contained in this Resolution, the Bonds, the Documents or any other document, instrument or certificate executed, sealed or delivered in connection with the consummation of the transactions contemplated by this Resolution shall be deemed to be a covenant or agreement of any officer, agent or employee of the Issuer in his individual capacity; and neither the President of the Board of County Commissioners, the County Administrator nor any other officer, agent or employee of the Issuer executing the Bonds or any of the aforesaid documents, instruments or certificates shall be subject to any personal liability or accountability by reason of the authorization, issuance, execution, sealing, acknowledgment or delivery of the same.

SECTION 12. The provisions of this Resolution are severable, and if any provision, sentence, clause, section or part hereof is held or determined to be illegal, invalid, unconstitutional or inapplicable to any person or circumstance, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Resolution or their application to other persons or circumstances. It is hereby declared to be the intent of the Issuer that this Resolution would have been adopted if such illegal, invalid, unconstitutional or inapplicable provision, sentence, clause, section or part had not been included herein,

and if the person or circumstances to which this Resolution or any part hereof are inapplicable had been specifically exempted herefrom, provided however, notwithstanding anything contained in this Section, neither the full faith and credit nor the taxing power of the Issuer shall be deemed pledged hereby, and the Issuer shall not hereby incur any indebtedness or charge against the general credit or taxing powers of the Issuer, within the meaning of any constitutional provision or statutory limitation, and the transactions authorized hereby shall not give rise to any pecuniary liability of the Issuer.

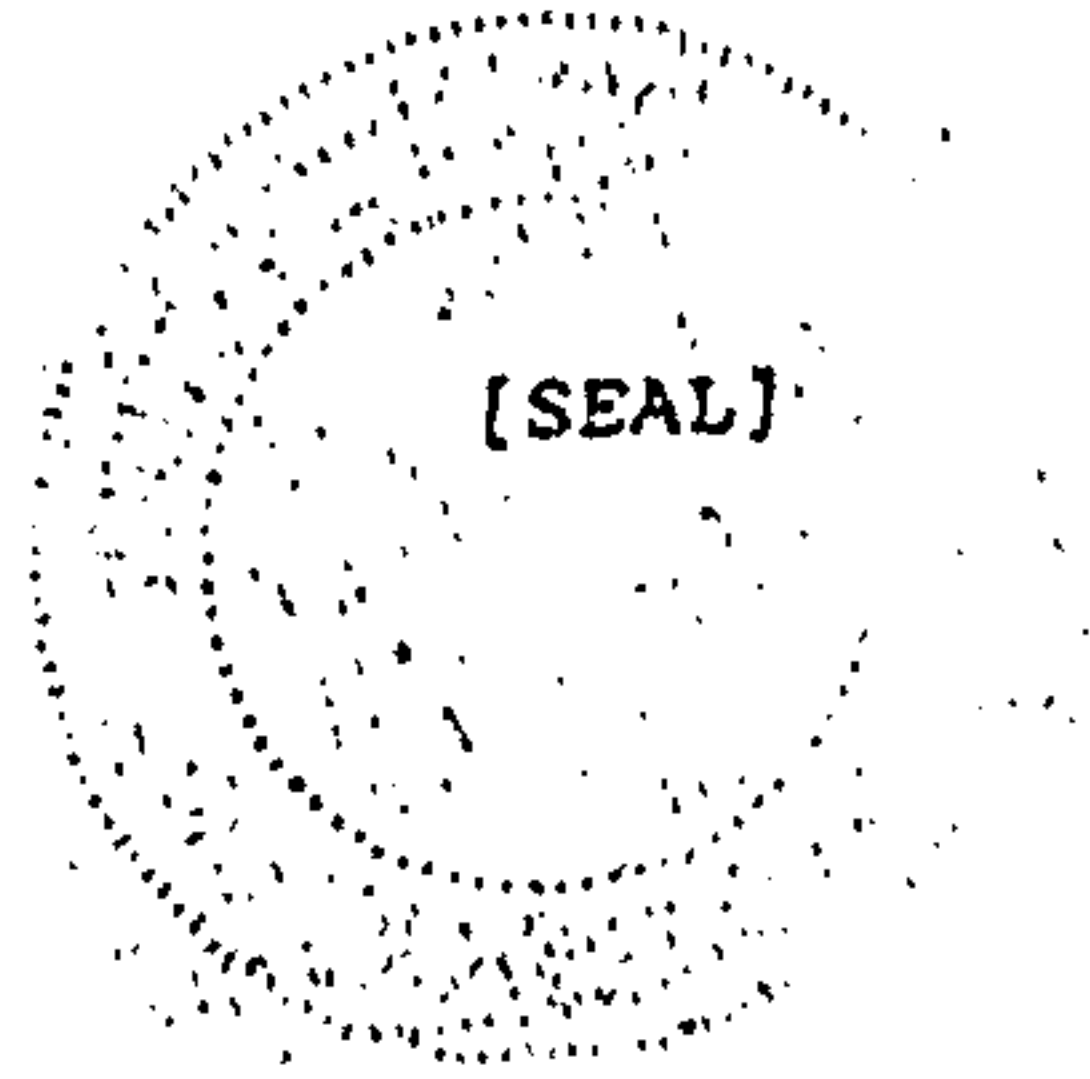
SECTION 13. The President of the Board of County Commissioners and the County Administrator are hereby designated each to be an Authorized Representative of the Issuer for any and all purposes required or permitted by the Act, this Resolution or the Documents.

SECTION 14. The President of the Board of County Commissioners is hereby authorized and directed to execute on behalf of the Issuer the Letter of Intent between the Issuer and the Borrower in substantially the form set forth in Exhibit A to this Resolution in order further to evidence the commitment of the Issuer to issue, sell and deliver the Bonds in accordance with the terms and provisions of the Act and this Resolution.

SECTION 15. This Resolution shall be effective from the date of its adoption.

ADOPTED this 20th day of August, 1985.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY



*George R. Aud*  
George R. Aud, President

J. Laurence Millison,  
Vice President

*David F. Sayre*  
David F. Sayre, Commissioner

ATTEST:

*Edward V. Cox*  
Edward V. Cox,  
County Administrator

*Ford L. Deah*  
Ford L. Deah, Commissioner

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

Approved As To Form And Legal Sufficiency:

*Joseph R. Densford*  
Joseph R. Densford, Assistant County  
Attorney



EXHIBIT A  
FORM OF LETTER OF INTENT

August 20, 1985

County Commissioners of St. Mary's County  
Leonardtown, Maryland

Re: County Commissioners of St. Mary's County  
First Mortgage Revenue Bonds  
(St. Mary's Nursing Home, Inc. Project)

Gentlemen:

St. Mary's Nursing Home, Inc. (the "Facility Applicant") requests that County Commissioners of St. Mary's County (the "County") participate, pursuant to Sections 266A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland (1982 Replacement Volume and 1984 Cumulative Supplement)(the "Act") in the financing of the acquisition, construction, reconstruction, equipping, expansion, extension, improvement, rehabilitation or remodeling (collectively, the "Acquisition") of the facility described in Exhibit A to this letter of intent (the "Facility") by authorizing, issuing and selling its revenue bonds in a principal amount not to exceed \$6,000,000 (the "Bonds"). It is intended that this letter, if accepted by the County, shall constitute a letter of intent as contemplated by Section 266A(h) of the Act.

The Act empowers all the counties and municipalities of the State to issue limited obligation revenue bonds and to lend the proceeds of the sale thereof to a facility user (as defined in the Act) to finance the costs of the acquisition of one or more facilities (as defined in the Act). The Facility Applicant is a "facility user" as defined in the Act and the Facility is a "facility" as defined in the Act.

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The Facility Applicant believes that the Acquisition of the Facility will promote the legislative purposes of the Act by (i) creating jobs, thereby relieving conditions of unemployment in the State and the County, (ii) encouraging the increase of industry and commerce and a balanced economy in the State and the County, (iii) assisting in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State and the County, (iv) promoting economic development in the State and the County, and (v) generally promoting the health and welfare of the residents of the State and the County.

The Facility Applicant proposes that the County lend the proceeds of the Bonds (the "Loan") to the Facility Applicant pursuant to the terms and provisions of a Loan Agreement to be entered into by and between the County and the Facility Applicant (the "Loan Agreement"). The Loan Agreement will require the Facility Applicant to use the proceeds of the Loan for the sole and exclusive purpose of financing the Acquisition of the Facility, including the payment of the expenses of preparing, printing and selling the Bonds and such other costs with respect to the Facility as may be financed from the proceeds of the issuance and sale of revenue bonds the interest on which is exempt from federal income taxation under the provisions of Section 103 of the Internal Revenue Code of 1954, as amended. The Bonds shall be payable by the County solely from the revenue derived from loan repayments (both principal and interest) made to the County by the Facility Applicant pursuant to the terms and provisions of the Loan Agreement and from any other moneys made available to the County for such purpose.

The Loan Agreement will require the Facility Applicant to make loan repayments (both principal and interest) sufficient to pay (a) the principal of and interest and redemption premium, if any, on the Bonds and (b) all expenses incurred by the County in connection with the issuance and sale of the Bonds and the making and administration of the Loan, as the same become due and payable. The Loan Agreement will provide that all costs of the Acquisition of the Facility in excess of the proceeds of the Loan will be paid by the Facility Applicant. The Loan Agreement will contain such other provisions as may be required by law and as may be agreed to by the Facility Applicant, the County, and the purchasers of the Bonds, as permitted by law.

Financial considerations have been a factor leading to the Facility Applicant's decision to acquire the Facility, and that decision has been influenced materially by the availability of revenue bond financing from the County.



It is expressly understood and agreed that (a) the County will not incur any liability, direct or indirect, or any cost, direct or indirect, in connection with the issuance or sale of the Bonds, the making of the Loan or the Acquisition of the Facility, and (b) the Acquisition of the Facility will conform to the requirements of the Facility Applicant. Accordingly, the Facility Applicant shall (a) select, supervise and work with the suppliers and contractors that will provide, construct, and equip the Facility, (b) negotiate and approve all contracts, construction plans, drawings, specifications and all financing arrangements in connection with the Acquisition of the Facility, and (c) pay all costs incurred by or on behalf of the County in connection with the issuance, sale, delivery and administration of the Bonds, the making of the Loan, including the administration thereof, and in connection with the Acquisition of the Facility. The Facility Applicant shall also pay all costs incurred in connection with the development of the appropriate legal documents necessary to effectuate the proposed financing and acquisition, including (without limitation) the fees of bond counsel to the County and compensation to any other person (other than full-time employees of the County) or entity performing services by or on behalf of the County in connection with the transactions contemplated by this letter of intent, whether or not the proposed financing and acquisition are consummated.

It is further understood and agreed to by the Facility Applicant that the proposal contained herein is subject to (a) the approval, and appropriate action, by the Board of County Commissioners of St. Mary's County, and (b) the approval of detailed provisions of all documents pertaining to the financing as yet to be developed. The acceptance of this letter by the County shall be evidence of the bona fide present intent and commitment of the County to authorize the Loan for the purposes described herein; provided, however, that the Facility Applicant recognizes that:

1. The County cannot make an absolute guaranty, promise or assurance that the terms and conditions of the Bonds (including, but not limited to, the principal amount of the Bonds to be issued, the rate or rates of interest the Bonds are to bear, the time and place or places that the interest on the Bonds is to be paid, the time that the Bonds are to be executed, issued and delivered, the redemption provisions for the Bonds, the form, tenor and denominations of the Bonds and the times and place or places of payment of the Bonds and the amounts payable at such times), as actually authorized to be issued, will be acceptable to the Facility Applicant; and



2. The County can give no guaranty, promise or assurance as to the availability of ready, willing and able purchasers of the Bonds or as to the availability of one or more purchasers of the Bonds to whom the Bonds may lawfully be sold under, among others, applicable Federal and State securities and legal investment laws.

Prior to the issuance of the Bonds, the Board of County Commissioners of St. Mary's County will adopt, in accordance with Section 266D(d) of the Act, an administrative resolution authorizing the issuance and sale of the Bonds and the President of the Board of County Commissioners will issue, in accordance with Section 266D(e) of the Act, an administrative order specifying the proposed undertaking, the amount of the Bonds to be issued, the rate or rates of interest the Bonds are to bear (or the method of determining such rate or rates), and such other provisions not inconsistent with the Act and the Resolution as shall be determined by the President of the Board of County Commissioners to be necessary or desirable to effect the financing of the Acquisition of the Facility, including (without limitation) the times and place or places that interest on the Bonds is to be paid, the time that the Bonds are to be executed, issued and delivered, the form, tenor and denominations of the Bonds, the times and place or places of payment of the Bonds and the amounts payable at such times.

It is understood that the County's acceptance of this letter of intent and the adoption of any resolution or the issuance of any order in connection herewith are intended solely to implement the financing of the Acquisition of the Facility through the issuance and sale by the County of the Bonds. Neither the acceptance of this letter of intent nor the adoption of any resolution nor the issuance of any order will constitute any assurance by the County to any prospective purchasers of the Bonds that (i) the Facility Applicant will have the ability to repay the Loan, (ii) the Facility will be feasible economically or otherwise, (iii) the Facility will be completed, or (iv) the Facility will be in compliance with applicable local, State or federal laws.

The Facility Applicant agrees to use its best efforts to complete the financing contemplated hereunder and to acquire and construct the Facility. It is also understood and agreed that the County reserves the right to withdraw the authorization and approval requested in this letter of intent should the Facility prove to be in violation of the local, State or federal laws applicable to it unless appropriate steps are taken by the Facility Applicant to alter the Facility or otherwise to bring the proposed Facility into compliance with such laws.

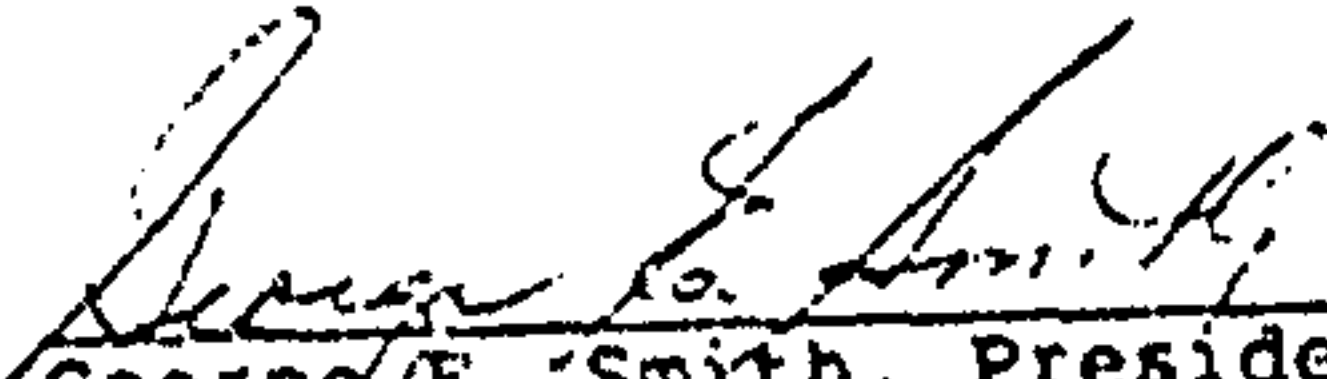
County Commissioners of St. Mary's County  
August 20, 1985

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Neither the Bonds nor any interest on them shall ever constitute an indebtedness or a charge against the general credit or taxing powers of the County, within the meaning of any constitutional provision or statutory limitation, and neither the Bonds nor any interest on them shall ever constitute or give rise to any pecuniary liability of the County. Moreover, nothing contained in this letter of intent shall be deemed to constitute an undertaking by the County to expend any of its funds to effect any or all of the transactions contemplated by this letter of intent.

Very truly yours,

ST. MARY'S NURSING HOME, INC.

By:   
George E. Smith, President

ACCEPTED on behalf of County Commissioners of St. Mary's County in accordance with the provisions of Resolution No. \_\_\_\_\_ adopted by the Board of County Commissioners of St. Mary's County on August 20, 1985.

COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY

By:   
George B. Aud, President  
Board of County Commissioners

EXHIBIT A  
Description of Facility

The Facility will be located (by way of general description and not limitation) at Maryland Route 5 and Peabody Street, Leonardtown, Maryland, and will consist generally of the acquisition of approximately 4.68 acres of land and the acquisition, construction and equipping thereon of a 138-bed comprehensive care nursing home facility of approximately 60,200 square feet to replace an existing facility on an adjacent site. The Facility will also consist of rights of access, utilities, and other necessary facilities and all site or off-site improvements.

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*Del*  
*Paula Russell*  
*Cs. Adm. Off.*

8-29-85

MARY R. BELL, CLERK



COUNTY COMMISSIONERS OF ST. MARY'S COUNTY

RESOLUTION NO. 85-20

BY THE BOARD OF COUNTY COMMISSIONERS, AUGUST 20, 1985

A RESOLUTION  
ENTITLED

3:44PM08/29/85B CO.COM \$0.00

A RESOLUTION pursuant to Sections 266A through 266-1, inclusive, of Article 41 of the Annotated Code of Maryland (1982 Replacement Volume and 1984 Cumulative Supplement) to indicate the present intent and commitment of County Commissioners of St. Mary's County to issue revenue bonds in an amount not to exceed Ten Million Dollars (\$10,000,000) in order to lend the proceeds thereof to St. Mary's Hill Company, a corporation to be organized under the laws of the State of Maryland, solely for the purpose of financing a portion of the cost of acquiring and constructing a 120-room inn, conference center, and hostel and related facilities, consisting, in the aggregate, of approximately 95,000 square feet on St. Mary's Hill in the St. Mary's City Historic Area, off Mattapaney Road, approximately one-quarter mile northeast of Maryland Route 5, and three-quarters mile southwest of Maryland Route 235, in St. Mary's County, Maryland; to make certain legislative findings as to the public purpose to be served by the issuance of the revenue bonds; to provide that the revenue bonds and the interest on them shall be payable only from revenues received in connection with the financing or refinancing of the facility and from any other moneys made available to the County for such purpose; TO PROVIDE THAT NEITHER THE REVENUE BONDS NOR THE INTEREST ON THEM SHALL EVER CONSTITUTE AN INDEBTEDNESS OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION OR SHALL EVER CONSTITUTE OR GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COUNTY; to authorize the execution and delivery of a letter of intent evidencing the intent of the County to participate in the financing of the facility described therein by issuing its revenue bonds; and generally to determine various matters in connection with the issuance, sale, delivery, security and payment of such revenue bonds.

## RECITALS

Sections 266A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland (1982 Replacement Volume and 1984 Cumulative Supplement) (the "Act") empower the counties and municipalities of the State of Maryland (the "State") to finance the costs of the acquisition of facilities (as defined in the Act) by issuing limited obligation revenue bonds and lending the proceeds of the sale thereof to facility users (as defined in the Act).

The Income Tax Regulations, as interpreted in rulings of the Internal Revenue Service, require that an issuer of such revenue bonds either adopt a bond resolution with respect to such bonds or take some other similar official action toward the issuance of such bonds prior to the commencement of the acquisition of the facility to be financed from the proceeds of the sale of such bonds. In addition, Section 103(k) of the Internal Revenue Code of 1954, as amended (the "Code"), and the proposed Income Tax Regulations thereunder require that such revenue bonds be approved by the governmental unit issuing the bonds and the governmental unit having jurisdiction over the area in which the facility is located.

County Commissioners of St. Mary's County, a body politic and corporate and political subdivision of the State of Maryland, considers the acquisition, construction, reconstruction, equipping, expansion, extension, improvement, rehabilitation or remodeling (collectively, the "Acquisition") of a facility located within the corporate boundaries of the County for use as an inn, conference center and hostel (as specified and described in Exhibit A to this resolution), including land or interest in land, buildings, structures, machinery, equipment, furnishings, or other real or personal property or interest in them (collectively, the "Facility") as will be necessary or useful to the business operations of St. Mary's Hill Company, a corporation to be organized under the laws of the State of Maryland (the "Facility Applicant"), to be in furtherance of the purposes of the Act and the public purposes of the County and deems it appropriate and in the interests of the County to participate in the financing thereof through the issuance of its revenue bonds.

NOW, THEREFORE:

SECTION 1. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, that:

1. County Commissioners of St. Mary's County (the "County") intends to issue and sell its revenue bonds or notes (collectively, the "Bonds") in an amount not to exceed Ten Million Dollars (\$10,000,000) pursuant to the provisions of the Act in order to pay a portion of the cost of financing the Acquisition of the Facility, together with costs incident to the authorization, sale, and issuance of the Bonds and such other costs relating to the Acquisition of the Facility as may be financed from the issuance and sale of industrial development bonds the interest on which is exempt from federal income taxation under the provisions of Section 103 of the Code.

2. The proceeds of the Bonds will be lent to the Facility Applicant for the purpose of financing a portion of the cost of the Acquisition of the Facility by the Facility Applicant. The County intends to enter into one or more financing agreements with the Facility Applicant to provide for the payment of the Bonds.

3. It is hereby found and determined that the issuance of the Bonds and the financing of the Acquisition of the Facility will serve the public purposes of (i) creating jobs and thereby relieving conditions of unemployment in the State and the County, (ii) encouraging the increase of industry and commerce and a balanced economy in the State and the County, (iii) assisting in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State and the County, (iv) promoting economic development in the State and the County, and (v) generally promoting the health and welfare of the residents of the State and the County.

4. Although the County currently anticipates issuing the Bonds pursuant to the Act, the County reserves the right to issue the Bonds pursuant to any other public general or public local law which may be then in effect. Therefore, all references to the Act in this resolution shall be deemed to include any present or future public general or public local law pursuant to which the County may have the power to issue the Bonds.

5. The County intends to authorize by subsequent administrative resolution the issuance, sale and delivery of the Bonds and the execution and delivery of such documents as may be necessary or advisable for the authorization, issuance,



sale and delivery of the Bonds and the financing of the Acquisition of the Facility.

6. THE BONDS SHALL BE PAYABLE ONLY FROM THE REVENUES DERIVED FROM THE AGREEMENTS BETWEEN THE COUNTY AND THE FACILITY APPLICANT WITH RESPECT TO THE FACILITY AND FROM ANY OTHER FUNDS MADE AVAILABLE TO THE COUNTY FOR THAT PURPOSE, AND NEITHER THE BONDS NOR THE INTEREST ON THEM SHALL EVER CONSTITUTE AN INDEBTEDNESS OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND NEITHER SHALL EVER CONSTITUTE OR GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COUNTY.

7. The Facility Applicant shall pay all costs incurred in connection with the development of the appropriate legal documents necessary to effectuate the Acquisition of the Facility, including (without limitation) the fees of bond counsel to the County and compensation to any other person (other than full-time employees of the County) or entity performing services by or on behalf of the County in connection with the Acquisition of the Facility, whether or not such Acquisition is consummated.

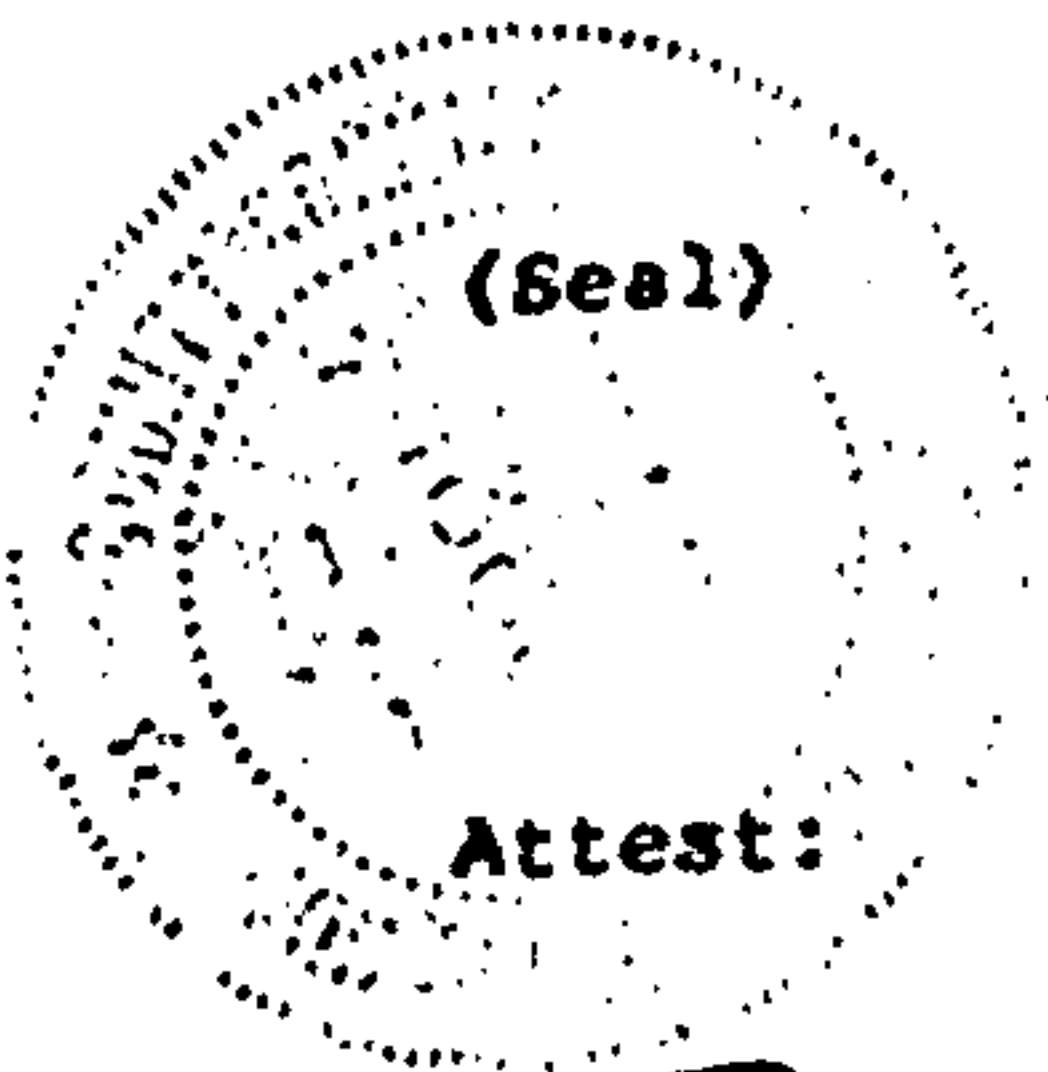
8. It is intended that this resolution shall constitute (i) the administrative resolution contemplated by Section 2660(d) of the Act, (ii) the "some other similar official action" toward the issuance of the Bonds within the meaning of Section 1.103-8(a)(5) of the Income Tax Regulations prescribed by the United States Treasury Department, as applied to "small-issue" industrial development bonds pursuant to rulings of the Internal Revenue Service, and (iii) the public approval of the Bonds required by Section 103(k) of the Code, which approval follows a public hearing held before the Board of County Commissioners of the County on August 20, 1985, notice of which was published in a newspaper of general circulation in the County on August 2, 1985, in substantially the form set forth in Exhibit B to this resolution.

9. The President of the Board of County Commissioners of the County is hereby authorized to execute on behalf of the County a letter of intent between the County and the Facility Applicant in substantially the form set forth in Exhibit C to this resolution to evidence the County's intent to issue the Bonds and to participate in the financing of the Acquisition of the Facility.

SECTION 2. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, that this administrative resolution shall take effect from the date of its passage.

READ AND ADOPTED this 20th day of August, 1985.

COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY



*George R. Aud*  
George R. Aud, President

*Edward V. Cox*  
Edward V. Cox,  
County Administrator

J. Laurence Millison,  
Vice President  
*David F. Sayre*  
David F. Sayre, Commissioner

*Ford L. Dean*  
Ford L. Dean, Commissioner

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

Approved As To Form And Legal Sufficiency:

*Joseph R. Densford*  
Joseph R. Densford, Assistant County Attorney

EXHIBIT A

DESCRIPTION OF FACILITY

The Facility will be located (by way of general description and not limitation) on St. Mary's Hill in St. Mary's City Historic Area, off Mattapani Road, approximately one-quarter mile northeast of Maryland Route 5, and three-quarters mile southwest of Maryland Route 235, in St. Mary's County, Maryland, and will consist generally of the construction of a 120-room inn, conference center, and hostel and related facilities, consisting in the aggregate, of approximately 95,000 square feet, together with all other related facilities and improvements. The Facility will also consist of rights of access, utilities, and other necessary facilities and all site or off-site improvements.

A-1



EXHIBIT B

FORM OF NOTICE OF PUBLIC HEARING

Tuesday, August 20, 1985

Board of County Commissioners' Conference Room

St. Mary's County Governmental Center

Route 245, Leonardtown, Maryland 20650

10:30 a.m.

ECONOMIC DEVELOPMENT REVENUE BONDS

Notice is hereby given that at 10:30 a.m. on Tuesday, August 20, 1985, the Board of County Commissioners of St. Mary's County will hold a public hearing on a resolution to indicate the present intent and commitment of County Commissioners of St. Mary's County to issue economic development revenue bonds in an amount not to exceed \$10,000,000.

The proceeds of the sale of the bonds will be used for the purpose of financing the acquisition, construction and equipping of:

Facility: A 120-room inn, conference center, and hostel and related facilities, consisting, in the aggregate, of approximately 95,000 square feet.

Location: St. Mary's Hill in the St. Mary's City Historic Area, off Mattapany Road, approximately one-quarter mile northeast of Maryland Route 5, and three-quarters mile southwest of Maryland Route 235, in St. Mary's County, Maryland.

Owner: St. Mary's Hill Company, a Maryland corporation.

The revenue bonds are to be issued and sold pursuant to the Maryland Economic Development Revenue Bond Act, Sections 266A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland (1982 Replacement Volume and 1984 Supplement), as limited obligations of County Commissioners of St. Mary's County, payable solely from revenues received in connection with the financing or refinancing of the facility described above and from any other moneys that may be made available to the County for such purposes. The revenue bonds will not pledge the full faith and credit or taxing powers of the County and will not create any pecuniary liability of the County.

Interested individuals are invited to attend this public hearing and may express their views, either orally or in writing, on the proposed issue of bonds and the location and nature of the facility proposed to be financed. Individuals wishing (1) to be placed on the advanced speaker's list to testify at the public hearing, (2) to receive copies of the resolution or (3) to submit written comments should contact David W. Morgan, Economic Development Coordinator, P.O. Box 653, Governmental Center, Leonardtown, Maryland 20650. Written comments must be received no later than 4:00 p.m., Monday, August 12, 1985.

EXHIBIT C  
FORM OF LETTER OF INTENT

August 20, 1985

County Commissioners of St. Mary's County  
Leonardtown, Maryland

Re: County Commissioners of St. Mary's County  
Economic Development Revenue Bonds  
(St. Mary's Hill Company Project)

Gentlemen:

Henry S. Bonner & Associates for itself and its designee St. Mary's Hill Company, a corporation to be organized under the laws of the State of Maryland (collectively, the "Facility Applicant"), requests that County Commissioners of St. Mary's County (the "County") participate, pursuant to Sections 266A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland (1982 Replacement Volume and 1984 Cumulative Supplement)(the "Act") in the financing of the acquisition, construction, reconstruction, equipping, expansion, extension, improvement, rehabilitation or remodeling (collectively, the "Acquisition") of the facility described in Exhibit A to this letter of intent (the "Facility") by authorizing, issuing and selling its economic development revenue bonds in a principal amount not to exceed \$10,000,000 (the "Bonds"). It is intended that this letter, if accepted by the County, shall constitute a letter of intent as contemplated by Section 266A(h) of the Act.

The Act empowers all the counties and municipalities of the State to issue limited obligation revenue bonds and to lend the proceeds of the sale thereof to a facility user (as defined in the Act) to finance the costs of the acquisition of one or more facilities (as defined in the Act). The Facility Applicant is a "facility user" as defined in the Act and the Facility is a "facility" as defined in the Act.

C-1



The Facility Applicant believes that the Acquisition of the Facility will promote the legislative purposes of the Act by (i) creating jobs, thereby relieving conditions of unemployment in the State and the County, (ii) encouraging the increase of industry and commerce and a balanced economy in the State and the County, (iii) assisting in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State and the County, (iv) promoting economic development in the State and the County, and (v) generally promoting the health and welfare of the residents of the State and the County.

The Facility Applicant proposes that the County lend the proceeds of the Bonds (the "Loan") to the Facility Applicant pursuant to the terms and provisions of a Loan Agreement to be entered into by and between the County and the Facility Applicant (the "Loan Agreement"). The Loan Agreement will require the Facility Applicant to use the proceeds of the Loan for the sole and exclusive purpose of financing the Acquisition of the Facility, including the payment of the expenses of preparing, printing and selling the Bonds and such other costs with respect to the Facility as may be financed from the proceeds of the issuance and sale of industrial development bonds the interest on which is exempt from federal income taxation under the provisions of Section 103 of the Internal Revenue Code of 1954, as amended. The Bonds shall be payable by the County solely from the revenue derived from loan repayments (both principal and interest) made to the County by the Facility Applicant pursuant to the terms and provisions of the Loan Agreement and from any other moneys made available to the County for such purpose.

The Loan Agreement will require the Facility Applicant to make loan repayments (both principal and interest) sufficient to pay (a) the principal of and interest and redemption premium, if any, on the Bonds and (b) all expenses incurred by the County in connection with the issuance and sale of the Bonds and the making and administration of the Loan, as the same become due and payable. The Loan Agreement will provide that all costs of the Acquisition of the Facility in excess of the proceeds of the Loan will be paid by the Facility Applicant. The Loan Agreement will contain such other provisions as may be required by law and as may be agreed to by the Facility Applicant, the County, and the purchasers of the Bonds, as permitted by law.

Financial considerations have been a factor leading to the Facility Applicant's decision to acquire the Facility, and that decision has been influenced materially by the availability of revenue bond financing from the County.

It is expressly understood and agreed that (a) the County will not incur any liability, direct or indirect, or any cost, direct or indirect, in connection with the issuance or sale of the Bonds, the making of the Loan or the Acquisition of the Facility, and (b) the Acquisition of the Facility will conform to the requirements of the Facility Applicant. Accordingly, the Facility Applicant shall (a) select, supervise and work with the suppliers and contractors that will provide, construct, and equip the Facility, (b) negotiate and approve all contracts, construction plans, drawings, specifications and all financing arrangements in connection with the Acquisition of the Facility, and (c) pay all costs incurred by or on behalf of the County in connection with the issuance, sale, delivery and administration of the Bonds, the making of the Loan, including the administration thereof, and in connection with the Acquisition of the Facility. The Facility Applicant shall also pay all costs incurred in connection with the development of the appropriate legal documents necessary to effectuate the proposed financing and acquisition, including (without limitation) the fees of bond counsel to the County and compensation to any other person (other than full-time employees of the County) or entity performing services by or on behalf of the County in connection with the transactions contemplated by this letter of intent, whether or not the proposed financing and acquisition are consummated.

It is further understood and agreed to by the Facility Applicant that the proposal contained herein is subject to (a) the approval, and appropriate action, by the Board of County Commissioners of St. Mary's County, and (b) the approval of detailed provisions of all documents pertaining to the financing as yet to be developed. The acceptance of this letter by the County shall be evidence of the bona fide present intent and commitment of the County to authorize the Loan for the purposes described herein; provided, however, that the Facility Applicant recognizes that:

1. The County cannot make an absolute guaranty, promise or assurance that the terms and conditions of the Bonds (including, but not limited to, the principal amount of the Bonds to be issued, the rate or rates of interest the Bonds are to bear, the time and place or places that the interest on the Bonds is to be paid, the time that the Bonds are to be executed, issued and delivered, the redemption provisions for the Bonds, the form, tenor and denominations of the Bonds and the times and place or places of payment of the Bonds and the amounts payable at such times), as actually authorized to be issued, will be acceptable to the Facility Applicant; and



2. The County can give no guaranty, promise or assurance as to the availability of ready, willing and able purchasers of the Bonds or as to the availability of one or more purchasers of the Bonds to whom the Bonds may lawfully be sold under, among others, applicable Federal and State securities and legal investment laws.

Prior to the issuance of the Bonds, the Board of County Commissioners of St. Mary's County will adopt, in accordance with Section 266D(e) of the Act, an administrative resolution specifying the proposed undertaking, the amount of the Bonds to be issued, the rate or rates of interest the Bonds are to bear (or the method of determining such rate or rates), and such other provisions not inconsistent with the Act as shall be determined by the Board of County Commissioners to be necessary or desirable to effect the financing of the Acquisition of the Facility, including (without limitation) the times and place or places that interest on the Bonds is to be paid, the time that the Bonds are to be executed, issued and delivered, the form, tenor and denominations of the Bonds, the times and place or places of payment of the Bonds and the amounts payable at such times.

It is understood that the County's acceptance of this letter of intent and its adoption of any resolution in connection herewith are intended solely to implement the financing of the Acquisition of the Facility through the issuance and sale by the County of the Bonds. Neither the acceptance of this letter of intent nor the adoption of any resolution will constitute any assurance by the County to any prospective purchasers of the Bonds that (i) the Facility Applicant will have the ability to repay the Loan, (ii) the Facility will be feasible economically or otherwise, (iii) the Facility will be completed, or (iv) the Facility will be in compliance with applicable local, State or federal laws.

The Facility Applicant agrees to use its best efforts to complete the financing contemplated hereunder and to acquire and construct the Facility. It is also understood and agreed that the County reserves the right to withdraw the authorization and approval requested in this letter of intent should the Facility prove to be in violation of the local, State or federal laws applicable to it unless appropriate steps are taken by the Facility Applicant to alter the Facility or otherwise to bring the proposed Facility into compliance with such laws.

Neither the Bonds nor any interest on them shall ever constitute an indebtedness or a charge against the general credit or taxing powers of the County, within the meaning of any



County Commissioners of St. Mary's County  
August 20, 1985

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constitutional provision or statutory limitation, and neither the Bonds nor any interest on them shall ever constitute or give rise to any pecuniary liability of the County. Moreover, nothing contained in this letter of intent shall be deemed to constitute an undertaking by the County to expend any of its funds to effect any or all of the transactions contemplated by this letter of intent.

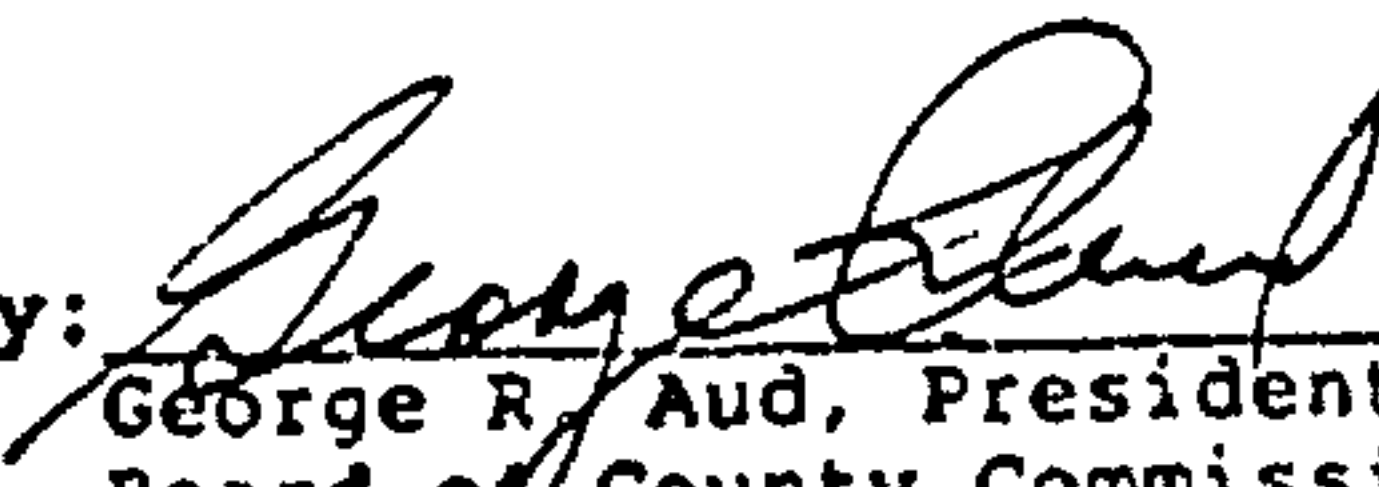
Very truly yours,

HENRY S. BONNER & ASSOCIATES

By: \_\_\_\_\_  
Henry S. Bonner

ACCEPTED on behalf of County Commissioners of St. Mary's County in accordance with the provisions of Resolution No. \_\_\_\_\_ adopted by the Board of County Commissioners of St. Mary's County on August 20, 1985.

COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY

By:   
George R. Aud, President  
Board of County Commissioners

C-5

County Commissioners of St. Mary's County  
August 10, 1983

1983 0815 REC 05

EXHIBIT A

DESCRIPTION OF FACILITY

The Facility will be located (by way of general description and not limitation) on St. Mary's Hill in St. Mary's City Historic Area, off Mattapany Road, approximately one-quarter mile northeast of Maryland Route 5, and three-quarters mile southwest of Maryland Route 235, in St. Mary's County, Maryland, and will consist generally of the construction of a 120-room inn, conference center, and hostel and related facilities, consisting in the aggregate, of approximately 95,000 square feet, together with all other related facilities and improvements. The Facility will also consist of rights of access, utilities, and other necessary facilities and all site or off-site improvements.

NO : 85-21

SUBJECT: SUPPLEMENTAL APPROPRIATION  
ORDINANCE

ORDINANCE

WHEREAS, The approved County budget for fiscal 1985-86 did not include an early sale date for the County's General Obligation Bonds nor interest expense on said bonds because of a late sale date; and

WHEREAS, The approved County budget for fiscal year 1985-86 did not include funds for the design of a new roadway between Chancellors Run Road to the vicinity of Jarhovesville Run; and

WHEREAS, The Board of County Commissioners believes it is in the best interest of the County to issue the bonds early and take advantage of the favorable market conditions as well as proceeding in the design of the proposed roadway before the next county budget;

NOW, THEREFORE, BE IT ORDAINED, That the Board of County Commissioners after due notice conducted a public hearing on August 20, 1985 to present and explain the requirement to increase the 1985-86 County Budget in the amount of \$ 375,000 and is hereby approved this 3rd day of September, 1985 by the Board of County Commissioners of St. Mary's County, Maryland.

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

*George R. Aud*  
George R. Aud, President

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

*Ford C. Dean*  
Ford C. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

ATTEST:

*Joseph P. O'Dell*  
Joseph P. O'Dell, Director  
Budget & Data Services

APPROVED AS TO LEGAL SUFFICIENCY:

*Theodore P. Weiner*  
Theodore P. Weiner  
County Attorney

11:37AM 09/11/85 CD.COM \$0.00

Rtd: Co. Admin. Off. 9-11-85

MARY R. BELL, CLERK



## COUNTY COMMISSIONERS OF ST. MARY'S COUNTY

RESOLUTION NO. R-85-22

12121PM09/23/85A CD.COM 90.00

A RESOLUTION of County Commissioners of St. Mary's County authorizing the issuance and sale of Four Million, Three Hundred Sixty-Five Thousand Dollars (\$4,365,000) aggregate principal amount of serial maturity, general obligation bonds under the provisions of Chapter 705 of the Laws of Maryland of 1981, the bonds to be designated "County Commissioners of St. Mary's County Public Facilities Bonds of 1985", the net proceeds of the sale thereof to be used and applied for the public purpose of financing the construction, improvement or development of certain capital projects in St. Mary's County as provided in Chapter 705, including general county projects, school projects and the construction of a detention center facility in Leonardtown, Maryland; prescribing the form and tenor of the bonds and the terms and conditions for the issuance and sale thereof at public sale, including the form of the notice of sale; prescribing the terms and conditions of the bonds and all other details incident to the issuance, sale and delivery of the bonds; providing for the disbursement of the proceeds of the bonds; authorizing the preparation and distribution of a preliminary and final official statement in connection with the sale of the bonds; providing for the levy and collection of any taxes necessary for the prompt payment of the maturing principal of and interest on the bonds, and providing that the full faith and credit and taxing power of County Commissioners of St. Mary's County shall be irrevocably pledged to the payment of such principal and interest; and generally relating to the issuance, sale, delivery and payment of the bonds.

BE IT RESOLVED BY COUNTY COMMISSIONERS OF ST. MARY'S

COUNTY:

Section 1. Pursuant to the authority of Chapter 705 of the Laws of Maryland of 1981 (the "Act"), County Commissioners of St. Mary's County, a body politic and corporate and political subdivision of the State of Maryland (the "County"),

hereby determines to borrow money and incur indebtedness for the public purpose of providing funds to pay a portion of the costs of financing the construction, improvement or development of the following capital projects set forth on pages 65-66 of St. Mary's County Board of County Commissioners Approved Budget for 1985-1986, adopted May 21, 1985, in the aggregate amount of \$4,365,000:

<u>Project</u>	<u>Amount</u>
Detention Center . . . . .	\$3,600,000
Nursing Home/Health Conversion Design Funds. . . . .	50,000
Courthouse/Health Conversion Design Funds. . . . .	30,000
Lexington Park Elementary Improvements . . . . .	50,000
Board of Education/Loveville Office. . . . .	60,000
Public Schools Roof Replacements . . . . .	340,000
Public Schools Paving Projects . . . . .	178,000
St. Clements Museum Addition . . . . .	25,000
Community College Parking Lot Addition . . . . .	<u>32,000</u>
Total	<u>\$4,365,000</u>

Section 2. To evidence the borrowing and indebtedness authorized in Section 1 of this Resolution, the County, acting pursuant to the authority of the Act, hereby determines to issue and sell, upon its full faith and credit, its serial maturity, general obligation bonds in the aggregate principal amount of Four Million, Three Hundred Sixty-Five Thousand Dollars (\$4,365,000), to be designated "County Commissioners of St. Mary's County Public Facilities Bonds of 1985" (the "Bonds").

Section 3. The Bonds shall be dated October 1, 1985, and shall be issued as fully registered bonds without coupons in

USBR 005. 39

the denominations of \$5,000 or any integral multiple thereof. The Bonds shall mature, subject to prior redemption as hereinafter provided, in annual serial installments on October 1, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1987	\$ 95,000	1997	\$225,000
1988	105,000	1998	245,000
1989	115,000	1999	265,000
1990	125,000	2000	290,000
1991	135,000	2001	315,000
1992	145,000	2002	345,000
1993	160,000	2003	375,000
1994	175,000	2004	410,000
1995	190,000	2005	445,000
1996	205,000		

Section 4. (a) The Bonds which mature on or before October 1, 1995, shall not be subject to redemption prior to their maturities. The Bonds which mature on or after October 1, 1996, shall be subject to redemption beginning October 1, 1995, as a whole at any time or in part on any interest payment date, in the inverse order of maturities, at the option of the County, at a redemption price, expressed as a percentage of the principal amount of the Bonds to be redeemed, set forth in the table below, together with interest accrued to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
October 1, 1995 to September 30, 1996	103%
October 1, 1996 to September 30, 1997	102%
October 1, 1997 to September 30, 1998	101%
October 1, 1998 and thereafter	100%



(b) If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portion of Bonds to be redeemed from such maturity shall be selected by lot by the Bond Registrar (hereinafter designated).

(c) When less than all of a Bond in a denomination in excess of \$5,000 is so redeemed, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof, for the unredeemed balance of the principal amount of such Bond, at the option of such owner, Bonds in any of the authorized denominations as specified by the registered owner. The aggregate face amount of Bonds issued shall be equal to the unredeemed balance of the principal amount of the Bond surrendered, and the Bonds issued shall bear the same interest rate and shall mature on the same date as the unredeemed balance of the Bond surrendered.

(d) If the County elects to redeem all or a portion of the Bonds outstanding, it shall give a redemption notice to the registered owners of the Bonds to be redeemed by letter mailed first class, postage prepaid at least thirty (30) days prior to the date fixed for redemption to the addresses of such registered owners appearing on the registration books kept by the Bond Registrar; provided, however, that the failure to mail the redemption notice or any defect in the notice so mailed, or in the mailing thereof, shall not affect the validity of the redemption proceedings. The redemption notice shall state (i)

whether the Bonds are redeemed in whole or in part and, if in part, the maturities and numbers of the Bonds to be redeemed, (ii) that the interest on the Bonds to be redeemed shall cease on the date fixed for redemption, (iii) the date fixed for redemption and the redemption price and (iv) that the Bonds to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the principal corporate trust office of the Paying Agent (hereinafter designated).

(e) From and after the date fixed for redemption, if notice has been duly and properly given and if funds sufficient for the payment of the redemption price and accrued interest are available on such date, the Bonds designated for redemption shall cease to bear interest. Upon presentation and surrender for redemption in compliance with the redemption notice, the Bonds to be redeemed shall be paid by the Paying Agent at the redemption price. If they are not paid upon presentation, the Bonds designated for redemption shall continue to bear interest at the rates stated therein until paid.

Section 5. The Bonds shall bear interest at the rate or rates named by the successful bidder or bidders for the Bonds in accordance with the terms of the Notice of Sale set forth in Section 10 of this Resolution. Interest on the Bonds shall be payable on April 1, 1986, and semiannually thereafter on the first days of October and April in each of the years that the Bonds are outstanding. Interest payments due under

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the Bonds shall be made to the registered owners of the Bonds who are the registered owners of record as of the 15th day of the month next preceding each such interest payment date. Each Bond shall bear interest from the most recent date to which interest has been paid or, if no interest has been paid, from October 1, 1985.

Section 6. The principal of and redemption premium, if any, on the Bonds shall be payable at the principal corporate trust office of The First National Bank of Maryland, Baltimore, Maryland, hereby designated as Paying Agent. Interest on the Bonds will be payable by check or draft of the Paying Agent mailed to the registered owners thereof.

Section 7. The Bonds shall be executed in the name of the County and on its behalf by the President of the Board of County Commissioners of St. Mary's County, whose signature may be by facsimile, and a facsimile of the corporate seal of the County shall be imprinted thereon, attested by the County Administrator, whose signature may be by facsimile. The Bonds shall be issued subject to registration as to principal and interest in the name or names of the owner or owners thereof on books kept for the registration and registration of transfer of the Bonds at the principal corporate trust office of The First National Bank of Maryland, Baltimore, Maryland, hereby designated as Bond Registrar. Each Bond shall be authenticated by the manual signature of an authorized officer of the Bond



Registrar. No Bonds issued hereunder shall be valid for any purpose or constitute an obligation of the County unless so authenticated. There shall be printed on each Bond the text of the approving legal opinion of bond counsel with respect to the Bonds. Such printed text shall be certified, in the name of the County, to be a correct copy of the approving legal opinion of bond counsel by the President of the Board of County Commissioners, whose signature may be by facsimile. In case any official of the County whose signature appears on the Bond shall cease to be such official prior to the authentication and delivery of such Bond, or in the case that any such official shall take office subsequent to the date of issue of any such Bond, his signature, in either event, shall nevertheless be valid for the purposes herein intended.

Section 8. (a) The Bonds shall be transferable only upon the registration books kept at the principal corporate trust office of the Bond Registrar, by the registered owner thereof in person, or by his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer in the form attached thereto and satisfactory to the Bond Registrar and duly executed by the registered owner or his duly authorized attorney.

(b) The Bonds may be transferred or exchanged at the principal corporate trust office of the Bond Registrar. Upon any transfer or exchange, the County shall issue and the Bond

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Registrar shall authenticate and deliver a new registered Bond or Bonds of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Bond exchanged or transferred and maturing on the same date and bearing interest at the same rate. In each case, the Bond Registrar may require payment by any registered owner requesting the exchange or transfer of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect thereto, but otherwise no charge shall be made to the registered owner for the exchange or transfer.

(c) The Bond Registrar shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or portion thereof for redemption; provided, however, that this limitation shall not apply to that portion of a Bond in excess of \$5,000 which is not being called for redemption.

Section 9. Except as provided hereinafter or in a resolution or resolutions of the Board of County Commissioners adopted prior to the issuance of the Bonds, the Bonds shall be issued in substantially the following form. Appropriate variations and insertions may be made to provide dates, numbers and amounts, and modifications not altering its substance may be made by the President of the Board of County Commissioners to carry into effect the purposes of this Resolution or to

13878 005 8307 45

comply with recommendations of legal counsel. All of the covenants contained in the following form are hereby adopted by the County as and for the form of obligation to be incurred by the County, and the covenants and conditions contained therein are hereby made binding upon the County, including the promise to pay therein contained:



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(Form of Bond)

[BOND FACE]

UNITED STATES OF AMERICA

STATE OF MARYLAND

No. R-

\$

COUNTY COMMISSIONERS OF ST. MARY'S COUNTY

PUBLIC FACILITIES BOND OF 1985

Maturity Date	Interest Rate	Original Issue Date	CUSIP
		October 1, 1985	

Registered Owner:

Principal Amount

Dollars

County Commissioners of St. Mary's County, a body politic and corporate organized and existing under the Constitution and laws of the State of Maryland (the "County"), hereby acknowledges itself indebted for value received, and promises to pay to the registered owner shown above or his registered assigns or legal representatives, on the date specified above (unless this bond shall be redeemable; shall

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have been called for prior redemption and payment of the redemption price made or provided for), upon presentation and surrender of this bond at the principal corporate trust office of The First National Bank of Maryland, Baltimore, Maryland (the "Bond Registrar" and "Paying Agent"), the principal shown above in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts and to pay to the registered owner hereof by check or draft, mailed to such registered owner at his address as it appears on the bond registration books kept by the Bond Registrar, interest on the principal sum at the rate per annum shown above until payment of such principal amount or until the prior redemption hereof, such interest being payable on October 1 and April 1 in each year, in like coin or currency, accounting from the most recent date to which interest has been paid or, if no interest has been paid, from the original issue date shown above. All interest due on this bond shall be payable to the registered owner in whose name this bond is registered on such bond registration books as of the close of business on the Regular Record Date for such interest payment, which shall be the 15th day of the month next preceding the interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this bond is registered as of the close of business on a

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Special Record Date for the payment of such defaulted interest to be fixed by the Bond Registrar, notice whereof being given by letter mailed first class, postage prepaid, to the registered owners not less than 30 days prior to such Special Record Date, at the addresses of such registered owners appearing on the registration books kept by the Bond Registrar, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the bonds of this series may be listed and upon such notice as may be required by such exchange. If an interest payment date falls on a Saturday, a Sunday or a day on which the Bond Registrar is not required to be open, payment may be made on the next succeeding day that is not a Saturday, a Sunday or a day on which the Bond Registrar is not required to be open and no interest shall accrue for the intervening period.

ADDITIONAL PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HEREIN.

The full faith and credit and unlimited taxing power of County Commissioners of St. Mary's County are hereby unconditionally pledged to the payment of this bond and of the interest payable hereon according to its terms, and the County does hereby covenant and agree to pay punctually the principal of this bond and the interest hereon on the dates and in the manner prescribed herein, according to the true intent and meaning hereof.



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It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened, and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland and the Resolution (as defined on the reverse hereof), and that the issue of bonds, of which this bond is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the State of Maryland and that due provision has been made for the levy and collection of an annual ad valorem tax or taxes upon all the legally assessable property within the corporate limits of the County in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on this bond.

This bond shall not become obligatory for any purpose or be entitled to any benefit under the above-mentioned laws until this bond shall have been authenticated by an authorized officer of the Bond Registrar.

IN WITNESS WHEREOF, County Commissioners of St. Mary's County has caused this bond to be executed in its name by the facsimile signature of the President of the Board of County Commissioners and by its corporate seal imprinted hereon in facsimile, attested by the facsimile signature of the County Administrator all as of the first day of October, 1985.

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COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY

By [Facsimile Signature]  
President, Board of County  
Commissioners

( S E A L )

ATTEST: [Facsimile Signature]  
County Administrator

Date of  
Authentication:

CERTIFICATE OF AUTHENTICATION

This bond is one of the registered bonds of County  
Commissioners of St. Mary's County Public Facilities Bonds of  
1985.

THE FIRST NATIONAL BANK OF  
MARYLAND, Baltimore Maryland,  
as Bond Registrar

By: \_\_\_\_\_  
Authorized Officer

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[REVERSE SIDE OF BOND]

This bond is one of a duly authorized issue or series of bonds of the County aggregating \$4,365,000 in principal amount, all dated October 1, 1985 (the "Bonds"). The Bonds are issued pursuant to and in full conformity with the provisions of Chapter 705 of the Laws of Maryland of 1981 and by virtue of due proceedings had and taken by the Board of County Commissioners of St. Mary's County, particularly a resolution adopted on September 17, 1985 (the "Resolution").

The Bonds mature and are payable on October 1 in the following years and amounts and bear interest at the following rates per annum:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1987	\$ 95,000	%	1997	\$225,000	%
1988	105,000		1998	245,000	
1989	115,000		1999	265,000	
1990	125,000		2000	290,000	
1991	135,000		2001	315,000	
1992	145,000		2002	345,000	
1993	160,000		2003	375,000	
1994	175,000		2004	410,000	
1995	190,000		2005	445,000	
1996	205,000				

The Bonds which mature on or after October 1, 1996 are subject to redemption beginning October 1, 1995, as a whole at any time or in part on any interest payment date, in the inverse order of maturities, at the option of the County, at



the following redemption prices, expressed as percentages of the principal amount of the Bonds to be redeemed, together with interest accrued to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
October 1, 1995 to September 30, 1996	103%
October 1, 1996 to September 30, 1997	102%
October 1, 1997 to September 30, 1998	101%
October 1, 1998 and thereafter	100%

If less than all of the Bonds of any one maturity are called for redemption, the particular Bonds or portion of Bonds to be redeemed from such maturity will be selected by lot by the Bond Registrar.

When less than all of a Bond in a denomination in excess of \$5,000 is so redeemed, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof, for the unredeemed balance of the principal amount of such Bond, at the option of such owner, Bonds in any of the authorized denominations as specified by the registered owner, the aggregate face amount of such Bonds not to exceed the unredeemed balance of the principal amount of the Bond surrendered, and to bear the same interest rate and to mature on the same date as the unredeemed balance of the Bond surrendered.

If the County elects to redeem all or a portion of the Bonds outstanding, it will give a redemption notice to the

LIBER 005 PAGE 53

registered owners of the Bonds to be redeemed by letter mailed first class, postage prepaid, at least thirty (30) days prior to the date fixed for redemption to the addresses of such registered owners appearing on the registration books kept by the Bond Registrar; provided, however, that the failure to mail the redemption notice or any defect in the notice so mailed, or in the mailing thereof, shall not affect the validity of the redemption proceedings. The redemption notice shall state (i) whether the Bonds are redeemed in whole or in part and, if in part, the maturities and numbers of the Bonds to be redeemed, (ii) that the interest on the Bonds to be redeemed shall cease on the date fixed for redemption, (iii) the date fixed for redemption and the redemption price, and (iv) that the Bonds to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the principal corporate trust office of the Paying Agent. From and after the date fixed for redemption, if notice has been duly and properly given, and if funds sufficient for the payment of the redemption price and accrued interest are available on such date, the Bonds designated for redemption shall cease to bear interest. Upon presentation and surrender for redemption in compliance with the redemption notice, the Bonds to be redeemed shall be paid by the Paying Agent at the redemption price. If they are not paid upon presentation, the Bonds designated for redemption shall continue to bear interest at the rates stated therein until paid.

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The County has appointed The First National Bank of Maryland, Baltimore, Maryland as Bond Registrar to open books for the registration and for the transfer of Bonds. This bond will be transferable only upon the registration books kept at the principal corporate trust office of the Bond Registrar, by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer in the form attached hereto and satisfactory to the Bond Registrar and duly executed by the registered owner or his duly authorized attorney. The County may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes.

This bond may be transferred or exchanged at the principal corporate trust office of the Bond Registrar. Upon any transfer or exchange, the County shall issue and the Bond Registrar shall authenticate and deliver a new registered bond or bonds of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the bond exchanged or transferred and maturing on the same date and bearing interest at the same rate. In each case, the Bond Registrar may require payment by the registered owner of this bond, requesting the exchange or transfer hereof, of any tax,



LIBOR 005 PAGE 55

fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect thereto, but otherwise no charge shall be made to the registered owner hereof for the exchange or transfer.

The Bond Registrar shall not be required to transfer or exchange this bond after the mailing of notice calling this bond or portion hereof for redemption; provided, however, that this limitation shall not apply to that portion of this bond in excess of \$5,000 which is not being called for redemption.

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(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells,  
assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF ASSIGNEE

\_\_\_\_\_  
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS,  
INCLUDING ZIP CODE OF ASSIGNEE)

\_\_\_\_\_  
the within bond and all rights thereunder and does hereby  
constitute and appoint

\_\_\_\_\_  
attorney to transfer the within bond on the books kept for the  
registration thereof, with full power of substitution in the  
premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

Notice: Signatures must be  
guaranteed by a member firm  
of the New York Stock Exchange  
or a commercial bank or trust  
company.

Notice: The signature to this  
assignment must correspond  
with the name as it appears  
upon the face of the within  
bond in every particular,  
without alteration or  
enlargement or any change  
whatever.

(Form of Legal Certification)

IT IS HEREBY CERTIFIED that the following is a true  
and correct copy of the complete approving legal opinion of  
Piper & Marbury, Baltimore, Maryland, with respect to the issue  
of bonds of which this bond is one, that the original of the  
approving legal opinion was manually executed, dated and issued

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as of the date of delivery of, and payment for, said issue of bonds and that an executed copy thereof is on file with the Bond Registrar.

COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY

[Facimile Signature]  
President, Board of County  
Commissioners



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Section 10. The County shall sell the Bonds by the solicitation of competitive bids at public sale. Bids shall be received until 12:00 noon local time on the date fixed for sale. Sale will be held at the offices of The First National Bank of Maryland, Baltimore, Maryland, on Tuesday, October 1, 1985. The County Administrator shall conduct the sale and sell the Bonds in the name of the County and on its behalf for cash at no less than par to the bidder or bidders therefor whose bid or bids are determined to be the best responsible bid received in compliance with the terms and conditions of the official Notice of Sale. The sale shall be made upon award signed by the County Administrator. Public notice of the sale shall be given by advertisement which shall be published in one or more daily or weekly newspapers having a general circulation in the County and may also be published in one or more journals having a circulation primarily among banks and investment bankers. At least one publication of the advertisement shall be made not less than ten (10) days before the sale of the Bonds. The notice of sale (which shall also constitute the form of advertisement to be published pursuant to this Section and the Act) and proposal for the Bonds shall be in substantially the form hereinafter set forth. The terms and conditions stated in the notice of sale and proposal are hereby adopted and approved as the terms and conditions under which the Bonds shall be sold, issued and delivered at public sale. Appropriate variations

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and insertions shall be made to provide dates, numbers and amounts; and modifications not altering its substance may be made by the President of the Board of County Commissioners to carry into effect the purposes of this Resolution or to comply with recommendations of legal counsel.

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(Form of Notice of Sale)

ST. MARY'S COUNTY, MARYLAND

NOTICE OF SALE OF

\$4,365,000

COUNTY COMMISSIONERS OF ST. MARY'S COUNTY

PUBLIC FACILITIES BONDS OF 1985

Dated October 1, 1985

Sealed proposals will be received until 12:00 noon, Eastern Daylight Time, on Tuesday, October 1, 1985, by the County Administrator of St. Mary's County, Maryland, at the offices of The First National Bank of Maryland, Corporate Trust Department, 22nd Floor Customer Service Room, First Maryland Building, 25 South Charles Street, Baltimore, Maryland, 21201, for the purchase of the above-described general obligation bonds of the County, aggregating \$4,365,000, all dated October 1, 1985, and maturing, subject to prior redemption, as herein stated, on the first day of October as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>
1987	\$ 95,000	1997	\$225,000
1988	105,000	1998	245,000
1989	115,000	1999	265,000
1990	125,000	2000	290,000
1991	135,000	2001	315,000
1992	145,000	2002	345,000
1993	160,000	2003	375,000
1994	175,000	2004	410,000
1995	190,000	2005	445,000
1996	205,000		



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County Commissioners of St. Mary's County will not consider and will reject any proposal for the purchase of less than all of the bonds for which a proposal is made.

The bonds will be fully registered in form in the denominations of \$5,000 or any integral multiple thereof and will bear interest payable semiannually on the 1st days of April and October, commencing April 1, 1986, until maturity.

Principal of the bonds will be paid to the registered owner at the principal corporate trust office of The First National Bank of Maryland, Baltimore, Maryland, (the "Bond Registrar") upon presentment and surrender of the bonds. Interest will be paid to the persons in whose names the bonds are registered on the registration books maintained by the Bond Registrar on the 15th day of the month next preceding each interest payment date by check mailed to each such person's address as it appears on such bond registration books.

The bonds which mature on or before October 1, 1995, are not subject to redemption prior to their maturities. The bonds which mature on or after October 1, 1996, are subject to redemption beginning October 1, 1995, as a whole at any time or in part on any interest payment date, in the inverse order of their maturities, at the option of the County at a redemption price, expressed as a percentage of the principal amount of the bonds to be redeemed, set forth in the table below, together with interest accrued to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
October 1, 1995 to September 30, 1996	103%
October 1, 1996 to September 30, 1997	102%
October 1, 1997 to September 30, 1998	101%
October 1, 1998 and thereafter	100%

Bidders shall state in their proposals the rate or rates of interest to be paid thereon in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%), and each proposal shall be based and submitted on the rate or rates stated therein. Bidders may specify more than one rate of interest to be borne by the bonds, but the difference between the highest and lowest rates named may not be greater than three percent (3%). Bidders may not specify more than one interest rate for the bonds of any serial maturity. A zero rate may not be named for any maturity. The bonds will be awarded to the bidder naming the lowest net interest cost for the bonds in any legally acceptable proposal and offering to pay not less than par and accrued interest. The lowest net interest cost will be determined with respect to each proposal by calculating the interest actually to be paid on all of said bonds and subtracting therefrom any premium in the purchase price offered. Where the proposals of two or more bidders result in the same lowest net interest cost, the bonds may be apportioned between such bidders, but if this shall not be acceptable, the County shall have the right to award all of the bonds to one bidder. The right is reserved to the County to

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reject any or all proposals. The County Administrator's judgment shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Notice.

Each proposal must be submitted on the form accompanying the Preliminary Official Statement and must be enclosed in a sealed envelope addressed to the County Administrator, St. Mary's County, Maryland c/o Richard H. Bass, Senior Corporate Trust Officer, Corporate Trust Department, 22nd Floor Customer Service Room, The First National Bank of Maryland, 25 South Charles Street, Baltimore, Maryland, and marked on the outside "Bid for Purchase of St. Mary's County Public Facilities Bonds of 1985". A certified check, bank cashier's, treasurer's or official check drawn upon or certified by a responsible banking institution in the amount of \$87,300 and made payable to the order of County Commissioners of St. Mary's County, Maryland, must accompany each proposal as security for compliance with said proposal. No interest will be allowed on any such deposit. Checks of unsuccessful bidders will be returned promptly after the bonds are awarded.

The bonds are authorized by Chapter 705 of the Laws of Maryland of 1981 and a resolution adopted by the Board of County Commissioners of St. Mary's County, Maryland, on September 17, 1985.



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The proceeds of the bonds for which proposals are solicited herein will be used to provide financing for the following public purposes: general county projects, school projects and the construction of a detention center facility in Leonardtown, Maryland.

The full faith and credit and unlimited taxing power of County Commissioners of St. Mary's County are unconditionally pledged to the payment of said bonds and of the interest to accrue thereon.

The bonds described above will be issued and sold subject to approval as to legality by Piper & Marbury, of Baltimore, Maryland, whose approving opinion will be delivered, upon request, to the purchaser or purchasers of the bonds, without charge, and the text of the opinion will also be printed on each bond.

In the opinion of Bond Counsel, under existing statutes, regulations and decisions, interest on the above-described bonds is exempt from Federal and State of Maryland income taxation.

When delivered, the bonds shall be duly executed and authenticated and registered in such names and in such denominations as the successful bidder shall have requested in writing not less than six (6) business days prior to the closing; and the remaining aggregate principal amount of the bonds of each issue for which no instructions have been

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received by such date will be issued as one bond in the denomination of such remaining aggregate principal amount, or as bonds in such denominations as may be mutually agreed upon by the successful bidder and the County, and registered in the name of the successful bidder.

It is anticipated that CUSIP identification numbers will be printed on the bonds, but neither the failure to print any such number on any bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the bonds in accordance with the terms of this Notice.

As soon as practicable after the award of the bonds to the successful bidder therefor on the day of sale, the County, by its President of the Board of County Commissioners, will authorize its Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. If so requested by the purchaser or purchasers of an issue at or before the close of business on the date of the sale, the County will include in the Official Statement such pricing and other information with respect to the terms of the reoffering of the bonds of such issue by the successful bidder therefor ("Reoffering Information"), if any, as may be specified and furnished in writing by such bidder. If no Reoffering Information is specified and furnished by a successful bidder, the Official Statement will include the rate

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or rates on the bonds resulting from the bid of such successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. The successful bidder for each issue shall be responsible to the County and its officials for the Reoffering Information furnished by such bidder, and for all decisions made by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of the bonds including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder for each issue will also be furnished, without cost, with up to 300 copies of the Official Statement (and any amendments or supplements thereto).

Delivery of the bonds, without expense, will be made by the County Administrator to the purchaser or purchasers on October 22, 1984, or as soon as practicable thereafter, in New York, New York, and, thereupon, said purchaser or purchasers will be required to accept delivery of the bonds purchased and pay, in Federal funds, the balance of the purchase price due. Said bonds will be accompanied by the customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending affecting the validity of any of the bonds included in this issue. It shall be a condition to the obligation of said purchaser or purchasers to accept delivery of and pay for the

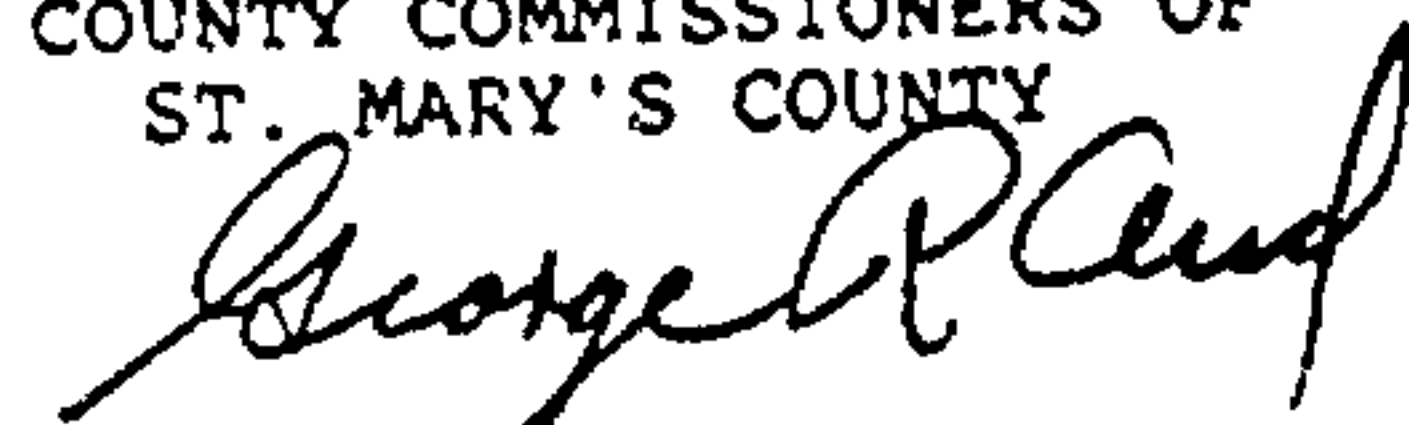


LIBER 005 PAGE 67

bonds that, simultaneously with or before delivery and payment for the bonds, said purchaser or purchasers shall be furnished a certificate or certificates of the President of the Board of County Commissioners to the effect that, to the best of his knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except for the Reoffering Information, as to which no view will be expressed) as of the date of sale and as of the date of delivery of the bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and that between the date of sale and the date of delivery of the bonds there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in the Official Statement.

The Preliminary Official Statement, together with this Notice of Sale and the required form of proposal may be obtained from the office of the County Administrator, St. Mary's County, Maryland, Governmental Center, Leonardtown, Maryland 20650.

COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY



By: George R. Aud,  
President of the Board of  
County Commissioners

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(Form of Proposal for Bonds)

PROPOSAL FOR BONDS

October 1, 1985

County Administrator  
County Commissioners of St. Mary's County  
c/o Richard H. Bass, Senior Corporate  
Trust Officer  
Corporate Trust Department  
22nd Floor Customer Service Room  
The First National Bank of Maryland  
First Maryland Building  
25 South Charles Street  
Baltimore, Maryland 21201

Dear Sir:

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale which is incorporated by reference herein and made a part of this Proposal for Bonds, we offer to purchase the obligations of County Commissioners of St. Mary's County described in such Notice of Sale being \$4,365,000 aggregate principal amount of County Commissioners of St. Mary's County Public Facilities Bonds of 1985, such bonds to be dated October 1, 1985, to mature in the several years shown in the table below (subject to prior redemption as provided in such Notice of Sale), and to bear interest at the rates per annum set opposite such years, respectively.

For the aggregate principal amount of \$4,365,000, we will pay the par value of said obligations, namely \$4,365,000, plus a premium of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), plus interest on said bonds accrued from the date of said bonds

(October 1, 1985) to the date of delivery for said bonds which will bear interest at the following rates:

<u>Year of Maturity</u>	<u>Amounts</u>	<u>Interest Rates Per Annum</u>	<u>Year of Maturity</u>	<u>Amounts</u>	<u>Interest Rates Per Annum</u>
1987	\$ 95,000	_____	1997	\$225,000	_____
1988	105,000	_____	1998	245,000	_____
1989	115,000	_____	1999	265,000	_____
1990	125,000	_____	2000	290,000	_____
1991	135,000	_____	2001	315,000	_____
1992	145,000	_____	2002	345,000	_____
1993	160,000	_____	2003	375,000	_____
1994	175,000	_____	2004	410,000	_____
1995	190,000	_____	2005	445,000	_____
1996	205,000	_____			

We enclose herewith a certified check upon, or a cashier's, treasurer's or official check of, a responsible banking institution, payable to the order of County Commissioners of St. Mary's County, in the amount of \$87,300 which check is to be applied in accordance with the annexed Notice of Sale.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 and Associates (See List Attached)



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(Not a part of this proposal. The following information is requested to expedite and facilitate prompt determination of the best bid. The omission or inaccuracy of this figure will not affect the validity of the proposal. The total net interest cost of the proposal is \$\_\_\_\_\_.)

Section 11. As soon as may be practicable after the sale hereinabove provided for has been held, the Bonds shall be suitably prepared in definitive form, executed and delivered to the purchaser upon receipt of the purchase price therefor, plus interest accrued to the date of delivery, less the good faith deposit accompanying the proposal. The President of the Board of County Commissioners, the County Administrator and all other officers and employees of the County are expressly authorized, empowered and directed to take any and all action necessary to complete and close the award, sale and delivery of the Bonds to the purchaser thereof.

Section 12. The County Administrator is hereby designated to receive payment on behalf of the County of the proceeds of the sale of the Bonds. Such proceeds shall be deposited in the proper accounts of the County and shall be used and applied by the County exclusively and solely for the public purposes described in Section 1 of this Resolution, including the payment, repayment or redemption of any advances or interim financing heretofore undertaken in connection with such public purposes. If the proceeds received from the sale

LIBER 105 PAGE 71

of the Bonds exceed the amount actually expended or required for such public purposes, the amount of such unexpended excess shall be set apart in a separate fund and applied to the payment of the next principal maturity of the Bonds or to the redemption of Bonds or to the purchase and cancellation of Bonds, unless a resolution is adopted by the Board of County Commissioners to provide for the expenditure of that excess for some other valid purpose authorized by the Act. Any investment earnings on the proceeds of the sale of the Bonds shall not be used or applied by the County for the public purposes described in Section 1 of this Resolution but shall be deposited as received in the general fund of the County.

Section 13. For the purpose of paying the principal of and interest on the Bonds when due, the County shall levy or cause to be levied, for each and every fiscal year during which the Bonds may be outstanding, upon all real and tangible personal property within its corporate limits subject to assessment for unlimited County taxation, ad valorem taxes in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on the Bonds in each such fiscal year; and, if the proceeds from the taxes so levied in any fiscal year are inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up such deficiency. The full faith and credit and unlimited taxing power of the County are hereby irrevocably pledged to

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the prompt payment of the principal of and interest on the Bonds as and when they become due and payable and to the levy and collection of the taxes hereinabove prescribed as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the Bonds. The County hereby covenants and agrees with each of the registered owners of the Bonds to levy and collect the taxes hereinabove prescribed and to take any further action that may be appropriate from time to time during the period that the Bonds remain outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and the interest due thereon. The County may apply to the payment of the principal of or interest on the Bonds any funds received by it from the State of Maryland or the United States of America or any governmental agency or instrumentality, or from any other source, if such funds are granted for the purpose of assisting the County in accomplishing the type of project or projects which the Bonds are issued to finance, and to the extent of any such funds received or receivable in any fiscal year, the taxes hereby required to be levied may be reduced proportionately.

Section 14. (a) The President of the Board of County Commissioners and the County Administrator shall be the officials of the County responsible for the issuance of the Bonds within the meaning of Section 1.103-13(a)(2)(ii)(C) of the Arbitrage Regulations (defined below). The President of



1358 005 73

the Board of County Commissioners and the County Administrator shall also be the officials of the County responsible for the execution and delivery (on the date of the issuance of the Bonds) of a certificate of the County (the "Section 103(c) Certificate") that complies with the requirements of Section 103(c) of the Internal Revenue Code of 1954, as amended, and the applicable regulations thereunder (the "Arbitrage Regulations"), and such officials are hereby authorized and directed to execute and deliver the Section 103(c) Certificate to counsel rendering an opinion on the validity of the Bonds on the date of the issuance of the Bonds.

(b) The County shall set forth in the Section 103(c) Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Bonds or of any moneys, securities or other obligations to the credit of any account of the County which may be deemed to be proceeds of the Bonds pursuant to Section 103(c) or the Arbitrage Regulations (collectively, the "Bond Proceeds"). The County covenants and agrees with the registered owners of the Bonds that the facts, estimates and circumstances set forth in the Section 103(c) Certificate will be based on the County's reasonable expectations on the date of the issuance of the Bonds and will be, to the best of the certifying officials' knowledge, true and correct as of that date.

1987 005 REG 74

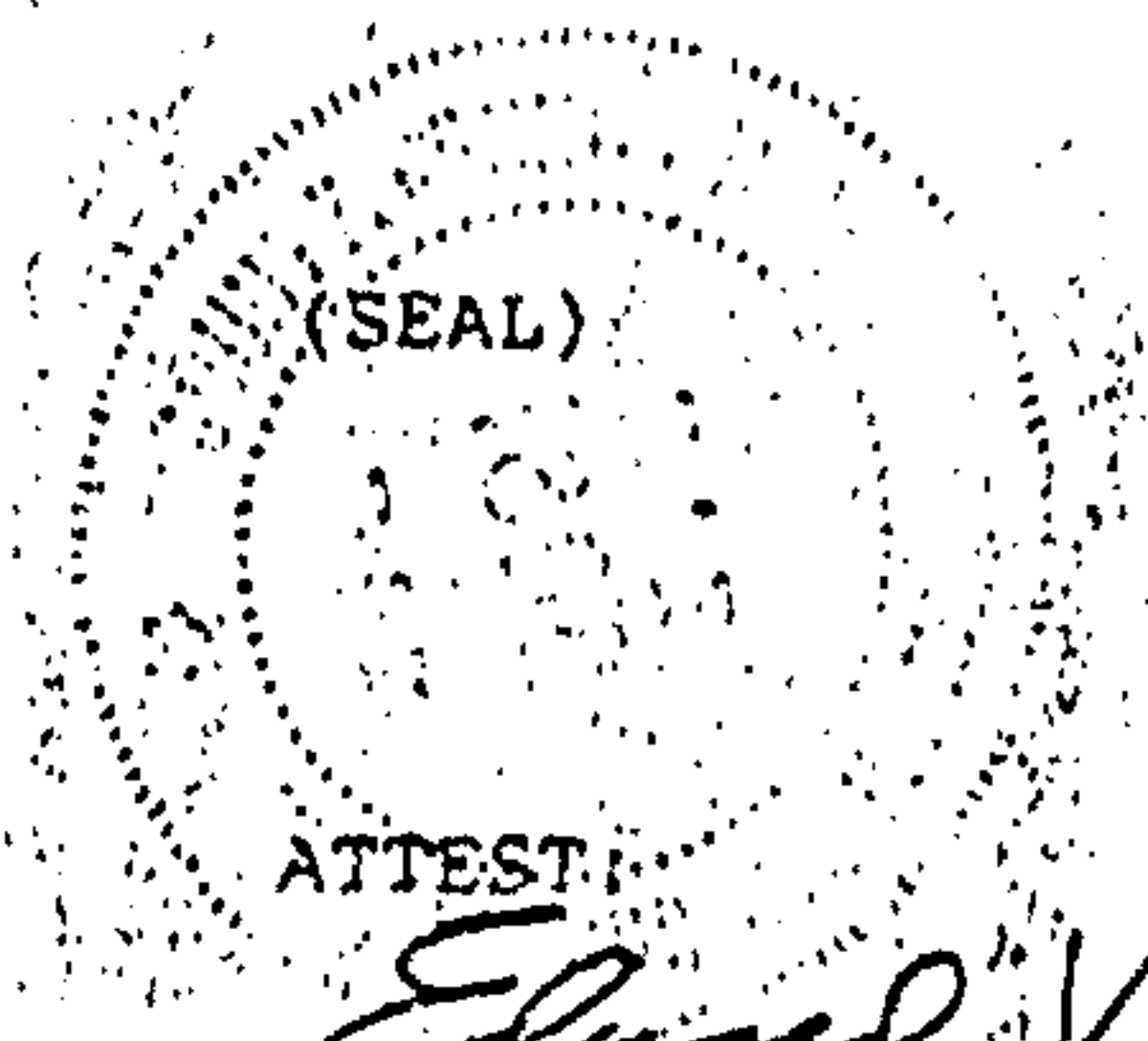
(c) The County covenants and agrees with the registered owners of the Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Bond Proceeds that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 103(c) and the Arbitrage Regulations and that it will comply with those provisions of Section 103(c) and the Arbitrage Regulations as may be applicable to the Bonds as long as the Bonds remain outstanding and unpaid.

Section 15. The distribution of an Official Statement pertaining to the Bonds is hereby authorized, the final form of such Official Statement to be approved by the President of the Board of County Commissioners as evidenced by his signature thereon. The Official Statement shall be in substantially the form of the Preliminary Official Statement to be dated September 19, 1985, with such changes, modifications, additions and deletions as the President of the Board of County Commissioners may approve. The distribution of the Preliminary Official Statement is hereby approved.

LIBER 005 PAGE 75

Section 16. This Resolution shall become effective immediately upon its passage.

ADOPTED this 17th day of September, 1985.



COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY

*George B. Aud*  
George B. Aud, President

ATTEST:

*Edward V. Cox*  
Edward V. Cox, County  
Administrator

\_\_\_\_\_  
J. Laurence Millison,  
Vice President

\_\_\_\_\_  
Richard D. Arnold, Commissioner

*Ford L. Dean*  
Ford L. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner



SUBJ: General Obligation Bond of 1985  
(Sale of Bonds)

COUNTY COMMISSIONERS OF ST. MARY'S COUNTY

RESOLUTION NO. R-85-24

A RESOLUTION of County Commissioners of St. Mary's County providing for the award of Four Million, Three Hundred Sixty-Five Thousand Dollars (\$4,365,000) aggregate principal amount of general obligation bonds designated Public Facilities Bonds of 1985, authorized to be issued pursuant to Resolution No. R-85-22 passed on September 17, 1985; fixing the interest rates payable upon the bonds so authorized and awarding the bonds to the successful bidder therefor upon the basis of the bids received this day in accordance with the official Notice of Sale prescribed in such Resolution; and determining various matters in connection therewith.

10:16AM10/02/85A CO.COM \$0.00

RECITALS

Resolution No. R-85-22 (the "Resolution") of County Commissioners of St. Mary's County (the "County") authorized the public sale of Four Million, Three Hundred Sixty-Five Thousand Dollars (\$4,365,000) aggregate principal amount of the County's general obligation bonds, designated Public Facilities Bonds of 1985 (the "Bonds"). The public sale was held in the 22nd Floor Customer Service Room, First Maryland Building, 25 South Charles Street, Baltimore, Maryland, at 12:00 noon (E.D.T.) in accordance with the terms of the Notice of Sale prescribed by the Resolution, which Notice of Sale was duly published in accordance with the Resolution.

The County is now ready (1) to accept the best bid for the Bonds, at the total purchase price named by the bidder in such bid and (2) to fix the interest rates payable on the Bonds in accordance with the terms of such bid.

LIBER 005 PAGE 76

The total net interest cost and effective rate of interest to the County represented by the various bids for the Bonds is as follows:

<u>Bidder</u>	<u>Total Net Interest Cost</u>	<u>Effective Rate of Interest</u>
1. <u>Alex Brown &amp; Sons</u>	<u>\$5,449,107.85</u>	<u>9.2806</u>
2. <u>Continental Bank &amp; Trust</u>	<u>5,611,551.15</u>	<u>9.557270</u>
3. <u>Merrill Lynch, Pierce, Fenner &amp; Smith, Inc.</u>	<u>5,391,742.25</u>	<u>9.1829</u>
4. <u>Northern Trust</u>	<u>5,466,890.00</u>	<u>9.310892</u>
5. _____	_____	_____
6. _____	_____	_____

It is apparent that the bid made by the syndicate headed by Merrill Lynch, Pierce, Fenner & Smith, Inc. is the best bid received for the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, that:

Section 1. The syndicate headed by Merrill Lynch, Pierce, Fenner & Smith, Inc. (the "successful bidder") for the Four Million Three Hundred Sixty-Five Thousand Dollars (\$4,365,000) aggregate principal amount of Public Facilities Bonds of 1985 is hereby found and determined to be the bidder whose bid is in the best interest of the County.

Section 2. The bid of the successful bidder for the Bonds is hereby accepted.

Section 3. The Bonds are hereby awarded to the successful bidder at the total purchase price named in its bid. When prepared in definitive form, the Bonds shall be duly

executed and delivered to the successful bidder in accordance with the terms and conditions of the Notice of Sale at such location in New York, New York or such other location as the successful bidder and the County Administrator may mutually agree. The delivery of the Bonds shall be made upon receipt of the total purchase price for the Bonds, plus accrued interest, less the good faith deposit received from the successful bidder to secure its bid. The total purchase price for the Bonds shall be paid to the County Administrator, as agent of the County for the purpose of receiving the purchase price and delivering the Bonds to the successful bidder. Immediately upon receipt thereof, the purchase price shall be deposited in the proper accounts of the County and used and applied as provided in the Resolution.

Section 4. The Bonds shall bear interest at the following rates:

<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
1987	<u>10.50</u> %	1997	<u>8.90</u> %
1988	<u>10.50</u> %	1998	<u>9.00</u> %
1989	<u>10.50</u> %	1999	<u>9.10</u> %
1990	<u>10.50</u> %	2000	<u>9.15</u> %
1991	<u>10.25</u> %	2001	<u>9.20</u> %
1992	<u>8.00</u> %	2002	<u>9.25</u> %
1993	<u>8.20</u> %	2003	<u>9.30</u> %
1994	<u>8.40</u> %	2004	<u>9.35</u> %
1995	<u>8.60</u> %	2005	<u>9.40</u> %
1996	<u>8.80</u> %		




Such rates of interest are hereby fixed as and for the rates of interest payable on the Bonds.

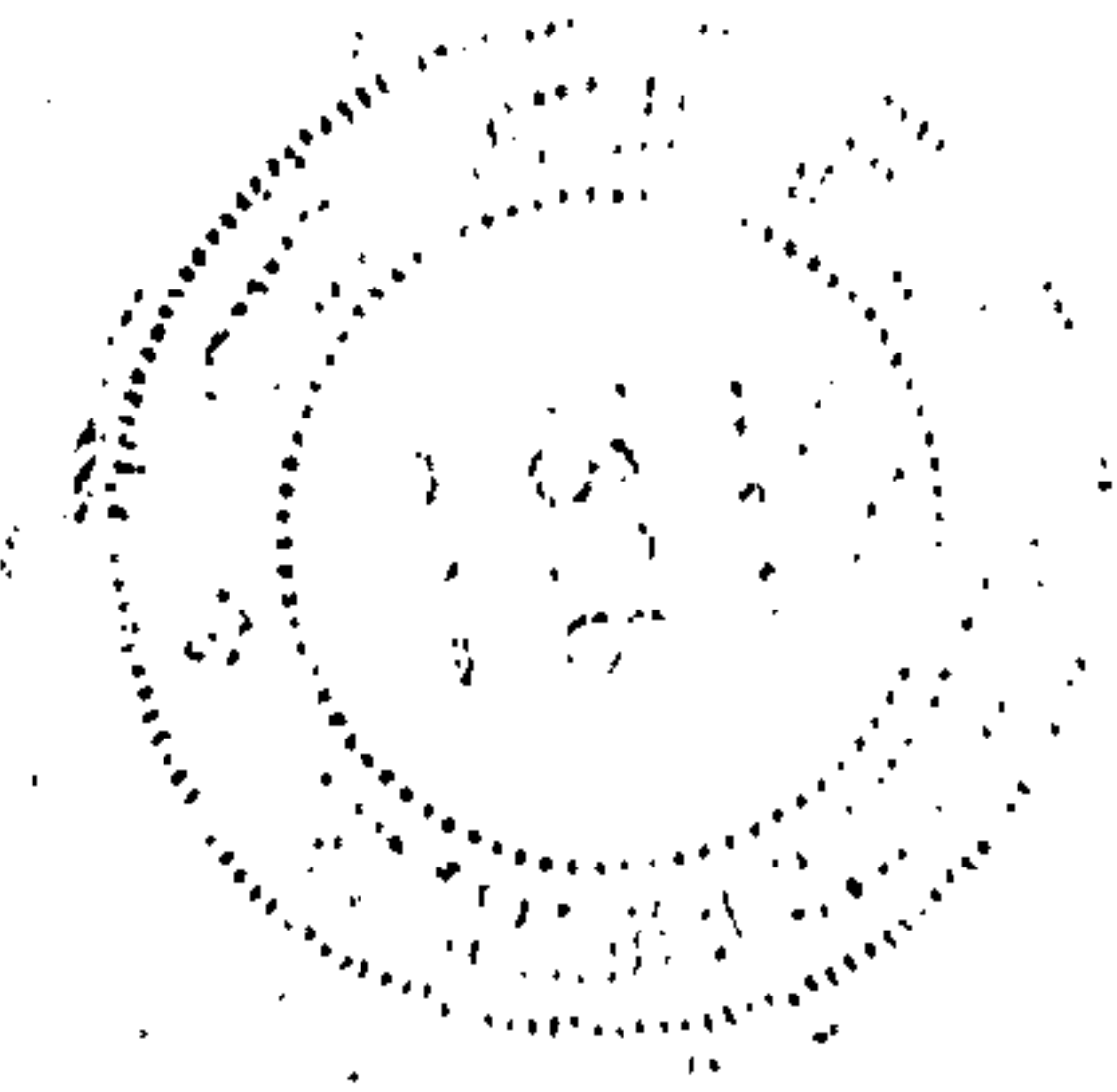
Section 5. The County Administrator is hereby authorized and directed to collect the check of the successful bidder and to retain the proceeds thereof to be applied in part payment for the Bonds and to return the checks received with the proposals not hereby accepted, all in accordance with the provisions of the Notice of Sale.

Section 6. This Resolution shall become effective immediately upon its passage.

ADOPTED this 1st day of October, 1985.


  
George R. Aud,  
President

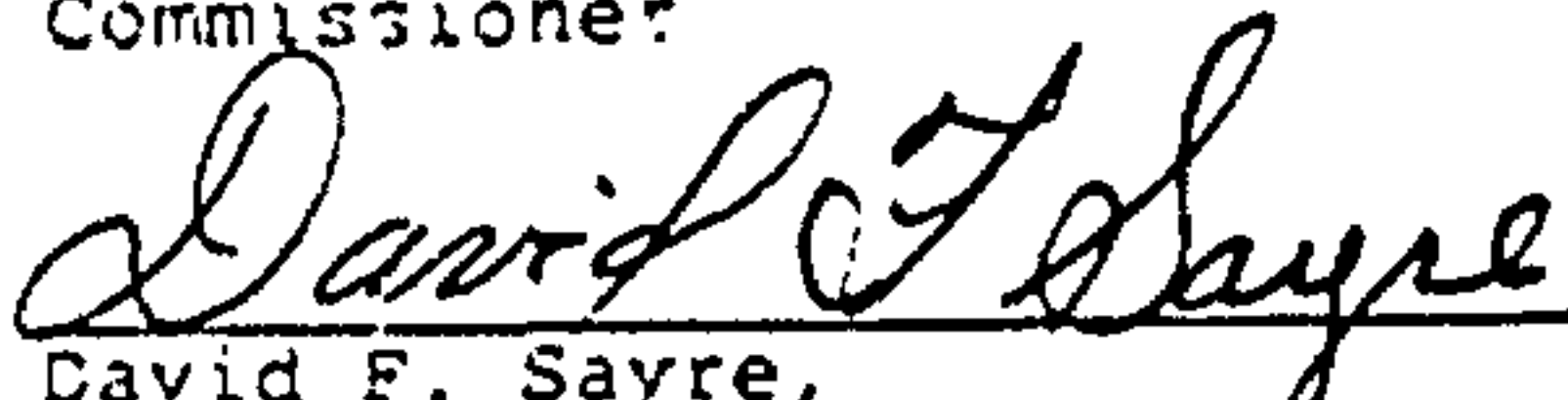
(SEAL)




J. Laurence Millison,  
Vice President

Richard D. Arnold,  
Commissioner

  
Ford L. Dean,  
Commissioner

  
David F. Sayre,  
Commissioner

ATTEST:

  
Edward V. Cox,  
County Administrator

-4-

LIBER 005 PAGE 79

4381109/27/85  
1488-17

Del: Co. Admtr Cfc 10-2-85

MARY R. BELL, CLERK

LIBER 005 PAGE 80

SUBJ: St. Mary's County, Maryland  
Economic Development Revenue Bond  
(San Souci Plaza Facility) 1985  
Series.

RESOLUTION NO. 85 -23

3:23PM 10/02/85A COI.COM \$0.00  
A Resolution adopted pursuant to and in implementation of Resolution No. 85-15, adopted on July 2, 1985 (the "Authorizing Resolution"), authorizing and providing for the issuance by the County of its revenue bond in the principal amount of \$1,800,000, designated "St. Mary's County, Maryland, Economic Development Revenue Bond (San Souci Plaza Facility) 1985 Series", such Bond being authorized pursuant to the provisions of §§266A through 266-O of Article 41 of the Annotated Code of Maryland; authorizing the private (negotiated) sale of such Bond, the execution, delivery and performance by the County of the Loan and Financing Agreement (the "Financing Agreement"), the Assignment of Note, and other documents (collectively the "Documents") hereinafter referred to, and the lending by the County of the proceeds of such sale to J. Laurence Millison, T/A San Souci Plaza, Regional Shopping Plaza for the purposes set forth in such Resolution; providing that such Bond shall be payable solely from the revenues of the Bond as described in the Loan and Financing Agreement (the "Revenues") shall not constitute an indebtedness of the County or a charge against the general credit or taxing powers of the County within the meaning of any constitutional provision or any provision of County law or statutory limitation and shall never constitute or give rise to any pecuniary liability of the County, other than to pay the same from such Revenues; prescribing the terms, conditions, security, form and tenor of such Bond, including the maturity, interest rates and prepayment provisions of such Bond; providing for the forms of the Documents, and authorizing and directing the execution and delivery thereof; appointing a Bond Registrar for such Bond under this Resolution; and generally providing for and determining various matters in connection with the authorization, issuance, security, sale and payment of such Bond.

RECITALS

SECTION 1. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that pursuant to and in accordance with the Revenue Bond Act and the Resolution, St. Mary's County (the "Issuer") shall issue, sell and deliver a series of the Bonds in the aggregate principal amount of \$1,800,000, designated "St. Mary's County, Maryland Economic Development Revenue Bond (San Souci Plaza Facility), 1985 Series" (the "Bond").

SECTION 2. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall be issued pursuant to a Loan and Financing Agreement to be entered into by and among the Issuer, the Borrower, and Maryland National Bank, a national banking association (the "Lender") in a form to be approved by the President of the Board, as hereinafter provided (the "Financing Agreement").

SECTION 3. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall:

(a) be issued as a single, installment bond, in the principal amount of \$1,800,000, in substantially the form attached to this Resolution as Exhibit 1,



(b) be dated the date of its delivery,

(c) mature as provided in the form of Bond attached hereto as Exhibit 1,

(d) bear interest as provided in the form of Bond attached hereto as Exhibit 1,

(e) be secured as provided in the form of Bond attached hereto as Exhibit 1,

(f) be payable in such amounts, at such times, and at such place or places as provided in the form of Bond attached hereto as Exhibit 1,

(g) be subject to redemption prior to maturity at such price or prices and under such terms and conditions as are set forth in the form of Bond attached hereto as Exhibit 1, and

(h) contain substantially the same terms and provisions of the form of Bond attached hereto as Exhibit 1, which terms and provisions are hereby incorporated by reference into and made a part of this Resolution, and which form of Bond is hereby adopted and approved as the form, tenor and substance of the Bond.

SECTION 4. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Lender shall act as bond registrar for the Bond until such time as any other bond registrar shall be appointed in accordance with the provisions of the Financing Agreement.

SECTION 5. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the proceeds of the Bond shall be lent by the Issuer to the Borrower pursuant to the terms and provisions of the Financing Agreement.

SECTION 6. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall be sold by the Issuer to the Lender, at par, and shall be executed, issued, sold and delivered, at such time and upon such other terms and conditions as may be determined by the Lender and the Borrower. Accordingly, there shall be no preliminary or final official statement in connection with the sale of the Bond, and no contract or contracts of purchase and sale thereof.

SECTION 7. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall be in substantially the form attached hereto as Exhibit 1 and made a part hereof, subject to such changes or modifications in such form as the President of the Board may deem to be required or appropriate in order to accomplish the purpose of the transactions authorized by this Resolution; and the terms, provisions, form, content and substance of such form so attached are hereby adopted and approved. The Financing Agreement and any other document or certificate to be executed and delivered by or to the Issuer in connection with the issuance, sale and delivery of the Bond shall be in such form, and shall contain such provisions as the President of the Board, shall approve; and executions of the Bond and such other documents and certificates by the President of the Board shall be conclusive evidence of his approval of the final terms, provisions, form, content and substance of the Bond and all other documents and certificates executed and delivered in connection therewith, which shall thereupon become binding upon the Issuer.



SECTION 8. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Borrower shall pay directly all costs, fees and expenses incurred by or on behalf of the Issuer in connection with the issuance, sale and delivery of the Bond, including (without limitation) costs of printing (if any) and issuing the Bond, legal expenses (including the fees of bond counsel and counsel to the Issuer) and compensation to any person (other than full-time employees of the Issuer) performing services by or on behalf of the Issuer in connection therewith, to the extent that such costs are not paid from the proceeds of the Bond.

SECTION 9. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the proceeds of the Bond shall not be applied to the funding of reserves or to the payment of interest on the Bond unless so provided in the Financing Agreement which the President of the Board shall approve.

SECTION 10. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS, OF ST. MARY'S COUNTY, MARYLAND, that this Resolution shall take effect on this \_\_\_ day of September, 1985.

WITNESS, the hand and seal of the Board of County Commissioners of St. Mary's County, Maryland, this 24th day of September, 1985.

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

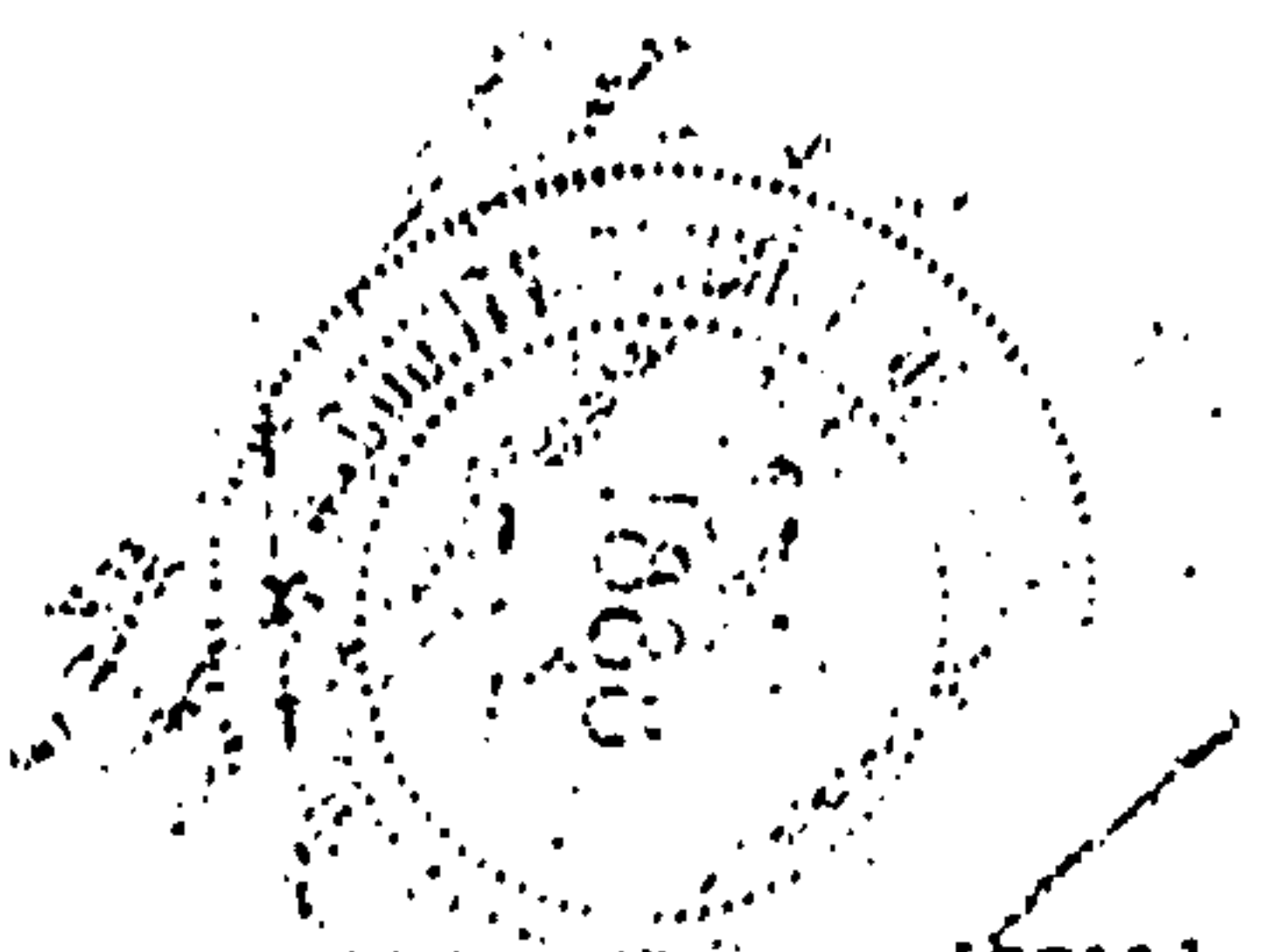
*George R. Hud*  
George R. Hud, President

J. Lawrence Millison, Vice-President

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

*Ford L. Dean*  
Ford L. Dean, Commissioner

*David P. Sayre*  
David P. Sayre, Commissioner



ATTEST: [SEAL]

*Edward V. Cox*  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford  
Assistant County Attorney

*klcl: Co Admtr Afc*

*10-2-85*

MARY R. BELL, CLERK

SUBJ: St. Mary's County, Maryland  
Economic Development Revenue Bond  
(San Souci Plaza Facility) 1985  
Series.

RESOLUTION NO. 85 -23

3:23PM 10/02/85A CO.COM 40.00

A Resolution adopted pursuant to and in implementation of Resolution No. 85-15, adopted on July 2, 1985 (the "Authorizing Resolution"), authorizing and providing for the issuance by the County of its revenue bond in the principal amount of \$1,800,000, designated "St. Mary's County, Maryland, Economic Development Revenue Bond (San Souci Plaza Facility) 1985 Series", such Bond being authorized pursuant to the provisions of §§266A through 266-O of Article 41 of the Annotated Code of Maryland; authorizing the private (negotiated) sale of such Bond, the execution, delivery and performance by the County of the Loan and Financing Agreement (the "Financing Agreement"), the Assignment of Note, and other documents (collectively the "Documents") hereinafter referred to, and the lending by the County of the proceeds of such sale to J. Laurence Millison, T/A San Souci Plaza, Regional Shopping Plaza for the purposes set forth in such Resolution; providing that such Bond shall be payable solely from the revenues of the Bond as described in the Loan and Financing Agreement (the "Revenues") shall not constitute an indebtedness of the County or a charge against the general credit or taxing powers of the County within the meaning of any constitutional provision or any provision of County law or statutory limitation and shall never constitute or give rise to any pecuniary liability of the County, other than to pay the same from such Revenues; prescribing the terms, conditions, security, form and tenor of such Bond, including the maturity, interest rates and prepayment provisions of such Bond; providing for the forms of the Documents, and authorizing and directing the execution and delivery thereof; appointing a Bond Registrar for such Bond under this Resolution; and generally providing for and determining various matters in connection with the authorization, issuance, security, sale and payment of such Bond.

1:50PM 10/04/85A CO.COM 40.00

*Re-recording*

RECITALS

SECTION 1. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that pursuant to and in accordance with the Revenue Bond Act and the Resolution, St. Mary's County (the "Issuer") shall issue, sell and deliver a series of the Bonds in the aggregate principal amount of \$1,800,000, designated "St. Mary's County, Maryland Economic Development Revenue Bond (San Souci Plaza Facility), 1985 Series" (the "Bond").

SECTION 2. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall be issued pursuant to a Loan and Financing Agreement to be entered into by and among the Issuer, the Borrower, and Maryland National Bank, a national banking association (the "Lender") in a form to be approved by the President of the Board, as hereinafter provided (the "Financing Agreement").

SECTION 3. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall:

- (a) be issued as a single, installment bond, in the principal amount of \$1,800,000, in substantially the form attached to this Resolution as Exhibit 1,



- (b) be dated the date of its delivery,
- (c) mature as provided in the form of Bond attached hereto as Exhibit 1,
- (d) bear interest as provided in the form of Bond attached hereto as Exhibit 1,
- (e) be secured as provided in the form of Bond attached hereto as Exhibit 1,
- (f) be payable in such amounts, at such times, and at such place or places as provided in the form of Bond attached hereto as Exhibit 1,
- (g) be subject to redemption prior to maturity at such price or prices and under such terms and conditions as are set forth in the form of Bond attached hereto as Exhibit 1, and
- (h) contain substantially the same terms and provisions of the form of Bond attached hereto as Exhibit 1, which terms and provisions are hereby incorporated by reference into and made a part of this Resolution, and which form of Bond is hereby adopted and approved as the form, tenor and substance of the Bond.

SECTION 4. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Lender shall act as bond registrar for the Bond until such time as any other bond registrar shall be appointed in accordance with the provisions of the Financing Agreement.

SECTION 5. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the proceeds of the Bond shall be lent by the Issuer to the Borrower pursuant to the terms and provisions of the Financing Agreement.

SECTION 6. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall be sold by the Issuer to the Lender, at par, and shall be executed, issued, sold and delivered, at such time and upon such other terms and conditions as may be determined by the Lender and the Borrower. Accordingly, there shall be no preliminary or final official statement in connection with the sale of the Bond, and no contract or contracts of purchase and sale thereof.

SECTION 7. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall be in substantially the form attached hereto as Exhibit 1 and made a part hereof, subject to such changes or modifications in such form as the President of the Board may deem to be required or appropriate in order to accomplish the purpose of the transactions authorized by this Resolution; and the terms, provisions, form, content and substance of such form so attached are hereby adopted and approved. The Financing Agreement and any other document or certificate to be executed and delivered by or to the Issuer in connection with the issuance, sale and delivery of the Bond shall be in such form, and shall contain such provisions as the President of the Board, shall approve; and executions of the Bond and such other documents and certificates by the President of the Board shall be conclusive evidence of his approval of the final terms, provisions, form, content and substance of the Bond and all other documents and certificates executed and delivered in connection therewith, which shall thereupon become binding upon the Issuer.



RESOLUTION NO.: 85-25  
SUBJ: Tall Timbers Second  
Shore Erosion District

LIBER 005 PAGE 86  
RESOLUTION

WHEREAS, the County Commissioners of St. Mary's County, Maryland, have adopted Resolution No. 84-34, establishing the Tall Timbers Second Shore Erosion District, all in accordance with Article 25, Section 167B, of the Annotated Code of Maryland, and,

WHEREAS, the County Commissioners have received a written request for addition to the District from Mr. and Mrs. Irving Zirpel, the owners of a tract of land (Parcel 194, from Tax Map 61), adjoining the southern boundary of the Shore Erosion Control District, whose limits are defined in Resolution No. 84-34, and,

WHEREAS, the County Commissioners held the required Public Hearing for the property owners on September 17, 1985, to present the completed plans, specifications, and construction cost estimate for the proposed stone revetment; all in accordance with Article 25, Section 164, of the Annotated Code of Maryland, and, having provided the required ten (10) day comment period following the Public Hearing and receiving no unfavorable comments, and,

WHEREAS, the County Commissioners are currently acquiring construction and maintenance easements from the property owners for the construction and subsequent maintenance of the proposed stone revetment,

NOW, THEREFORE, BE IT RESOLVED, that all the tract or parcel of land now or formerly owned by Mr. and Mrs. Irving Zirpel, identified as Parcel 194, from Tax Map 61, which by deed is recorded among the Land Records of St. Mary's County, Maryland, at Liber JMMII, Folio 255, and Liber CBG NO. 13, folio 135, is hereby established as part of the Tall Timbers Second Shore Erosion Control District, and is now the southern boundary of said district.

BE IT FURTHER RESOLVED that the County Commissioners of St. Mary's County, Maryland, acting as the District Council, by virtue of Article 25, Section 167C, of the Annotated Code of Maryland, do hereby approve the plans and specifications for the proposed stone revetment for the Tall Timbers Second Shore Erosion Control District, as prepared by Andrews, Miller, and Associates, Inc., and do hereby direct the Maryland Department of Natural Resources to advertise for bids.

8:42AM 10/25/85 CO.COM \$0.00

THIS DATE: 10/22/85

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

*George R. Aug*  
George R. Aug, President

*J. Lawrence Millison*  
J. Lawrence Millison, Vice President

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

*Ford L. Dean*  
Ford L. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

ATTEST:

*Edward V. Cox*  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford  
Assistant County Attorney

MJ

LIBER 005 PAGE 86

Rtd: Co. Admin Office 10-25-85

MARY R. BELL, CLERK

RESOLUTION NO.: 85-25  
SUBJ: Tall Timbers Second  
Shore Erosion District

LIBER 005 PAGE 86  
RESOLUTION

WHEREAS, the County Commissioners of St. Mary's County, Maryland, have adopted Resolution No. 84-34, establishing the Tall Timbers Second Shore Erosion District, all in accordance with Article 25, Section 167B, of the Annotated Code of Maryland, and,

WHEREAS, the County Commissioners have received a written request for addition to the District from Mr. and Mrs. Irving Zirpel, the owners of a tract of land (Parcel 194, from Tax Map 61), adjoining the southern boundary of the Shore Erosion Control District, whose limits are defined in Resolution No. 84-34, and,

WHEREAS, the County Commissioners held the required Public Hearing for the property owners on September 17, 1985, to present the completed plans, specifications, and construction cost estimate for the proposed stone revetment; all in accordance with Article 25, Section 164, of the Annotated Code of Maryland, and, having provided the required ten (10) day comment period following the Public Hearing and receiving no unfavorable comments, and,

WHEREAS, the County Commissioners are currently acquiring construction and maintenance easements from the property owners for the construction and subsequent maintenance of the proposed stone revetment,

NOW, THEREFORE, BE IT RESOLVED, that all the tract or parcel of land now or formerly owned by Mr. and Mrs. Irving Zirpel, identified as Parcel 194, from Tax Map 61, which by deed is recorded among the Land Records of St. Mary's County, Maryland, at Liber JMMII, Folio 255, and Liber CBC NO. 13, folio 135, is hereby established as part of the Tall Timbers Second Shore Erosion Control District, and is now the southern boundary of said district.

BE IT FURTHER RESOLVED that the County Commissioners of St. Mary's County, Maryland, acting as the District Council, by virtue of Article 25, Section 167C, of the Annotated Code of Maryland, do hereby approve the plans and specifications for the proposed stone revetment for the Tall Timbers Second Shore Erosion Control District, as prepared by Andrews, Miller, and Associates, Inc., and do hereby direct the Maryland Department of Natural Resources to advertise for bids.

8:42AM 10/25/85 CC.COM \$0.00

THIS DATE: 10/22/85

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

George R. Aug  
George R. Aug, President

J. Lawrence Millison  
J. Lawrence Millison, Vice President

Richard D. Arnold  
Richard D. Arnold, Commissioner

Ford L. Dean  
Ford L. Dean, Commissioner

David F. Sayre  
David F. Sayre, Commissioner

ATTEST:

Edward V. Cox  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
Joseph R. Densford  
Assistant County Attorney

mj

LIBER 005 PAGE 86

Rtd: Co. Admin. Office 10-25-85

MARY R. BELL, CLERK



RESOLUTION

WHEREAS, NEW COLONY HOMES, INC. has made application to rezone approximately 39 acres of land from R-1, Rural-Residential, to R-2, Low Density Urban Residential. The property is located on Essex Drive in Lexington Park in the Eighth Election District of St. Mary's County, Maryland, as shown on Tax Map 51, Block 4, Parcel 376. The matter is identified as Case No. 85-0599.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on May 27, 1985.

WHEREAS, following deliberation, the Planning Commission, on July 22, 1985, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County, Maryland, that rezoning of the subject property to R-2 be granted.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the Board of County Commissioners conducted a public hearing on the request on August 27, 1985.

WHEREAS, in accordance with the provisions of Section 4.05(a) of Article 66B of the Maryland Annotated Code and Section 70.05 of the St. Mary's County Zoning Ordinance, the Board of County Commissioners has made the following findings of fact with respect to the application:

I. Change in the Character of the Neighborhood:

The neighborhood for the subject property is defined as that area from the Commercial district along Great Mills Road to Willows Road south to Hilton Run. There is insufficient evidence in the record to support a finding that there has been a substantial change in the neighborhood which is adequate to justify the application for rezoning to R-2. The only real change in the neighborhood has been the establishment of the AOA zoning lines. This area was established as R-1 as a precaution in anticipation of the Aircraft Installation Utilization Zone Study being written at the time of the adoption of the Zoning Ordinance.

II. Mistake in Original Zoning:

A mistake occurred in originally zoning the subject property R-1. As noted above, this was done in order to protect the AICUZ study which was being written at the time the property was originally zoned R-1. The adoption of the AOA zones removes the need to maintain the lower R-1 density at this time, and indicates that the original R-1 classification was, in fact, a mistake.

III. Population Change:

From 1970 to 1980 the Eighth Election District has grown in population by 3.7%, according to the last census, and it is estimated that it has increased by six hundred persons per year since 1980. This increase is consistent with the projected growth.

IV. Adequacy of Public Facilities:

A. Water and Sewer - Public water and sewer capacities are available.

B. Storm Sewer - There exists an inadequate storm drainage system north of the site; however, this project will not exacerbate that problem. In fact, this project will make a minor improvement by reducing very slightly the amount of water flowing into the problem drainage area.



No. 85-09

Subj: ZONE #85-0599  
NEW COLONY HOMES

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(Page 2 of 2)

C. Schools, Police, Parks and Recreation, Government Services, Fire and Rescue

No significant impact.

V. Relationship to Comprehensive Plan:

The Eighth District is designated as an area for residential growth.

VI. Fiscal Impact on Government:

Impact fees alone will amount to about \$39,500 in addition to increased real estate taxes and revenue to the Metropolitan Commission. This development should not produce significant negative impacts.

VII. Suitability for Uses in Existing and Proposed Zoning Classifications:

The property is physically suited for development under R-1 or R-2 zoning.

VIII. Compatibility with Existing and Proposed Development:

The subject property is abutted on the north by one-half acre lot developmental PDR-2 zoned property, and on the west by PD-IP zoned property. The proposed R-2 zoning for the subject property is compatible with these surrounding uses, and with existing and proposed development in the area.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 22nd day of October, 1985, that the above-mentioned rezoning request is hereby GRANTED, and the subject property is hereby rezoned from R-1 to R-2.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

\_\_\_\_\_  
GEORGE R. AUD, President

\_\_\_\_\_  
LARRY MILLISON, Vice-President

Richard D. Arnold  
RICHARD D. ARNOLD, Commissioner

Forrest L. Dean  
FORREST L. DEAN, Commissioner

David F. Sayre  
DAVID F. SAYRE, Commissioner

Attest:

Edward V. Cox  
EDWARD V. COX  
County Administrator

Approved as to Legal Sufficiency:

Joseph R. Densford  
JOSEPH R. DENSFORD  
Assistant County Attorney

Att'd: Planning & Zoning

10-25-85

MARY R. BELL, CLERK

A Resolution adopted pursuant to and in implementation of Resolution No. 85-15, adopted on July 2, 1985 (the "Authorizing Resolution"), authorizing and providing for the issuance by the County of its revenue bond in the principal amount of \$1,800,000, designated "St. Mary's County, Maryland, Economic Development Revenue Bond (San Souci Plaza Facility) 1985 Series", such Bond being authorized pursuant to the provisions of §§266A through 266-O of Article 41 of the Annotated Code of Maryland; authorizing the private (negotiated) sale of such Bond, the execution, delivery and performance by the County of the Loan and Financing Agreement (the "Financing Agreement"), the Assignment of Note, and other documents (collectively the "Documents") hereinafter referred to, and the lending by the County of the proceeds of such sale to J. Laurence Millison, T/A San Souci Plaza, Regional Shopping Plaza for the purposes set forth in such Resolution; providing that such Bond shall be payable solely from the revenues of the Bond as described in the Loan and Financing Agreement (the "Revenues") shall not constitute an indebtedness of the County or a charge against the general credit or taxing powers of the County within the meaning of any constitutional provision or any provision of County law or statutory limitation and shall never constitute or give rise to any pecuniary liability of the County, other than to pay the same from such Revenues; prescribing the terms, conditions, security, form and tenor of such Bond, including the maturity, interest rates and prepayment provisions of such Bond; providing for the forms of the Documents, and authorizing and directing the execution and delivery thereof; appointing a Bond Registrar for such Bond under this Resolution; and generally providing for and determining various matters in connection with the authorization, issuance, security, sale and payment of such Bond.

3:23PM 10/02/85A CO.COM \$0.00

RECITALS

1:50PM 10/04/85A CO.COM \$0.00

*Re-Recording*

SECTION 1. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that pursuant to and in accordance with the Revenue Bond Act and the Resolution, St. Mary's County (the "Issuer") shall issue, sell and deliver a series of the Bonds in the aggregate principal amount of \$1,800,000, designated "St. Mary's County, Maryland Economic Development Revenue Bond (San Souci Plaza Facility), 1985 Series" (the "Bond").

SECTION 2. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall be issued pursuant to a Loan and Financing Agreement to be entered into by and among the Issuer, the Borrower, and Maryland National Bank, a national banking association (the "Lender") in a form to be approved by the President of the Board, as hereinafter provided (the "Financing Agreement").

SECTION 3. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall:

(a) be issued as a single, installment bond, in the principal amount of \$1,800,000, in substantially the form attached to this Resolution as Exhibit 1,

RE-RECORDING  
11:17AM 11/01/85A CO.COM \$0.00



- (b) be dated the date of its delivery,
- (c) mature as provided in the form of Bond attached hereto as Exhibit 1,
- (d) bear interest as provided in the form of Bond attached hereto as Exhibit 1,
- (e) be secured as provided in the form of Bond attached hereto as Exhibit 1,
- (f) be payable in such amounts, at such times, and at such place or places as provided in the form of Bond attached hereto as Exhibit 1,
- (g) be subject to redemption prior to maturity at such price or prices and under such terms and conditions as are set forth in the form of Bond attached hereto as Exhibit 1, and
- (h) contain substantially the same terms and provisions of the form of Bond attached hereto as Exhibit 1, which terms and provisions are hereby incorporated by reference into and made a part of this Resolution, and which form of Bond is hereby adopted and approved as the form, tenor and substance of the Bond.

SECTION 4. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Lender shall act as bond registrar for the Bond until such time as any other bond registrar shall be appointed in accordance with the provisions of the Financing Agreement.

SECTION 5. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the proceeds of the Bond shall be lent by the Issuer to the Borrower pursuant to the terms and provisions of the Financing Agreement.

SECTION 6. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall be sold by the Issuer to the Lender, at par, and shall be executed, issued, sold and delivered, at such time and upon such other terms and conditions as may be determined by the Lender and the Borrower. Accordingly, there shall be no preliminary or final official statement in connection with the sale of the Bond, and no contract or contracts of purchase and sale thereof.

SECTION 7. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall be in substantially the form attached hereto as Exhibit 1 and made a part hereof, subject to such changes or modifications in such form as the President of the Board may deem to be required or appropriate in order to accomplish the purpose of the transactions authorized by this Resolution; and the terms, provisions, form, content and substance of such form so attached are hereby adopted and approved. The Financing Agreement and any other document or certificate to be executed and delivered by or to the Issuer in connection with the issuance, sale and delivery of the Bond shall be in such form, and shall contain such provisions as the President of the Board, shall approve; and executions of the Bond and such other documents and certificates by the President of the Board shall be conclusive evidence of his approval of the final terms, provisions, form, content and substance of the Bond and all other documents and certificates executed and delivered in connection therewith, which shall thereupon become binding upon the Issuer.



SECTION 8. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Borrower shall pay directly all costs, fees and expenses incurred by or on behalf of the Issuer in connection with the issuance, sale and delivery of the Bond, including (without limitation) costs of printing (if any) and issuing the Bond, legal expenses (including the fees of bond counsel and counsel to the Issuer) and compensation to any person (other than full-time employees of the Issuer) performing services by or on behalf of the Issuer in connection therewith, to the extent that such costs are not paid from the proceeds of the Bond.

SECTION 9. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the proceeds of the Bond shall not be applied to the funding of reserves or to the payment of interest on the Bond unless so provided in the Financing Agreement which the President of the Board shall approve.

SECTION 10. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS, OF ST. MARY'S COUNTY, MARYLAND, that this Resolution shall take effect on this 27 day of September, 1985.

WITNESS, the hand and seal of the Board of County Commissioners of St. Mary's County, Maryland, this 27th day of September, 1985.

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

*George R. Mad*  
George R. Mad, President

J. Lawrence Millison, Vice-  
President

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

*Ford L. Dean*  
Ford L. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner



ATTEST: [SEAL]

*Edward V. Cox*  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford  
Assistant County Attorney

LIBER 005 PAGE 92

No. R-1

\$1,800,000

UNITED STATES OF AMERICA

STATE OF MARYLAND

ST. MARY'S COUNTY, MARYLAND

ECONOMIC DEVELOPMENT REVENUE BOND

(SAN SOUCI PLAZA FACILITY),

1985 SERIES

September \_\_, 1985

THIS BOND IS BEING ISSUED UNDER THE PROVISIONS OF THE MARYLAND ECONOMIC DEVELOPMENT REVENUE BOND ACT AND DOES NOT CONSTITUTE AN INDEBTEDNESS TO WHICH THE FAITH AND CREDIT OF THE ISSUER IS PLEDGED.

FOR VALUE RECEIVED, COUNTY COMMISSIONERS OF ST. MARY'S COUNTY (the "Issuer"), a body corporate and politic and a political subdivision and a public body of the State of Maryland (the "State"), hereby promises to pay (but only from the sources hereinafter referred to), to Maryland National Bank, a national banking association (the "Lender"), or its registered assigns or legal representative, the principal sum of ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS, and to pay interest from the date hereof (the "Closing Date") on the unpaid principal balance hereof, but only to the extent that moneys are actually advanced pursuant to the Financing Agreement (hereinafter defined), at the fluctuating annual rate which is at all times equal to 77% of the Prime Rate (hereinafter defined) (the "Tax-Exempt Rate"), until this Bond is paid in full (or, if this Bond, or any portion hereof shall have been duly called for early redemption and payment of the redemption price shall have been made, until the date fixed for such early redemption), such principal and interest to be payable at the times and in the manner hereinafter set forth; provided, however, that:

(a) in the event that the maximum federal corporate income tax rate (if any) applicable to the Holder (hereinafter defined) shall be either increased or reduced on or after the Closing Date, the Tax-Exempt Rate shall be adjusted to equal the product obtained by multiplying the Tax-Exempt Rate by a fraction, the numerator of which shall be one minus the new maximum federal corporate income tax rate and the denominator of which shall be one minus the maximum federal corporate income tax rate which was



in effect on the Closing Date (the "Adjusted Tax-Exempt Rate"); provided, however, that (i) the Adjusted Tax-Exempt Rate shall be rounded to the nearest one-tenth of one percent, (ii) in no event shall the Adjusted Tax-Exempt Rate exceed the Taxable Rate (hereinafter defined), and (iii) in no event shall the Adjusted Tax-Exempt Rate be applicable with respect to any Holder not subject to corporate income tax; and

(b) during any period in which the interest payable hereon is for any reason includible in the gross income, as defined in Section 61 of the Internal Revenue Code of 1954, as amended (the "Code"), of the Lender or any subsequent registered owner hereof (the Lender and any such subsequent registered owner being herein sometimes called the "Holder") (but not including any period during which any Holder is a "substantial user" of the Facility (hereinafter defined) or any "related person", within the meaning of Section 103(b) of the Code), the rate of interest payable on the unpaid principal balance hereof shall be the fluctuating annual rate which is at all times equal to the Prime Rate plus 1% per annum (the "Taxable Rate").

As used in this Bond, the term "Prime Rate" means the prime rate of interest established and declared by the Lender from time to time.

All interest on this Bond shall be calculated on the basis of a 360-day year factor applied to actual days elapsed, and shall be adjusted on any date on which a change occurs in the Prime Rate, such new adjusted rate to be based on the Prime Rate established and declared by the Lender on the date of adjustment.

This Bond evidences a loan made by the Lender to the Issuer in the amount of the principal amount hereof, under and pursuant to (a) the Constitution and laws of the State of Maryland, particularly the Maryland Economic Development Revenue Bond Act (the "Revenue Bond Act"), (b) the Resolution adopted by the legislative body of the Issuer on July 2, 1985 (the "Resolution"), and (c) the Approving Resolution adopted by the legislative body of the Issuer on September 27, 1985 (the "Approving Resolution"), for the purpose of lending the proceeds hereof (the "Loan") to Jay Laurence Millison, T/A San Souci Plaza, Regional Shopping Plaza (the "Borrower"), pursuant to the terms and provisions of the Loan and Financing Agreement of even date herewith (the "Financing Agreement") by and among the Issuer, the Lender, and the Borrower, for the purpose of financing, with the proceeds hereof, the costs of the acquisition of a certain "facility" (as defined in the Revenue Bond Act), located or to be located, in St. Mary's County, Maryland (the "Facility"), as more particularly described in the Financing Agreement, and to be leased by the Borrower to the Facility User (as defined in the Financing Agreement). This Bond is secured and entitled to the protection given by the Financing Agreement.



The principal of and interest on this Bond are payable in lawful money of the United States which is legal tender for the payment of all debts and dues, public and private, at the time of payment, in the following manner:

(a) interest on the outstanding principal balance hereof (but only to the extent that proceeds of this Bond are actually advanced by the Lender, each such advance to bear interest from the date it is advanced) shall be due and payable (i) on the first day of each and every month, commencing on the first day of the first month after the Closing Date, and continuing until this Bond has been paid in full, and (ii) on any other date on which a payment of principal (including any redemption) is made on this Bond;

(b) commencing on the first day of October, 1986, and on the first day of each and every month thereafter, continuing to and including the first day of September, 2006, the principal amount hereof shall be paid by 240 consecutive monthly installments in the amounts set forth in Schedule A attached hereto and made a part hereof; and

(c) this Bond shall mature, and the entire unpaid balance of principal hereof and all accrued and unpaid interest hereon shall be due and payable, on the first day of September, 2006 (if not paid earlier).

Notwithstanding any other provision of this Bond (but subject to the right of the Borrower to contest any determination that the interest hereon is includible in the gross income of the Holder hereof, as provided in Section 3.3 of the Financing Agreement), during any period in which the interest payable hereon is payable at the Taxable Rate or at the Adjusted Tax-Exempt Rate, the Issuer agrees to make all payments hereon (but only from the sources herein provided) during any such period in an amount adjusted (retroactively and prospectively) to include interest at the Taxable Rate or at the Adjusted Tax-Exempt Rate, as the case may be.

All payments of principal (including any redemptions) and interest hereon shall be made by check mailed to the Holder at the address indicated on the registration books of the Bond Registrar (hereinafter defined), without the necessity of surrendering or presenting this Bond, and all such payments shall fully discharge the obligation of the Issuer herein to the extent of the payments so made.

In the event any payment hereon is not paid within 15 days from the date on which the same is due and payable, such payment shall continue as an obligation of the Issuer (limited as herein provided), and such payment in default and the entire unpaid principal balance hereof shall bear interest, from the date on

which the payment was due until such payment in default is paid in full, at the fluctuating rate which is at all times equal to the higher of (a) the Tax-Exempt Rate, the Adjusted Tax-Exempt Rate or the Taxable Rate, whichever is then in effect, plus 2% per annum, or (b) the Prime Rate plus 2% per annum. In addition, the Issuer shall pay (solely from the sources herein provided) (a) a late charge in an amount equal to 5% of the amount of any payment of interest or principal as set forth above which is made more than 15 days after the date on which the same is due and payable, and (b) all costs of collection, including attorneys' fees equal to 15% of the sums then due hereunder, if this Bond is referred to an attorney for collection after default (such attorneys' fees not to exceed \$75,000).

This Bond is subject to:

- (a) optional redemption prior to maturity;
- (b) mandatory redemption prior to maturity from Receipts Requiring Mandatory Redemption (as defined in the Financing Agreement);
- (c) mandatory redemption prior to maturity at the option of the Holder; and
- (d) mandatory redemption prior to maturity at the option of the Issuer or the Holder if the interest rate payable on this Bond is increased to the Taxable Rate;

all as provided and prescribed by and with the effect described in Section 2.2 of the Financing Agreement. The amount of any partial redemption prior to maturity shall be applied to the principal installments hereof in the inverse order of their installment payment dates.

The amount of any partial redemption prior to maturity, and the date on which the same is made, shall be noted by the Holder on Schedule B attached hereto and made a part hereof, but the failure to so note any such partial redemption shall not affect the validity of any amounts actually received by the Holder. Except for a redemption of the Bond effected in the manner set forth in the last literary paragraph of Section 2.2(d) of the Financing Agreement, the redemption price of any redemption (whether by optional or mandatory redemption) shall be an amount equal to the principal amount to be redeemed, plus all unpaid interest accrued to the date fixed for redemption.

All payments made hereunder, including all redemptions, shall be applied to the principal hereof and interest hereon in the manner set forth in Section 2.2 of the Financing Agreement. All payments, including all redemptions, shall be applied first to



accrued and unpaid interest and the remainder to principal, unless otherwise provided in Section 2.3 of the Financing Agreement.

Pursuant to the Financing Agreement, the Issuer, among other things, (a) has assigned to the Lender (among other things) the Documents (as defined in the Financing Agreement) (with the exception of certain Reserved Rights of the Issuer), as defined in the Financing Agreement, and (b) has lent the proceeds of this Bond to the Borrower. The proceeds of this Bond will be advanced by the Lender to the Borrower (or for its account) from time to time in accordance with the terms of the Financing Agreement; accordingly, this Bond shall bear interest only to the extent that the Bond proceeds have actually been advanced to the Borrower (or for its account).

Pursuant to the Promissory Note of even date herewith executed and delivered by the Borrower and made payable to the Issuer (the "Note"), the Borrower has agreed to make payments of principal and interest to the Issuer in amounts at least equal to the payments of principal of, premium (if any), and interest on this Bond. With the exception of the Reserved Rights of the Issuer, such payments have been assigned by the Issuer to the Holder for the purpose of repaying the principal of, premium (if any), and interest on this Bond, at the applicable rates set forth above. The Financing Agreement provides that all payments by the Borrower pursuant to the Note are to be made by the Borrower directly to the Holder at the address designated on the registration books maintained by the Bond Registrar (hereinafter defined).

The Borrower's obligations under the Financing Agreement and the Note are secured as provided in the Financing Agreement.

The maturity of this Bond is subject to acceleration as provided in the Financing Agreement.

Reference is hereby made to the Financing Agreement for a full and complete statement of the provisions with respect to the application of the proceeds of this Bond, the collection and disposition of the Documents assigned as security for the payment of this Bond and the interest hereon, the nature and extent of the security and the rights of the Holder of this Bond, the terms and conditions on which, and the purposes for which, this Bond is issued, the terms and conditions under which this Bond may or shall be redeemed prior to maturity, and the rights, duties and obligations of the Issuer thereunder, to all of which the Holder hereof, by acceptance of this Bond, assents and agrees.

THIS BOND AND THE INTEREST ON IT ARE LIMITED OBLIGATIONS OF THE ISSUER, THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON WHICH ARE PAYABLE SOLELY FROM THE PLEDGED RECEIPTS (AS DEFINED IN THE FINANCING AGREEMENT) OR FROM ANY OTHER MONEYS MADE AVAILABLE TO THE ISSUER FOR SUCH PURPOSE; PROVIDED, HOWEVER, THAT UNDER THE



FINANCING AGREEMENT, THE ISSUER HAS RESERVED TO ITSELF, AND HAS NOT PLEDGED OR ASSIGNED, THE RESERVED RIGHTS OF THE ISSUER. AS PROVIDED IN THE REVENUE BOND ACT, NEITHER THIS BOND NOR THE INTEREST HEREON SHALL EVER CONSTITUTE AN INDEBTEDNESS OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR CHARTER PROVISION OR STATUTORY LIMITATION, AND NEITHER SHALL EVER CONSTITUTE OR GIVE RISE TO ANY PECUNIARY LIABILITY OF THE ISSUER.

This Bond shall be registered on the books of the issuer to be kept for that purpose by the Lender or any other person maintaining books for the registration and transfer of this Bond pursuant to the provisions of the Financing Agreement (the "Bond Registrar"). This Bond shall be transferable only upon such books (which transfer shall be similarly noted on the registration table attached hereto as Schedule C and made a part hereof) at such office by the Holder hereof or by its duly authorized officer or attorney. This Bond may be transferred upon presentation hereof at the office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Holder hereof or its duly authorized attorney. Such transfers shall be without charge to the Holder hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Holder requesting such transfer as a condition precedent to the exercise of such privilege.

The Issuer and the Borrower may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes; and neither the Issuer nor the Borrower shall be affected by any notice to the contrary (other than the written notice of transfer referred to in the preceding paragraph).

This Bond, having been made, executed, sealed and delivered in the State of Maryland, shall be construed, interpreted and enforced in accordance with the laws of the State of Maryland as the same are in effect from time to time.

All acts, conditions and things required by the Constitution and laws of the State of Maryland and the Resolution and the Approving Resolution, to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Bond, do exist, have happened and have been performed.

Except as may be otherwise provided in the Financing Agreement, in any case where any date of payment of principal of, premium (if any), or interest on this Bond, or the date fixed for any redemption of this Bond, shall be a day other than a Business Day (as defined in the Financing Agreement), then payment of such principal (and premium, if any) or interest need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the date of payment or the date fixed for redemption.

No covenant or agreement contained in this Bond or in the Financing Agreement shall be deemed to be a covenant or agreement of any Agent (as defined in the Financing Agreement) of the Issuer in his or her individual capacity, and neither the members of the legislative body of the Issuer nor any person executing this Bond or any other Documents (as defined in the Financing Agreement) entered into by the Issuer shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance, execution or delivery hereof.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name and on its behalf by the President of the Board of County Commissioners of the Issuer, by his manual or facsimile signature, and has caused its corporate seal to be impressed or otherwise reproduced hereon and attested by the County Administrator of the Issuer, by his manual or facsimile signature, all as of the date first above written.

ATTEST:

COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY

\_\_\_\_\_  
Edward V. Cox  
County Administrator

By \_\_\_\_\_  
George R. Aud  
President of the Board of  
County Commissioners

[SEAL]

SCHEDULE A

\$1,800,000

UNITED STATES OF AMERICA

STATE OF MARYLAND

ST. MARY'S COUNTY, MARYLAND

ECONOMIC DEVELOPMENT REVENUE BOND

(SAN SOUCI PLAZA FACILITY),

1985 SERIES

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SCHEDULE OF PRINCIPAL INSTALLMENTS

<u>Principal Installment Payment Date (both dates inclusive)</u>	<u>Amount of each Monthly Principal Installment</u>
October 1, 1986 through September 1, 1987	\$ 2,809.00
October 1, 1987 through September 1, 1988	3,073.00
October 1, 1988 through September 1, 1989	3,351.00
October 1, 1989 through September 1, 1990	3,676.00
October 1, 1990 through September 1, 1991	4,021.00
October 1, 1991 through September 1, 1992	4,398.00



<u>Principal Installment Payment Date (both dates inclusive)</u>	<u>Amount of each Monthly Principal Installment</u>
October 1, 1992 through September 1, 1993	\$ 4,811.00
October 1, 1993 through September 1, 1994	5,262.00
October 1, 1994 through September 1, 1995	5,756.00
October 1, 1995 through September 1, 1996	6,295.00
October 1, 1996 through September 1, 1997	6,886.00
October 1, 1997 through September 1, 1998	7,532.00
October 1, 1998 through September 1, 1999	8,239.00
October 1, 1999 through September 1, 2000	9,011.00
October 1, 2000 through September 1, 2001	9,857.00
October 1, 2001 through September 1, 2002	10,781.00
October 1, 2002 through September 1, 2003	11,793.00

Principal Installment  
 Payment Date  
 (both dates inclusive)

Amount of each  
Monthly Principal Installments

October 1, 2003 through September 1, 2004	\$12,899.00
October 1, 2004 through September 1, 2005	14,109.00
October 1, 2005 through August 1, 2006	15,432.00
September 1, 2006	15,420.00

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SCHEDULE B

\$1,800,000

UNITED STATES OF AMERICA

STATE OF MARYLAND

ST. MARY'S COUNTY, MARYLAND

ECONOMIC DEVELOPMENT REVENUE BOND

(SAN SOUCI PLAZA FACILITY),

1985 SERIES

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REDEMPTION SCHEDULE

Date of Redemption

Amount of Redemption

\$



SCHEDULE C

\$1,800,000

UNITED STATES OF AMERICA

STATE OF MARYLAND

ST. MARY'S COUNTY, MARYLAND

ECONOMIC DEVELOPMENT REVENUE BOND

(SAN SOUCI PLAZA FACILITY),

1985 SERIES

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Transfer of Bond

The transfer of this Bond may be registered only by the registered owner in person or by its duly authorized officer or attorney upon presentation hereof to the Bond Registrar, who shall make note thereof in the books kept for such purpose and in the registration blank below.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

LIBER 005 PAGE 104

ASSIGNMENT

FOR VALUE RECEIVED

the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
(Please Print or Typewrite Name and Address of Transferee)

the within Bond of

ST. MARY'S COUNTY, MARYLAND

and does hereby irrevocably constitute and appoint

\_\_\_\_\_  
Attorney to transfer such Bond  
on the books of the within-named Issuer, with full power of  
substitution in the premises.

Dated: \_\_\_\_\_

In the presence of:  
\_\_\_\_\_  
\_\_\_\_\_

Notice: The signature to this  
assignment must correspond with  
the name as it appears on the  
face of the within Bond in every  
particular, without alteration or  
enlargement or any change whatever.

Please insert Social Security  
or other Identifying Number  
of Assignee:  
\_\_\_\_\_

\_\_\_\_\_  
Signature Guaranteed

USER 005 PAGE 105

No. 85-27

Subj: ADOPTION OF LEXINGTON PARK  
TRANSPORTATION PLAN

RESOLUTION

11:18AM 11/01/85A CD.COM 40.00

WHEREAS, by virtue of the authority conferred by Article 66B of the Annotated Code of Maryland, the Planning Commission for St. Mary's County has recommended a proposed Lexington Park Transportation Plan, setting forth in same the objectives, principles, policies and standards which shall serve as a guide to provide safety and better transportation patterns for the citizens of the community, while enhancing and encouraging the continued commercial and residential growth of the County; and

WHEREAS, a joint public hearing on said Plan was held by the Planning Commission and County Commissioners, as required by law, on July 1, 1985, due notice of same having been given by publication in a St. Mary's County newspaper of general circulation fifteen days prior to said hearing; and

WHEREAS, copies of said Plan were referred to adjoining State and local jurisdictions more than sixty days prior to said hearing as required by law; and

WHEREAS, the Planning Commission, on August 12, 1985, approved the Plan as presented at the public hearing on July 1, 1985, after evaluating public comments regarding modifications; and

WHEREAS, the Board of County Commissioners has studied the Plan and the recommendations made by the Planning Commission and by other groups and individuals;

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 29th day of October, 1985 that the LEXINGTON PARK TRANSPORTATION PLAN as presented July 1, 1985 is hereby APPROVED and made a part of the Comprehensive Plan of St. Mary's County.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

George R. Aud  
GEORGE W. AUD, President

LARRY MILLISON, Vice-President

Richard D. Arnold  
RICHARD D. ARNOLD, Commissioner

Forry L. Dean  
FORRY L. DEAN, Commissioner

David F. Sayre  
DAVID F. SAYRE, Commissioner

Attest:

Edward V. Cox  
EDWARD V. COX  
County Administrator

Approved as to Legal Sufficiency:

Joseph R. Densford  
JOSEPH R. DENSFORD  
Assistant County Attorney



NO: 85-28

SUBJ: ECONOMIC DEVELOPMENT  
REVENUE BONDS -  
DEAN LUMBER & SUPPLY CO., INC.

RESOLUTION 2:36PM11/05/85A CO.COM \$0.00

PREAMBLE

A Resolution authorizing the execution of an agreement with Dean Lumber and Supply Company, Inc./or Mark G. Dillow, a Corporation incorporated in the State of Maryland pertaining to the financing of the construction and equipping of the expansion of an existing retail lumber and hardware home center, consisting of approximately 24,000 square feet, within the boundaries of St. Mary's County, Maryland.

RECITALS

WHEREAS, St. Mary's County, Maryland, a political subdivision of the State of Maryland, Issuer by virtue of the laws of the State of Maryland, particularly the Maryland Economic Development Revenue Bond Act, Sections 266-A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Act"), and the authorities therein mentioned, wishes to take the necessary actions for the issuance of economic development revenue bonds of the Issuer, in order to assist Dean Lumber and Supply Company, Inc./or Mark G. Dillow in financing the construction and equipping of the expansion of an existing retail lumber and hardware home center ("Project") more particularly described in the form of agreement attached hereto as Exhibit 1, which Project will be located within the boundaries of the Issuer;

NOW, THEREFORE, be it resolved by the Board of County Commissioners of St. Mary's County, Maryland:

SECTION I. The Board of County Commissioners does hereby find and determine that:

- (a) The Project constitutes a "facility" within the meaning of that term as defined in Section 266-A of the Act; and
- (b) The Project is consistent with the legislative purpose of Section 266-B, i.e., to relieve conditions of unemployment, to encourage the increase of industry and commerce and a balanced economy, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State of Maryland, to promote economic development and to generally promote the health, welfare, and safety of the residents of St. Mary's County and the State of Maryland.

SECTION II. In order to assist in financing of the Project, the Board of County Commissioners hereby agrees to authorize and issue revenue bonds of the Issuer, in an aggregate amount now estimated not to exceed \$1,200,000, pursuant to the Act, upon the terms provided in the form of agreement attached hereto as Exhibit 1, to bind and inure to the benefit of the Issuer and Dean Lumber and Supply Company, Inc./or Mark G. Dillow, which form of agreement is hereby in all respects approved. Any three (3) Commissioners are hereby authorized and directed to execute such agreement substantially in such form, with such changes as are not adverse to the Issuer as such Commissioners may approve, such execution being conclusive evidence of approval of any such changes.

NO: 85-28

SUBJ: ECONOMIC DEVELOPMENT  
REVENUE BONDS -  
DEAN LUMBER & SUPPLY CO., INC.


Page 2

SECTION III. It is found and determined that all formal actions of the Board of County Commissioners concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Board, and that all deliberations of the Board and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements of the State of Maryland and the Act.

SECTION IV. This Resolution shall be in full force and take effect immediately upon its adoption.

WITNESS, the Hand and Seal of the Board of County Commissioners of St. Mary's County, Maryland, this 29th day of October, 1985.

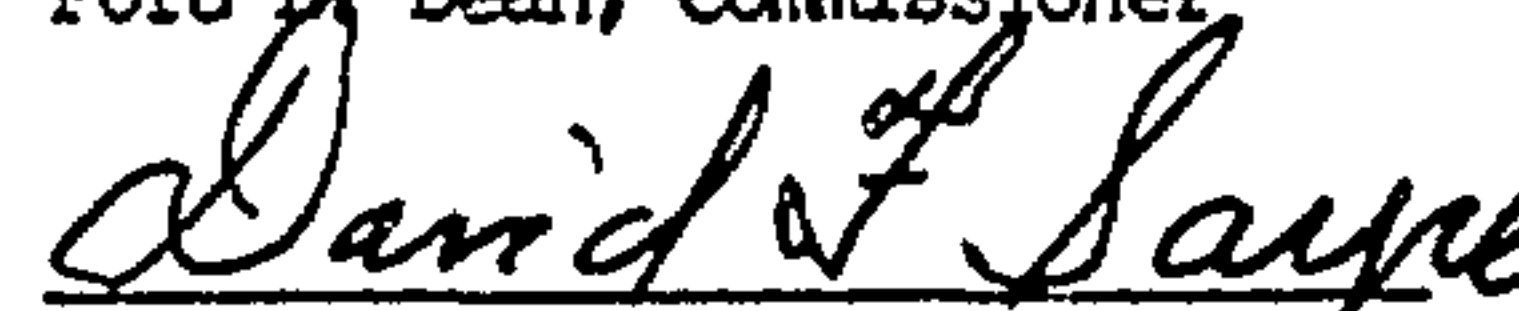
BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

  
George R. Aud, President


  
Larry Millison, Vice-President

  
Richard D. Arnold, Commissioner


Ford L. Dean, Commissioner

  
David F. Sayre, Commissioner

ATTEST:

  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

  
Joseph R. Densford  
Assistant County Attorney



AGREEMENT TO ISSUE BONDS

This Agreement entered into this 29th day of October 1985 by and between the Board of County Commissioners of St. Mary's County, Maryland, hereinafter referred to as "Issuer," a political subdivision duly organized and validly existing under the Constitution and Laws of the State of Maryland and Dean Lumber & Supply Company, Inc./or Mark G. Dillow, a Corporation, created in the State of Maryland, hereinafter referred to as "Project Owner," to relieve conditions of unemployment, to encourage the increase of industry and commerce and a balanced economy, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State of Maryland, to promote economic development and to generally promote the health, welfare, and safety of the residents of St. Mary's County and the State of Maryland under the following circumstances:

- A. The Project Owner desires to finance costs of a facility (the "Project") which will include the construction and equipping of the expansion of a retail lumber and hardware home center, consisting, in the aggregate, of approximately 24,000 square feet, on the Northeast side of new Route 235 in Hollywood, approximately one half mile south of intersection Route 245 and Route 235, located in St. Mary's County, Maryland within the boundaries of the Issuer, which Project will be owned by the Project Owner.
- B. The Project Owner has requested that the Issuer issue economic development revenue bonds pursuant to the Maryland Economic Development Revenue Bond Act, Section 266-A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Act"), in an aggregate principal amount now estimated not to exceed \$1,200,000 (the "Bonds"), to assist in the financing of the Project, and is agreeable to making payments to the Issuer sufficient to pay all the principal and premium, if any, and interest on the Bonds.
- C. The Issuer is willing to issue the Bonds and desires to obtain the economic benefits from the Project. As an inducement to and in consideration of the Project Owner's plan with respect to the Project, the Issuer and the Project Owner agree as follows:
  1. The Project Owner shall commence and continue to cause to be commenced and continued, the construction and equipping of the Project as soon as feasible and the Project Owner will provide, or cause to be provided, at its own expense, the necessary interim financing to permit construction and equipping of the Project to commence and continue. Upon the issuance of the Bonds, the Issuer and the Project Owner will enter into one or more agreements (the "Financing Agreement") with respect to the Project and the financing thereof. The Financing Agreement shall be in the form of a loan agreement, a conditional or installment sale agreement, or a lease with the option to purchase and may contain such terms and conditions as provided or permitted under the Act.



Provided, however, that the Financing Agreement shall require payment sufficient to pay the principal of and premium, if any, and interest of such Bonds as may be issued with respect to the Project, or a portion thereof, which is subject to such Financing Agreement. In order to secure the payment of the principal of and premium, if any, and interest on the Bonds, the Issuer may also enter into a trust agreement or mortgage with the Project Owner which shall have such terms and conditions as may be provided or permitted under the Act. The Issuer shall not have any financial responsibility with respect to the Bonds or the Project except from income and revenue actually derived by the Issuer with respect to the Bonds and the Project.

2. Upon receipt of a request from the Project Owner, the Issuer will promptly issue the Bonds in one or more series, maturing in such amounts and times, bearing interest at such rate or rates, payable on such dates and containing such optional and mandatory redemption features and prices as are requested by the Project Owner and will deliver the Bonds to the purchaser or purchasers thereof and cooperate to its fullest extent in consummating the transaction.
3. In order to induce the Issuer to execute and deliver this Agreement, and ultimately to issue the Bonds, the Project Owner hereby represents and agrees:
  - a. The assistance to be provided under this Agreement and the commitments thereto made by the Issuer have induced the Project Owner to locate the Project within the boundaries of the Issuer and will create additional jobs and employment opportunities therein.
  - b. The Project Owner will defend, indemnify and hold the Issuer and any and all officials thereof harmless against any and all losses, costs, expenses, claims, or actions arising out of or connected with the execution of the Agreement, and the preparation of, proceedings for, and the issuance, sale or delivery of the Bonds.
4. This Agreement will be binding upon the Project Owner, its successors and assigns.

IN WITNESS, WHEREOF, the Issuer, pursuant to the Resolution duly adopted on 29th day of October by the Board of County Commissioners, has caused this Agreement to be executed by at least three (3) County Commissioners and the Project Owner has caused it to be executed, all as of the date and year first above written.

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

George R. ..., President

Larry Millison, Vice-President

Richard D. Arnold, Commissioner

Ford L. Dean, Commissioner

David F. Sayre, Commissioner

ATTEST:

Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
Assistant County Attorney

ATTEST:

DEAN LUMBER & SUPPLY COMPANY, INC.

Mark G. Dillow, Vice-President

Mark G. Dillow (individual)



No. Z#85-10

Subj: J. L. MILLISON/SHANNON FARMS

ZPUD # 84-1230

RESOLUTION

WHEREAS, J. L. Millison has made application to designate a parcel of land as PDR 3.0, Planned Development Residential, to permit 738 building units, known as "Shannon Farms", containing approximately 250 acres and located on the Chesapeake Bay and Hermanville Road, on Tax Map 52, Block 10, Parcel 8 in the Eighth Election District of St. Mary's County, Maryland. The matter is docketed as Case No. 84-1230.

WHEREAS, following publication of notice and notification of property owners within 200 feet of the subject parcel by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on April 8, 1985.

WHEREAS, following deliberation, the Planning Commission on July 22, 1985, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County, that designation of the subject property as PDR 3.0 be granted, subject to certain conditions.

WHEREAS, the Board of County Commissioners, after publication of notice and notification of all property owners within 200 feet of the subject parcel by certified mail, conducted a public hearing on the request on August 27, 1985.

WHEREAS, the Board of County Commissioners deliberated on the application at a public meeting held on October 8, 1985.

WHEREAS, the PDR 3.0 zoning classification is a "floating zone" and therefore not subject to the "change or mistake" rule set forth in Article 66B of the Maryland Annotated Code and the St. Mary's County Zoning Ordinance.

WHEREAS, the Board of County Commissioners finds that the designation of the subject property as PDR 3.0 will encourage innovative and creative design of residential and commercial development; facilitate use of the most advantageous construction techniques; and maximize the conservation and efficient use of open space and natural features. It will further the purposes and provisions of the comprehensive plan and conserve public fiscal resources; efficiently utilize public facilities and resources; and provide a broad range of housing and economic opportunities to present and future residents of St. Mary's County.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND this \_\_\_\_\_ day of October, 1985, that the subject property is hereby designated as PDR 3.0, and the the development plan prepared by the Land Planning and Design Group, Inc., dated July 2, 1985, is hereby APPROVED, subject to the following conditions:



1. Sediment and stormwater controls shall be designed so that levels of sedimentation and stormwater pollutants, both during and after construction, do not exceed predevelopment levels.

2. Eroding embankments on the property shall be stabilized and currently unvegetated steep slopes and shoreline areas shall be shaped and planted with a vegetative cover, prior to construction in those areas. Any site plan must address erosion control and erosion control procedures must be in place prior to the issuance of the 101st dwelling unit building permit, regardless of whether a site plan has been approved for those areas.

3. Ultimate responsibility for maintenance of wetlands, stream valleys, wildlife areas, and areas of open space, shall rest with a Homeowners' Association or the developer. The County shall request the Maryland Department of Natural Resources to develop a plan for preservation and management of these areas, though any costs associated with development of the plan and management thereof shall be borne by the developer/owner or the Homeowners' Association.

4. Erosion control and stabilization shall be accomplished by methods approved by the Soil Conservation Service and Planning Commission.

5. Any wells drilled shall be at least into the Mattapany Aquifer, unless the Maryland Water Resources Administration shall certify that such is not feasible.

6. At such time or times as site development plans are prepared and submitted to the County for review and approval, the County may retain the services of a consulting engineer to review such plans. Further, the County may retain the services of additional consultants to monitor various phases of construction, including, but not limited to sediment, erosion and stormwater controls. Any private consultant costs shall be borne by the developer/owner. The County shall also request review services from the U. S. Soil Conservation Service and the Maryland Departments of State Planning, Natural Resources, and Health and Mental Hygiene. Such reviews shall be considered by the County if completed in a timely fashion, as part of the regular T.E.C. process. The developer/owner shall comply with all site plan requirements imposed by the County.

7. In addition to ordinary bonding requirements for the completion of public utilities and roads, the developer/owner shall post sufficient corporate surety bonds or other guarantee devices to insure completion and proper maintenance of stormwater control devices for the protection of wetlands, streams and the Chesapeake Bay.

8. In addition to any development requirements contained in the County Zoning Ordinance that may apply to Planned Unit Developments, if no constructed improvements have been commenced after five (5) years from the date hereof, the PDR 3.0 designation of the subject property shall then revert to its former R-1 zoning classification.

9. The recommendations of the Department of State Planning, as contained in its letter dated July 17, 1985, addressed to Robin Guyther with attachments, shall be

incorporated as conditions of approval and development.

10. Development be limited to a maximum of one hundred (100) residential units per twelve (12) month period.

11. Long Lane must be expanded to four (4) lanes when total of one thousand (1000) building permits have been issued at Cedar Cove and Shannon Farms, combined.

12. The turn lane at Hermanville Road and Route 235, the deceleration lane at Hermanville Road and Long Lane, and the passing lane opposite Long Lane shall be constructed prior to the one thousandth (1000) dwelling unit building permit being issued at Cedar Cove and Shannon Farms, combined.

The undersigned applicant hereby accepts the conditions set forth above for designation of the subject property as PDR 3.0, which shall be binding on the applicant, together with his personal representatives, heirs and assigns.

Dated and signed this date.

WITNESS:

*F. Michael Harris*

*J. E. Millison*  
E. Millison

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

ATTEST:

*Edward V. Cox*  
EDWARD V. COX  
County Administrator

GEORGE R. AUD, President

APPROVED AS TO LEGAL  
SUFFICIENCY:

*Joseph R. Densford*  
JOSEPH R. DENSFORD  
Assistant County Attorney

*Richard D. Arnold*  
RICHARD D. ARNOLD  
Commissioner

*David F. Sayre*  
DAVID F. SAYRE  
Commissioner

*Ford L. Dean*  
FORD L. DEAN  
Commissioner

2:20PM11/13/858 CO.COM \$0.00

*Rtd: Patricia Day*

11-13-85

MARY R. BELL, CLERK



NO: 85-26

SUBJ: LIABILITY INDEMNIFICATION  
PLAN - AMENDMENT

12:17PM 11/13/85A CD.COM 90.00

RESOLUTION

WHEREAS, the Board of County Commissioners effective the 6th day of April, 1982 established for St. Mary County Government a Liability Indemnification Plan; and

WHEREAS, For purpose of clarity the Plan needs Amendment;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners that the Liability Indemnification Plan is amended as indicated in the Plan, a copy of which is attached hereto.

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

*George R. Aud*  
George R. Aud, President

*Larry Millison*  
Larry Millison, Vice-President

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

*Ford L. Dean*  
Ford L. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

ATTEST:

*Edward V. Cox*  
Edward V. Cox, County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford  
Assistant County Attorney



ST. MARY'S COUNTY GOVERNMENT  
LIABILITY INDEMNIFICATION PLANI. Declaration of Indemnification

The County Commissioners of St. Mary's County, Maryland, to protect those individuals performing governmental services on behalf of the County government against specified risks and to protect individuals from specified injuries and damages resulting therefrom, hereby declare that they will defend, save harmless and indemnify any officer, agent or employee, whether elective or appointive, against any tort professional liability claim or demand, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of duty. Additionally, the County will compromise and settle any such claim or suit and pay the amount of any settlement or judgement rendered thereon.

II. Definitions

For the purpose of this Indemnification Plan only the following definitions shall apply.

A. Employee

An officer, agent or employee, hereinafter collectively referred to as "employee", shall include all persons employed by the County Commissioners of St. Mary's County, Maryland, including the County Commissioners, whose pay comes in whole or in part from County funds and who are working under the direction or control of any official or department of the County. The term "employee" specifically excludes any person or organization contracting to perform services or act for the County Commissioners of St. Mary's County, Maryland, as an independent contractor. The term "employee" shall also include any person serving with or without compensation in any form as a member of one of the County's Boards, Task Forces or Commissions duly established by the County Commissioners of St. Mary's County, Maryland, to advise on matters of policy or procedure, i.e., Board of Appeals, Planning Commission, Airport Commission, Nursing Home Board, etc.

B. Performance of Duty

The term "performance of duty" shall be interpreted as broadly as possible to include any situation in which an employee of the County Commissioners of St. Mary's County, Maryland, could conceivably be deemed to be acting within the scope of his employment. The term "performance of duty" shall not include any act or omission constituting deliberate and intentional tortious or criminal conduct or malfeasance in office or willful or wanton neglect of duty.

C. County

The term "County" shall be interpreted to refer to the County Commissioners of St. Mary's County, Maryland.

III. Defense of Actions

The County reserves the right to designate the attorney appointed to defend any employee in any tort or professional liability action pursuant to Section I of this Indemnification Plan.

IV. Liability Limitations

The County agrees to indemnify any employee up to, but not to exceed, the amount of \$1,000,000 per claim/per employee with an aggregate limit of \$3,000,000 per claim against multiple employees arising out of the same occurrence.

V. Payment and Allocation of Claims

All claims to be paid as a result of the indemnification provided by this plan may be paid from any insurance benefits from policies purchased by St. Mary's County or any other fund established for these projects.

VI. Cooperation of Employee

No defense or indemnification shall be provided by the County to any employee in any of the following circumstances:

- A. If the employee fails to use due care in reporting to the County Attorney, the Director of Finance, or to the employee's department head any incident which he might reasonably expect could result in a claim of tort liability against him, or the County.
- B. If any employee fails to notify the County Attorney or the Director of Finance of any notice of claim or summons and complaint served upon him commencing a suit for damages reimbursable under this plan. Such notice shall be given to the County Attorney within ten working days of its service upon the employee.
- C. If an employee fails to exercise reasonable efforts to notify the County Attorney or the Director of Finance of any claim which is informally asserted against him for damages reimbursable under this plan.
- D. If any employee refuses or in any other way fails to cooperate with an investigation or defense of any lawsuit by the County Attorney or his designee.

VII. Effect of Other Insurance, Bond or Indemnification Plan

If the County or employee against whom a claim reimbursable under this plan is asserted has any other valid insurance, bond or indemnification plan available paying for the loss or damage alleged against him, such

Effect of Other Insurance, Bond or Indemnification Plan(Continued)

Insurance, bond or other plan will be first applied to the payment of any claim. In this event the obligation of the County to indemnify and save harmless the employee shall exist only for liability he incurs in excess of such other coverage.

VIII. Subrogation Rights of County

In the event of any payment under this plan, the County shall be subrogated to all of the employee's rights of recovery therefor against any person or organization and the employee shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The employee shall do nothing after loss to such rights.

IX. Assignments Prohibited

Assignment of interest under this plan is not permitted without the written consent of the County and no such assignment shall bind the County unless such written consent is given prior to assignment. If, however, the employee shall die, the benefits of this plan shall be available to and apply fully to the employee's legal representative, but only while acting within the scope of his duties as such.

X. Continuation of Protection

Any defense and indemnification available to an employee under this plan shall continue to be available to him after the termination of his employment so long as the act or omission causing his liability occurred during the course of his duties while an employee of the St. Mary's County government. Such defense and indemnification shall not be available to a former employee, however, in the event that the tort or professional liability claim against him is asserted as a counter claim or set off in any suit brought by the employee, except to the extent that the liability of such employee may exceed the amount of his own claim or suit.



NO : 85-29

SUBJ: JOINT USE OF WELLS

RESOLUTION

WHEREAS, On April 16, 1985, the Board of County Commissioners adopted Resolution No. 85-09 (Joint Use of Wells) believing it to be in the public interest that under certain conditions and with proper safeguards, the sharing of a drilled water well by two or more separate properties can be cost effective and pose no undue threat to public health; and,

WHEREAS, Further review of Joint Use of Wells indicate the advisability of making certain amendments to the governing policy; namely, a maximum of six instead of four dwelling units and an annual chemical testing;

BE IT THEREFORE RESOLVED, That in St. Mary's County, Maryland that a private water system with one drilled well to an approved aquifer shall be permitted under the following conditions:

1. No more than a maximum of six dwelling units, each located on separate parcels (lots) of record or one or more parcels (lots) of record, shall be so served.
2. An "Agreement for Joint Use of a Well" shall be entered into among the owner(s) of the parcels or lots served by such system. The executed Agreement shall be on a form approved by the County Health Department, the St. Mary's Metropolitan Commission and the St. Mary's County Board of Health and shall be recorded among the Land Records and also filed with the County Health Department. The Agreements shall set forth, among other provisions, the respective responsibilities of the owners of the private water system, the County Health Department and Metropolitan Commission.
3. At the time of the establishment of the private water system, the water shall be tested bacteriologically monthly for the first three months after initial installation, and, thereafter, on a semi-annual basis. The water shall additionally be tested chemically once each year. Collection of samples and laboratory testing shall be performed by a person, agency or firm approved by the County Health Department. In individual cases, approved disinfection, corrective action and more frequent testing may be required by the County Health Department if test results so warrant. Test results shall be filed with the County Health Department.
4. The interconnecting of two or more private water systems shall be prohibited unless approved by the County Health Department and Metropolitan Commission.
5. Each dwelling unit served by a private water system shall be served by its own individual water line installed with a backflow prevention valve and in such a manner that if the water supply is cut off to one dwelling unit, the other dwelling units served by the system shall be unaffected.
6. There shall be no requirement for chlorination in systems described herein unless test results indicate that such is necessary.
7. The costs associated with the installation, operation, maintenance, repair of such private water systems shall be borne jointly by the owners/users of the system.
8. Plans and specifications for these private water systems shall be submitted to the County Health Department, and as appropriate the Metropolitan Commission, for approval and shall be constructed in conformance with the current Plumbing Code for St. Mary's County or the St. Mary's Metropolitan Commission's Water and Sewer Construction Standards as appropriate.

9. It shall be expressly prohibited for a developer/owner of a single subdivision consisting of more than six (6) lots to create hereunder multiple, adjacent or contiguous private water systems with each well serving up to six (6) dwelling units. Likewise, an individual(s) shall not be permitted to create adjacent or contiguous subdivisions consisting of four (4) or fewer lots for the purpose of serving the subdivisions thus created with adjacent or contiguous private water systems as provided for herein.

10. An interagency agreement shall be entered into between the County Health Department and the Metropolitan Commission. Said agreement shall define the respective role and responsibilities of each agency in the administration of these private water systems.

11. This Resolution shall apply to those private water systems established after the effective date hereof and nothing herein shall be deemed to apply to those private water systems established prior to such date. In the case of expansion of such prior systems, or in the case of clear and definite health hazards associated with any such prior systems, then in those cases the provisions of this Resolution shall apply.

Effective this the 19TH day of NOVEMBER, 1985.

BOARD OF HEALTH  
ST. MARY'S COUNTY, MARYLAND

*George W. Aud*  
George W. Aud

Larry Millison

*Richard D. Arnold*  
Richard D. Arnold

*Ford L. Dean*  
Ford L. Dean

*David F. Sayre*  
David F. Sayre

ATTEST:

*Edward V. Cox*  
Edward V. Cox  
County Administrator

APPROVED AS TO LEAL SUFFICIENCY:

*Joseph R. [Signature]*  
County Attorney

101184W11/21/85 CO.COM 40.00

Rt'd: Judy / Co. Comm

11-21-85

MARY R. BELL, CLERK



RESOLUTION

WHEREAS, The Board of Education of St. Mary's County has prepared a Six Year Capital Improvement Program Request for FY-1987 through FY-1992 which requests State funding for various public school facilities projects in St. Mary's County; and

WHEREAS, The County Commissioners have reviewed the said Capital Improvement Program Request.

NOW, THEREFORE, BE IT RESOLVED, By the Board of County Commissioners of St. Mary's County, Maryland, that they are fully knowledgeable of the fact that in addition to the requested State funding, county funds may be required to design, construct, and equip the school facilities projects contained in the Capital Improvement Program Request and;

FURTHER, BE IT RESOLVED, That the County Commissioners of St. Mary's County, Maryland fully intend to provide such operational funds and services as are or may become necessary to adequately operate, maintain and staff those public school facilities constructed with the use of State funds provided by the State Public School Construction Program for FY-1987.

This Date: 11/19/85

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

*George R. Aud*  
George R. Aud, President

Larry Millison, Vice-President

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

*Foran L. Dean*  
Foran L. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

ATTEST:

*Edward V. Cox*  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford  
Assistant County Attorney

10:18AM 11/21/85 CD.COM 40.00



No. 785-08

Subj: ZONE #85-0342  
B. F. ASHER

LIBER 005 PAGE 121

RESOLUTION

WHEREAS, B. F. ASHER has made application to rezone approximately 47 acres of land on the east side of Maryland Route 5, Charlotte Hall, behind the Post Office, from AR, Agricultural-Residential, to I-1, Industrial. The property is located in the Fifth Election District of St. Mary's County, Maryland, on Tax Map 4, Block 23, Parcels 41 and 286. The matter is identified as Case No. 85-0342.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on May 13, 1985.

WHEREAS, following deliberation, the Planning Commission, on June 10, 1985, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County that the subject property be rezoned from AR to I-1.

WHEREAS, the Board of County Commissioners, after publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, conducted a public hearing on the request on July 9, 1985.

WHEREAS, following deliberation on July 23, 1985, the County Commissioners, in accordance with the provisions of Section 4.05(a) of Article 66B of the Maryland Annotated Code and Section 70.05 of the St. Mary's County Zoning Ordinance, find as fact the following with regard to the request:

I. Change in Character of the Neighborhood:

This was not an issue in this case.

II. Population Change:

From January 1, 1980 to January 1, 1985 the Fifth Election District has grown in population by 5.2%, from 7,376 to 7,766.

III. Adequacy of Public Facilities:

The primary public facility which would be affected if rezoning is granted is Maryland Route 5. The last traffic count near this property showed 14,800 vehicles per day. The road has a capacity of 30,000 vehicles per day. Thus, it appears there is road capacity to serve this project. Entrances to the property already exist.

There is the possibility that there could be a use established which would use a large amount of water. This situation would have to be re-evaluated through the regular permitting process if such a use were proposed.

IV. Present and Future Transportation Patterns:

This rezoning would not have a major impact on Maryland Rte. 5.

V. Relation to Comprehensive Plan:

Though the Plan does not specifically address the locations of new industrial areas, it does recommend that these types of uses should be established in areas where similar types of uses already exist.

VI. Fiscal Impact on Government:

The change in zoning may increase property taxes.

No. Z85-08

Subj: ZONE #85-0342  
B. F. ASHER

(Page 2 of 2)

USER 005 PAGE 122

VII. Suitability of Property for Uses Under Existing and Proposed Zoning Classifications:

Unless the existing uses are removed from the property, the tract is most suitable for industrial uses.

VIII. Compatibility with Existing and Proposed Development for the Area:

Between this property and the highway are several intensive commercial uses; namely, a farm supply business and an auto repair and tire installation facility. Also existing is a restaurant and retail stores and a vacant commercial lot. The northwest side of the property borders another large tract owned by the Asher family. To the northeast and southeast are large, undeveloped tracts. Given the existing development, this proposal appears to be compatible. In addition, an 80 ft. buffer is required for any industrial uses which abut residential property.

IX. Mistake in Original Zoning:

In 1974 this property was a single parcel under the ownership of the senior Mr. Asher. Prior to the adoption of the Zoning Ordinance on May 28, 1974, a Building Permit for an asphalt plant was issued on February 14, 1974, and construction began.

Because this industrial use was established prior to the adoption of County-wide zoning, it was a mistake not to zone the property Industrial.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, this 17th day of September, 1985, that the above-mentioned rezoning request is GRANTED and the subject property is hereby reclassified from AR to I-1.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

George R. Aud  
GEORGE R. AUD, President

Larry Millison  
LARRY MILLISON, Vice-President

RICHARD D. ARNOLD, Commissioner

Ford J. Dean  
FORD J. DEAN, Commissioner

David F. Sayre  
DAVID F. SAYRE, Commissioner

ATTEST:

Edward V. Cox  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
JOSEPH R. DENSFORD  
Assistant County Attorney

2:16PM 11/21/85 CD.COM \$0.00

Rtd: Patricia Duff 11-21-85

MARY R. BELL, CLERK



NO: 85-31

SUBJ: ECONOMIC DEVELOPMENT  
REVENUE BONDS -  
PATUXENT PARK WEST  
LIMITED PARTNERSHIPINDUCEMENT RESOLUTION 11:06AM12/04/85A CD.COM \$0.00PREAMBLE

A Resolution authorizing the execution of an agreement with Patuxent Park West Limited Partnership, a limited partnership to be created in the State of Maryland pertaining to the financing of the acquisition, construction and equipping of approximately 190 multi-family rental units to be located in Patuxent Park West, a property located north of Maryland Route 246, Great Mills Road, and west of Saratoga Drive in the Eighth Election District in the Lexington Park area, within the boundaries of St. Mary's County, Maryland.

RECITALS

WHEREAS, St. Mary's County, Maryland, a political subdivision of the State of Maryland, Issuer by virtue of the laws of the State of Maryland, particularly the Maryland Economic Development Revenue Bond Act, Sections 266-A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Act"), and the authorities therein mentioned, wishes to take the necessary actions for the issuance of economic development revenue bonds of the Issuer, in order to assist Patuxent Park West Limited Partnership in financing the acquisition, construction and equipping of approximately 190 multi-family rental units to be located in Patuxent Park West, a property located north of Maryland Route 246, Great Mills Road, and west of Saratoga Drive in the Eighth Election District in the Lexington Park area ("Project") more particularly described in the form of agreement attached hereto as Exhibit 1, which Project will be located within the boundaries of the Issuer;

NOW, THEREFORE, be it resolved by the Board of County Commissioners of St. Mary's County, Maryland:

SECTION I. The Board of County Commissioners does hereby find and determine that:

- (a) The Project constitutes a "facility" within the meaning of that term as defined in Section 266-A of the Act; and
- (b) The Project is consistent with the legislative purpose of Section 266-B, i.e., to relieve conditions of unemployment, to encourage the increase of industry and commerce and a balanced economy, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State of Maryland, to promote economic development and to generally promote the health, welfare, and safety of the residents of St. Mary's County and the State of Maryland.

SECTION II. In order to assist in financing of the Project, the Board of County Commissioners hereby agrees to authorize and issue revenue bonds of the Issuer, in an aggregate amount now estimated not to exceed \$11,000,000, pursuant to the Act, upon the terms provided in the form of agreement attached hereto as Exhibit 1, to bind and inure to the benefit of the Issuer and Patuxent Park West Limited Partnership, which form of agreement is hereby in all respects approved. Any three (3) Commissioners are hereby authorized and directed to execute such agreement substantially in such form, with such changes as are not adverse to the Issuer as such Commissioners may approve, such execution being conclusive evidence of approval of any such changes.



LIBER 005 PAGE 124

NO: 85-31

SUBJ: ECONOMIC DEVELOPMENT  
REVENUE BONDS -  
PATUXENT PARK WEST  
LIMITED PARTNERSHIP

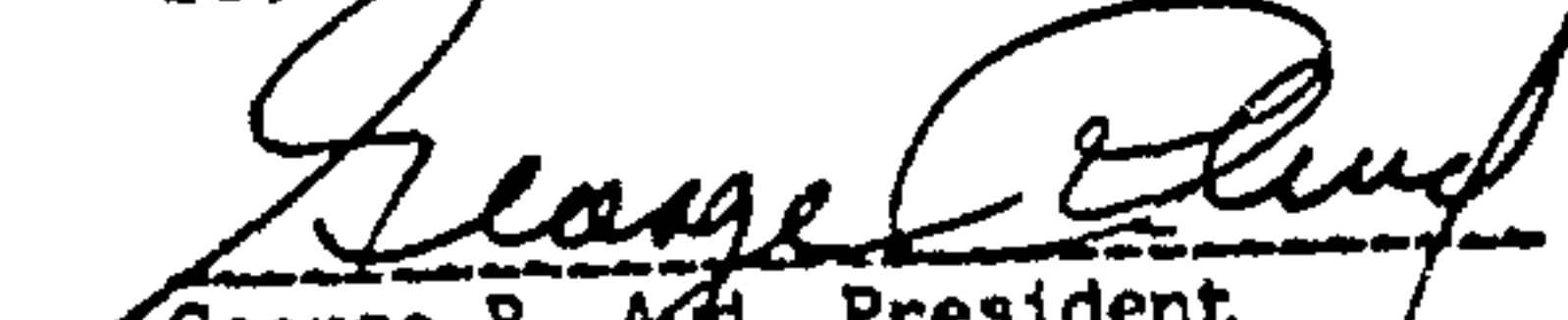
Page 2

SECTION III. It is found and determined that all formal actions of the Board of County Commissioners concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Board, and that all deliberations of the Board and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements of the State of Maryland and the Act.

SECTION IV. This Resolution shall be in full force and take effect immediately upon its adoption.


WITNESS, the Hand and Seal of the Board of County Commissioners of St. Mary's County, Maryland, this 19th day of November, 1985.


BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

  
George R. Add, President


Larry Millison, Vice-President

  
Richard D. Arnold, Commissioner

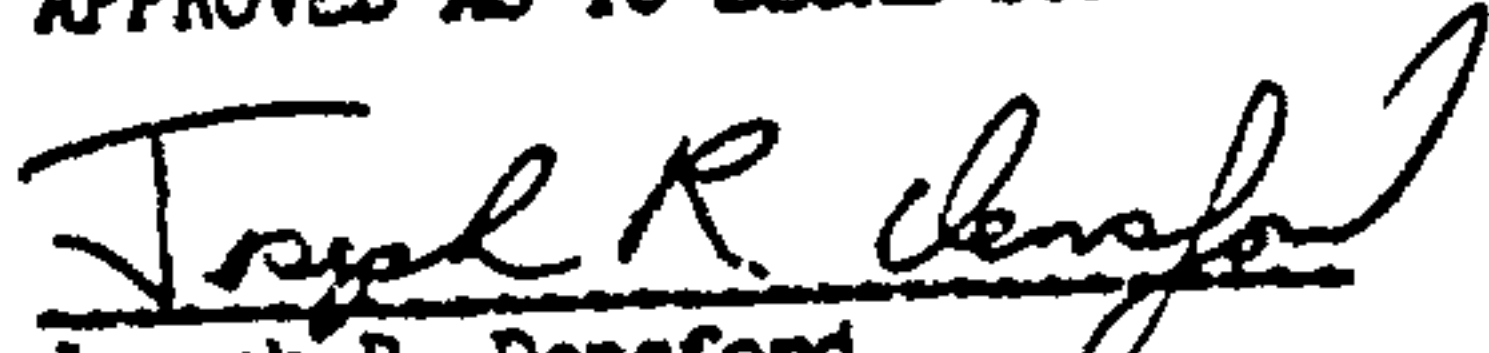
  
Ford L. Dean, Commissioner

  
David F. Sayre, Commissioner

ATTEST:

  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

  
Joseph R. Densford  
Assistant County Attorney

AGREEMENT TO ISSUE BONDS

This Agreement entered into this 19th day of November, 1985 by and between the Board of County Commissioners of St. Mary's County, Maryland, hereinafter referred to as "Issuer," a political subdivision duly organized and validly existing under the Constitution and Laws of the State of Maryland and Patuxent Park West Limited Partnership, a limited partnership to be created in the State of Maryland hereinafter referred to as "Project Owner," to relieve conditions of unemployment, to encourage the increase of industry and commerce and a balanced economy, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State of Maryland, to promote economic development and to generally promote the health, welfare, and safety of the residents of St. Mary's County and the State of Maryland under the following circumstances:

- A. The Project Owner desires to finance costs of a facility (the "Project") which will include the acquisition, construction and equipping of approximately 190 multi-family rental units to be located in Patuxent Park West, a property located north of Maryland Route 246, Great Mills Road, and west of Saratoga Drive in the Eighth Election District in the Lexington Park area of St. Mary's County (the "190 Unit Project"), to be located in St. Mary's County, Maryland within the boundaries of the Issuer, which Project will be owned by the Project Owner.
- B. The Project Owner has requested that the Issuer issue economic development revenue bonds pursuant to the Maryland Economic Development Revenue Bond Act, Section 266-A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Act"), in an aggregate principal amount now estimated not to exceed \$11,000,000 (the "Bonds"), to assist in the financing of the Project, and is agreeable to making payments to the Issuer sufficient to pay all the principal and premium, if any, and interest on the Bonds.
- C. The Issuer is willing to issue the Bonds and desires to obtain the economic benefits from the Project. As an inducement to and in consideration of the Project Owner's plan with respect to the Project, the Issuer and the Project Owner agree as follows:
  1. The Project Owner shall commence and continue to cause to be commenced and continued, the construction and equipping of the Project as soon as feasible and the Project Owner will provide, or cause to be provided, at its own expense, the necessary interim financing to permit acquisition, construction and equipping of the Project to commence and continue. Upon the issuance of the Bonds, the Issuer and the Project Owner will enter into one or more agreements (the "Financing Agreement") with respect to the Project and the financing thereof. The Financing Agreement shall be in the form of a loan agreement, a conditional or installment sale agreement, or a lease with the option to purchase and may contain such terms and conditions as provided or permitted under the Act.



Provided, however, that the Financing Agreement shall require payment sufficient to pay the principal of and premium, if any, and interest of such Bonds as may be issued with respect to the Project, or a portion thereof, which is subject to such Financing Agreement. In order to secure the payment of the principal of and premium, if any, and interest on the Bonds, the Issuer may also enter into a trust agreement or mortgage with the Project Owner which shall have such terms and conditions as may be provided or permitted under the Act. The Issuer shall not have any financial responsibility with respect to the Bonds or the Project except from income and revenue actually derived by the Issuer with respect to the Bonds and the Project.

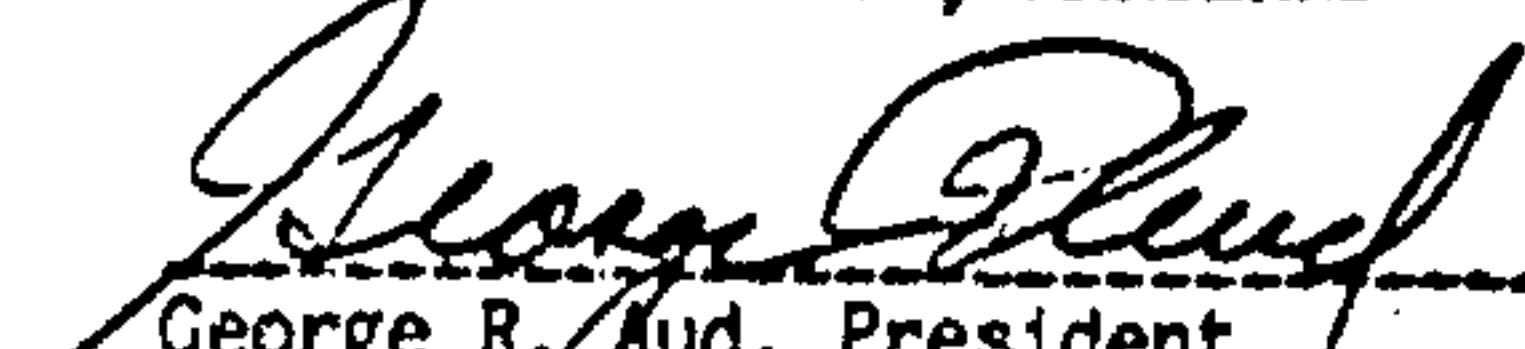
2. Upon receipt of a request from the Project Owner, the Issuer will promptly issue the Bonds in one or more series, maturing in such amounts and times, bearing interest at such rate or rates, payable on such dates and containing such optional and mandatory redemption features and prices as are requested by the Project Owner and will deliver the Bonds to the purchaser or purchasers thereof and cooperate to its fullest extent in consummating the transaction.
3. In order to induce the Issuer to execute and deliver this Agreement, and ultimately to issue the Bonds, the Project Owner hereby represents and agrees:
  - a. The assistance to be provided under this Agreement and the commitments thereto made by the Issuer have induced the Project Owner to locate the Project within the boundaries of the Issuer and will create additional jobs and employment opportunities therein.
  - b. The Project Owner will defend, indemnify and hold the Issuer and any and all officials thereof harmless against any and all losses, costs, expenses, claims, or actions arising out of or connected with the execution of the Agreement, and the preparation of, proceedings for, and the issuance, sale or delivery of the Bonds.
4. This Agreement will be binding upon the Project Owner, its successors and assigns.



LIBER 005 PAGE 127

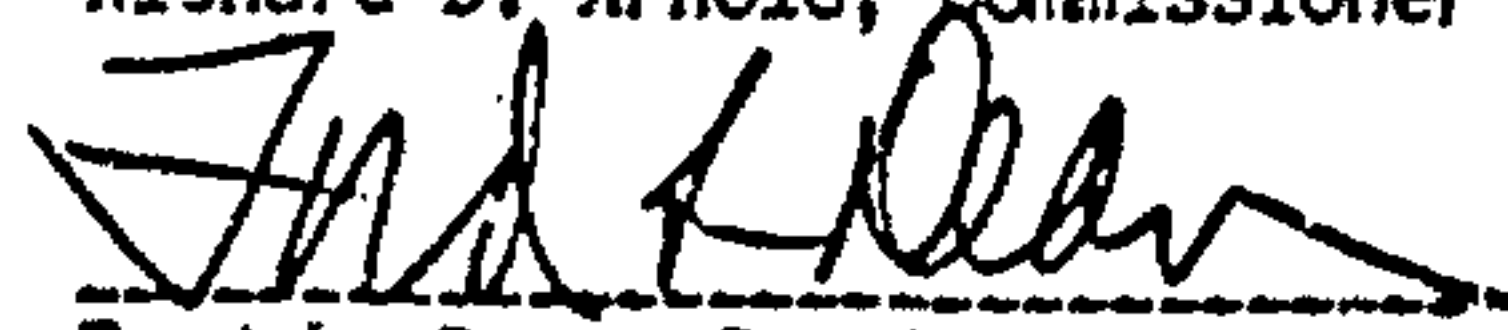
IN WITNESS, WHEREOF, the Issuer, pursuant to the Resolution duly adopted on November 19, 1985 by the Board of County Commissioners, has caused this Agreement to be executed by at least three (3) County Commissioners and the Project Owner has caused it to be executed, all as of the date and year first above written.

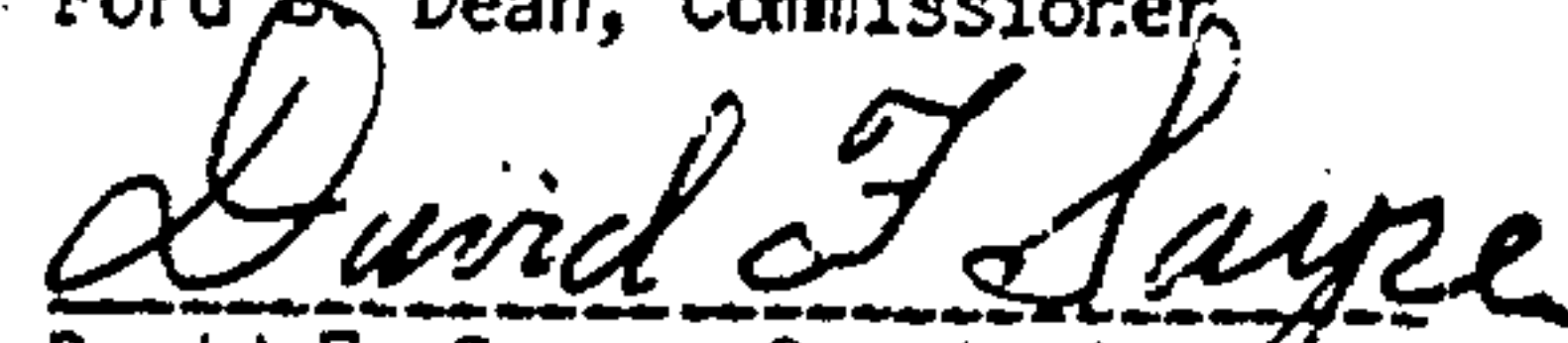
BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

  
George R. Aud, President

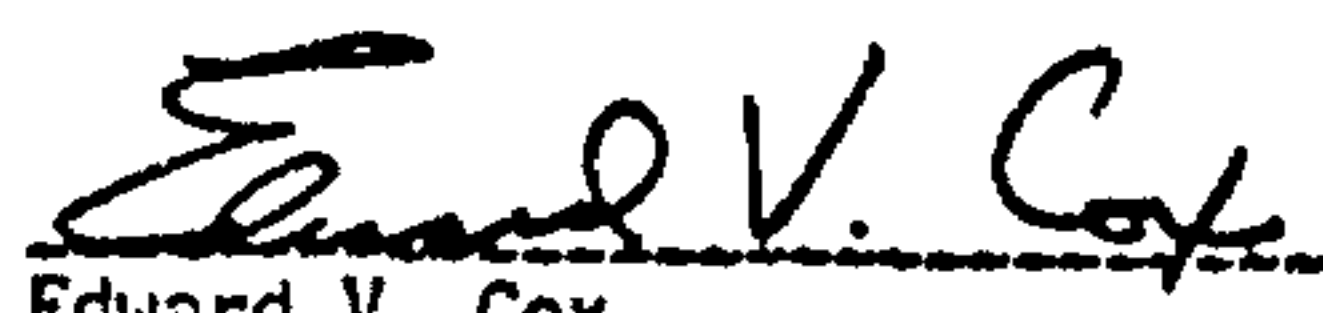
Larry Millison, Vice-President

  
Richard D. Arnold, Commissioner


  
Ford E. Dean, Commissioner

  
David F. Sayre, Commissioner

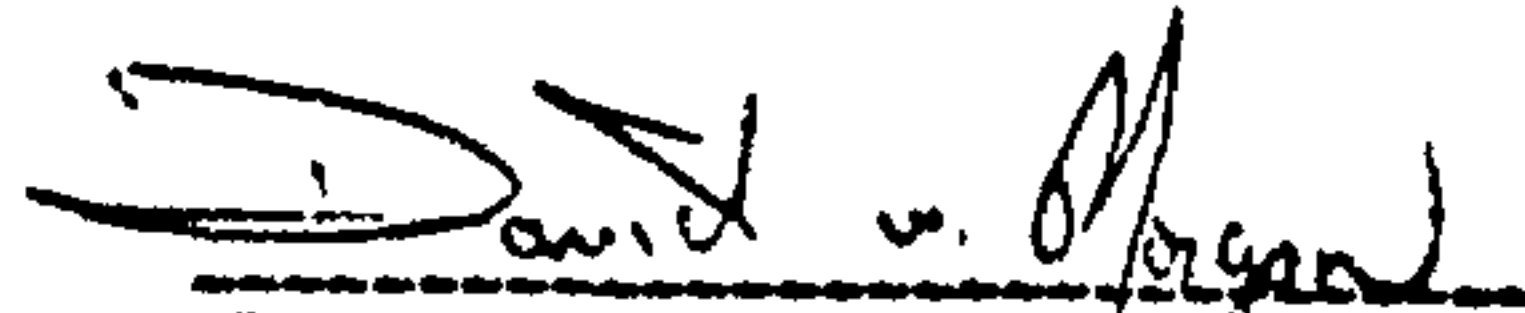
ATTEST:

  
Edward V. Cox  
County Administrator


APPROVED AS TO LEGAL SUFFICIENCY:

  
Joseph R. Densford  
Assistant County Attorney

ATTEST:

  
David W. Morgan  
Economic Development  
Coordinator

PATUXENT PARK WEST LIMITED PARTNERSHIP

  
Edward R. Curley, Jr.  
General Partner

DELIVERED DEC 04 1985

County Comm.

MARY R. BELL, CLERK

INDUCEMENT RESOLUTION 11:06AM 12/04/85A CO.COM \$0.00

PREAMBLE

A Resolution authorizing the execution of an agreement with Arko Aquaculture Partnership Limited, a Maryland limited partnership, with Arko Development Systems Limited, a District of Columbia Corporation, as its General Partner, pertaining to the financing of the acquisition, construction and equipping of an approximately 800 acre aquaculture production, processing and marketing facility to be located at: Location 1--578 acre Medley Neck Farm in Leonardtown, Location 2--65 acre Aquafood International, Inc. plant in Piney Point and Location 3--127 acre Susie C. Burch Farm Heirs in Piney Point, all within the boundaries of St. Mary's County, Maryland.

RECITALS

WHEREAS, St. Mary's County, Maryland, a political subdivision of the State of Maryland, Issuer by virtue of the laws of the State of Maryland, particularly the Maryland Economic Development Revenue Bond Act, Sections 266-A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Act"), and the authorities therein mentioned, wishes to take the necessary actions for the issuance of economic development revenue bonds of the Issuer, in order to assist Arko Aquaculture Partnership Limited, a Maryland limited partnership, with Arko Development Systems Limited, a District of Columbia Corporation, as its General Partner, in financing the acquisition, construction and equipping of an approximately 800 acre aquaculture production, processing and marketing facility to be located at three (3) locations ("Project") more particularly described in the form of agreement attached hereto as Exhibit 1, which Project will be located within the boundaries of the Issuer;

NOW, THEREFORE, be it resolved by the Board of County Commissioners of St. Mary's County, Maryland:

SECTION I. The Board of County Commissioners does hereby find and determine that:

- (a) The Project constitutes a "facility" within the meaning of that term as defined in Section 266-A of the Act; and
- (b) The Project is consistent with the legislative purpose of Section 266-B, i.e., to relieve conditions of unemployment, to encourage the increase of industry and commerce and a balanced economy, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State of Maryland, to promote economic development and to generally promote the health, welfare, and safety of the residents of St. Mary's County and the State of Maryland.

SECTION II. In order to assist in financing of the Project, the Board of County Commissioners hereby agrees to authorize and issue revenue bonds of the Issuer, in an aggregate amount now estimated not to exceed \$5,000,000, pursuant to the Act, upon the terms provided in the form of agreement attached hereto as Exhibit 1, to bind and inure to the benefit of the Issuer and Arko Development Systems Limited, which form of agreement is hereby in all respects approved. Any three (3) Commissioners are hereby authorized and directed to execute such agreement substantially in such form, with such changes as are not adverse to the Issuer as such Commissioners may approve, such execution being conclusive evidence of approval of any such changes.



AGREEMENT TO ISSUE BONDS

This Agreement entered into this 3rd day of December, 1985 by and between the Board of County Commissioners of St. Mary's County, Maryland, hereinafter referred to as "Issuer," a political subdivision duly organized and validly existing under the Constitution and Laws of the State of Maryland and Arko Aquaculture Partnership Limited, a Maryland Limited Partnership, with Arko Development Systems Limited, a District of Columbia Corporation, as its General Partner, hereinafter referred to as "Project Owner," to relieve conditions of unemployment, to encourage the increase of industry and commerce and a balanced economy, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State of Maryland, to promote economic development and to generally promote the health, welfare, and safety of the residents of St. Mary's County and the State of Maryland under the following circumstances:

- A. The Project Owner desires to finance costs of a facility (the "Project") which will include the acquisition, construction and equipping of an approximately 800 acre aquaculture production, processing and marketing facility consisting of approximately 500 acres fish hatching and production tanks and ponds, 75,000 sq. ft. fresh, frozen and retort pouch processing plant, 250 acres of mixed agriculture and 10,000 sq. ft. fish wholesale market in St. Mary's County with branches in Baltimore, Washington, D.C. and New York City. The facility will be located as follows: Location 1--578 acre Medley Neck Farm, Posey's Bluff, Leonardtown, off Brenton Beach Road approximately five (5) miles south of Leonardtown, bordering the Potomac River and Old Breton Beach Road, Tax Map 49, Block 13, Parcel 11; Location 2--65 acre Aquafood International, Inc. plant and facilities in Piney Point off Maryland Route 249 near Tall Timber Marina Road bounded by Maryland Route 249 and St. George's Creek, Tax Map 61, adjacent to Parcel 74; Location 3--127 acre Susie C. Burch Farm Heirs in Piney Point off Maryland Route 249 near Tall Timber Marina Road bounded by Maryland Route 249 and St. George's Creek, Tax Map 61, Parcel 74, all locations to be located in St. Mary's County, Maryland within the boundaries of the Issuer, which Project will be owned by the Project Owner.
- B. The Project Owner has requested that the Issuer issue economic development revenue bonds pursuant to the Maryland Economic Development Revenue Bond Act, Section 266-A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Act"), in an aggregate principal amount now estimated not to exceed \$5,000,000 (the "Bonds"), to assist in the financing of the Project, and is agreeable to making payments to the Issuer sufficient to pay all the principal and premium, if any, and interest on the Bonds.
- C. The Issuer is willing to issue the Bonds and desires to obtain the economic benefits from the Project. As an inducement to and in consideration of the Project Owner's plan with respect to the Project, the Issuer and the Project Owner agree as follows:
  1. The Project Owner shall commence and continue to cause to be commenced and continued, the acquisition, construction and equipping of the Project as soon as feasible and the Project Owner will provide, or cause to be provided, at its own expense, the necessary interim financing to permit



RESOLUTION NO: 85-32

LCR 005 PAGE 130

EXHIBIT NO: 1

Page 3 of 3

IN WITNESS, WHEREOF, the Issuer, pursuant to the Resolution duly adopted on December 3, 1985 by the Board of County Commissioners, has caused this Agreement to be executed by at least three (3) County Commissioners and the Project Owner has caused it to be executed, all as of the date and year first above written.

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

George R. Aud, President

Larry Millison, Vice-President

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

*Ford L. Dean*  
Ford L. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

ATTEST:

*Edward V. Cox*  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford  
Assistant County Attorney

ATTEST:

ARKO AQUACULTURE PARTNERSHIP, LTD.

*David W. Morgan*

*Ulysses J. Montgomery*  
Ulysses J. Montgomery, President  
ARKO DEVELOPMENT SYSTEMS LIMITED  
General Partner

acquisition, construction and equipping of the Project to commence and continue. Upon the issuance of the Bonds, the Issuer and the Project Owner will enter into one or more agreements (the "Financing Agreement") with respect to the Project and the financing thereof. The Financing Agreement shall be in the form of a loan agreement, a conditional or installment sale agreement, or a lease with the option to purchase and may contain such terms and conditions as provided or permitted under the Act.

Provided, however, that the Financing Agreement shall require payment sufficient to pay the principal of and premium, if any, and interest of such Bonds as may be issued with respect to the Project, or a portion thereof, which is subject to such Financing Agreement. In order to secure the payment of the principal of and premium, if any, and interest on the Bonds, the Issuer may also enter into a trust agreement or mortgage with the Project Owner which shall have such terms and conditions as may be provided or permitted under the Act. The Issuer shall not have any financial responsibility with respect to the Bonds or the Project except from income and revenue actually derived by the Issuer with respect to the Bonds and the Project.

2. Upon receipt of a request from the Project Owner, the Issuer will promptly issue the Bonds in one or more series, maturing in such amounts and times, bearing interest at such rate or rates, payable on such dates and containing such optional and mandatory redemption features and prices as are requested by the Project Owner and will deliver the Bonds to the purchaser or purchasers thereof and cooperate to its fullest extent in consummating the transaction.
3. In order to induce the Issuer to execute and deliver this Agreement, and ultimately to issue the Bonds, the Project Owner hereby represents and agrees:
  - a. The assistance to be provided under this Agreement and the commitments thereto made by the Issuer have induced the Project Owner to locate the Project within the boundaries of the Issuer and will create additional jobs and employment opportunities therein.
  - b. The Project Owner will defend, indemnify and hold the Issuer and any and all officials thereof harmless against any and all losses, costs, expenses, claims, or actions arising out of or connected with the execution of the Agreement, and the preparation of, proceedings for, and the issuance, sale or delivery of the Bonds.
4. This Agreement will be binding upon the Project Owner, its successors and assigns.

LIBER 005 PAGE 132

NO: 85-32

SUBJ: ECONOMIC DEVELOPMENT  
REVENUE BONDS -  
ARKO DEVELOPMENT  
SYSTEMS LIMITED

Page 2

SECTION III. It is found and determined that all formal actions of the Board of County Commissioners concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Board, and that all deliberations of the Board and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements of the State of Maryland and the Act.

SECTION IV. This Resolution shall be in full force and take effect immediately upon its adoption.

WITNESS, the Hand and Seal of the Board of County Commissioners of St. Mary's County, Maryland, this 3rd day of December, 1985.

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

George R. Aud, President

Larry Millison, Vice-President

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

*Ford L. Dean*  
Ford L. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

ATTEST:

*Edward V. Cox*  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford  
Assistant County Attorney

DELIVERED DEC 04 1985

COUNTY COMMISSIONERS

MARY R. BELL, CLERK



COUNTY COMMISSIONERS OF ST. MARY'S COUNTY

RESOLUTION NO. 85-33

BY THE BOARD OF COUNTY COMMISSIONERS

December 17, 1985

A RESOLUTION

10:27AM 12/20/85A CD.COM \$0.00

ENTITLED

A RESOLUTION to authorize and provide for the issuance, sale and delivery by County Commissioners of St. Mary's County of its revenue bonds in an aggregate principal amount not to exceed \$1,200,000 to be designated "County Commissioners of St. Mary's County Economic Development Revenue Bonds (Dean Lumber and Supply Company, Inc. Project), 1985 Series", pursuant to the provisions of Sections 266A to 266-I, inclusive, of Article 41 of the Annotated Code of Maryland (1982 Replacement Volume and 1985 Cumulative Supplement), in order to lend the proceeds thereof to Mark G. Dillow, solely for the purpose of financing the acquisition of a facility in St. Mary's County, Maryland; to make certain legislative findings concerning, among other things, the public benefit and purpose of the revenue bonds; TO PROVIDE THAT THE REVENUE BONDS AND THE INTEREST ON THEM SHALL BE PAYABLE SOLELY FROM REVENUES RECEIVED IN CONNECTION WITH THE FINANCING OR REFINANCING OF THE FACILITY AND FROM ANY OTHER MONEYS MADE AVAILABLE TO COUNTY COMMISSIONERS OF ST. MARY'S COUNTY FOR SUCH PURPOSE AND NEITHER THE REVENUE BONDS NOR THE INTEREST ON THEM SHALL EVER CONSTITUTE AN INDEBTEDNESS OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND NEITHER SHALL EVER CONSTITUTE OR GIVE RISE TO ANY PECUNIARY LIABILITY OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY; to authorize the private (negotiated) sale of the revenue bonds; to authorize the County Administrator, by order, to specify, prescribe, determine, provide for and approve all matters, details, forms, documents or procedures necessary or appropriate to the authorization, sale, security, issuance, delivery or payment of or for the revenue bonds; to allocate the County's reservation of a portion of the State's private activity bond ceiling to the revenue bonds; and generally to provide for and determine various matters in connection with the authorization, issuance, sale and delivery of the revenue bonds.

RECITALS

Sections 266A to 266-I, inclusive, of Article 41 of the Annotated Code of Maryland (1982 Replacement Volume and 1985 Cumulative Supplement) (the "Act") empower all the counties and municipalities of the State of Maryland (the "State") to issue limited obligation revenue bonds and to lend the proceeds of the sale of such bonds to one or more facility users (as defined in the Act) under an agreement to finance or refinance one or more facilities (as defined in the Act).

The Act declares it to be the legislative purpose to relieve conditions of unemployment in the State, to encourage the increase of industry and commerce and a balanced economy in the State, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State through, among other things, port development and the control, reduction or abatement of pollution of the environment and the utilization and disposal of wastes (where proceeds of the bonds are used for any of these purposes), to promote economic development, to protect natural resources and encourage resource recovery, and generally to promote the health, welfare and safety of the residents of each of the counties and municipalities of the State.

By Resolution No. 85-28 adopted by the Board of County Commissioners on October 29, 1985 (the "Inducement Resolution"), County Commissioners of St. Mary's County (the

"Issuer") indicated its intent to issue and sell its revenue bonds in an aggregate principal amount not to exceed \$1,200,000 (the "Bonds") and to lend the proceeds thereof (the "Loan") to Mark G. Dillow (the "Borrower"), a facility applicant within the meaning of the Act, for the sole and exclusive purpose of financing one or more facilities as defined in the Act (the "Facility").

The Facility will consist of an expansion to an existing retail lumber and hardware home center, including construction and equipping thereof, totalling approximately 24,000 square feet. The Facility will be located on the northeast side of new Route 235 in Hollywood, approximately one-half mile south of the intersection of Route 245 and Route 235 in St. Mary's County, Maryland.

Mercantile-Safe Deposit & Trust Company, a Maryland banking corporation (the "Purchaser"), has agreed to purchase the Bonds in an aggregate principal amount not to exceed \$1,200,000 pursuant to the terms and conditions of a commitment letter dated November 21, 1985 (the "Commitment Letter"), which has been accepted by the Borrower.

It is intended that this Resolution shall constitute the administrative resolution contemplated by Section 266D(d) of the Act and authorizes the issuance and sale of the Bonds in accordance with the Commitment Letter.



NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY:

SECTION 1. It is hereby found and determined as follows:

(a) The Facility is a facility within the meaning of the Act and shall consist of land or interest in land, buildings, structures, machinery, equipment, furnishings or other real or personal property or interest in them (as more particularly described in the Recitals to this Resolution). The Borrower is the facility user within the meaning of the Act.

(b) The accomplishment of the transactions contemplated and authorized by this Resolution, including (without limitation) the acquisition, construction, reconstruction, equipping, expansion, extension, improvement, rehabilitation or remodeling (collectively, the "Acquisition") of the Facility by the Borrower and the financing thereof as provided in this Resolution, will promote the declared legislative purposes of the Act by (i) sustaining jobs and employment opportunities, thereby relieving conditions of unemployment in the State and in the County; (ii) encouraging the increase of industry and commerce and a balanced economy in the State and in the County; (iii) promoting economic development in the State and in the County; and (iv) generally promoting the health and welfare of the residents of the State and of the County.

(c) The issuance of the Bonds will facilitate and expedite the Acquisition of the Facility by the Borrower.

(d) The Act expressly authorizes, and it is hereby declared to be in the best interests of, the Issuer to finance the Acquisition of the Facility by lending the proceeds of the sale of the Bonds to the Borrower pursuant to a loan agreement between the Issuer and the Borrower. Accordingly, this Resolution and the other documents authorized hereby contain such provisions as the Issuer deems appropriate to finance the Acquisition of the Facility in this manner.

(e) NEITHER THE BONDS NOR THE INTEREST ON THEM SHALL EVER CONSTITUTE AN INDEBTEDNESS OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND NEITHER SHALL EVER CONSTITUTE OR GIVE RISE TO ANY PECUNIARY LIABILITY OF THE ISSUER. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS TO WHICH THE FAITH AND CREDIT OF THE ISSUER ARE PLEDGED. THE BONDS AND THE INTEREST ON THEM SHALL BE LIMITED OBLIGATIONS OF THE ISSUER, AND THE PRINCIPAL OF AND INTEREST ON THE BONDS SHALL BE PAYABLE SOLELY FROM REVENUES RECEIVED IN CONNECTION WITH THE FINANCING OR REFINANCING OF THE FACILITY AND FROM ANY OTHER MONEYS MADE AVAILABLE TO THE ISSUER FOR SUCH PURPOSE, INCLUDING (WITHOUT LIMITATION) ANY MONEYS REALIZED AS A RESULT OF ANY SECURITY FOR THE LOAN.

(f) As security for the Bonds, the Issuer may enter into an agreement with the holders of the Bonds for the purpose of assigning or pledging revenues received in connection with the

financing or refinancing of the Facility. Except for certain rights of the Issuer to indemnification and to payments with respect to its administrative expenses, the entire amount of revenue derived from payments on the Loan is to be set apart and applied to the payment of the principal of and the interest on the Bonds.

(g) The proceeds of the sale of the Bonds will be disbursed to the Borrower by the holder of the Bonds. No moneys will be commingled with the Issuer's funds or will be subject to the absolute control of the Issuer, but only to such limited supervision and checks as are deemed necessary or desirable to insure that the proceeds of the sale of the Bonds are used to accomplish the public purposes of the Act and this Resolution. The transactions contemplated by this Resolution do not constitute the acquisition of any physical public betterment or improvement of property for public use.

(h) The Issuer will acquire and retain no interest in the Facility, either on its own behalf or for the purpose of creating any security for the Bonds (other than such interest as may be held by parties secured by a mortgage or deed of trust granted by the Borrower). Any such security interest in favor of the Issuer shall be assigned to the holder of the Bonds. The security for the Bonds shall be solely and exclusively the pledging and setting aside of the revenues received by the Issuer from the absolute, irrevocable and



unconditional obligation of the Borrower to make the payments required by the loan agreement and any and all moneys realized as a result of any security for the Loan.

SECTION 2. It is hereby determined that the Issuer shall issue, sell and deliver the Bonds, designated "County Commissioners of St. Mary's County Economic Development Revenue Bonds (Dean Lumber and Supply Company, Inc. Project), 1985 Series", in an aggregate principal amount not to exceed \$1,200,000, pursuant to the Act and this Resolution.

SECTION 3. It is hereby determined that the best interests of the Issuer and the Borrower will be served by selling the Bonds to the Purchaser at private (negotiated) sale, as permitted by the Act.

SECTION 4. The proceeds of the sale of the Bonds will be lent by the Issuer to the Borrower and shall be used by the Borrower solely for the purpose of financing the costs of the Acquisition of the Facility, including payment of the necessary expenses of preparing, printing, selling and issuing the Bonds, the funding of reserves, payment of interest prior to and during the period of Acquisition of the Facility and for a reasonable period thereafter and payment of any other costs permitted by the Act. The Borrower shall manage, or provide for the management of, the Facility so as to remain a facility user within the meaning of the Act for as long as any of the Bonds remain outstanding and unpaid.

SECTION 5. As permitted by the Act, the County Administrator, by order, is hereby authorized and directed to specify, prescribe, determine, provide for and approve all matters, details, forms, documents or procedures necessary or appropriate to the authorization, sale, security, issuance, delivery or payment of or for the Bonds, including (without limitation) the date or dates on which the Bonds shall mature, the rate or rates of interest which the Bonds shall bear, the prepayment provisions relating to the Bonds, and all terms, provisions, form, content and substance of any loan agreement, bond agreement, trust indenture, deed of trust, mortgage, collateral security agreement, guarantee agreement or other financing or security agreement or statement (collectively, the "Documents") relating to the Bonds, provided that all such matters, details, forms, documents or procedures specified, prescribed, determined, provided for or approved by the County Administrator, by order, shall be within the scope of the transactions authorized by, and consistent with the terms of, the Act and this Resolution. Any order issued pursuant to this Section 5 shall be deemed administrative in nature and shall be effective upon the date specified therein.

SECTION 6. (a) The President or Vice President of the Board of County Commissioners of the Issuer, by his manual signature, shall execute the Bonds in the name and on behalf of the Issuer and deliver the Bonds to the Purchaser, and the

corporate seal of the Issuer shall be impressed on the Bonds and attested by the manual signature of the County Administrator.

(b) The President or Vice President of the Board of County Commissioners of the Issuer shall execute, by his manual signature, deliver, in the name and on behalf of the Issuer, and cause the corporate seal of the Issuer, attested by the manual signature of the County Administrator, to be impressed upon, the Documents. Upon due execution by the President or Vice President of the Board of County Commissioners on behalf of the Issuer, the Bonds and the Documents shall become binding upon the Issuer in accordance with their respective terms, as authorized by the Act and this Resolution.

SECTION 7. (a) If any officer or employee of the Issuer who shall have signed or sealed the Bonds or any of the Documents shall cease to be such officer or employee before the delivery of the Bonds or any of the Documents, the signature or countersignature shall nevertheless be valid and sufficient for all purposes, as if the officer or employee had remained in the office or position until delivery of the Bonds or Documents.

(b) The President or Vice President of the Board of County Commissioners of the Issuer, the County Administrator and all other officers and employees of the Issuer are hereby authorized to do any and all things, execute, acknowledge, seal and deliver such other and further instruments, supporting



documents and certificates, and otherwise take all action, necessary, proper or expedient to consummate the transactions contemplated by this Resolution in accordance with the Act and this Resolution.

SECTION 8. The Borrower shall pay directly all costs, fees and expenses incurred by or on behalf of the Issuer in connection with the authorization, issuance, sale and delivery of the Bonds, including, without limitation, costs of printing, selling and issuing the Bonds, all legal expenses (including the fees of counsel to the Purchaser and bond counsel to the Issuer) and compensation to any person performing services by or on behalf of the Issuer in connection therewith (other than compensation of full-time employees of the Issuer), insofar as such costs, fees and expenses are not paid from the proceeds of the Bonds.

SECTION 9. (a) The President or Vice President of the Board of County Commissioners of the Issuer shall be the officer of the Issuer responsible for the issuance of the Bonds within the meaning of Section 1.103-13(a)(2)(ii)(C) of the Arbitrage Regulations (defined herein) and shall also be the officer of the Issuer responsible for the execution and delivery (on the date of issuance of the Bonds) of a certificate of the Issuer (the "Section 103(c) Certificate") which, in the opinion of bond counsel complies with the requirements of Section 103(c) of the Internal Revenue Code of

1954, as amended ("Section 103(c)") and the applicable regulations thereunder (the "Arbitrage Regulations"), and the President or Vice-President of the Board of County Commissioners of the Issuer is hereby authorized and directed to execute the Section 103(c) Certificate and to deliver it to bond counsel on the date of the issuance of the Bonds.

(b) The Issuer recognizes its obligation to set forth in the Section 103(c) Certificate its reasonable expectations as to relevant facts, estimates and circumstances based on the representations of the Borrower relating to the use of the proceeds of the Bonds, or of any moneys, securities or other obligations on deposit to the credit of any funds created and established by the Documents which may be deemed to be proceeds of the Bonds pursuant to Section 103(c) or the Arbitrage Regulations (collectively, "Bond Proceeds"), in order that correct legal conclusions can be reached regarding the effect of such facts, estimates and circumstances. Accordingly, the Issuer covenants that (i) the facts, estimates and circumstances set forth in the Section 103(c) Certificate will be based on the issuer's reasonable expectations on the date of issuance of the Bonds and will be, to the best of the certifying officer's knowledge, true and correct, as of that date and (ii) the certifying officer will certify that he is not aware of any facts or circumstances that would cause him to question the accuracy of the representations made by the Borrower.

(c) The Issuer covenants that it will not make, or (to the extent it exercises control or direction) permit any other person to make, any use of the Bond Proceeds which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 103(c) and the Arbitrage Regulations. The Issuer further covenants that it will comply with those provisions of Section 103(c) and the Arbitrage Regulations which are applicable to the Bonds on the date of issuance of the Bonds and which may subsequently lawfully be made applicable to the Bonds.

SECTION 10. The Issuer may, from time to time and at any time, with the consent of the holder of the Bonds, adopt resolutions, as appropriate under the Act, supplemental to this Resolution for the purposes of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution. Anything herein to the contrary notwithstanding, any such supplemental resolution which affects any obligations, rights, powers and authority of the Borrower under the Documents or requires or permits a revision of such agreements and documents shall not become effective unless and until the Borrower shall have consented to such supplemental resolution.

SECTION 11. Neither the Bonds nor the interest on them shall ever constitute, and no transaction contemplated by this



Resolution shall ever give rise to, an indebtedness or a charge against the general credit or taxing powers of the Issuer within the meaning of any constitutional provision or statutory limitation nor shall ever constitute or give rise to any pecuniary liability of the Issuer. The Bonds shall not constitute an indebtedness to which the faith and credit of the Issuer are pledged.

SECTION 12. No covenant or agreement contained in this Resolution, the Bonds, the Documents or any other document instrument or certificate executed, sealed or delivered in connection with the consummation of the transactions contemplated by this Resolution shall be deemed to be a covenant or agreement of any officer, agent or employee of the Issuer in his individual capacity; and no member of the Board of County Commissioners of the Issuer, or any official, agent or employee of the Issuer executing the Bonds or any of the aforesaid documents, instruments or certificates shall be subject to any personal liability or accountability by reason of the authorization, issuance, execution, sealing, acknowledgment or delivery of the same.

SECTION 13. Section 103(n) of the Internal Revenue Code of 1954, as amended, establishes a ceiling on the dollar amount of private activity bonds that may be issued by each state and its agencies and political subdivisions in a calendar year (the "State Ceiling"). The Bonds are private activity bonds subject

to the State Ceiling. Executive Order No. 01.01.1985.01, dated January 14, 1985, as amended by Executive Order No. 01.01.1985.18, dated July 15, 1985 (the "Governor's Proclamation") provides for the allocation of the State Ceiling. Pursuant to the Governor's Proclamation, bond counsel to the Issuer has requested or will request a reservation of the State Ceiling in an amount not to exceed \$1,200,000. Under the terms of the Governor's Proclamation, this reservation will be converted to an allocation in the aggregate principal amount of the Bonds on the date the Bonds are issued. Each of the undersigned members of the Board of County Commissioners of the Issuer hereby certifies under the penalties of perjury that the foregoing allocation to the Bonds was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

SECTION 14. The provisions of this Resolution are severable, and if any provision, sentence, clause, section or part hereof is held or determined to be illegal, invalid, unconstitutional or inapplicable to any person or circumstance, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Resolution or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Resolution would have been adopted if such

illegal, invalid, unconstitutional or inapplicable provision, sentence, clause, section or part had not been included herein, and if the person or circumstances to which this Resolution or any part hereof are inapplicable had been specifically exempted herefrom, provided, however, notwithstanding anything contained in this Section, neither the full faith and credit nor the taxing powers of the Issuer shall be deemed pledged hereby, and the Issuer shall not hereby incur any indebtedness or charge against the general credit or taxing powers of the Issuer within the meaning of any constitutional provision or statutory limitation, and the transactions authorized hereby shall not give rise to any pecuniary liability of the Issuer.

SECTION 15. The President or Vice President of the Board of County Commissioners of the Issuer and the County Administrator are hereby designated each to be an Authorized Representative of the Issuer for any and all purposes required or permitted by the Act, this Resolution or the Documents.

SECTION 16. This Resolution shall be effective immediately upon its adoption.

READ AND ADOPTED THIS 17th day of December, 1985.



(SEAL)

COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY

Attest:

Edward V. Cox  
Edward V. Cox,  
County Administrator

George R. Aud  
George R. Aud, President

J. Laurence Millison,  
Vice President

Richard D. Arnold  
Richard D. Arnold,  
Commissioner

Ford L. Dean,  
Commissioner

David F. Sayre  
David F. Sayre,  
Commissioner

Approved as to form and legal sufficiency:

Joseph R. Denstord  
Joseph R. Denstord  
Assistant County Attorney

No. Z85-11

Subj: ZONE #85-0519  
BARBARA LAWRENCE, ET AL

LIBER 005 PAGE 149

R E S O L U T I O N

12:56PM 12/23/85A CO.COM \$0.00

WHEREAS, BARBARA LAWRENCE, ET AL, has made application to rezone approximately .83 acres of land on the east side of Maryland Route 5, north of Leonardtown (across from Leonardtown Sunoco), from R-1, Rural-Residential, to C-1, Commercial. The property is located in the Third Election District of St. Mary's County, Maryland, on Tax Map 32, Block 16, Parcel 177. The matter is identified as Case No. 85-0519.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on June 10, 1985.

WHEREAS, following deliberation, the Planning Commission, on June 24, 1985, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County that the subject property be rezoned to C-1, as requested.

WHEREAS, the Board of County Commissioners, after publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, conducted a public hearing on the request on July 23, 1985.

WHEREAS, following deliberation, on August 6, 1985, the County Commissioners, in accordance with the provisions of Section 4.05(a) of Article 66B of the Maryland Annotated Code and Section 70.05 of the St. Mary's County Zoning Ordinance, find as fact the following with regard to the request:

I. Change in Character of the Neighborhood:

Since 1974, the commercial uses in the neighborhood have intensified. The gas station has been expanded to include a convenience store, the Guy Distributing Company has expanded twice and a bank has been constructed. Public sewer has also been added in the area.

II. Population Change:

Between January 1, 1980 and January 1, 1985, the population of the Third Election District has increased from 7,671 to an estimated 8,185, an increase of 6.7%. In the defined neighborhood, the population has not increased, though there is substantial vacant residential-zoned property. This is probably because of the increasing commercialization of the area.

III. Adequacy of Public Facilities:

1. Water and Sewer

Public sewer and capacity is available, if needed. However, the house now has a septic system. The site has its own water supply.

2. Transportation/Roads

The property is served by Maryland Route 5, which has a capacity to handle 30,000 vehicles per day. The latest traffic count (September 1982) lists 11,200 vehicles per day near this location. The uses contemplated at the site could generate from 75 to 250 vehicles per day.

3. Schools, Police, Parks, Government Services, Fire and Rescue

No significant impacts.

IV. Relationship to Comprehensive Plan:

The plan designates the Leonardtown area as an area for growth.

No. Z85-11

Subj: ZONE #85-0519  
BARBARA LAWRENCE, ET AL

LIBER 005 PAGE 150

(Page 2 of 2)

VI. Fiscal Impact on Government:

The change in zoning may increase property taxes.

VIII. Suitability of Property for Uses Under Existing and Proposed Zoning Classifications:

The subject property, because of the new surrounding commercial uses, is increasingly unsuitable for uses under the R-1 classification, and would be more suitable under the C-1 classification.

IX. Compatibility with Existing and Proposed Development for the Area:

This property, being on the opposite side of a commercial strip and surrounded on its other three sides by vacant land, would be compatible with the neighborhood, if zoned C-1.

X. Mistake in Original Zoning:

The applicants did not argue this point.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 17TH day of December, 1985, that the above-mentioned rezoning request is GRANTED and the subject property is hereby reclassified from R-1 to C-1.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

GEORGE R. AUD, President

LARRY MILLISON, Vice-President

Richard D. Arnold  
RICHARD D. ARNOLD, Commissioner

Ford L. Dean  
FORD L. DEAN, Commissioner

David F. Sayre  
DAVID F. SAYRE, Commissioner

ATTEST:

Edward V. Cox  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
JOSEPH R. DENSFORD  
Assistant County Attorney

klcl: Patricia Guy

DEC 23 1985

MARY R. BELL, CLERK



No. 285-12

Subj: ZPUD #85-1318  
MARK DILLOW/A. LEOLA DEAN

R E S O L U T I O N

WHEREAS, MARK DILLOW and A. LEOLA DEAN have made application to <sup>10:32AM 12/24/85</sup> CO.COM \$0.00  
designate a parcel of land containing approximately ten (10) acres from R-1,  
Rural-Residential, to PD-SC, Planned Development Neighborhood Shopping Center.  
The site is known as the Dean Lumber Company property, located on the east  
side of Maryland Route 235, in the Sixth Election District of St. Mary's  
County, Maryland, as shown on Tax Map 26, Block 11, Parcels 310, 354, and 374.

WHEREAS, following publication of notice and notification of all  
property owners within 200 feet of the subject property by certified mail, the  
St. Mary's County Planning Commission conducted a public hearing on the request  
on November 4, 1985.

WHEREAS, after deliberation, the Planning Commission, on Dec. 9, 1985,  
voted unanimously to recommend to the Board of County Commissioners that the  
subject property be designated PD-SC. This recommendation was made subject to  
the conditions that side yard setback requirements be waived, in accordance with  
the site plan presented, that landscaping will be required to create a buffer  
adjoining the residential district at the time of site plan approval, and that  
no direct access from the subject property to new Maryland Route 235 would be  
permitted.

WHEREAS, following publication of notice and notification of all  
property owners within 200 feet of the subject property by certified mail, the  
Board of County Commissioners conducted a public hearing on the request on  
November 12, 1985.

WHEREAS, the property is located in a mixed-use neighborhood, which  
includes professional, commercial, and industrial uses.

WHEREAS, after deliberation, the Board of County Commissioners, on  
December 10, 1985, voted unanimously to designate the subject property as PD-SC,  
as requested, subject to certain terms and conditions set forth below, finding  
the development compatible with the neighborhood.

WHEREAS, the PD-SC zoning classification is a "floating zone", and  
therefore not subject to the "change or mistake" rule set forth in Article 66B  
of the Maryland Annotated Code and the St. Mary's County Zoning Ordinance.

LIBER 005 PAGE 151

No. 285-12

Subj: ZPUD #85-1338  
MARK DILLOW/A. LEOLA DEAN

(Page 2 of 2)

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 17th day of December, 1985, that the subject property is hereby designated as PD-SC, as requested, subject to the following terms and conditions:

- (1) Side yard setback requirements will be waived, in accordance with the site plan presented..
- (2) Landscaping will be required to create a buffer adjoining the residential district at the time of site plan approval.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

*George R. Abd*  
GEORGE R. ABD, President

LARRY MILLISON, Vice-President

*Richard D. Arnold*  
RICHARD D. ARNOLD, Commissioner

FORU L. DEAN, Commissioner

*David F. Sayre*  
DAVID F. SAYRE, Commissioner

ATTEST:

*Edward F. Cox*  
EDWARD F. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
JOSEPH R. DENSFORD  
Assistant County Attorney

The applicants hereby accept the terms and conditions set forth above and agree to comply with them as a condition of the approval of their request.

*Mark Dillow*  
MARK DILLOW  
Owner

*A. Leola Dean*  
A. LEOLA DEAN  
Owner

LIBER 005 PAGE 152

Hel: Patricia Guy

DEC 24 1985

MARY R. BELL, CLERK



NO : 85-34

SUBJ: ST. MARY'S COUNTY  
PUBLIC ETHICS ORDINANCE  
(Revised) 1985

12:12PM01/02/86B CD.COM \$0.00

ORDINANCE

WHEREAS, The 1979 Session of the Maryland General Assembly passed the Maryland Public Ethics Law (Chapter 513 of the Acts of 1979) which has become Article 40A of the Annotated Code of Maryland; and

WHEREAS, Section 6 of Article 40A requires each County to enact provisions similar to those contained in the Maryland Public Ethics Law regarding conflicts of interests, financial disclosure, and regulation of lobbyists; and

WHEREAS, The Board of County Commissioners, adopted on June 29, 1982 as Ordinance No. 82-12 the St. Mary's County Public Ethics Ordinance and amended it on July 1, 1984; and

WHEREAS, The Board of County Commissioners now concludes it necessary to further amend the Public Ethics Ordinance having conducted a Public Hearing for this purpose on December 3, 1985.

NOW, THEREFORE, BE IT ORDAINED By the Board of County Commissioners that the St. Mary's County Public Ethics Ordinance as hereinafter set forth is hereby adopted and made effective the 17th day of December, 1985.

SECTION 1. - TITLE

This Chapter may be cited as the St. Mary's County Public Ethics Ordinance.

SECTION 2. - STATEMENT OF PURPOSE AND POLICY

A. St. Mary's County, recognizing that our system of representative government is dependent in large measure upon the people having trust and confidence in their public officials and employees, finds and declares that the people have a right to be assured that the impartiality and independent judgment of public officials and employees will be maintained.

B. This confidence and trust is eroded when the conduct of St. Mary's County business is subject to improper influence or even the appearance of improper influence.

C. For the purpose of guarding against improper influence, the Board of County Commissioners of St. Mary's County enacts this Public Ethics Ordinance.

SECTION 3. - DEFINITIONS

The words used in this Ordinance shall have their normal accepted meanings except as set forth below:

"Business entity" means any corporation, general or limited partnership, sole proprietorship, joint venture, unincorporated association or firm, institution, trust, foundation or other organization, whether or not operated for profit.

"Commission" means the St. Mary's County Ethics Commission established pursuant to Section 4(a) of this Ordinance.



"Compensation" means any money or thing of value regardless of form, received or to be received by any person subject to this Ordinance from a business entity for service rendered. If lobbying is only a portion of a person's employment, "compensation" means a prorated amount based on the time devoted to lobbying compared to the time devoted to other employment duties. For reporting purposes, a prorated amount shall be labeled as such.

"Doing business with" means:

- A. Having or negotiating a contract that involves the commitment (either in a single or combination of transactions within a calendar year) of \$2,500 or more;
- B. Being registered as a lobbyist in accordance with Section 8 of this Ordinance;
- C. Being regulated by the County or an agency thereof.

"Financial interest" means:

- A. Ownership of any interest as the result of which a person has received, within the past calendar year, or is presently receiving, or in the future is entitled to receive, compensation of more than \$1,000 per calendar year; or
- B. Ownership of or interest in more than five (5%) percent of a business entity.

"Gift" means the transfer of anything of economic value regardless of the form without adequate and lawful consideration. "Gift" does not include the solicitation, acceptance, receipt or regulation of political campaign contributions regulated in accordance with the provisions of Article 33, Section 26-1, et seq., Annotated Code of Maryland, or any other provision of state or local law regulating the conduct of elections or the receipt of political campaign contributions.

"Interest" means any legal or equitable monetary interest, whether or not subject to an encumbrance or a condition, which is owned or held, in whole or in part, jointly or severally, directly, or indirectly.

"Interest" does not include:

- A. An interest held in the capacity of a personal representative, executor, administrator, agent, representative, custodian, fiduciary, or trustee;
- B. An interest in a checking account or time or demand deposit in a financial institution;
- C. An interest in an insurance or endowment policy or annuity contract under which a company promises to pay a fixed number of dollars either in a lump sum or periodically for life or some other specified period; or
- D. A common trust fund or a trust which forms part of a pension or profit-sharing plan which has been determined by the Internal Revenue Service to be a qualified trust under the Internal Revenue Code, as amended from time to time.

LIBER 085 PAGE 155

"Lobbying" means:

- A. Communicating in the presence of a St. Mary's County official or employee with the intent to influence any official action of that official or employee; or
- B. Engaging in activities having the express purpose of soliciting others to communicate with a St. Mary's County official or employee with the intent to influence any official action of that official or employee.

"Official and/or employee" means any person elected to, appointed to or employed by St. Mary's County or any St. Mary's County agency, board, commission, or similar entity, whether or not paid in whole or in part with St. Mary's County funds, and whether or not compensated.

"Person" includes an individual or business entity.

SECTION 4. - ADMINISTRATION

- A. There shall be a St. Mary's County Ethics Commission which shall consist of five (5) members appointed by the Board of County Commissioners. The Commission members shall be appointed for staggered terms of three (3) years. The Commission shall select its chairman in January of each year by majority vote. A member shall serve until a successor has been appointed. The Commission, upon request, shall be assisted in carrying out its responsibilities by the County Attorney, or such other counsel as the County Commissioners may from time to time appoint.
- B. The Commission shall be the advisory body responsible for interpreting this Ordinance and advising persons subject to it as to its application.
- C. The Commission shall be responsible for hearing and deciding any complaint filed regarding an alleged violation of this Ordinance.
- D. The Commission shall be the custodial of all statements, registrations, reports, and complaints submitted in accord with this Ordinance.
- E. The Commission shall be responsible for conducting information and education programs regarding the purpose and implementation of this Ordinance.
- F. Any person governed by this Ordinance may request the Commission for an advisory opinion concerning its application to them. The Commission shall respond within a reasonable time to the requests, providing interpretations based on the facts provided or reasonably available to it. The Commission may, in its discretion also respond to such requests from persons not specifically governed by this Ordinance. Copies of the responses shall be made available to the public in accord with and subject to any applicable state or county law regarding public records.
- G. Any person may file with the Commission a complaint alleging a violation of any of the provisions of this Ordinance. These complaints shall be written and may be referred by the Commission to the County Attorney or other legal counsel, if appropriate, for investigation and report. If after receiving an investigative report, the Commission determines that there are insufficient facts upon which to base a determination of violation, it shall dismiss the complaint. If there is a reasonable basis for believing a violation has occurred, then the person who is the subject of the complaint shall be afforded an opportunity for a hearing. Any final determination resulting from the hearing shall include findings of fact, conclusions of law, and recommendations. Upon a finding



of a violation, the Commission may take and/or recommend any enforcement action provided for in accordance with Section 9 of this Ordinance. After a complaint is filed and until a final determination by the Commission, all proceedings regarding a complaint shall be treated confidentially. Thereafter, the complaint proceedings shall be subject to public inspection pursuant to Section 7 of the Ordinance.

H. The Commission shall by majority vote have the authority to exempt from the definition of "Gift" a specific thing or class of things of economic value which the Commission, upon a finding in writing, determines not to be detrimental to the impartial conduct of the business of the County and that the gift is purely personal and private in nature.

I. The Commission may grant exemptions and modifications to the provisions of Sections 5 and 6 of this Ordinance if it determines that the application of those provisions would:

- (1) Constitute an unreasonable invasion of privacy;
- (2) Significantly reduce the availability of qualified persons for public service; and
- (3) Not be required to preserve the purpose of this Ordinance.

SECTION 5. - CONFLICTS OF INTEREST

A. St. Mary's County officials and employees:

(1) Shall not participate on behalf of St. Mary's County in any matter which would, to their knowledge, have a direct financial impact as distinguished from the public generally, on them, or their spouse or child, or a business entity in which they have a financial interest.

(2) Shall not represent any person, for a fee, before any County agency, board, committee, or commission.

(3) Shall not solicit any gift nor knowingly accept any gift directly or indirectly, from any person that he knows or has reason to know:

- (a) Is doing business with the Board of County Commissioners, as to members thereof, or as to other officials or employees, with their office, agency, board, or commission; or
- (b) Has financial interests that may be substantially and materially affected, in a manner distinguishable from the public generally, by the performance or nonperformance of his official duty.

B. However, unless a gift of any of the following would tend to impair the impartiality and the independence of judgment of the official or employee receiving it or, if of significant value, would give the appearance of doing so, or, if of significant value, the recipient official or employee believes, or has the reason to believe, that it is designed to do so, an official or employee may accept:

- (1) Meals and beverages;
- (2) Ceremonial gifts or awards which have no significant monetary value;
- (3) Unsolicited gifts of nominal value or trivial items of informational value;



- (4) Reasonable expenses for food, travel, lodging and scheduled entertainment of the official or the employee for a meeting which is given in return for participation in a panel of speaking engagement at the meeting;
- (5) Gifts of tickets or free admission extended to an elected official or employee to attend a professional or intercollegiate sporting event or charitable, cultural, or political events, if the purpose of this gift or admission is a courtesy or ceremony extended to the office;
- (6) Gifts from a person related by blood or marriage, or a spouse, child, ward, financially dependent parent, or other relative who shares the official's or employee's legal residence, or a child, ward, parent, or other relative over whose financial affairs the person has legal or actual control; or
- (7) Honoraria.

C. St. Mary's County officials and employees:

- (1) Shall not use the prestige of their office for their financial benefit or the financial benefit of any business entity in which they have a financial interest.
- (2) Shall not hold any outside employment relationship that would impair their impartiality or independence of judgment.
- (3) Shall not within one year following termination of county service act as a compensated representative of another in connection with any specific matter in which he participated substantially as a county official or employee.
- (4) Shall not use confidential information acquired in their official County position for their own benefit or that of another.

SECTION 6. - FINANCIAL DISCLOSURE

- A. The officials listed in paragraph G of this section shall file annually by April 15 of each year a written financial disclosure statement with the Commission.
- B. The annual financial disclosure statement shall be signed by the official and the statement shall be under oath.
- C. The annual financial disclosure statement shall include all gifts received during the preceding calendar year from a business entity doing business with the County, or one of its agencies, boards, committees or commissions.
- D. The annual financial disclosure statement shall also include a listing by acreage and location of all real estate in which the official has a legal interest.
- E. The annual financial disclosure statement shall also include the name of all business entities in which the official has a financial interest.
- F. The annual financial disclosure statement shall also include all outside employment interests.

G. Officials required to file:

- (1) County Commissioners
- (2) County Treasurer
- (3) Airport Commission Members
- (4) Economic Development Commission Members
- (5) Electrical Examiners Board
- (6) Housing Authority Members
- (7) Metropolitan Commission
- (8) Planning Commission
- (9) Plumbing Board Members
- (10) Recreation and Parks Board
- (11) Zoning Board of Appeals
- (12) County Administrator
- (13) County Attorney
- (14) Director, Budget & Data Services
- (15) Director of Finance
- (16) Director, Department of Public Works
- (17) Director, Economic & Community Development
- (18) Area Agency on Aging Director
- (19) Director, Civil Defense
- (20) Director, Planning & Zoning
- (21) Director, Purchasing & Logistics
- (22) Personnel Officer
- (23) Director, Recreation and Parks
- (24) Chief, Permits and Inspections
- (25) Plumbing Inspector
- (26) Chief Deputy of Sheriff's Department
- (27) Director, Office of Community Services
- (28) St. Mary's County Ethics Commission,

H. In addition to the above, a candidate for County Commissioner or County Treasurer shall by August 15 of each election year in which the person is a candidate file with the Commission a written statement under oath listing those items required in Sections 6(c), (d) and (e) of this Ordinance.

I. When April 15 or August 15 falls on a Saturday, Sunday or legal holiday the filing date shall be extended to the next working day thereafter.

SECTION 7. - PUBLIC INSPECTION

All statements, registrations and reports filed pursuant to this Ordinance shall be maintained by the Commission and shall be made available during normal office hours for examination and copying by the public, subject, however, to such reasonable fees and administrative procedures as the Commission may establish from time to time. These documents shall be retained for four (4) years from the date of receipt.

Any person examining and/or copying a financial disclosure statement shall be required to record his name, telephone number, home address, and the name of the person whose financial disclosure statement was examined and/or copied. This record shall be forwarded upon request to the person whose financial disclosure statement is so examined or copied.

SECTION 8. - LOBBYING DISCLOSURE

A. Any person who lobbys a St. Marys County official or employee and who, in connection with such lobbying, expends or reasonably expects to expend in a given calendar year in excess of \$500 on meals, tickets, admission passes, awards or honoraria for county officials and/or employees shall file a registration statement with the Commission not later than seven (7) days of the first of the two above alternatives to occur.



B. The registration statement shall include identification of the registrant by name, occupation, mailing address and telephone number and similar information about the person on whose behalf the registrant is acting. It shall also identify the subject matter about which the registrant is lobbying.

C. Registrants under this section shall file a written report by April 15 following any calendar year during which they were registered disclosing the value, date, and nature of any meals, tickets or admission passes, awards or honoraria provided to County officials and/or employees during the preceding calendar year. The official or employee shall be identified by name and official title.

SECTION 9. - ENFORCEMENT

A. The Commission may issue a cease and desist order against any person found to be in violation of this Ordinance and may seek enforcement of such order in the Circuit Court for St. Mary's County. The Court may issue a cease and desist order and may also impose a civil fine penalty of up to \$500 for any violation of the provisions of this Ordinance.

B. On recommendation of the Commission, a county official or employee found to have violated this Ordinance may be subject to disciplinary or other appropriate personnel action.

C. The Commission may issue letters of reprimand.

SECTION 10. - EFFECT OF ADOPTION

The above and preceding is adopted to have the full force and effect of law in St. Mary's County.

THIS DATE: 12/17/85

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

*George H. Aud*  
George H. Aud, President

Larry Millison, Vice-President

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

*Ford L. Dean*  
Ford L. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

ATTEST:

*Edward V. Cox*  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
Joseph Densford  
Assistant County Attorney

*del: Patricia Guy*

JAN 2 1986

MARY R. BELL, CLERK



NO: 85-35

SUBJ: ECONOMIC DEVELOPMENT  
REVENUE BONDS -  
W. R. BLAIR, INC.

12:12PM 01/02/86B CD.COM \$0.00

INDUCEMENT RESOLUTIONPREAMBLE

A Resolution authorizing the execution of an agreement with W. R. Blair, Inc. a corporation incorporated in the State of Maryland pertaining to the financing of the acquisition, construction and equipping of a catalog showroom, video store and Save-More outlet consisting, in the aggregate, of approximately 50,000 square feet, located at San Souci Regional Shopping Plaza, Building I, approximately 2 miles north of the main gate of the Naval Air Station in Lexington Park, Maryland on the west side of Route 235 in the Eighth Election District, within the boundaries of St. Mary's County, Maryland.

RECITALS

WHEREAS, St. Mary's County, Maryland, a political subdivision of the State of Maryland, Issuer by virtue of the laws of the State of Maryland, particularly the Maryland Economic Development Revenue Bond Act, Sections 266-A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Act"), and the authorities therein mentioned, wishes to take the necessary actions for the issuance of economic development revenue bonds of the Issuer, in order to assist W. R. Blair, Inc. in financing the acquisition, construction and equipping of a catalog showroom, video store and Save-More outlet consisting, in the aggregate, of approximately 50,000 square feet, located at San Souci Regional Shopping Plaza, Building I, approximately 2 miles north of the main gate of the Naval Air Station in Lexington Park, Maryland on the west side of Route 235 in the Eighth Election District ("Project"), more particularly described in the form of agreement attached hereto as Exhibit 1, which Project will be located within the boundaries of the Issuer;

NOW, THEREFORE, be it resolved by the Board of County Commissioners of St. Mary's County, Maryland:

SECTION I. The Board of County Commissioners does hereby find and determine that:

- (a) The Project constitutes a "facility" within the meaning of that term as defined in Section 266-A of the Act; and
- (b) The Project is consistent with the legislative purpose of Section 266-B, i.e., to relieve conditions of unemployment, to encourage the increase of industry and commerce and a balanced economy, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State of Maryland, to promote economic development and to generally promote the health, welfare, and safety of the residents of St. Mary's County and the State of Maryland.

SECTION II. In order to assist in financing of the Project, the Board of County Commissioners hereby agrees to authorize and issue revenue bonds of the Issuer, in an aggregate amount now estimated not to exceed \$2,200,000, pursuant to the Act, upon the terms provided in the form of agreement attached hereto as Exhibit 1, to bind and inure to the benefit of the Issuer and W. R. Blair, Inc., which form of agreement is hereby in all respects approved. Any three (3) Commissioners are hereby authorized and directed to execute such agreement substantially in such form, with such changes as are not adverse to the Issuer as such Commissioners may approve, such execution being conclusive evidence of approval of any such changes.

USEN 005 PAGE 101

NO: 85-35

SUBJ: ECONOMIC DEVELOPMENT  
REVENUE BONDS -  
W. R. BLAIR, INC.

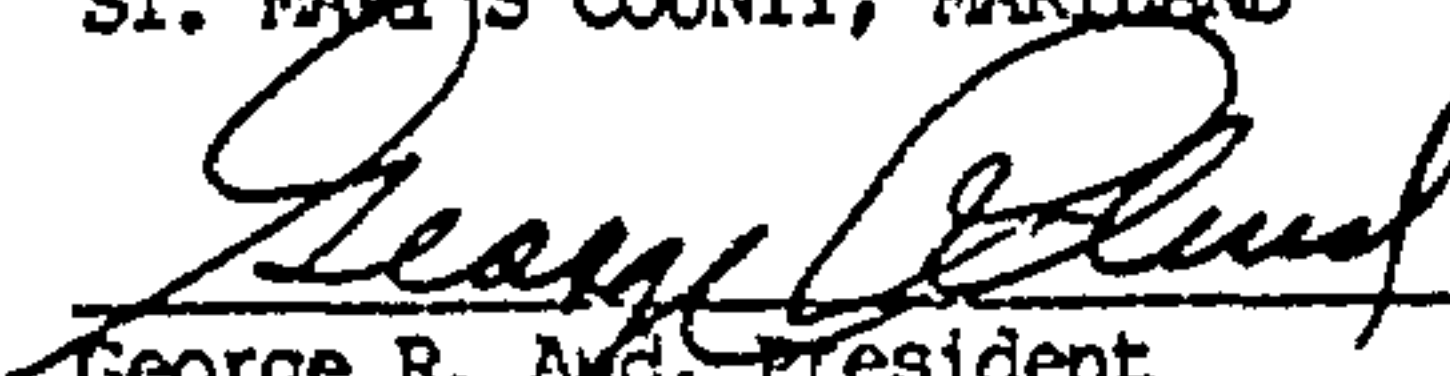
Page 2

SECTION III. It is found and determined that all formal actions of the Board of County Commissioners concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Board, and that all deliberations of the Board and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements of the State of Maryland and the Act.

SECTION IV. This Resolution shall be in full force and take effect immediately upon its adoption.

WITNESS, the Hand and Seal of the Board of County Commissioners of St. Mary's County, Maryland, this 31st day of December, 1985.


BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

  
George R. AWC, President


Larry Millison, Vice-President

  
Richard D. Arnold, Commissioner


  
Ford F. Dean, Commissioner

  
David F. Sayre, Commissioner

ATTEST:

  
Edward V. Cox  
County Administrator

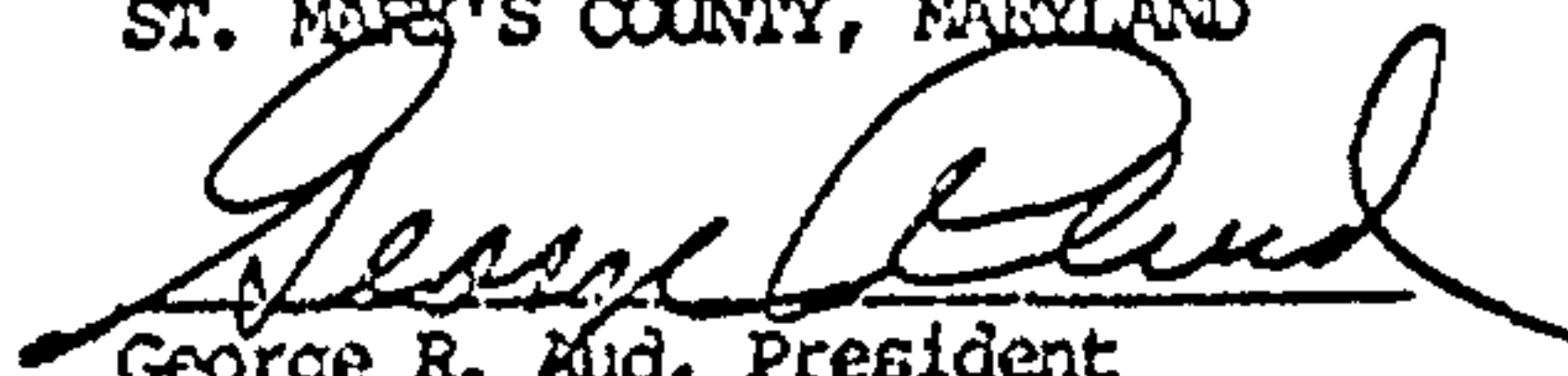
APPROVED AS TO LEGAL SUFFICIENCY:

  
Joseph R. Densford  
Assistant County Attorney



IN WITNESS, WHEREOF, the Issuer, pursuant to the Resolution duly adopted on December 31, 1985 by the Board of County Commissioners, has caused this Agreement to be executed by at least three (3) County Commissioners and the Project Owner has caused it to be executed, all as of the date and year first above written.


BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

  
George R. Hud, President


Larry Millison, Vice-President

  
Richard D. Arnold, Commissioner


  
Ford L. Dean, Commissioner

  
David F. Sayre, Commissioner

ATTEST:

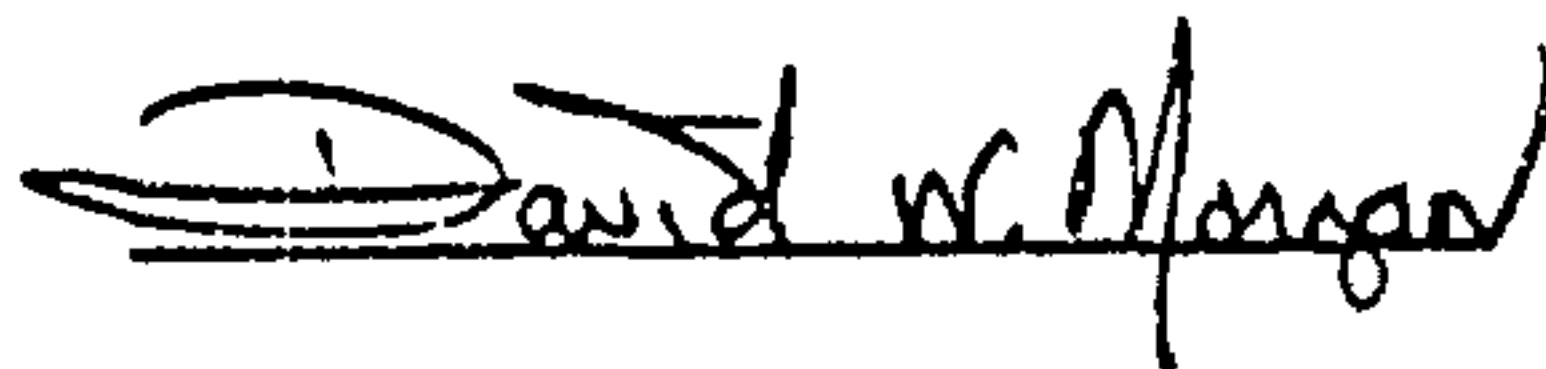
  
Edward V. Cox  
County Administrator

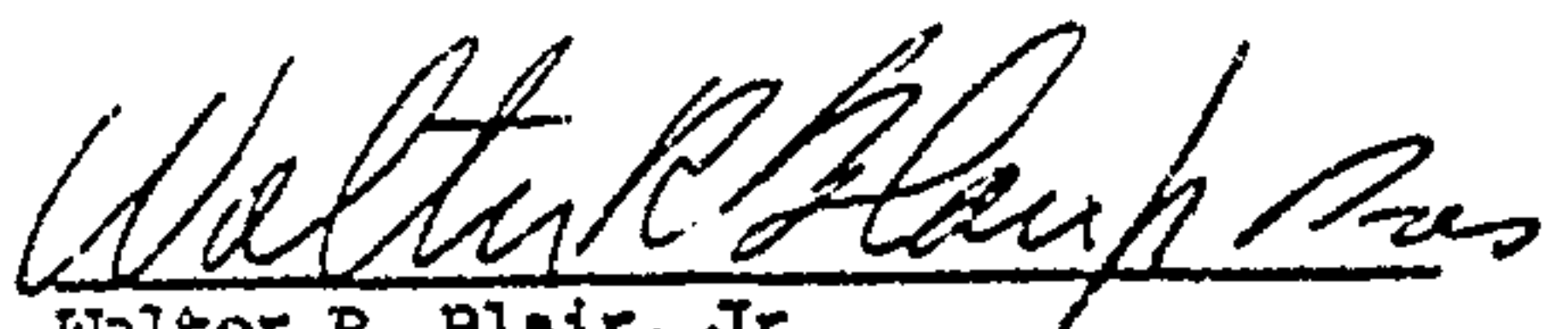
APPROVED AS TO LEGAL SUFFICIENCY:

  
Joseph R. Densford  
Assistant County Attorney

ATTEST:

W. R. BLAIR, INC.



  
Walter R. Blair, Jr.  
President



USER 005 PAGE 163

AGREEMENT TO ISSUE BONDS

This Agreement entered into this 31st day of December, 1985 by and between the Board of County Commissioners of St. Mary's County, Maryland, hereinafter referred to as "Issuer," a political subdivision duly organized and validly existing under the Constitution and Laws of the State of Maryland and W. R. Blair, Inc., a corporation incorporated in the State of Maryland hereinafter referred to as "Project Owner," to relieve conditions of unemployment, to encourage the increase of industry and commerce and a balanced economy, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State of Maryland, to promote economic development and to generally promote the health, welfare, and safety of the residents of St. Mary's County and the State of Maryland under the following circumstances:

- A. The Project Owner desires to finance costs of a facility (the "Project") which will include the acquisition, construction and equipping of a catalog showroom, video store and Save-More outlet consisting, in the aggregate, of approximately 50,000 square feet, located at San Souci Regional Shopping Plaza, Building I, approximately 2 miles north of the maingate of the Naval Air Station in Lexington Park, Maryland on the west side of Route 235 in the Eighth Election District of St. Mary's County, Maryland within the boundaries of the Issuer, which Project will be owned by the Project Owner.
- B. The Project Owner has requested that the Issuer issue economic development revenue bonds pursuant to the Maryland Economic Development Revenue Bond Act, Section 266-A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Act"), in an aggregate principal amount now estimated not to exceed \$2,200,000 (the "Bonds"), to assist in the financing of the Project, and is agreeable to making payments to the Issuer sufficient to pay all the principal and premium, if any, and interest on the Bonds.
- C. The Issuer is willing to issue the Bonds and desires to obtain the economic benefits from the Project. As an inducement to and in consideration of the Project Owner's plan with respect to the Project, the Issuer and the Project Owner agree as follows:
  1. The Project Owner shall commence and continue to cause to be commenced and continued, the construction and equipping of the Project as soon as feasible and the Project Owner will provide, or cause to be provided, at its own expense, the necessary interim financing to permit acquisition, construction and equipping of the Project to commence and continue. Upon the issuance of the Bonds, the Issuer and the Project Owner will enter into one or more agreements (the "Financing Agreement") with respect to the Project and the financing thereof. The Financing Agreement shall be in the form of a loan agreement, a conditional or installment sale agreement, or a lease with the option to purchase and may contain such terms and conditions as provided or permitted under the Act.

USER 005 PAGE 104

RESOLUTION NO: 85-35

EXHIBIT NO: 1

Page 2 of 3

Provided, however, that the Financing Agreement shall require payment sufficient to pay the principal of and premium, if any, and interest of such Bonds as may be issued with respect to the Project, or a portion thereof, which is subject to such Financing Agreement. In order to secure the payment of the principal of and premium, if any, and interest on the Bonds, the Issuer may also enter into a trust agreement or mortgage with the Project Owner which shall have such terms and conditions as may be provided or permitted under the Act. The Issuer shall not have any financial responsibility with respect to the Bonds or the Project except from income and revenue actually derived by the Issuer with respect to the Bonds and the Project.

2. Upon receipt of a request from the Project Owner, the Issuer will promptly issue the Bonds in one or more series, maturing in such amounts and times, bearing interest at such rate or rates, payable on such dates and containing such optional and mandatory redemption features and prices as are requested by the Project Owner and will deliver the Bonds to the purchaser or purchasers thereof and cooperate to its fullest extent in consummating the transaction.
3. In order to induce the Issuer to execute and deliver this Agreement, and ultimately to issue the Bonds, the Project Owner hereby represents and agrees:
  - a. The assistance to be provided under this Agreement and the commitments thereto made by the Issuer have induced the Project Owner to locate the Project within the boundaries of the Issuer and will create additional jobs and employment opportunities therein.
  - b. The Project Owner will defend, indemnify and hold the Issuer and any and all officials thereof harmless against any and all losses, costs, expenses, claims, or actions arising out of or connected with the execution of the Agreement, and the preparation of, proceedings for, and the issuance, sale or delivery of the Bonds.
4. This Agreement will be binding upon the Project Owner, its successors and assigns.

Attest: Patricia Guy

JAN 2 1988

MARY R. BELL, CLERK



No. 86-01

188R 005 PAC-165

Subj: ZONE #85-0880  
H. T. WARING  
(ADJACENT TO PATUXENT INN)

2:29PM01/22/868 CO.COM \$0.00

RESOLUTION

WHEREAS, H. T. WARING has made application to rezone approximately 1.77 acres of land on Maryland Route 235 in California, adjacent to the Patuxent Inn, from R-2, Low Density Urban Residential, to C-2, Commercial. The property is located in the Eighth Election District of St. Mary's County, Maryland, on Tax Map 43, Parcel 5. The matter is docketed as Case No. 85-0880.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the St. Mary's Planning Commission conducted a public hearing on the request on October 14, 1985.

WHEREAS, following deliberation, the Planning Commission, on November 4, 1985, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County that designation of the subject property as C-2 be granted on the condition that no direct access from the subject property to Maryland 235 be permitted.

WHEREAS, the Board of County Commissioners, after publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, conducted a public hearing on the request on November 19, 1985.

WHEREAS, following deliberation on November 26, 1985, the County Commissioners, by a unanimous vote, in accordance with the provisions of Section 4.05(a) of Article 66B of the Maryland Annotated Code and Section 70.05 of the St. Mary's County Zoning Ordinance, find as fact the following with regard to the request:

I. Change in the Character of the Neighborhood:

The neighborhood for this property is defined as the area extending along both sides of Maryland Route 235 for a depth of approximately five hundred (500) feet between Old Rolling Road and Hewitt Road. There have been numerous changes in the neighborhood to support this rezoning, including the construction of the Skate Station, Dynamac Building, the expansion of Hickory Hills shopping center, and San Souci Estates, all of which have contributed to the commercial character of the area.

II. Population Change:

From 1980 to 1985 the Eighth Election District has grown in population from 20,562 to 23,245, an increase of 13%.

III. Adequacy of Public Facilities:

All public facilities are in place. Impact on the sewer capacity is undetermined at this time but will be minimal if the applicant adds primarily meeting space, which is his plan.

IV. Present and Future Transportation Patterns:

The dualization of Maryland Route 235 is nearly complete, and can adequately handle the small increases in traffic created by the proposed expansion of business at this site. The prohibition against direct access from the subject property to Maryland Route 235 should minimize the impact of this development on traffic patterns in the area.

V. Relation to Comprehensive Plan:

The Comprehensive Plan discusses the advantages of increased commercial development in the Urban Development Area of Lexington Park. There are no aspects of the proposal that conflict with the plan. It is to serve the business community and travelers associated with the County's employment center.



1867 005 PAGE 166

No. 86-01

Subj: ZONE #85-0880  
H. T. WARING  
(ADJACENT TO PATUXENT INN)

(Page 2 of 2)

VI. Fiscal Impact on Government:

The change in zoning would increase real estate taxes.

VII. Suitability of Property for Uses Under Existing and Proposed Zoning Classifications:

The subject property is unsuitable for use under the R-2 zoning classification as a homesite, and is more suitable for the proposed use.

VIII. Compatibility with Existing and Proposed Development for the Area:

The site is between a motel and a shopping center. To the rear is the railroad right-of-way and trailer parks. The expansion would be compatible.

IX. Mistake in Original Zoning:

There is no evidence in the record of a mistake in the original zoning of the subject property.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this \_\_\_\_\_ day of January, 1986, that the above-mentioned rezoning request is GRANTED and the property is hereby reclassified from R-2 to C-2, on the condition that direct access from the subject property to Maryland Route 235 is prohibited.

The undersigned applicant hereby agrees to the condition that the direct access from the subject property to Maryland Route 235 is prohibited, which condition shall be binding on the personal representatives, heirs, successors, and assigns of the applicant, and shall run with and bind the subject property.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

George R. Rud  
GEORGE R. RUD, President

LARRY MILLISON, Vice-President

Richard D. Arnold  
RICHARD D. ARNOLD, Commissioner

Ford L. Dean  
FORD L. DEAN, Commissioner

David F. Sayre  
DAVID F. SAYRE, Commissioner

ATTEST:

Edward V. Cox  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
JOSEPH R. DENSFORD  
Assistant County Attorney

H. T. Waring  
H. T. WARING  
Applicant

lcl: Patricia Lee

JAN 22 1986

MARY R. BELL, CLERK

USER 005 PAGE 167

No. 86-02

Subj: ZONE #85-1019  
H. T. WARING

2:29PM 01/22/86B CD.COM \$0.00

RESOLUTION

WHEREAS, H. T. WARING has made application to rezone approximately 2.07 acres of land on Maryland Route 246, Great Mills Road, adjacent to Southern Mobile Home Park, from R-2, Low Density Urban Residential, and C-1, Commercial, to C-2, Commercial. The property is located in the Eighth Election District of St. Mary's County, Maryland, on Tax Map 51, Block 3, Parcel 373. The matter is identified as Case No. 85-1019.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on October 14, 1985.

WHEREAS, following deliberation, the Planning Commission, on November 4, 1985, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County that the subject property be rezoned from R-2 and C-1 to C-2, on the following conditions:

(1) That the following uses permitted in the C-2 zoning district be prohibited:

- (a) Gas and Co stations;
- (b) Multiple family dwelling uses (R-15);
- (c) Automobile filling stations;
- (d) Automobile sales and services;
- (e) Drive-in eating and drinking establishments;
- (f) Multiple family dwelling units (R-30).

(2) That the design of the entrance onto Maryland Route 246 from the subject property be approved by the Office of Planning & Zoning.

WHEREAS, the Board of County Commissioners, after publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, conducted a public hearing on the request on November 19, 1985.

WHEREAS, following deliberation on November 26, 1985, the County Commissioners, in accordance with the provisions of Section 4.05(a) of Article 66B of the Maryland Annotated Code and Section 70.05 of the St. Mary's County Zoning Ordinance, find as fact the following with regard to the request:

I. Change in the Character of the Neighborhood:

The neighborhood of the subject property extends along Maryland Route 246 from Chancellor's Run Road to Willows Road to a depth of approximately five hundred (500) feet on each side. Construction of various office buildings for defense contractors constitute a change in the neighborhood to a more commercial nature.

II. Population Change:

From January 1, 1980 to January 1, 1985 the Eighth Election District has grown in population from 20,562 to 23,245, an increase of 13%.

III. Adequacy of Public Facilities:

All public facilities are in place. The type of operation proposed has little, if any, impact on water and sewer or roads. The warehouse facility will generate very little traffic.

IV. Present and Future Transportation Patterns:

This rezoning would not have a major impact on MD. Route 246.

V. Relation to Comprehensive Plan:

The site is part of an existing commercial use corridor. However, no comprehensive plan exists for this area.



No. 86-02

1SER 005 25-168

Subj: ZONE #85-1019  
H. T. WARING

(Page 2 of 2)

VI. Fiscal Impact on Government:

The change in zoning may increase property taxes.

VII. Suitability of Property for Uses Under Existing and Proposed Zoning Classifications:

The property is suitable for uses under the R-2, C-1, and C-2 zoning classifications.

VIII. Compatibility with Existing and Proposed Development for the Area:

The existing development around this site; namely, mobile homes and research offices, are what generate demand for storage space. Thus, the proposed use will serve existing development as well as the apartments under construction and the additional office space planned nearby.

IX. Mistake in Original Zoning:

There is no evidence in the record of a mistake in the original zoning of the subject property.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, this \_\_\_\_\_ day of January, 1986, that the above-mentioned rezoning request is GRANTED and the subject property is hereby reclassified from R-2 and C-1 to C-2, subject to the conditions recommended by the Planning Commission, as set forth above.

The undersigned applicant hereby agrees to the conditions recommended by the Planning Commission, as set forth above, which shall be binding on the personal representatives, heirs, successors, and assigns of the applicant, and shall run with and bind the subject property.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

*George R. Kud*  
GEORGE R. KUD, President

LARRY MILLISON, Vice-President

*Richard D. Arnold*  
RICHARD D. ARNOLD, Commissioner

*Ford L. Dean*  
FORD L. DEAN, Commissioner

*David F. Sayre*  
DAVID F. SAYRE, Commissioner

ATTEST:

*Edward V. Cox*  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
JOSEPH R. DENSFORD  
Assistant County Attorney

*H. T. Waring*  
H. T. WARING  
Applicant

Del: Patricia Guy

JAN 22 1986

MARY R. BELL, CLERK



NO: 86-03

SUBJ: ECONOMIC DEVELOPMENT  
REVENUE BONDS -  
R. F. G. & F. PARTNERSHIP

11:15AM 01/31/96A CO.COM \$0.00

INDUCEMENT RESOLUTION

PREAMBLE

A Resolution authorizing the execution of an agreement with R. F. G. & F. Partnership, a limited partnership created in the state of Maryland pertaining to the financing of the construction of an 8,000 sq. ft. addition to an existing building located at 777 Great Mills Road in Lexington Park within the boundaries of St. Mary's County, Maryland.

RECITALS

WHEREAS, St. Mary's County, Maryland, a political subdivision of the State of Maryland, Issuer by virtue of the laws of the State of Maryland, particularly the Maryland Economic Development Revenue Bond Act, Sections 266-A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Act"), and the authorities therein mentioned, wishes to take the necessary actions for the issuance of economic development revenue bonds of the Issuer, in order to assist R. F. G. & F. Partnership in financing the construction of an 8,000 sq. ft. addition to an existing building at 777 Great Mills Road in Lexington Park ("Project"), more particularly described in the form of agreement attached hereto as Exhibit 1, which Project will be located within the boundaries of the Issuer;

NOW, THEREFORE, be it resolved by the Board of County Commissioners of St. Mary's County, Maryland:

SECTION I. The Board of County Commissioners does hereby find and determine that:

- (a) The Project constitutes a "facility" within the meaning of that term as defined in Section 266-A of the Act; and
- (b) The Project is consistent with the legislative purpose of Section 266-B, i.e., to relieve conditions of unemployment, to encourage the increase of industry and commerce and a balanced economy, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State of Maryland, to promote economic development and to generally promote the health, welfare, and safety of the residents of St. Mary's County and the State of Maryland.

SECTION II. In order to assist in financing of the Project, the Board of County Commissioners hereby agrees to authorize and issue revenue bonds of the Issuer, in an aggregate amount now estimated not to exceed \$400,000, pursuant to the Act, upon the terms provided in the form of agreement attached hereto as Exhibit 1, to bind and inure to the benefit of the Issuer and R.F. G. & F. Partnership, which form of agreement is hereby in all respects approved. Any three (3) Commissioners are hereby authorized and directed to execute such agreement substantially in such form, with such changes as are not adverse to the Issuer as such Commissioners may approve, such execution being conclusive evidence of approval of any such changes.

1337 005 PC 170

NO: 86-03

SUBJ: ECONOMIC DEVELOPMENT  
REVENUE BONDS -  
R. F. G. & F. Partnership

Page 2

SECTION III. It is found and determined that all formal actions of the Board of County Commissioners concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Board, and that all deliberations of the Board and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements of the State of Maryland and the Act.

SECTION IV. This Resolution shall be in full force and take effect immediately upon its adoption.

WITNESS, the Hand and Seal of the Board of County Commissioners of St. Mary's County, Maryland, this 28th day of January, 1986.

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

\_\_\_\_\_  
George R. Aud, President

\_\_\_\_\_  
Larry Millison, Vice-President

Richard D. Arnold  
Richard D. Arnold, Commissioner

Ford L. Dean  
Ford L. Dean, Commissioner

David F. Sayre  
David F. Sayre, Commissioner

ATTEST:

Edward V. Cox  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
Joseph R. Densford  
Assistant County Attorney



AGREEMENT TO ISSUE BONDS

This Agreement entered into this 28th day of January, 1986 by and between the Board of County Commissioners of St. Mary's County, Maryland, hereinafter referred to as "Issuer," a political subdivision duly organized and validly existing under the Constitution and Laws of the State of Maryland and R. F. G. & F. Partnership, a limited partnership created in the State of Maryland hereinafter referred to as "Project Owner," to relieve conditions of unemployment, to encourage the increase of industry and commerce and a balanced economy, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State of Maryland, to promote economic development and to generally promote the health, welfare, and safety of the residents of St. Mary's County and the State of Maryland under the following circumstances:

- A. The Project Owner desires to finance costs of a facility (the "Project") which will include the construction of an 8,000 sq. ft. addition to an existing building located at 777 Great Mills Road in Lexington Park, Maryland within the boundaries of the Issuer, which Project will be owned by the Project Owner.
- B. The Project Owner has requested that the Issuer issue economic development revenue bonds pursuant to the Maryland Economic Development Revenue Bond Act, Section 266-A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Act"), in an aggregate principal amount now estimated not to exceed \$400,000 (the "Bonds"), to assist in the financing of the Project, and is agreeable to making payments to the Issuer sufficient to pay all the principal and premium, if any, and interest on the Bonds.
- C. The Issuer is willing to issue the Bonds and desires to obtain the economic benefits from the Project. As an inducement to and in consideration of the Project Owner's plan with respect to the Project, the Issuer and the Project Owner agree as follows:
  1. The Project Owner shall commence and continue to cause to be commenced and continued, the construction and equipping of the Project as soon as feasible and the Project Owner will provide, or cause to be provided, at its own expense, the necessary interim financing to permit acquisition, construction and equipping of the Project to commence and continue. Upon the issuance of the Bonds, the Issuer and the Project Owner will enter into one or more agreements (the "Financing Agreement") with respect to the Project and the financing thereof. The Financing Agreement shall be in the form of a loan agreement, a conditional or installment sale agreement, or a lease with the option to purchase and may contain such terms and conditions as provided or permitted under the Act.



Provided, however, that the Financing Agreement shall require payment sufficient to pay the principal of and premium, if any, and interest of such Bonds as may be issued with respect to the Project, or a portion thereof, which is subject to such Financing Agreement. In order to secure the payment of the principal of and premium, if any, and interest on the Bonds, the Issuer may also enter into a trust agreement or mortgage with the Project Owner which shall have such terms and conditions as may be provided or permitted under the Act. The Issuer shall not have any financial responsibility with respect to the Bonds or the Project except from income and revenue actually derived by the Issuer with respect to the Bonds and the Project.

2. Upon receipt of a request from the Project Owner, the Issuer will promptly issue the Bonds in one or more series, maturing in such amounts and times, bearing interest at such rate or rates, payable on such dates and containing such optional and mandatory redemption features and prices as are requested by the Project Owner and will deliver the Bonds to the purchaser or purchasers thereof and cooperate to its fullest extent in consummating the transaction.
3. In order to induce the Issuer to execute and deliver this Agreement, and ultimately to issue the Bonds, the Project Owner hereby represents and agrees:
  - a. The assistance to be provided under this Agreement and the commitments thereto made by the Issuer have induced the Project Owner to locate the Project within the boundaries of the Issuer and will create additional jobs and employment opportunities therein.
  - b. The Project Owner will defend, indemnify and hold the Issuer and any and all officials thereof harmless against any and all losses, costs, expenses, claims, or actions arising out of or connected with the execution of the Agreement, and the preparation of, proceedings for, and the issuance, sale or delivery of the Bonds.
4. This Agreement will be binding upon the Project Owner, its successors and assigns.

IN WITNESS WHEREOF, the Issuer, pursuant to the Resolution duly adopted on January 28, 1986 by the Board of County Commissioners, has caused this Agreement to be executed by at least three (3) County Commissioners and the Project Owner has caused it to be executed, all as of the date and year first above written.

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

George R. Aud, President

Larry Millison, Vice-President

Richard D. Arnold  
Richard D. Arnold, Commissioner

Ford L. Dean  
Ford L. Dean, Commissioner

David F. Sayre  
David F. Sayre, Commissioner

ATTEST:

Edward V. Cox  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Denaford  
Joseph R. Denaford  
Assistant County Attorney

ATTEST:

R. F. G. & P. PARTNERSHIP

Judith A. Spalding

Robert F. Gabrelcik  
Robert F. Gabrelcik  
Partner

clerk: Judy Landre

JAN 31 1986

MARY R. BELL, CLERK

1986 005 174

NO. 86-04

SUBJ: Approval of Stormwater Management Maintenance Agreements

RESOLUTION

11:17AM 01/31/86A CB.CGM \$0.00

WHEREAS, the Board of County Commissioners of St. Mary's County, Maryland, is required by Section 8-11A-02 of the Natural Resources Article of the Annotated Code of Maryland to adopt ordinances necessary to implement a stormwater management program.

WHEREAS, the Board of County Commissioners has adopted Section 52.03 et seq. of the St. Mary's County Zoning Ordinance, providing for stormwater management criteria.

WHEREAS, the Board of County Commissioners has adopted approving authority for Stormwater Management Maintenance Agreements to insure the continued maintenance and repair of stormwater management structures for residential subdivisions and various types of site plans.

WHEREAS, the Board of County Commissioners has delegated to the Department of Public Works the authority to review such agreements to insure compliance with state and local stormwater management regulations prior to presentation to the Board of County Commissioners for approval.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND this 28th day of January, 1986, that the Director of Public Works is hereby authorized and directed to review and, where appropriate, approve and execute all Stormwater Management Maintenance Agreements required by State and County Stormwater Management Regulations.

THIS RESOLUTION shall be effective immediately upon the date of passage.

ATTEST:

*Edward V. Cox*  
Edward V. Cox  
County Administrator

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

George R. Aud, President

Larry Millison, Vice President

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

*Ford L. Dean*  
Ford L. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

APPROVED AS TO LEGAL  
FORM AND SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford  
Assistant County Attorney

held to: Judy Landre

JAN 31 1986

MARY R. BELL, CLERK



1986 005 175

NO. 86-05

SUBJ: Grading Agreement Approval

RESOLUTION

11:15AM 01/31/86 CO.COM \$0.00

WHEREAS, the Board of County Commissioners of St. Mary's County, Maryland, is duly authorized by Section 8-1103 of the Natural Resources Article of the Annotated Code of Maryland to issue grading permits pursuant to grading and sediment control plans, and to enforce compliance with sediment control regulations.

WHEREAS, grading agreements executed by the developer and the Board of County Commissioners are currently being required for certain categories of construction, in order to better insure compliance with the sediment control regulations.

WHEREAS, the St. Mary's County Department of Public Works is currently charged with reviewing grading plans and grading agreements, and making recommendations on such plans and agreements to the Board of County Commissioners.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS FOR ST. MARY'S COUNTY, MARYLAND, this 28th day of January, 1986, that the Director of Public Works of St. Mary's County, Maryland is hereby authorized and directed to review and, where appropriate, to execute on behalf of the Board of County Commissioners of St. Mary's County, Maryland, as their duly authorized representative, all grading agreements required to insure compliance with applicable sediment control regulations.

This Resolution shall become effective immediately upon its passage.

ATTEST:

*Edward V. Cox*  
Edward V. Cox  
County Administrator

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

*George R. Aud*  
George R. Aud, President

*Larry Millison*  
Larry Millison, Vice President

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

*Ford L. Dean*  
Ford L. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

APPROVED AS TO LEGAL  
FORM AND SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford  
Assistant County Attorney

*Del. Judy Hardre Jan 31, 1986*

MARY R. BELL, CLERK

NO: 86-06

SUBJ: CDA FUNDING FOR  
HOUSING DEVELOPMENT  
TRI-COUNTY COMMUNITY  
DEVELOPMENT CORPORATION/  
CHANCELLOR'S RUN ESTATES

**RESOLUTION**

Resolution of Board of Commissioners of St. Mary's County approving the development of housing at Chancellor's Run Estates, off Chancellor's Run Road in Lexington Park, Maryland under the Homeownership Development/Mortgage Purchase Program to be financed by the Community Development Administration of the State of Maryland.

WHEREAS, the Board of County Commissioners of St. Mary's County, Maryland recognizes that there is a significant need for quality housing units in St. Mary's County, Maryland for families of limited income; and

WHEREAS, Tri-County Community Development Corporation proposes to construct and market a housing development to contain approximately seventy-four (74) units, known as Chancellor's Run Estates; and

WHEREAS, the Community Development Administration of the State of Maryland has received a "request" from Tri-County Community Development Corporation to provide the permanent financing for thirty-three (33) units in the above described development pursuant to its authority specified in Article 41, Section 266DD-1 et seq. of the Annotated Code of Maryland; and

WHEREAS, the Regulations of the Community Development Administration require that all developments financed by it be approved by the appropriate local governing body and, where appropriate, by the chief elected executive official of the locality;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of St. Mary's County hereby endorse the construction of the aforesaid development upon the site proposed; and be it further

RESOLVED THAT the copies of this resolution be sent to the Secretary of the Department of Economic and Community Development, State of Maryland.

WITNESS, the Hand and Seal of the Board of County Commissioners of St. Mary's County, Maryland, this 25th day of February, 1986.

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

\_\_\_\_\_  
George R. Aud, President (SEAL)

*Larry Milnison* (SEAL)  
Larry Milnison, Vice President

*Richard D. Arnold* (SEAL)  
Richard D. Arnold, Commissioner

\_\_\_\_\_  
Ford L. Dean, Commissioner (SEAL)

*David F. Sayre* (SEAL)  
David F. Sayre, Commissioner

ATTEST:

*Edward V. Cox*  
Edward V. Cox  
County Administrator

1109PH03/03/868 CG.COM \$0.00

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford  
Assistant County Attorney

*Rtd. J.R.D.*

March 3, 1986

MARY R. BEE CLERK



No. 286-03

Subj: ZONE #84-1306  
MARYLAND MONEY MARKET  
MORTGAGE CORPORATION

USER 005 PAL 177

11:19AM 03/05/86A CO.COM \$0.00

RESOLUTION

WHEREAS, MARYLAND MONEY MARKET MORTGAGE CORPORATION has made application to rezone Lot 9, Block H, Section 1 of Patuxent Park Subdivision, from R-4, Medium Density Urban Residential, to CL-O, Commercial Limited - Office. The property is located in the Eighth Election District of St. Mary's County, Maryland, on Tax Map 43A. The matter is identified as Case No. 84-1306.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on June 10, 1985.

WHEREAS, following deliberation, the Planning Commission, on October 14, 1985, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County that the subject property be rezoned to CL-O, as requested.

WHEREAS, the Board of County Commissioners, after publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, conducted a public hearing on the request on December 3, 1985.

WHEREAS, following deliberation on January 7, 1986, the County Commissioners, in accordance with the provisions of Section 4.05(a) of Article 66B of the Maryland Annotated Code and Section 70.05 of the St. Mary's County Zoning Ordinance, find as fact the following with regard to the request:

I. Change in the Character of the Neighborhood:

The neighborhood is defined as Lots 1 through 11, Block H, Section 1 of Patuxent Park Subdivision, fronting Great Mills Lane between Essex Drive and Midway Drive. This area has become distinct from the rest of the subdivision due to the increase in commercial development occurring there. Of the other 10 lots, 5 contain non-residential uses and the others are multi-family uses. Increased traffic and development on Maryland Route 246 render the neighborhood less desirable for single-family residential uses.

II. Population Change:

The population of the Eighth Election District has increased by approximately 2,700 persons since 1980.

III. Adequacy of Public Facilities:

A. Roads

The property is located on Great Mills Lane, a service road which has access to Route 246 at the end of the block. As Great Mills Lane exists, it is a desirable type of service road for serving commercial uses. According to the State Highway Administration, Great Mills Lane will not be affected by the proposed reconstruction of Route 246. It will remain as a separate road, divided by a median strip from Route 246.

B. Other Public Facilities

No significant impact.

IV. Relationship to the Comprehensive Plan:

There is currently no comprehensive plan for Lexington Park.

V. Fiscal Impact on Government:

The change in zoning may increase property taxes, and should have no adverse fiscal impact.



USER 005 p. 178

No. 786-03

Subj: ZONE #84-1306  
MARYLAND MONEY MARKET  
MORTGAGE CORPORATION

(Page 2 of 2)

VI. Suitability of Property for Uses Under Existing  
and Proposed Zoning Classification:

The subject property, because of the increased traffic and surrounding commercial uses, is increasingly unsuitable for uses under the R-4 classification, and would be more suitable under the CL-0 classification.

VII. Compatibility with Existing and Proposed Development  
for the Area:

This property, being an integral part of a commercial strip, would be compatible with the neighborhood if zoned CL-0.

VIII. Mistake in Original Zoning:

The applicant did not argue this point.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 4th day of March, 1986, that the above-mentioned rezoning request is GRANTED and the subject property is hereby reclassified from R-4 to CL-0.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

GEORGE R. AUD, President

Larry Millison  
LARRY MILLISON, Vice President

RICHARD D. ARNOLD, Commissioner

Ford L. Dean  
FORD L. DEAN, Commissioner  
David F. Sayre  
DAVID F. SAYRE, Commissioner

ATTEST:

Edward V. Cox  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
JOSEPH R. DENSFORD  
Assistant County Attorney

Rtd. J. R. D.

March 5, 1986

MARK H. BELL, CLERK

LIBER 015 B. 170

No. Z 86-04

Subj: ZONE #85-0173  
TEXT CHANGE TO ZONING ORDINANCE  
(FLOATING HOMES)

1:48PM03/13/86B CD.COM \$0.00

RESOLUTION

WHEREAS, Article 66B of the Annotated Code of Maryland, as amended, empowers the Board of County Commissioners of St. Mary's County, Maryland, to enact a Zoning Ordinance and to provide for its administration, enforcement and amendment; and

WHEREAS, the Board of County Commissioners did, on May 28, 1974, adopt the St. Mary's County Zoning Ordinance for the purpose of promoting the health, safety and general welfare of the County; and

WHEREAS, Article 25, Section 234A of the Annotated Code of Maryland authorizes the Board of County Commissioners to regulate and restrict the mooring, docking, anchoring and installing of any floating home within the waters of St. Mary's County, effective July 1, 1985; and

WHEREAS, Article 66B, Section 9.04 of the Annotated Code of Maryland provides for a moratorium on the mooring, docking, anchoring or installing of floating homes within the waters of St. Mary's County for a period of one (1) year from its date of passage on May 21, 1985 or until the Board of County Commissioners adopted and made effective comprehensive zoning ordinances and plans concerning such floating homes, whichever date first occurs; and

WHEREAS, the St. Mary's County Planning Commission and the Board of County Commissioners conducted a joint public hearing concerning floating homes on March 11, 1985; and

WHEREAS, after a lengthy and careful study, the Board of County Commissioners make the following findings with respect to floating homes:

1. St. Mary's County faces a significant increase in the number of floating homes moored, docked, anchored or installed in its water.
2. Floating homes may pose navigational hazards to small craft traveling in marinas or other restricted areas.
3. Floating homes may avoid real property tax assessments and place an unreasonable burden on the County's fiscal resources.
4. Floating homes may pose a threat to marine plant and animal life by blocking valuable light and improper discharge of waste.
5. Fire and police protection may be more difficult to provide to floating homes due to restricted access within the pier areas.
6. Floating homes may pose a threat to the general marine environment.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 11th day of March, 1986, that the St. Mary's County Zoning Ordinance is hereby amended as follows:

Add to Article 2, Page 2-7, the following:

"20.05 PROHIBITED USES

Floating homes are henceforth banned and prohibited from being installed within all zoning districts and waters of St. Mary's County."



LIBER 005 2A 180

No. Z 86-04

Subj: ZONE #85-0173  
TEXT CHANGE TO ZONING ORDINANCE  
(FLOATING HOMES)

(Page 2 of 2)

Add to DEFINITIONS, Page 8-7, the following:

"FLOATING HOMES means any vessel, whether self-propelled or not,  
which is:

- a. Used, designated or occupied as a permanent dwelling unit, place of business, or for any private or social club, including a structure constructed upon a barge primarily immobile and out of navigation, or any structure which functions substantially as a land structure while the same is moored or docked within Maryland; and
- b. Which has a volume coefficient greater than 3,000 square feet based upon the ratio of the habitable space of a vessel measured in cubic feet and the draft of a vessel in feet of depth."

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

GEORGE R. AUD, President

*Larry Millison*  
LARRY MILLISON, Vice President

RICHARD D. ARNOLD, Commissioner

*Ford L. Dean*  
FORD L. DEAN, Commissioner

*David F. Sayre*  
DAVID F. SAYRE, Commissioner

ATTEST:

*Edward V. Cox*  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL FORM AND SUFFICIENCY:

\_\_\_\_\_  
Joseph R. Densford  
Assistant County Attorney

Rtd. Judge / Co. Commrs

MAR 13 1986

MARY R. BELL, CLERK



LIBR 005 P. 181

RESOLUTION

11:01AM03/14/86A CD.COM 90.00

WHEREAS, in 1987, County Commissioners of St. Mary's County (the "County"), determined to construct an expanded nursing home facility in Leonardtown, Maryland to replace the existing St. Mary's Nursing Home and on August 3, 1983 the Board of Directors of St. Mary's Nursing Home, a County administrative board appointed by the County to oversee the management of the existing St. Mary's Nursing Home, submitted an application on behalf of the County to the Maryland Health Resources Planning Commission for a certificate of need for a new and expanded nursing home facility. St. Mary's Nursing Home, Inc., a nonprofit 501 (c) (3) corporation (the "Corporation"), was created to construct, own and operate the new nursing home facility; and

WHEREAS, pursuant to the Memorandum of Agreement, dated December 28, 1984 (the "Agreement"), by and between the County and the Corporation, the Corporation agreed to manage the new nursing home facility, and until the new nursing home facility was constructed and operational, to assume the duties and responsibilities of the existing Board of Directors of St. Mary's Nursing Home. These duties and responsibilities included the procurement of a construction contractor for the new facility; and

WHEREAS, under the terms of the Agreement, the County was to issue its economic development revenue bonds and to loan the proceeds of such bonds to the Corporation to enable the Corporation to acquire necessary land and to plan, design, construct and equip the new nursing home facility. Ownership of the new nursing home facility was to reside with the Corporation and the cost of operation and maintenance of the new nursing home facility, including repayment of bonded indebtedness, was to be the Corporation's responsibility; and

WHEREAS, on February 14, 1984, the Maryland Health Resources Planning Commission issued its Certificate of Need for the new nursing home facility. On July 16, 1985, the Executive Director of the Health Resources Planning Commission approved one six-month extension of time to meet the first performance requirement of the Certificate of Need (entering into a binding construction contract) and on January 8, 1986, the Health Resources Planning Commission approved a cost modification to the Certificate of Need. The Certificate of Need requires that a binding construction contract for the new nursing home facility be entered into on or before December 1, 1985 and that initiation of construction take place within six months of the effective date on such binding construction contract; and

WHEREAS, on June 28, 30, and July 1, 1985, the Corporation advertised in the Baltimore Sun, the Baltimore News-American and the Washington Post for prequalification statements from prospective bidders. Additionally, the advertisement was placed in The Enterprise on July 3 and 5. The advertisement stated that prequalification statements were due by July 9, 1985. Eight statements were received, on the basis of which all eight prospective bidders were deemed qualified by the Corporation. On or about July 27, 1985, each of the eight prospective bidders was notified to submit construction bids no later than August 27, 1985. Contract drawings and specifications upon which the bids were to be based were made available to each of the prospective bidders by the Corporation. Three timely bids were received by the Corporation; they were not opened publicly. The bids were as follows: The Davis Corporation of LaPlata, Maryland - \$3,943,450 and a construction schedule of 400 days; Murray, Weaver & Ragan of Waldorf, Maryland - \$4,167,000 and a construction schedule of 540 days; Loffler Construction of Lexington Park, Maryland - \$4,396,000 and a construction schedule of 425 days. Subsequent negotiations were conducted between the Corporation and the Davis Corporation, culminating in the execution of a construction contract on November 27, 1985 for a fixed price of \$3,860,000 and with a construction schedule of 400 days. Under the



performance requirements of the Certificate of Need, construction of the new nursing home facility must commence by May 27, 1986. Under the terms of the construction contract, the construction contractor is required to commence construction within fifteen days of the date in the notice to proceed, which notice to proceed is required to be given on or before March 31, 1986; and

WHEREAS, on December 17, 1985, the United States House of Representatives passed H.B. 3838, The Tax Reform Act of 1985 ("H.B. 3838") which has an effective date of January 1, 1986. Certain provisions of this bill, although not enacted, affect the feasibility and financial attractiveness of tax-exempt financing for nonprofit 501(c)(3) corporations. Specifically, in the present situation, if the proceeds of the bonds issued for the new nursing home facility were to be used in the trade or business of, or loaned to, any entity other than a governmental unit, the result could be serious delays in issuing the bonds. Similarly, the State bond funding of the Maryland Nursing Home Loan Program grant of \$500,000 becomes more problematic under H.B. 3838 if the grant is not to a governmental unit. As of the date of the Agreement, these provisions had not been introduced in Congress and neither the County nor the Corporation anticipated these consequences. Upon consideration of the potentially adverse financial consequences with the financing plan contemplated by the Agreement involving the Corporation as the owner of the new nursing home facility and as obligor under the bonds issued for the facility, the County decided to effect construction of the new nursing home facility in a manner that avoided the involvement of the Corporation through the use of bonds issued by St. Mary's Building Authority Commission (the "Commission"); and

WHEREAS, the Commission was established by Chapter 475 of the Laws of Maryland of 1983 (as amended by Chapter 226 of the Laws of Maryland of 1984 and Chapter 401 of the Laws of Maryland of 1985) as a body politic and corporate and a public instrumentality of the County for the accomplishment of certain public purposes. The Commission enabling law is codified at Section 26-18 of the Code of Public Local Laws of St. Mary's County (1978 Edition, as amended). Section 26-18(e) of the Commission enabling law provides that the Board of County Commissioners must determine or approve all matters relating to the structure, organization and administration of the Commission, including the by-laws and procedures used by the Commission for the regulation of its affairs and the conduct of its business; and

WHEREAS, the county now contemplates that the Commission will construct and own the new nursing home facility and will issue its limited obligation bonds to finance the construction. The Commission will lease the new nursing home facility to the County under a long-term lease, the rent under such lease to be sufficient to pay principal of and interest on the Commission bonds as and when such bonds become due; and

WHEREAS, the necessity to finance the new nursing home facility as a Commission project occurred after the Corporation had procured the construction contractor and the construction contract had been executed by both parties. The Corporation and the construction contractor have agreed to the assignment by the Corporation of its rights and obligations under the construction contract to the Commission and the contractor is ready to commence performance under the contract for the Commission;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY.

Section 1. The Board of County Commissioners of St. Mary's County, Maryland, (the "Board of County Commissioners") hereby finds and determines that:

(a) Capitalized terms defined in the recitals hereof shall have the meaning provided in the recitals.

(b) Certain provisions of H.B. 3838 have serious adverse financial consequences for tax exempt financing of facilities used by nonprofit, 501 (c)(3) corporations; therefore, the County, seeking to avoid such adverse consequences, has determined not to involve the Corporation in the financing, construction, ownership or operation of the new nursing home facility to be located in Leonardtown, Maryland.

(c) Under County procurement law (Resolution No. 76-32, codified as Chapter 178 of the Code of Ordinances and Resolutions of St. Mary's County, 1978 Edition, as amended) a purchasing agent, designated by the Board of County Commissioners, has the duty of making all purchases, leases and contracts for all public works and for all supplies, materials, equipment and services for all offices, departments, institutions, boards, commissions and other agencies of county government for which payment is to be made out of County funds. Section 178-4 of the County procurement law requires competitive bidding for any single purchase or contract under the jurisdiction of the County involving an expenditure of more than \$2,500, except emergency purchases and those involving materials and equipment of a noncompetitive nature. Under the procedures established in Section 178-4, public notice must precede the submission of sealed bids, which must be opened publicly and the results reported to the Board of County Commissioners at its next regular meeting. The contract must be awarded to the lowest responsive bidder no sooner than one week from the date the bids are opened. The County may reject any and all bids.

(d) County procurement law does not directly address a situation in which the County assumes an existing contract.

(e) The procurement procedure employed by the Corporation was open, fair, equitable and competitive.

(f) The construction contract, as executed, represents a reasonable and fair price for the construction of the new nursing home facility in accordance with the plans and specifications.

(g) Conducting a new procurement for a construction contractor for the new nursing home facility (i) creates a substantial risk of an increase in the bid price for the construction, (ii), would delay the commencement of construction and introduces uncertainties with regard to compliance with the existing Certificate of need and the possibility of obtaining a still further modification of such Certificate and (iii) introduces the confusion and negative considerations of a rebidding into an otherwise orderly, open, fair, equitable and competitive contract process.

(h) An increase in the cost of construction or a delay in the beginning of construction past May 27, 1986 would require the approval of the Health Resources Planning Commission and could require a full review and reconsideration and subsequent possible loss of the Certificate of Need.

(i) The performance requirements of the Certificate of Need (specifically the dates for entering into a binding construction contract and commencing construction) and the possibility that a new procurement process could result in delays and increased costs that would require the approval of the Health Resources Planning Commission and possibly a reconsideration and review of the Certificate of Need constitute an emergency situation for the Commission and the County in the procurement of a construction contract for the new nursing home facility.

(j) Competitive bidding on a construction contract for the new nursing home facility at this time and under present circumstances would probably achieve a result contrary to the purpose of competitive bidding, and would not produce an advantage to the County or the Commission; therefore, the competitive bidding requirements of the County procurement law do not appear to be reasonably applicable to the present construction contract procurement; to the contrary, such application would contradict the clear public interest.



LIBER 005 183A

No: 86-08  
Subj: St. Mary's County  
Self-Insurance Fund

RESOLUTION

WHEREAS, St. Mary's County Government and the St. Mary's County Metropolitan Commission have jointly searched over several months to find insurance coverage for areas of exposure; and

WHEREAS, suitable insurance coverage has been secured through the assistance of the Insurance Buyers Council for all areas of exposure except Comprehensive General Liability and Business Auto Insurance; and

WHEREAS, after several months of searching only one carrier was found to provide General Liability and auto coverage but at such a high premium cost that establishing a self-insurance fund became the most feasible and cost-effective proposal; and

WHEREAS, the Board of County Commissioners and the Metropolitan Commission have agreed to establish a self-insurance fund upon the advice and direction of the Insurance Buyers Council;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners that there is hereby established, effective 12:00 a.m., April 1, 1986 the St. Mary's County Self-Insurance Fund with by-laws made a part hereof setting forth the duties and responsibilities of the Risk management Committee to administer the Fund.

Effective Date: April 1, 1986

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

George R. Aud, President

Larry Millison  
Larry Millison, Vice-President

Richard D. Arnold, Commissioner

Ford L. Dean  
Ford L. Dean, Commissioner

David F. Sayre  
David F. Sayre, Commissioner

ATTEST:

Edward V. Cox  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. DeAngelis  
County Attorney

This Page is Missing  
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Volume

ARTICLE III

LIBER 005 P. 185

PURPOSE

Section 1.

The purpose of these by-laws is to provide St. Mary's County the following capabilities:

1. Self-assumption of general and automobile liability loss exposures;
2. Establishment and maintenance of a fund to pay self-assumed losses;
3. Acquisition of claims adjustment and administration, loss control and other risk management services for the Fund;
4. Performing or contracting for the performance of financial administration, policy formulation, legal representation, actuarial and accounting services, and other developments as necessary for the administration of the Fund;
5. Parameters defining the scope of coverage afforded by the Fund;
6. Provision for acquisition of excess insurance coverage;
7. Inclusion in the future of additional coverages which may be self-assumed.

ARTICLE IV

RISK MANAGEMENT COMMITTEE

Section 1.

The operation and administration of the Fund shall be the joint responsibility of the RMC.

Section 2.

The RMC shall consist of the Director of Finance, the Assistant Director of the St. Mary's County Metropolitan Commission, and the County Attorney.



Section 3.

In the event any individual Member shall die, resign, or become incapacitated, the remaining Members shall have all of the powers, rights, estates and interest of the Fund, and shall be charged with its duties. When the position of Director of Finance, Assistant Director of the St. Mary's County Metropolitan Commission or County Attorney is subsequently filled, that individual shall become a Member.

Section 4.

The Members shall serve without compensation. However, the RMC may authorize reimbursement for expenses incurred by a Member in connection with his or her duties as a Member.

Section 5.

Each Member shall have one vote. A vote of the majority of a quorum present at a meeting shall be sufficient to constitute action.

Section 6.

The RMC shall meet promptly after execution of the by-laws. The Director of Finance shall be the permanent Chairman of the RMC. The RMC will elect a Secretary. The term of the Secretary shall commence on the date of the election and continue to the end of the next calendar year. Thereafter a Secretary shall be elected annually. If the Secretary ceases to be a member of the RMC, the resulting vacancy shall be filled by election for the unexpired term at the next regular meeting of the RMC held after the vacancy occurs.

Section 7.

The Chairman shall preside at and conduct all meetings of the RMC.

Section 8.

The Secretary shall keep minutes of all meetings, proceedings and actions of the RMC. Copies of all minutes shall be given all Members.

ARTICLE V

LIBER 005 p. 187

MEETINGS

Section 1.

The RMC shall meet quarterly and more often if required at the principal office of the Fund or at such location as may be acceptable to the RMC.

Section 2.

The Chairman shall set the date, time and location of each meeting and notice thereof furnished to each Member by the Secretary.

Section 3.

For the purpose of a duly called and noticed meeting of the RMC, a quorum shall consist of two (2) Members.

Section 4.

The RMC may require any Service Agent, consultant and/or designated legal counsel to attend meetings.

Section 5.

The St. Mary's County Governmental Center, located on the south side of Washington Street in Leonardtown, Maryland is designated as the office of the Fund. All books and records pertaining to the Fund shall be kept and maintained at the office of the Fund.

ARTICLE VI

POWERS AND DUTIES

Section 1.

The RMC, in addition to other powers and duties authorized by law, shall have the following powers and duties:

1. The RMC shall comply with the rules and regulations set forth by the Maryland Department of Transportation.
2. The RMC shall approve funding levels for each annual Fund year, and for adjustments of previous year(s) funding based on claims experience.

Contributions to the Fund should be sufficient to pay for incurred losses which are the responsibility of the Fund, and other expenses incurred by the Fund for services such as claims administration, actuarial services, consulting services, etc.

3. The RMC shall decide all questions concerning the applicability of coverage under the Fund.
4. The RMC shall approve and make all fund disbursements.
5. The RMC shall promulgate and adopt rules and regulations for the proper administration of the Fund.
6. The RMC shall establish the duties of the Service Agent who shall perform such administrative and professional services as the RMC shall direct or delegate. Services may include, but not be limited to claims administration, training and information services, loss control services, and such other services to the Fund as the RMC directs. The Fund shall reimburse the Service Agent for such services. The Service Agent is to furnish an employee dishonesty bond indemnifying the RMC for any sums which may be absconded by the Service agent's employees, the limit of which to be selected at the discretion of the RMC. The Service Agent must also furnish satisfactory evidence of Workers' Compensation and General Liability coverages.
7. The RMC shall designate legal counsel (or delegate this power to the Service Agent) to represent St. Mary's County in matters relating to the Fund. The Fund shall reimburse such legal counsel. Designated legal counsel shall utilize the defense of sovereign immunity when applicable.
8. The RMC shall establish rules for the investing of the monies of the Fund so as to keep the same invested according to law and at the best interest rates obtainable for the benefit of St. Mary's County. The rules shall provide for the banking of the money of the Fund and the proper security of any and all investments.
9. The RMC may solicit competitive bids for both primary and excess insurance coverage, with limits at the discretion of the RMC. The RMC shall contract for consultant services, if necessary, for the preparation of specifications and other services.



10. The RMC shall provide for an actuarial audit of the Fund every three years to determine the adequacy of reserves and contributions.
11. The RMC shall determine the method of securing an emergency appropriation in the event that a claim or claims exceed the money available in the Fund and any excess insurance.
12. The RMC shall have the general power to make and enter into all contracts, leases and agreements necessary or convenient to carry out any of the powers granted under these by-laws or by any other law. All such contracts, leases, and agreements or other legal documents herein authorized shall be approved by resolution of the RMC and shall be executed by those individuals designated in such resolutions.

ARTICLE VII

MISCELLANEOUS

Section 1.

Amendments of the by-laws may be proposed by any Member of the RMC. A copy of the proposed amendment shall be forwarded to each Member. To be adopted, a majority of Members must be in concurrence with the proposed amendment.

Section 2.

The Fund may be terminated by a concurrence of all Members. In the event of termination, the remaining assets of the Fund, after providing for all outstanding obligations, shall be distributed to St. Mary's County as the RMC sees fit.

Section 3:

The by-laws are executed and accepted by the Board of County Commissioners of St. Mary's County and the St. Mary's County Metropolitan Commission in the State of Maryland, and all questions pertaining to its validity, construction and administration shall be determined in accordance with the laws of the State of Maryland.

ARTICLE VIII

## SCOPE OF COVERAGE

## Section 1.

General Liability - Limit \$250,000 per occurrence exclusive of defense costs.

The Fund will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages because of

- A. Bodily Injury or
- B. Property Damage

to which the Fund applies, caused by an occurrence and the Fund shall have the right and duty to defend any suit against the Insured seeking damages on account of such occurrence even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Fund shall not be obligated to pay any claim or judgement or to defend any suit after the applicable limit of the Fund's liability has been exhausted by payment of judgements or settlements.

**Exclusions:**

- a) Liability assumed by the Insured under any contract except an Incidental Contract;
- b) Bodily Injury or Property Damage for which the Insured has assumed liability under any Incidental Contract, if such injury or damage occurred prior to the execution of the Incidental Contract;
- c) Bodily Injury or Property Damage arising out of the ownership, maintenance, operation, use, loading or unloading of
  - (1) any automobile or aircraft owned or operated by or rented or loaned to the Insured, or
  - (2) Any other automobile or aircraft operated by any person in the course of his employment by an Insured;

but this exclusion does not apply to the parking of an automobile or aircraft on premises owned by, rented to or controlled by the Insured or the ways immediately adjoining, if such automobile or aircraft is not owned by or rented or loaned to any Insured;

- d) Bodily Injury or Property Damage arising out of the discharge, dispersal, release or escape of smoke,

vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

- e) Any obligation for which the Insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- f) Property Damage to:
  - (1) Property owned or occupied by or rented to the Insured, or, to property held by the Insured for sale or entrusted to the Insured for storage or safekeeping;
  - (2) Property while on premises owned by or rented to the Insured for the purpose of having operations performed on such property by or on behalf of the Insured;
  - (3) Tools or equipment while being used by the Insured in performing his operations;
  - (4) Property in the custody of the Insured which is to be installed, erected or used in construction by the Insured;
  - (5) That particular part of any property, not on premises owned by or rented to the Insured,
    - (i) upon which operations are being performed by or on behalf of the Insured at the time of the Property Damage arising out of such operations, or
    - (ii) out of which any Property Damage arises, or
    - (iii) the restoration, repair or replacement of which has been made or is necessary by reason of faulty workmanship thereon by or on behalf of the Insured;
  - (6) Work performed by the Insured arising out of such work or any portion thereof, or out of such materials, parts or equipment furnished in connection therewith;
  - (7) The Insured's products arising out of such products or any part of such products;
- g) Liability of any Insured engaged in the business or occupation of providing any services described in part (B) of the definition of Bodily Injury.



**Coverage  
Extensions:**

1. **Fire Damage Legal Liability - Real Property.**  
With respect to Property Damage to structures or portions thereof rented to or leased to the Insured, including fixtures permanently attached thereof, if such Property Damage arises out of fire:
  - (A) All General Liability exclusions are deleted and replaced by the following:

This insurance does not apply to liability assumed by the Insured under any contract or agreement.
  - (B) The limit of property damage liability as respects Fire Legal Liability Coverage - Real Property is \$100,000 each occurrence exclusive of defense costs.
  
2. **Teachers Liability including Corporal Punishment -**

Bodily Injury or Property Damage arising out of Teaching Activities is covered subject to a \$250,000 limit per event exclusive of defense costs.

**Definitions:**

**Insured -**

- (a) Board of County Commissioners of St. Mary's County, Maryland, St. Mary's County Metropolitan Commission, and all Departments, Boards, Commissions or other entities established or appointed or operating under their direction and control, except the following:
  - Board of Education of St. Mary's County
  - St. Mary's County Nursing Home
  - Board of Library Trustees of St. Mary's County.
- (b) Employees, volunteers, and elected or appointed officials while acting within the scope of their duties.

**Bodily Injury -**

- (a) Bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;
- (b) Injury arising out of the rendering of or failure to render, during the policy period, the following services:
  - (1) medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or
  - (2) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

**Property Damage -**

- (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period.

**Occurrence -**

- (a) An accident including continuous or repeated exposure to conditions, which results in Bodily Injury or Property Damage neither expected nor intended from the standpoint of the Insured;
- (b) Any intentional act by or at the direction of the Insured which results in Bodily Injury, if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property.

**Incidental Contract -**

Any oral or written contract or agreement relating to the conduct of the Insured's business.

**Teaching Activities -**

Acts or omissions of the Insured in connection with his or her occupation as a member of the instruction or teaching staff of the Department of Parks and Recreation.

Section 2.

Personal Injury Liability - Limit \$250,000 per event exclusive of defense costs.

The Fund will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages because of Personal Injury to which the Fund applies, sustained by any person or organization and arising out of the conduct of the Insured's business, and the Fund shall have the right and duty to defend any suit against the Insured seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Fund shall not be obligated to pay any claim or judgement or to defend any suit after the applicable limit of the Fund's liability has been exhausted by payment of judgements or settlements.

Exclusions -

- 1) Wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the Insured;
- 2) Libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the Insured with knowledge of the falsity thereof.

Definitions:

Insured -

- (a) Board of County Commissioners of St. Mary's County, Maryland, St. Mary's County Metropolitan Commission, and all Departments, Boards, Commissions or other entities established or appointed or operating under their direction and control, except the following:
  - Board of Education of St. Mary's County
  - St. Mary's County Nursing Home
  - Board of Library Trustees of St. Mary's County.
- (b) Employees, volunteers, and elected or appointed officials while acting within the scope of their duties.



**Personal Injury -**

Injury arising out of one or more of the following offenses:

- (1) false arrest, detention, imprisonment, or malicious prosecution;
- (2) wrongful entry or eviction or other invasion of the right of private occupancy;
- (3) a publication or utterance
  - (a) of a libel or slander or other defamatory or disparaging material; or
  - (b) in violation of an individual's right of privacy.

**Section 3.**

**Employee Benefits Liability - Limit \$250,000 per claim exclusive of defense costs.**

The Fund will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages on account of any claim made against the Insured by any employee, former employee, or the beneficiaries or legal representatives thereof, for injury caused by any negligent act, error or omission of the Insured, or any other person for whose acts the insured is legally liable, arising out of the administration of employee benefits.

The Fund shall have the right and duty to defend any suit against the Insured seeking damages on account of such, event if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claims or suit as it deems expedient, but the Fund shall not be obligated to pay any claim or judgement or to defend any suit after the applicable limit of the Fund's liability has been exhausted by payment of judgements or settlements.

**Exclusions:**

1. Any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination or humiliation;
2. Bodily Injury to, or sickness, disease or death of any person, or to injury to or destruction of any tangible property, including the loss of use thereof;
3. Any claim for failure of performance of contract by any Insurer;

4. Any claim based upon the Insured's failure to comply with any law concerning workmen's compensation, unemployment insurance, social security or disability benefits;
5. Any claim based upon failure of stock to perform as represented by any Insured;
6. Any claim based upon advice given by an Insured to participate or not to participate in stock subscription plans;
7. Any liability imposed upon fiduciary, administrator, or other party in interest as defined in the Employee Retirement Income Security Act of 1974 (PL93-406), as now or hereafter amended as respects any Employee Benefit plan.

**Definitions:**

**Insured -**

- (a) Board of County Commissioners of St. Mary's County, Maryland, St. Mary's County Metropolitan Commission, and all Departments, Boards, Commissions or other entities established or appointed or operating under their direction and control, except the following:  
 Board of Education of St. Mary's County  
 St. Mary's County Nursing Home  
 Board of Library Trustees of St. Mary's County.
- (b) Employees, volunteers, and elected or appointed officials while acting within the scope of their duties.

**Employee Benefits -**

Group life insurance, group accident and health insurance, profit sharing plans, pension plans, employee stock subscription plans, workmen's compensation, unemployment insurance, social security and disability benefits insurance.

**Administration -**

- (a) Giving counsel to employees with respect to the Employee Benefits;
- (b) Interpreting Employee Benefits;
- (c) Handling of records in connection with Employee Benefits;
- (d) Effecting enrollment, termination or cancellation of employees under Employee Benefit programs;



performed by a person authorized by the Insured to do such acts.

Section 4.

Automobile Liability - Limit \$250,000 per accident exclusive of defense costs.

The Fund will pay all sums the Insured legally must pay as damages because of Bodily Injury or Property Damage to which this insurance applies, caused by an accident and resulting from the ownership, maintenance or use of any auto.

The Fund has the right and duty to defend any suit asking for these damages. However, the Fund has no duty to defend suits for bodily injury or property damage not within the scope of coverage. The Fund may investigate and settle any claim or suit as the Fund considers appropriate. The Fund's payment of the liability limit ends the Fund's duty to defend or settle.

Exclusions:

1. Any obligation for which the Insured or his or her insurer may be held liable under any workers' compensation or disability benefits law or under any similar law.
2. Any obligations of the Insured to indemnify another for damages resulting from Bodily Injury to the Insured's employee.
3. Bodily Injury to any employee of the Insured arising out of and in the course of his or her employment by the Insured.
4. Property Damage to property owned or transported by the Insured or in the Insured's care, custody or control.
5. Bodily Injury or Property Damage caused by the dumping, discharge or escape of irritants, pollutants or contaminants. This exclusion does not apply if the discharge is sudden and accidental.



**Definitions:**

**Insured -**

- a) County Commissioners of St. Mary's County, Maryland and all Departments, Boards, Commissions or other entities established or appointed or operating under their direction and control, except the following:
  - Board of Education of St. Mary's County
  - St. Mary's County Nursing Home
  - Board of Library Trustees of St. Mary's County
  - St. Mary's County Metropolitan Commission.
- b) Employees, volunteers, and elected or appointed officials while acting within the scope of their duties.

**Bodily Injury -** Bodily injury, sickness or disease including death resulting from any of these.

**Property Damage -** Damage to or loss of use of tangible property.

**Auto -** A land motor vehicle, trailer or semi-trailer designed for travel on public roads, not including:

1. Specialized equipment such as: bulldozers; power shovels; rollers; graders or scrapers; farm machinery; cranes; street sweepers or other cleaners; diggers, forklifts, pumps, generators; air compressors; drills, other similar equipment.
2. Vehicles designed for use principally off public roads.
3. Vehicles maintained solely to provide mobility for such specialized equipment when permanently attached.
4. Vehicles not required to be licensed.
5. Autos maintained for use solely on the Named Insured's premises and that part of roads or other accesses that adjoin the Insured's premises.

**Accident -** Includes continuous or repeated exposure to the same conditions resulting in Bodily Injury or Property Damage the Insured neither expected nor intended.

Section 5.Uninsured Motorists Coverage - Limit \$50,000 per accident.

The Fund will pay all sums the Insured is legally entitled to recover as damages from the owner or driver of an Uninsured Motor Vehicle. The damages must result from Bodily Injury sustained by the Insured, or Property Damage caused by an Accident. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the Uninsured Motor Vehicle.

## Definitions:

## Named Insured -

- (a) County Commissioners of St. Mary's County, Maryland and all Departments, Boards, Commissions or other entities established or appointed or operating under their direction and control, except the following:
  - Board of Education of St. Mary's County
  - St. Mary's County Nursing Home
  - Board of Library Trustees of St. Mary's County
  - St. Mary's County Metropolitan Commission.
- (b) Employees, volunteers, and elected or appointed officials while acting within the scope of their duties.

## Bodily Injury -

Bodily Injury, sickness or disease including death resulting from any of these.

## Property Damage -

## Injury or destruction of:

- a) A St. Mary's County owned auto subject to uninsured motorists laws;
- b) Property contained in (a) and owned by the Insured;
- c) Property contained in (a) and owned by anyone else occupying (a).

## Uninsured Motor Vehicle - A land motor vehicle or trailer:

- a) For which no liability or other form of security accepted by the Motor Vehicle Administrator provides at least the amounts specified by the financial responsibility law of Maryland, or

- b) For which the sum of all liability bonds provides at least the amount specified by the financial responsibility law of Maryland, but their limits are less than the limit of this insurance, or
- c) For which an insuring or bonding company denies coverage or is or becomes insolvent, or
- d) Which is a hit-and-run vehicle and neither the driver nor the owner can be identified.

Section 6.

Maryland Personal Injury Protection - Limit \$2,500 per person.

The Fund will pay the following benefits for loss and expense incurred because of Bodily Injury caused by accident and involving a motor vehicle:

- a) Medical Expense Benefits to or on behalf of each Injured Person;
- b) Income Continuation Benefits to or on behalf of each Injured Person who at the time of the accident was an income producer;
- c) Essential Services Benefits to or on behalf of each Injured Person who at the time of the accident was not an income producer.

Definitions:

Medical Expense Benefits -

Payment for all reasonable expenses arising from the accident and incurred within three years from the date of the accident for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital and professional nursing services and funeral services.

Essential Services Benefits -

Reimbursement for necessary and reasonable payments made to others, not members of the Injured Person's household, incurred within three years from the date of the accident for essential services ordinarily performed by the Injured Person, for care and maintenance of his family or family household.



Income Continuation Benefits -

Payment for loss of gross income incurred within three years from the date of the accident.

Injured Person -

- a) The Insured;
- b) Any other person who sustains bodily injury (1) while occupying the Insured Motor Vehicle as a guest or passenger, or (2) while using the motor vehicle with the express or implied consent of the Insured, or (3) while a pedestrian being struck by the Insured Motor Vehicle.

Insured Motor Vehicle -

A motor vehicle St. Mary's County owns.

Insured -

- (a) County Commissioners of St. Mary's County, Maryland and all Departments, Boards, Commissions or other entities established or appointed or operating under their direction and control, except the following:
  - Board of Education of St. Mary's County
  - St. Mary's County Nursing Home
  - ~~Board of Library Trustees of St. Mary's County~~
  - St. Mary's County Metropolitan Commission.
- (b) Employees, volunteers, and elected or appointed officials while acting within the scope of their duties.

Ret:  
Judy Landsam  
Adm. 866

4-2-86

MARY R. BELL, CLERK

RESOLUTION

NO : 86-09

LIBER 005 PAL 202

SUBJ: Purchasing System

WHEREAS, The Board of County Commissioners of St. Mary's County adopted on June 17, 1976, Resolution No. 76-32, said Resolution prescribing guidelines and the manner in which the County purchasing system was to be implemented and administered.

WHEREAS, The Board of County Commissioners deems that it is in the best interests of the County to more clearly define the guidelines and the manner in which the County purchasing system is implemented and administered; and further to establish said guidelines and manner as a rule of local law as an Ordinance of St. Mary's County.

IT IS THEREFORE RESOLVED, That the Board of County Commissioners shall submit for public review and comment the proposed Ordinance pertaining to contracts and purchasing.

IT IS FURTHER RESOLVED, That the Board of County Commissioners hereby expresses its commitment to the prompt adoption of such an Ordinance, following the public review and comment process.

It is further resolved that the proposed ordinance be and hereby is adopted as Resolution 86-09 of the Board of County Commissioners of St. Mary's County to take effect immediately upon the adoption of this Resolution and to be the interim policy of the Board of County Commissioners of St. Mary's County until adoption of the proposed ordinance and that where the word "ordinance" shall appear in the proposed ordinance the word "resolution" shall be substituted.

It is further resolved that contemporaneous with the adoption of this Resolution (86-09) it shall supersede Resolution 76-32 which is hereby repealed and declared null and void.

This Date: 4/11/86

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

George R. And  
George R. And, President

Larry Millison, Vice-President

Richard D. Arnold, Commissioner

Frank Dean  
Frank Dean, Commissioner

David F. Sayre  
David F. Sayre, Commissioner

ATTEST:

Edward V. Cox  
Edward V. Cox  
County Administrator

12125PH04/02/868 CD.COM \$0.00

APPROVED AS TO LEGAL SUFFICIENCY:

Theodore P. Weir  
County Attorney

PROPOSED ORDINANCE PERTAINING TO CONTRACTS AND PURCHASING

WHEREAS, The Board of County Commissioners for St. Mary's County deems it appropriate to establish and operate under defined policies and procedures in contracting purchasing commodities and other services necessary to the operation of County Government.

IT IS THEREFORE ORDAINED, That effective this \_\_\_\_\_ day of \_\_\_\_\_, 1986 that the following policies and procedures shall be followed in the purchasing of commodities and other services by agents under the jurisdiction of the Board of County Commissioners:

A. Except as otherwise provided herein, any single purchase or contract involving an expenditure of more than \$5,000 or more shall be by formal competitive bidding procedures, as specific herein and consistent with State of Maryland law and St. Mary's County local law, and said contracts shall be awarded at a regularly scheduled meeting of the Board to the lowest responsible bidder meeting specifications. A contract or purchase may not be subdivided to avoid the requirements of this Ordinance.

B. In determining the "lowest responsible bidder," in addition to considering price, the Commissioners or the official authorized to contract for the County shall consider:

- (1) The ability, capacity, and skill of the bidder to perform the contract or provide the service required;
- (2) Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- (3) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
- (4) The quality of performance of previous contracts or services;
- (5) The previous and current compliance by the bidder with laws and ordinances relating to the contract or service;
- (6) Whether the bidder is in arrears to the County on any debt or contract, is in default on any surety to the County, or is delinquent as to any taxes or assessments; and



C. If a contract or purchase is not awarded to the lowest bidder in price, the reasons for the decision shall be stated in the minutes of the meeting at which the contract is awarded.

D. Any single purchase or contract subject to the competitive bidding procedures hereof shall be made from or let by sealed bids or proposals, all of which shall be opened publicly by the Purchasing Agent, department head, bidders and other interested persons. The result of such bidding shall be reported to the Board of County Commissioners during the next regularly scheduled meeting, after public notice for such period and in such manner as the Purchasing Agent shall determine. In all cases, the Board of County Commissioners shall reserve the right to reject any and all bids or proposals.

E. With respect to bids submitted, no bid may be modified by the bidder after submission thereof to the County, or after the public opening. A bidder may, upon providing sufficient evidence of a material and substantial mistake in bidding, withdraw his/her bid from any and all consideration.

F. Upon determination by the Board of County Commissioners that it is in the County's best interest to change the scope of the contract or purchase for which bids have been received, the County shall be permitted to negotiate with the lowest responsible bidder to effect a change not greater than five (5%) percent above or below the low bid amount. When such change exceeds five (5%) percent above or below the low bid amount, the three lowest bidders shall be allowed to rebid the changes, with the award going to the lowest responsible bidder.

Nothing in this provision shall be deemed to prohibit the authorization of change orders in excess of the five (5%) percent limit subsequent to the awarding of the bid, provided that:

(1) Such change orders are approved by the Board of County Commissioners in public meetings with the reason(s) therefor being recorded in the minutes of said meeting.

(2) Budgetary authority exists for the funding of such change orders.

(3) The facts requiring the change orders were not known to the County, its agents or the bidder awarded the contract prior to the award and execution of the contract.

G. Bid documents shall not include proprietary specifications. When a given manufacturer's name is stated, it shall be construed to mean "or approved equal."

H. No supplies, materials, equipment, or contracts shall be let in excess of the available appropriation or allotment thereof, except for small purchases in an amount of fifty (\$50) dollars, or less, unless the County Commissioners have approved a tentative budgetary transfer to cover the anticipated costs of the bid or proposal. No payment shall be made greater than fifty (\$50) dollars out of county funds unless the Budget Officer for the County shall first certify that the funds for designated purposes are available. Any purchase or contract not so certified by the Budget Officer shall be invalid, and the County shall not be bound thereby.

I. All contract bid forms and all contracts shall be approved by the County Attorney as to form and legality. Following such approval, all contracts shall be approved by the Board of County Commissioners and signed in behalf of the Board by its President. A copy of each signed contract shall be forwarded promptly to the chief financial officer of the County.

J. It shall be the duty of the Purchasing Agent to discourage uniform bidding by every possible means and to endeavor to obtain as full and open competition as possible on all purchases and sales. Accordingly, the Purchasing Agent shall require each bidder to accompany his bid with a statement made under oath that he has not been a party with other bidders to an agreement to bid a fixed or uniform price or to share price bid information. Violation of such statement shall render void the bid of such bidder. Any disclosure to or acquisition by a competitive bidder, in advance of the opening of the bids, of the terms or conditions of the bid submitted by a competitor shall render the entire proceedings void and shall require readvertising for bids.

K. As appropriate, the Purchasing Agent may undertake plans involving joint or cooperative purchases with other public jurisdictions within the state or with the State of Maryland.

L. Exceptions to Competitive Bidding:

The following types of contracts may be awarded without complying with the bidding procedures otherwise required hereunder:

- (1) Purchases or contracts involving less than \$5,000;

(2) Purchases of supplies or services that are available only through one source;

(3) Contracts for professional services such as those of attorneys, physicians, architects, engineers, accountants, consultants, and others possessing a similar high degree of technical skill and expertise. Provided that to the extent appropriate for the particular service to be provided, an attempt is made to secure competitive proposals for these services;

(4) Purchases or contracts made when an emergency exists directly endangering the health and safety of the community. In such event the Board of County Commissioners of St. Mary's County shall include the facts and reasons for a determination of emergency in its public minutes and resolutions.

(5) Purchases based on federal, state, contracts that are established by a legal competitive process.

#### M. Multiyear Contracts

When it is advantageous to the County to do so, the County may contract to purchase supplies or services for periods of more than one (1) year if:

(1) Funds for the total cost of the contract are available at the time the contract is executed; or

(2) A contract requiring the payment of funds from appropriations of more than one (1) fiscal year is approved by resolution of the Commissioners, and is not for more than a three-year term.

IT IS FURTHER ORDAINED, That when County appropriations and/or the pledging of the full faith and credit of the County on the funds or credit of its agencies and public instrumentalities are involved in capital construction projects of non-governmental agencies or not-for-profit corporations:

(1) The appropriate provisions of paragraphs A, B, C, D, E, F, G, I, J, and L hereof shall apply; except any reference therein to "County" shall be deemed to mean the said agency or not-for-profit corporation, and any reference therein to "Board of County Commissioners" or "Purchasing Agent" shall be deemed to mean the Board of Directors or other governing body of said agency or not-for-profit corporation.



(2) The County's Department of Public Works, and any other appropriate County Government Departments, shall review the plans and specifications of such capital projects and make recommendations to said agency or not-for-profit corporation prior to the public bidding process.

IT IS FURTHER ORDAINED, That the Board of County Commissioners shall designate a County Purchasing Agent who shall be responsible to the County Commissioners for the execution of the county purchasing policies.

The County Purchasing Agent shall have the following purchasing functions, which he may delegate to department heads or subordinates in his office under his supervision:

(1) The making of all purchases, leases and contracts for all public works and for all supplies, material, equipment and services for all offices, departments, institutions, boards, commissions and other agencies of county government for which payment is to be made out of county funds.

(2) The operation of a uniform and modern system of property accounting and stores control based upon perpetual inventory.

(3) The establishment, after consultation with the appropriate county officials, of suitable specifications and standards for all supplies, materials and equipment to be purchased and supervision over a system to determine compliance with such specifications and standards.

(4) The establishment and maintenance of a system of requisitions and receipts covering the furnishing of supplies, materials and equipment to the various offices, departments, institutions, boards, commissions and other agencies of the County.

(5) The establishment, with approval by the County Commissioners, of reasonable rules and regulations governing emergency purchases and contracts and those involving material, equipment or services of a usual or non-competitive nature which shall not be subject to competitive bidding.

(6) The sale of surplus materials and equipment of the County, or the transfer of the same between offices, departments or other agencies of the County Government.

(7) The making of purchases for a stores revolving account and of

making charges from the account to using agencies based on cost only.

From the date of this Ordinance it shall be the responsibility of the Purchasing Agent to prepare a Purchasing Manual containing rules and regulations consistent with this Ordinance, and said Manual shall be submitted to the Board of County Commissioners within one hundred twenty (120) days for approval and adoption. After adoption, the Purchasing Agent shall issue said Manual to all appropriate departments and agencies and shall secure their compliance therewith. After the one hundred twenty (120) day period specified herein, no purchase or contract of the County shall be valid or authorized until the Purchasing Manual is completed and approved and adopted by the Board of County Commissioners.

IT IS FURTHER ORDAINED That upon the effective date hereof, Resolution No. 76-32 of the Board of County Commissioners is hereby repealed and superseded by this Ordinance declared null and void.

THIS DATE: \_\_\_\_\_

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

\_\_\_\_\_  
George R. Aud, President

\_\_\_\_\_  
Larry Millison, Vice-President

\_\_\_\_\_  
Richard D. Arnold, Commissioner

\_\_\_\_\_  
Ford L. Dean, Commissioner

\_\_\_\_\_  
David F. Sayre, Commissioner

ATTEST:

\_\_\_\_\_  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Michael P. Wenig  
County Attorney

*Let: Judy Landrum  
Co. Adm. Office*

*4-2-86*

MARY R. BELL, CLERK



No. Z86-05

Subj: ZONE #85-0619  
J. L. MILLISON

LIBER 005 PAS-209

RESOLUTION

WHEREAS, J. L. MILLISON has made application to rezone approximately 1.07 acres of land on the west side of Maryland Route 235 in Lexington Park, opposite Millstone Landing Road, from C-1, Commercial, to C-2, Commercial. The property is located in the Eighth Election District of St. Mary's County, MD. on Tax Map 43, Block 8, Parcel 221. The matter is identified as Case No. 85-0619.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on July 8, 1985.

WHEREAS, following deliberation, the Planning Commission, on September 23, 1985, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County that the subject property be rezoned to C-2, as requested.

WHEREAS, the Board of County Commissioners, after publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, conducted a public hearing on the request on December 3, 1985.

WHEREAS, following deliberation, on January 7, 1985, the County Commissioners, in accordance with the provisions of Section 4.05(a) of Article 66B of the Maryland Annotated Code and Section 70.05 of the St. Mary's County Zoning Ordinance, find as fact the following with regard to the request:

I. Change in the Character of the Neighborhood:

The neighborhood is defined as those properties adjoining both sides of Maryland Route 235 from Chancellor's Run Road to the main gate at Patuxent River NAS. The following properties located within the neighborhood have been rezoned to C-2 since the adoption of the Comprehensive Plan in 1974:

Mayjack, Inc - 1.18 acres  
Shomette & Stanhagen - 7.212 acres  
Burch Oil Co. - 1.88 acres  
H. T. Waring - 2.703 acres  
Mayjack, Inc. - 3.63 acres  
J. L. Millison - 30+ acres.

1:57PM04/17/86A CO.COM \$0.00

In addition, significant new commercial construction in the neighborhood includes the Dynamac Building, Skate Station, Chesapeake Mobile Home Sales and San Souci regional shopping center.

II. Population Change:

Since 1980 the Eighth Election District has grown in population by approximately 2,700 persons.

III. Adequacy of Public Facilities:

The impact on public facilities will be insignificant for the following reasons:

- a. The property is now zoned C-1 and is part of a 30 acre commercial center;
- b. A road with a 60 ft. right-of-way runs through the property, rendering almost half of the site unusable.

IV. Present and Future Transportation Patterns:

This rezoning would not have a major impact on Maryland Route 235. Access will be limited to MacArthur Boulevard.



No. Z86-05

Subj: ZONE #85-0619  
J. L. MILLISON

(Page 2 of 2) LIBER 005 PAGE 210

V. Relationship to Comprehensive Plan:

Rezoning to C-2 would be in accordance with the Comprehensive Plan, because it will help centralize commercial activities.

VI. Fiscal Impact on Government:

The change in zoning may increase property taxes, and should have no adverse fiscal impact.

VII. Suitability of Property for Uses Under Existing and Proposed Zoning Classifications:

The subject property is suitable for uses under both the C-1 and C-2 classifications.

VIII. Compatibility with Existing and Proposed Development for the Area:

Rezoning would not be incompatible since the property is surrounded on three sides by property zoned C-2 and on the fourth side by MD. Route 235.

IX. Mistake in Original Zoning:

This issue was not raised by the applicant.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, this 15TH day of April, 1986, that the above-mentioned rezoning request is GRANTED and the subject property is hereby reclassified from C-1 to C-2, subject to the condition that access to the subject property shall be restricted to MacArthur Boulevard, which condition shall be binding on the applicant and his personal representatives, heirs and assigns.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

George H. Aud  
GEORGE H. AUD, President

Larry Millison  
LARRY MILLISON, Vice President

Richard D. Arnold  
RICHARD D. ARNOLD, Commissioner

Ford V. Dean  
FORD V. DEAN, Commissioner

David F. Sayre  
DAVID F. SAYRE, Commissioner

ATTEST:

Edward V. Cox  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
JOSEPH R. DENSFORD  
Assistant County Attorney

The applicant hereby accepts the condition set forth above and agrees to comply with said restriction as a condition of the rezoning approval.

J. L. Millison  
J. L. MILLISON  
Owner

Ret. Patricia A. Day 4-17-86 MARY R. WELLS, CLERK

USER 1105 P. 211

NO: 86-10

SUBJ: CDA FUNDING FOR HOUSING DEVELOPMENT DWARCY BUILDERS/COUNTRY SIDE

RESOLUTION 9154904/18/86 CD.COM 08.00

Resolution of local government approval of St. Mary's County, Maryland approving development of housing at Lexington Park, Maryland to be financed by the Community Development Administration of the State of Maryland.

WHEREAS, the Board of County Commissioners of St. Mary's County, Maryland recognized that there is a significant need for quality housing units in St. Mary's County for families of limited income and;

WHEREAS, Dwarcy Builders proposed to construct and operate a rental housing development to contain approximately fifty-nine (59) units, known as Country Side, and located at Lexington Park, Maryland; and

WHEREAS, the Community Development Administration (CDA) of the State of Maryland has received a preliminary application from Dwarcy Builders to finance the housing development described above, pursuant to its authority under Section 2660D-1 et. seq. of Article 4) of the Annotated Code of Maryland; and

WHEREAS, the Regulations of the CDA require that all developments financed by it be approved by the appropriate local governing body;

NOW, THEREFORE, BE IT ORDERED that the Board of County Commissioners hereby endorse the construction and operation of the development upon the site proposed; and

BE IT FURTHER RESOLVED that copies of the Resolution be sent to the Secretary of the Department of Economic and Community Development, State of Maryland.

WITNESS, the Hand and Seal of the Board of County Commissioners of St. Mary's County, Maryland, this 4th day of March, 1986.

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

*George H. Auld* (SEAL)  
George H. Auld, President

*Larry Hillman* (SEAL)  
Larry Hillman, Vice President

*Richard D. Arnold* (SEAL)  
Richard D. Arnold, Commissioner

*Muriel A. Dean* (SEAL)  
Muriel A. Dean, Commissioner

*David P. Sayre* (SEAL)  
David P. Sayre, Commissioner

ATTEST:  
*Edward V. Cox*  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL EFFICIENCY:  
*Joseph R. Deneberg*  
Joseph R. Deneberg  
Assistant County Attorney

*Ret. Co. Commissioners Office 4-18-86*

MARY R. BELL, CLERK



1982 005 212

NO: 86-11

SUBJ: RETIREMENT PLAN -  
ST. MARY'S COUNTY  
SHERIFF'S DEPARTMENT

RESOLUTION

9:57AM05/16/86A CD.COM \$0.00

WHEREAS, the Board of County Commissioners agrees with the proposal that a separate retirement system is necessary for the police and correctional officers of the Sheriff's Department because of the unique conditions and demands of law enforcement; and

WHEREAS, for the last several years consultants, state and local officials, and Sheriff's Department representatives have studied several separate retirement system alternatives and have developed a proposed St. Mary's County Sheriff's Department Retirement Plan, including a Plan Document, a Trust Agreement, and a formal comparison of the State Retirement/Pension System versus the proposed Retirement Plan; and

WHEREAS, each of the police and correctional officers of the Sheriff's Department have received a thorough explanation of the Plan and its related documents and have indicated through a formal Membership Election process whether or not to participate; and

WHEREAS, the overwhelming majority of the officers have elected to participate and to make the appropriate contributions; and

WHEREAS, officials of the Maryland State Retirement and Pension Systems have granted preliminary approval of the Plan Document, and Trust Agreement, the Membership Election Form, and the Comparison of Plans; and

WHEREAS, the Maryland General Assembly in 1984 by House Bill 813 added to Article 25, Section 3(g-3) granting authority to the Board of County Commissioners to adopt a separate Retirement Plan for certain officers of the Sheriff's Department;

NOW, THEREFORE, BE IT RESOLVED, by the Board of county Commissioners that the St. Mary's County Sheriff's Department Retirement Plan is hereby approved and made effective July 1, 1986.

This Date: 5-13-86

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

George R. Aud, President

Larry Millison  
Larry Millison, Vice-President

Richard D. Arnold, Commissioner

Ford L. Dean  
Ford L. Dean, Commissioner

David F. Sayre  
David F. Sayre, Commissioner

ATTEST:

Edward V. Cox  
Edward V. Cox, County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
Joseph R. Densford  
Assistant County Attorney

*Reti. Co. Comm. Op. 5-16-86 MARY R. BELL, CLERK*



LIBR 005 720213

NO: 86-12

SUBJ: 1986-87 Operating and Capital Budgets, Fire and Rescue Capital Revolving Fund, Special Assessments Fund, Recreation and Parks Enterprise Fund, and the County's Property Tax Rate

11:58AM 06/04/86A CO.COM \$0.00

RESOLUTION

WHEREAS, Chapter 27, Section 6 of the Code of Public Local Laws of St. Mary's County authorizes and empowers the Board of County Commissioners to adopt the Annual Budget and Appropriation Act by June 1 of each year and impose a property tax rate for the ensuing fiscal year.

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of St. Mary's County, Maryland that the County's Operating Budget is approved in the amount of \$36,668,670; the Capital Budget in the amount of \$9,697,750; Fire and Rescue Capital Revolving Fund in the amount of \$749,500; the Recreation and Parks Enterprise Fund in the amount of \$481,127; the Special Assessment Fund in the amount of \$120,896; and the County's Property Tax Rate is hereby assessed at \$2.14 per \$100.00 of assessed valuation.

This Date:  
May 27, 1986

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

*George R. Hud*  
George R. Hud, President

Larry Millison, Vice-President

Richard D. Arnold, Commissioner

*Ford Dean*  
Ford Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

ATTEST:

*Joseph P. O'Dell*  
Joseph P. O'Dell, Director,  
Budget and Data Services

APPROVED AS TO LEGAL SUFFICIENCY:

*Theodore P. Weiner*  
Theodore P. Weiner  
County Attorney

Ret: Judy Landea 6-4-86 MARY R. BELL, CLERK  
(Co. Commrs.)

005 214 No. 86-13

SUBJ: Change No. 7 to the Manual of Personnel Policies and Procedures

R E S O L U T I O N

WHEREAS, The County Commissioners of St. Mary's County have adopted a Manual of Personnel Policies and Procedures under authority of Article 25, Section 3 (f) of the Annotated Code of Maryland; and

WHEREAS, Certain amendments are now deemed to be proper and necessary for the effective administration of the policies and procedures contained in said Manual; and

WHEREAS, Said amendments were proposed and discussed by the Board of County Commissioners on June 10, 1986;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners, that these amendments entitled "Change Number Seven to the Manual of Personnel Policies and Procedures" are adopted and made effective.

This Date:  
July 1, 1986

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

*George R. Aud*  
George R. Aud, President

*Larry Millison*  
Larry Millison, Vice-President

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

*Ford L. Dean*  
Ford L. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

ATTEST:

*Edward V. Cox*  
Edward V. Cox,  
County Administrator

12:15PM 06/13/86B CO.COM \$0.00

Ret: Judy Sandra 6-13-86

MARY R. BELL, CLERK



ORDINANCE

12:15PM06/13/86B CD.COM \$0.00

WHEREAS, the 1986 Maryland General Assembly amended Article 81, Section 411F of the Maryland Annotated Code authorizing the Board of County Commissioners of St. Mary's County to impose a public accommodations tax on certain persons for certain room rentals; and

WHEREAS, the Board of County Commissioners of St. Mary's County conducted a Public Hearing on May 20, 1986 to present to the public for comment a proposed public accommodations tax; and

WHEREAS, the Board of County Commissioners of St. Mary's County believes it to be in the best interest of county citizens to impose a public accommodations tax; and

NOW, THEREFORE, BE IT ORDAINED by the Board of county Commissioners that there is hereby imposed a public accommodations tax effective January 1, 1987 subject to the following terms and conditions:

Section 1. Definitions - the following words have the meanings indicated.

"Board" means the Board of County Commissioners of St. Mary's County.

"County" means, as the context requires, St. Mary's County.

"Hotel, motel, apartment, cottage, or other similar place" means any public or private hotel, inn, hostelry, tourist home or house, motel, rooming house, apartment house, cottage, or other similar lodging place, offering sleeping accommodations or space for one (1) or more persons at any time, and the owner and operator thereof, which for compensation holds out to furnish or furnished sleeping accommodations or space to any transient.

"Room or building rental" means the total charge made by any hotel, motel, apartment, cottage, or other similar place for sleeping accommodations or space furnished the transient. If the charge includes any amount for services or accommodations in addition to that of the use of sleeping space, the portion of the total charge which represents only room or building rental shall be distinctly set out and billed to the transient as a separate item.

"Person" means any individual, corporation, company, association, firm, copartnership, or any group of individuals acting as a unit, and includes any trustee, receiver, assignee, or personal representative thereof.

"Transient" means any person who, for any period of not more than four (4) consecutive months, obtains sleeping accommodations or space, either at his own expense or at the expense of another, in any hotel, motel, apartment, cottage, or other similar place for which there is a room or building rental.

Section 2. Administration

- A. The Board may impose a tax on the amount paid for room or building rental by or for a transient at a hotel, motel, apartment, cottage, or other similar place providing sleeping accommodations.
- B. If imposed, the tax shall be at the rate as a percentage of the room or building rental, as the Board, by resolution, may determine not to exceed five (5%) percent.
- C. The Board may provide a tax exemption for classes of sleeping accommodation places.



- D. (1) Each person who receives any payment for room or building rental on which a tax is levied under this section shall collect the amount of tax imposed from the transient or person on whom it is levied or from the person paying for the room or building rental at the time payment is made.
- (2) The taxes required to be collected under this ordinance shall be deemed held in trust by the person required to collect them until remitted as required by this ordinance or as later set forth by the Board.
- E. (1) The person collecting the tax shall make out a report upon forms and setting forth information the Board prescribes and requires, showing the amount of room or building rental charges that have been collected and the tax required to be collected; and the person shall sign and deliver the report to the Board, with a remittance of the tax required hereunder.
- (2) The reports and remittances shall be made on or before the 21st day of each month, covering the sales and the amount of tax collected during the preceding calendar month.
- F. (1) If a person fails or refuses to remit to the Board the tax required to be collected and paid under this section, within the time and in the amount specified in this section, there shall be added to the tax by the Board interest at the rate of 1/2 percent per month on the amount of the tax for each month or portion thereof from the date upon which the tax is due, as provided in this section.
- (2) If the tax remains delinquent and unpaid for a period of one (1) month from the date it is due and payable, there shall be added to the tax by the Board a penalty of ten (10%) percent of the amount of the tax.
- (3) The Board may proceed to collect delinquent and unpaid taxes by suit or distraint.
- G. (1) From the total proceeds collected from the tax by the Board, from time to time, from the hotels, motels, apartments, cottages, municipalities, or other similar places, the Board shall deduct a reasonable sum or percentage from the cost of imposing and collecting the tax and credit this deduction to the general funds of the county.
- (2) That portion of the remainder of the total proceeds which came from payments made by a hotel, motel apartment, cottage, municipality, or other similar place located in whole or in part within the corporate limits of Leonardtown shall be paid over without qualification or condition to the Commissioners of Leonardtown.
- (3) The remaining portion of the total proceeds shall be credited to the general funds of the county.
- (4) Distribution of these several payments shall be made periodically by the Board, not less than fifteen (15) days nor more than thirty (30) days following the last day of each month during the year.

NO: 86-14

SUBJ: PUBLIC ACCOMMODATIONS TAX

PAGE 3

- H. (1) The Retail Sales Tax Division of the Comptroller's office shall supply to the Board information in aid of verification of liability for the tax.
- (2) The Retail Sales Tax Division may make a reasonable charge for this assistance, which shall be paid by the Board and treated as a part of the reasonable costs of collecting the tax.
- I. (1) The Board may adopt rules and regulations not inconsistent with this section and deemed necessary to provide for an orderly, systematic, and thorough collection and distribution of the tax imposed in this section.
- (2) If and as applicable, the laws and the rules and regulations in effect as to the retail sales tax and the State use tax in Maryland shall be adopted and followed by the Board in adopting a rule or regulation.
- J. The Board may determine whether a person collecting the tax is eligible to receive a collection fee to cover the person's expenses in the collection and remittance of the tax.
- K. (1) (i) The Board in order to protect the revenues to be obtained under this section may require any person collecting the tax to file with the Board a surety bond issued by a surety company authorized to do business in this State and approved by the State Insurance Commissioner as to solvency and responsibility, in such amount or amounts from time to time as the Board may fix to secure the payment of the tax due or which may become due from the person collecting the tax.
- (ii) If the Board determines that the person is to file such a bond, the Board shall give notice to the person to that effect specifying the amount of bond required.
- (iii) The person collecting the tax shall file the bond within five (5) days after receiving the notice unless within that period the person requests in writing a hearing before the Board, at which hearing the necessity, propriety, and amount of the bond shall be determined by the Board.
- (iv) This determination is final and shall be complied with within fifteen (15) days after the person collecting the tax receives notice thereof.
- (2) (i) In lieu of the bond required by paragraph (1) of this subsection, securities approved by the Board or cash in such amount as the Board prescribes may be deposited, which shall be kept in the custody of the Board.
- (ii) The Board at any time without notice to the depositor of the securities or cash may apply them to any tax due, and for that purpose the securities may be sold by the Board at public or private sale without notice to the depositor of the securities.



NO: 86-14  
SUBJ: PUBLIC ACCOMMODATIONS TAX  
PAGE 4

Section 3. Effect of Adoption

The above and preceding is adopted to have the full force and effect of law in St. Mary's County.


This Date:  
June 10, 1986

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

  
George R. Wood, President

Larry Miffison, Vice-President

Richard D. Arnold, Commissioner

  
Ford L. Dean, Commissioner

  
David F. Sayre, Commissioner

ATTEST:

  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

  
Joseph R. Densford  
Assistant County Attorney



RESOLUTION

Pursuant to Article 9-212 of the Tax-Property Article of the Annotated Code of Maryland;

WHEREAS, the Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation may grant, by law, a property tax credit against the county or a municipal corporation property imposed on real property that is used solely as a tobacco barn; and

WHEREAS, the Board of County Commissioners of St. Mary's County believes it to be in the interests of the local agriculture community to grant such a credit;

NOW, THEREFORE BE IT RESOLVED, that a tax credit is hereby granted against any local real property taxes levied as tobacco barns for the levy year of 1986-1987, and further that unless modified by a subsequent resolution the Tobacco Barn Tax Credit will remain in effect from this date forward.

Approved this 24th day of June, 1986 by the Board of County Commissioners of St. Mary's County, Maryland.

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

*George R. Aud*  
George R. Aud, President

Larry Millison, Vice-President

*Richard D. Arnold*  
Richard D. Arnold, Commissioner

Ford L. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

ATTEST:

*Edward V. Cox*  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Theodore P. Weiner*  
Theodore P. Weiner  
County Attorney

12:19PM 06/27/86 CD.COM \$0.00

*Ret: Judy Sandra*

JUN 27 1986

MARY R. BELL, CLERK

NO:86-16

SUBJ: DEPARTMENT OF TRANSPORTATION  
 COUNTY TRANSPORTATION BONDS -  
 FIRST SERIES - REFUNDING  
 SERIES 1986

RESOLUTION

12:19PM06/27/868 CO.COM \$0.00

A Resolution authorizing St. Mary's County to enter into a Supplemental Agreement with the Department of Transportation of Maryland for the purpose of securing (but only to the extent of the existing obligations of St. Mary's County with respect to outstanding County Transportation Bonds issued by the Department of Transportation of Maryland) the payment of the principal of and interest on refunding bonds to be issued by the Department of Transportation of Maryland pursuant to Sections 3-101 and 3-301 to 3-309, inclusive, of the Transportation Article of the Annotated Code of Maryland (1977 Edition and 1985 Supplement) and Section 8-209 of the State Finance and Procurement Article of the Annotated Code of Maryland (1985 volume) to be designated "Department of Transportation - County Transportation Bonds - First Issue, Refunding Series 1986", for the purpose of refunding certain issues of County Transportation Bonds issued by the Department of Transportation of Maryland, in order to realize savings in the effective costs of debt service to St. Mary's County and other participating counties; and authorizing the officers of St. Mary's County to take such further action as may be necessary and proper to consummate the issuance and sale of such refunding bonds.

WHEREAS, St. Mary's County (the "County") has participated in the proceeds of the sale of certain issues of County Transportation Bonds issued from time to time by the Department of Transportation of Maryland (the "Department"), including the \$34,875,000 County Transportation Bonds, First Issue, Fifth Series, dated October 1, 1982 and maturing in annual serial installments (the "Outstanding Bonds") and in connection therewith has entered into an agreement with the Department as described in the form of proposed Supplemental Agreement attached hereto and made a part hereof, for the purpose of securing the payment of the County's proportionate share of the principal of and interest payable on the Outstanding Bonds; and

WHEREAS, the bonds of the County Transportation Bonds, First Issue, Fifth Series which mature on or after October 1, 1992 (in the aggregate principal amount of \$21,135,000) are subject to redemption prior to their respective maturities as a whole or in part, at the option of the Secretary of Transportation (the "Secretary"), at any time on or after October 1, 1991; and

WHEREAS, the Department has determined that it would be in the public interest to refund those bonds of the Outstanding Bonds which are subject to redemption prior to their respective maturities, for the public purpose of realizing savings in the effective costs of debt service to the several counties of the State of Maryland, including Baltimore City, which have participated in the proceeds of the Outstanding Bonds; and

WHEREAS, the Department proposes to issue and sell its Department of Transportation - County Transportation Bonds - First Issue, Refunding Series 1986 (the "Refunding Bonds") in an aggregate principal amount which will be sufficient, together with other funds available therefor, for the purpose of refunding those bonds of the Outstanding Bonds which are subject to redemption prior to their respective maturities, such Refunding Bonds to be issued pursuant to Sections 3-101 and 3-301 to 3-309, inclusive, of the Transportation Article of the Annotated Code of Maryland (1977 Edition and 1985 Cumulative Supplement) and Section 8-209 of the State Finance and Procurement Article of the Annotated Code of Maryland (1985 Volume); and



LIBER 005 PAGE 221

NO: 86-16

SUBJ: DEPARTMENT OF TRANSPORTATION  
COUNTY TRANSPORTATION BONDS -  
FIRST SERIES - REFUNDING  
SERIES 1986

WHEREAS, the Department has submitted to the County for execution a proposed Supplemental Agreement in the form attached hereto and made a part hereof; and

WHEREAS, the County has determined that, in order to realize savings through a reduction in the effective costs of debt service, it would be in the public interest to enter into the proposed Supplemental Agreement with the Department, substantially in the form attached hereto and made a part hereof, for the purpose of securing (but only to the extent of the County's existing obligations with respect to the issues of County Transportation Bonds to be refunded) the payment of the principal of and interest on the Refunding Bonds;

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of St. Mary's County:

SECTION 1. That the proposed Supplemental Agreement to be entered into between the County and the Department of Transportation of Maryland, in substantially the form attached hereto and made a part hereof, be and it is hereby approved; and that the President of the Board of County Commissioners of St. Mary's County is hereby authorized and directed to execute the proposed Supplemental Agreement of behalf of the County, in substantially the form attached hereto and made a part hereof, with such changes and insertions as he shall deem to be in the best interests of the County, and his execution of the proposed Supplemental Agreement shall constitute conclusive evidence of his approval of the final form thereof.

AND BE IT FURTHER RESOLVED by the Board of County Commissioners of St. Mary's County:

SECTION 2. That the President of the Board of County Commissioners of St. Mary's County and other officers of the County are hereby authorized to take such other and further action as may be necessary and proper to consummate the transaction contemplated by the proposed Supplemental Agreement, including the issuance and sale by the Department of Transportation of Maryland of the Refunding Bonds referred to in the recitals hereof.

AND BE IT FURTHER RESOLVED by the Board of County Commissioners of St. Mary's County:

SECTION 3. That this Resolution shall take effect from the date of its adoption.

This date:  
June 24, 1986

BOARD OF COUNTY COMMISSIONERS,  
ST. MARY'S COUNTY, MARYLAND

George R. Aud  
George R. Aud, President

Larry Milhison, Vice President  
Richard D. Arnold  
Richard D. Arnold, Commissioner

Forrest L. Dean, Commissioner  
David F. Sayre  
David F. Sayre, Commissioner

ATTEST:

Edward V. Cox  
Edward V. Cox, County Administrator

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Theodore P. Weiner  
Theodore P. Weiner, County Attorney



DEPARTMENT OF TRANSPORTATION OF MARYLAND  
COUNTY TRANSPORTATION BONDS  
FIRST ISSUE, REFUNDING SERIES 1986

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT is made as of this 24th  
day of June, 1986 by and between the DEPARTMENT OF  
TRANSPORTATION OF MARYLAND (the "Department")  
and St. Mary's County (the "Participant").

EXPLANATORY STATEMENT

The Participant has entered into certain Agreements with the Department as more particularly described in Schedule A attached hereto and made a part hereof (collectively, the "Agreements"), in connection with the issuance and sale by the Department of County Transportation Bonds (as indicated).

The issued and outstanding bonds of issues of County Transportation Bonds referred to in Schedule A are herein collectively called the "Outstanding Bonds".

With respect to each of the Agreements, and the Outstanding Bonds to which it relates, the Department has, in accordance with such Agreement, on its books a separate account designated as a sinking fund for the security of the issue of Outstanding Bonds for which it was established. Each of the Agreements provides, among other things, that the Comptroller of the State of Maryland shall, during each fiscal year, beginning with the fiscal year in which the Outstanding Bonds of the particular issue were issued, withhold from Highway User Revenues allocated to, or held for the credit of, the

Participant under Section 8-404 of the Transportation Article of the Annotated Code of Maryland, as in effect from time to time, after first providing for sinking fund requirements on outstanding and unpaid County Highway Construction Bonds issued pursuant to Chapter 657 of the Laws of Maryland of 1953, an amount equal to the Participant's share of the principal of and interest on the particular issue of the Outstanding Bonds in the current and next succeeding fiscal year.

The Department has determined that it would be in the public interest to refund those bonds of the Outstanding Bonds which are subject to redemption prior to their respective maturities (the "Callable Outstanding Bonds"), for the public purpose of realizing savings in the effective costs of debt service to the several counties of the State of Maryland, including Baltimore City, which have participated from time to time in the proceeds of the Outstanding Bonds.

The Department proposes to issue and sell its Department of Transportation - County Transportation Bonds - First Issue, Refunding Series 1986 (the "Refunding Bonds") in an aggregate principal amount which will be sufficient, together with any other funds available therefor, for the purpose of refunding the Callable Outstanding Bonds (except as provided in the last literary paragraph of Section 2 of this Supplemental Agreement). The Refunding Bonds will be issued pursuant to Section 3-101 and Sections 3-301 to 3-309, inclusive, of the Transportation Article of the Annotated Code



of Maryland (1977 Edition and 1985 Cumulative Supplement), and Section 8-209 of the State Finance and Procurement Article of the Annotated Code of Maryland (1985 Volume).

This Supplemental Agreement is entered into for the purpose of securing, to the extent of the Participant's obligations under the Agreements with respect to the Outstanding Bonds, the payment of the debt service on the Refunding Bonds.

AGREEMENTS

In consideration of the premises and in accordance with applicable law, the parties hereto agree as follows:

1. The Refunding Bonds. Subject to the reservations set forth below, as soon as practicable after the date hereof (unless the Refunding Bonds are sold subject to the execution of this Supplemental Agreement), the Department will sell the Refunding Bonds in an aggregate principal amount sufficient, together with any other funds available therefor, to refund the Callable Outstanding Bonds (except as provided in the last literary paragraph of Section 2 hereof); provided, however, that the Department may adjust the aggregate principal amount of the Refunding Bonds if the Department determines, in its discretion, that such an adjustment is appropriate in order to accomplish the purposes of this Supplemental Agreement.

The Refunding Bonds shall be dated as of a date to be determined by the Department, shall bear interest payable semi-annually accounting from the date of the Bonds, shall

mature within fifteen (15) years after the date of their issue, shall bear interest at the rate or rates designated by the successful bidder for the Refunding Bonds and accepted by the Secretary of Transportation of Maryland, and may be subject to prior redemption by the Department in the circumstances and at prices specified by it prior to issuance thereof and subject to the provisions of this Supplemental Agreement.

The obligation of the Department to issue any of the Refunding Bonds is subject to its absolute discretion to determine when and under what conditions the Refunding Bonds shall be issued, the form and contents thereof and of any official statement issued with respect thereto. The Department may, in its absolute discretion, determine not to issue and sell the Refunding Bonds. It is the purpose of these reservations that this Supplemental Agreement is at all times subject to the paramount need for preserving the credit of the Department and the security of the Refunding Bonds and to the requirement that the issuance of the Refunding Bonds will realize savings in the effective costs of debt service to the several counties of the State of Maryland, including Baltimore City, which have participated from time to time in the proceeds of any of the Outstanding Bonds.

2. Use of Proceeds. In the event that the Refunding Bonds are issued, then promptly after settlement therefor and delivery thereof, the Department will cause the proceeds to be applied as follows:



(a) there shall first be deducted from the proceeds and credited to the Sinking Fund hereinafter provided for all monies received from the purchaser of the Refunding Bonds on account of accrued interest and premium, if any;

(b) from the remainder there shall be paid all expenses incurred by the Department in connection with effecting the issuance of the Refunding Bonds, including, but not limited to, expenses of printing, advertising, delivery, and financial, administrative and legal fees;

(c) the balance of the proceeds, together with any other funds available therefor, shall be used by the Department to purchase direct obligations of the United States of America (the "Government Obligations"), to be held in trust by an escrow agent designated by the Department (the "Escrow Agent"). The Government Obligations will mature at such time and in such amounts, and will bear interest payable at such times, and in such amounts, so that sufficient moneys will be available to pay, when due, all principal of and premium, if any, and interest on the Callable Outstanding Bonds (except as provided in the last literary paragraph of this Section) to and including their respective maturities or dates of redemption. The Escrow Agent will apply the maturing principal of and the interest on the Government Obligations to the payment of the Callable Outstanding Bonds. Upon the issuance of the Refunding Bonds, adequate and complete provision will have been made for the timely payment of the principal of and interest on the Callable Outstanding Bonds.

The Department may, in its discretion, determine that such adequate and complete provision for certain issues of the Callable Outstanding Bonds will be made from any other available funds other than the proceeds of the Refunding Bonds.

3. Sinking Fund. The Department will establish on its books a separate account designated "County Transportation Bonds - First Issue, Refunding Series 1986 Sinking Fund", or other appropriate designation, (the "Sinking Fund"), to which will be credited any accrued interest and premium received upon settlement for the Refunding Bonds. The Department will cause the Comptroller of the State of Maryland to credit to the Sinking Fund the amounts withheld by him from distribution to the Participant as provided below.

The Comptroller shall withhold, during each fiscal year, from Highway User Revenues allocated to, or held for the credit of, the Participant under Sections 8-401 to 8-413, inclusive, of the Transportation Article of the Annotated Code of Maryland, an amount which is at least equal to the Participant's proportionate share of the debt service payable on the Refunding Bonds by the Department in the current fiscal year and in the next succeeding fiscal year (the "Participant's Refunding Bonds Debt Service Requirement"); provided, however, that the amount so withheld during each fiscal year shall not in any event exceed the Participant's proportionate share of the debt service payable on the Outstanding Bonds in the current fiscal year and in the next succeeding fiscal year, as though



the Outstanding Bonds had not been refunded (the "Participant's Outstanding Bonds Debt Service Requirement"). All funds so allocated to, or held for the credit of, the Participant shall be so withheld until an amount which is at least equal to the Participant's Refunding Bonds Debt Service Requirement, but not to exceed the Participant's Outstanding Bonds Debt Service Requirement, shall have been accumulated. In each fiscal year (or in the discretion of the Department, in the six-month period immediately preceding the beginning thereof) the Comptroller shall withhold from the funds allocated to, or held for the credit of, the Participant, the amount necessary to maintain in the Sinking Fund (exclusive of interest and increment, if any, on investments) an amount which is at least equal to the Participant's Refunding Bonds Debt Service Requirement, but not to exceed the Participant's Outstanding Bonds Debt Service Requirement. The debt service payable on the Refunding Bonds by the Department may include or be limited to sinking fund deposits to be made by the Department to the Sinking Fund. The amounts of such sinking fund deposits shall be established in the Resolution adopted by the Secretary of Transportation authorizing the issuance and sale of the Refunding Bonds and determining other matters in connection therewith (the "Resolution").

The Participant hereby authorizes the Department to cause to be transferred to the Sinking Fund sums on deposit in sinking funds established by the Department in connection with

any of the Outstanding Bonds to the extent that the Department determines such a transfer necessary in order to accomplish the purposes of this Supplemental Agreement.

In the event the Participant shall elect to pay its proportionate share of debt service, as set forth above, from the proceeds of taxes to be levied by it directly, the Participant shall notify the Comptroller, in writing, not later than the first day of January in the calendar year in which the Participant proposes to make such payments and, upon receipt of such notice, the Comptroller shall not withhold in accordance with Section 3 hereof any of the Highway User Revenues allocated to, or held for the credit of, the Participant after the first day of July in such year, unless and until the Comptroller shall receive further written notice from the Participant so to withhold, or unless and until the Comptroller shall receive written notice from the Department that the Participant has failed to make the necessary deposit into the Sinking Fund, at the times and in the amounts necessary to maintain it. This paragraph is intended to implement, and shall be construed so as to implement, Section 3-307(b)(4) of the Transportation Article of the Annotated Code of Maryland.

All payments on account of debt service payable on the Refunding Bonds by the Department shall be made by the State Treasurer from the Sinking Fund as provided in Section 3-307 of the Transportation Article of the Annotated Code of Maryland upon warrants of the Comptroller as requested by the Department. The Department shall keep accurate records of the



total deposits and disbursements credited and charged to the Sinking Fund, and of the deposits and disbursements made on behalf of the Participant.

In the event deposits to the Sinking Fund shall be continuously made as herein provided, the authority to withhold hereby conferred on the Comptroller shall terminate not later than the end of the fiscal year next preceding the fiscal year of the final maturity of the Outstanding Bonds (as though they had not been refunded).

The Department shall have the right from time to time, in its discretion, to invest any and all monies credited to the Sinking Fund as provided in the Resolution. Any profit realized from such investment shall be credited to the Sinking Fund and any loss resulting from such investment shall be charged to the Sinking Fund.

Unless the Participant shall have previously exercised its option to terminate under Section 4 hereof, the Participant shall be entitled to reimbursement of its proportionate share of any balance (after payment of all costs and fees in connection therewith) remaining in the Sinking Fund, after all of the Refunding Bonds shall have matured and been paid, or provision made for such payment.

4. Redemption and Termination. If, in the issuance of the Refunding Bonds, the Department shall reserve the right to redeem the Refunding Bonds in whole or in part at a price in excess of par, it shall not thereafter obligate or commit any funds of the Participant in the Sinking Fund or elsewhere, in

the exercise of such right without the prior written consent of the Participant. However, the Participant may, in its discretion, terminate at any time its entire liability hereunder and the withholding provided for in Section 3 hereof by serving written notice of termination of this Supplemental Agreement upon the Department, accompanied by a certified or bank cashier's check drawn to the order of the Treasurer of the State of Maryland in an amount determined by the Department to be equal to the Participant's share of the principal then due or to become due on the Outstanding Bonds (as though they had not been refunded) until the final maturity thereof, plus the Participant's share of the interest due or to become due on the Outstanding Bonds (as though they have not been refunded) until their respective maturities, less the sum of the Participant's proportionate share of debt service accumulated in the Sinking Fund, and the Participant's share of funds held by the Treasurer for the payment of the Refunding Bonds and interest thereon which is then due, but which have not, at the date of such termination, been presented for payment. The sum so tendered by the Participant shall be recorded on the books of the State Treasury Department as a separate account and shall be invested by the Treasurer in the same manner as is above provided for the investment of monies in the Sinking Fund. Simultaneously with making deposits to the Sinking Fund in accordance with Section 3 hereof, the Comptroller shall cause to be withdrawn from the separate account and credited to the Sinking Fund an amount which is at least equal to the



Participant's Refunding Bond Debt Service Requirement. Any balance in the account, after the final principal and interest payment on account of the Refunding Bonds has been made, shall be paid to the Participant. If, after termination, the Department shall elect to redeem the Refunding Bonds in whole or in part, in accordance with the provisions thereof, the separate account may be charged with so much as may be necessary of the Participant's proportionate share of the redemption price paid.

5. Other Covenants and Representations by the Participant. The Participant further covenants and represents as follows:

(a) except as provided in Section 3 above there are no liens upon, or pledges of, the Participant's share of Highway User Revenues allocated to, or held for the credit of, the Participant under Sections 8-401 to 8-413, inclusive, of the Transportation Article of the Annotated Code of Maryland prior or superior to the withholding for Sinking Fund purposes herein agreed to, which impair or interfere with the withholdings;

(b) the Participant will not pledge any such revenues nor create or permit the creation of any liens thereon prior, superior, or equal to the commitments made by it hereunder, and will not do or suffer to be done any act or thing which will impair or interfere with the security of the Refunding Bonds or which will impair or interfere with its

ability or the ability of the Department, the Comptroller and the Treasurer to perform in accordance with the Agreements and this Supplemental Agreement:

(c) the Participant has covenanted, in each of the Agreements, that it will, in each fiscal year, levy ad valorem taxes upon all property within its jurisdiction subject to assessment for taxation at such rates as will be sufficient for it to collect in tax revenue a minimum of one dollar per capita of population, and that it will certify its annual tax levy in each year to the Comptroller, it being the intent and purpose of such covenants to insure that the Participant will not impair its other covenants under the Agreements and this Supplemental Agreement by failure to comply with the applicable provisions of Sections 8-401 to 8-413, inclusive, of the Transportation Article of the Annotated Code of Maryland; and

(d) by the issuance of the Refunding Bonds by the Department, no debt limit or referendum requirements will be exceeded or violated and the Participant's involvement in such bond issue will not require approval by its qualified voters.

6. Agreements for Benefit of Bondholders. It is hereby agreed that the provisions of the Agreements and of this Supplemental Agreement shall and are intended to be for the benefit and security of the bona fide holders from time to time of the Refunding Bonds and that the covenants therein and herein contained shall be enforceable by such holders to the same extent as though they were parties to the Agreements and to this Supplemental Agreement.



7. Validity. It is hereby agreed that the parties hereto will take all action within their respective delegated powers to assure the legal validity of this Supplemental Agreement and of the Refunding Bonds and that, in the event further legislation by the General Assembly of Maryland should at any time be deemed necessary to assure such validity, they will use their best efforts to obtain the passage of such legislation.

8. Approval. This Supplemental Agreement shall become effective when duly authorized and executed by both parties hereto. Approval by the Board of Public Works of the State of Maryland of the issuance by the Department of the Refunding Bonds is necessary prior to the sale thereof.

9. Effect Upon Prior Agreements. The Agreements, by their terms, do not expressly provide for the issuance and sale by the Department of refunding bonds for the purpose of refunding the Outstanding Bonds. Accordingly, the Participant and the Department intend, by the execution of this Supplemental Agreement, to provide that all of the covenants and agreements set forth in the Agreements for the security of the Outstanding Bonds shall be deemed to secure the Refunding Bonds, the proceeds of which will be used, together with any other funds available therefor, to refund the Callable Outstanding Bonds as herein provided (except to the extent provided in the last literary paragraph of Section 2 hereof), resulting in savings in the effective costs of debt service on the Callable Outstanding Bonds to the Participant. Nothing

herein contained shall be construed to (a) relieve the Participant from any of its obligations under the Agreements, except to the extent herein provided, or (b) alter, modify or supersede the Agreements pertaining to the Outstanding Bonds, but the provisions hereof shall be supplemental and cumulative to all of the Agreements.

10. Pending Federal Tax Legislation. In connection with the pendency of legislation in the Congress of the United States that might affect the taxation of interest on the Refunding Bonds, including but not limited to the Tax Reform Act of 1985, approved by the United States House of Representatives as H.R. 3838 on December 17, 1985, and tax reform proposals being considered in the United States Senate, the Participant covenants that it shall take, or refrain from taking, such actions as may be required of it by the Department from time to time, to the extent deemed necessary or appropriate by bond counsel to the Department, so as to maintain the exemption from federal income taxation of interest on the Refunding Bonds should such legislation hereafter be enacted into law with provisions that apply to, or otherwise affect the tax-exempt status of interest on, the Refunding Bonds.



11. Reimbursement Expenses If Refunding Bonds

Are Not Issued. In the event that the Department determines not to issue the Refunding Bonds, the Participant hereby agrees that it shall reimburse the Department for its proportionate share (as determined by the Department) of the expenses incurred by the Department in connection with the Refunding Bonds.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

WITNESS:

DEPARTMENT OF TRANSPORTATION OF MARYLAND

\_\_\_\_\_

By \_\_\_\_\_ Secretary

[SEAL]

WITNESS:

George R. Aud, President

By George R. Aud

[SEAL]

APPROVED AS TO FORM AND LEGAL SUFFICIENCY THIS 23 DAY OF JUNE, 1986

APPROVED AS TO FORM AND LEGAL SUFFICIENCY THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 1986

By Theodore P. Weiner  
Theodore P. Weiner  
County Attorney

By \_\_\_\_\_  
Assistant Attorney General  
Counsel to the Department of Transportation



SCHEDULE A

ST. MARY'S COUNTY

Agreement executed as of the 14th day of September, 1982 by and between the Participant and the Department for the purpose of securing the payment of the Participant's proportionate share of the principal of and interest on \$34,875,000 Department of Transportation - County Transportation Bonds - First Issue, Fifth Series, dated October 1, 1982. The Participant participated in the proceeds of such County Transportation Bonds to the extent of \$775,000.

Ret: Judy Sanders JUN 27 1988

MARY R. BELL, CLERK

No. 786-06

Subj: ZONE #85-1374  
MICHAEL HEWITT

LIBER 005 PAGE 239  
RESOLUTION

11:49AM 07/03/86A CO.COM \$0.00

WHEREAS, MICHAEL HEWITT has made application to rezone approximately 3.25 acres of land of Maryland Route 235 in California, at the intersection with Chancellor's Run Road, from C-1, Commercial, to C-2, Commercial. The property is located in the Eighth Election District of St. Mary's County, Maryland, on Tax Map 43, Block 1, Parcel 238. The matter is identified as Case No. 85-1374.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on January 27, 1986.

WHEREAS, following deliberation, the Planning Commission, on March 10, 1986, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County that designation of the subject property as C-2 be granted.

WHEREAS, the Board of County Commissioners, after publication of notice and notification of all property owners within 100 feet of the subject property by certified mail, conducted a public hearing on the request on April 15, 1986.

WHEREAS, following deliberation on April 29, 1986, the County Commissioners, by a unanimous vote, in accordance with the provisions of Section 4.05(a) of Article 66B of the Maryland Annotated Code and Section 70.05 of the St. Mary's County Zoning Ordinance, find as fact the following with regard to the request:

I. Change in the Character of the Neighborhood:

The neighborhood for this property is defined as the Maryland Route 235 corridor between ADF Bingo and Tennison's Store. There have been numerous changes in the neighborhood to support this rezoning, including the construction of the Skate Station, the Dynamac Building and the expansion of Hickory Hills Shopping Center, all of which have contributed to the strong commercial character of the area.

II. Population Change:

From 1980 to 1985 the Eighth Election District has grown in population from 20,562 to 23,245, an increase of 13%.

III. Adequacy of Public Facilities:

All public facilities are in place. Because the business is already in operation as a nonconforming use, there should be no impact on the sewer capacity.

IV. Present and Future Transportation Patterns:

The dualization of Maryland Route 235 is complete, and can adequately handle the existing traffic created by the present business at this site and any possible expansion.

V. Relation to Comprehensive Plan:

The Comprehensive Plan discusses the advantages of increased commercial development in the Urban Development Area of Lexington Park. There are no aspects of the proposal that conflict with the plan. It is to serve the business community and travelers associated with the County's employment center.

VI. Fiscal Impact on Government:

None.



No. 786-06

Subj: ZONE #85-1374  
MICHAEL HEWITT

(Page 2 of 2)

LSLR 005 PAGE 240

VII. Suitability of Property for Uses Under Existing and Proposed Zoning Classifications:

Rezoning the property to C-2 would correct the mistake made in originally zoning the property C-1, when the existing use required C-2. The use would be more suitable in a C-2 classification, and eliminate its nonconforming status.

VIII. Compatibility with Existing and Proposed Development for the Area:

The site is surrounded on three sides by commercial property. The rezoning to C-2 would be compatible.

IX. Mistake in Original Zoning:

There is evidence in the record of a mistake in the original zoning of the subject property by rezoning it as C-1 when the existing use as a gasoline service station requires C-2.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 13<sup>th</sup> day of July, 1986, that the above-mentioned rezoning request is GRANTED and the property is hereby reclassified from C-1 to C-2.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

George R. Todd  
GEORGE R. TODD, President

LARRY MILLISON, Vice President

RICHARD D. ARNOLD, Commissioner

Ford L. Dean  
FORD L. DEAN, Commissioner

David F. Sayre  
DAVID F. SAYRE, Commissioner

ATTEST:

Edward V. Cox  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
JOSEPH R. DENSFORD  
Assistant County Attorney

Ret: Patricia R. Guy JUL 3 1986 MARY R. BELL, CLERK

R E S O L U T I O N

WHEREAS, J. I. KNOTT has made application to rezone approximately 236.38 acres of land located off Take-It-Easy Ranch Road from CP, Camper Park, and AR, Agricultural-Residential, to MHP, Mobile Home Park. The property is located in the Second Election District of St. Mary's County, Maryland, on Tax Map 57 Block 6 Parcels 10, 22 and 23. The matter is identified as Case No. 84-1307-A.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on October 14, 1985.

WHEREAS, following deliberation, the Planning Commission, on December 9, 1985, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County, Maryland, that rezoning of the subject property be denied.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the Board of County Commissioners conducted a public hearing on the request on April 15, 1986.

WHEREAS, following deliberation on April 29, 1986, the Board of County Commissioners has made the following deliberation with respect to the application:

- (1) The project is not consistent with the Comprehensive Land Use Plan. Development of this plan would create a high density "island" in a rural area and would be likely to lead to more development in the immediate area.
- (2) The project is not consistent with the Water and Sewer Plan. The current designations in the plan are W-6 and S-6 - "No Planned Service."
- (3) The development would remove almost 10% of the sewage capacity from the Lexington Park area.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 17th day of June, 1986, that the above-mentioned rezoning request is hereby DENIED.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND  
*George R. Aud*  
GEORGE R. AUD, President

LARRY MILLISON, Vice President

RICHARD D. ARNOLD, Commissioner  
*Richard D. Arnold*  
RICHARD D. ARNOLD, Commissioner  
*David F. Sayke*  
DAVID F. SAYKE, Commissioner

ATTEST:  
*Edward V. Cox*  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:  
*Joseph R. Densford*  
JOSEPH R. DENSFORD  
Assistant County Attorney



LIBER 005 PAGE 242

SUBJECT: "ST. MARY'S COUNTY  
BUILDING AUTHORITY COMMISSION  
NURSING HOME BONDS FOR 1986"

ST. MARY'S COUNTY BUILDING AUTHORITY COMMISSION

RESOLUTION NO. BA-86-01

12:32PM07/24/86A CD.COM \$0.00

A RESOLUTION of the St. Mary's County Building Authority Commission (the "Commission") authorizing the issuance and sale of Five Million, Three Hundred Sixty Thousand Dollars (\$5,360,000) aggregate principal amount of serial maturity and term, limited obligation bonds under the provisions of Chapter 416 of the Laws of Maryland of 1986, Chapter 226 of the Laws of Maryland of 1984 and Chapter 475 of the Laws of Maryland of 1983, the bonds to be designated "St. Mary's County Building Authority Commission Nursing Home Bonds of 1986", the net proceeds of the sale thereof to be used for the purpose of financing the costs of acquiring and constructing a nursing home facility in St. Mary's County; prescribing the form and tenor of the bonds and the terms and conditions for the issuance and sale thereof; providing that it is in the best interests of the Commission to sell the bonds at private (negotiated) sale; designating the purchaser for the bonds; setting forth the interest rates on the bonds; prescribing the terms and conditions of the bonds and all other details incident to the issuance, sale and delivery of the bonds; providing for the appointment of a Paying Agent, a Bond Registrar and a Trustee for the bonds; providing for the disbursement of the proceeds of the bonds; authorizing the preparation and distribution of a preliminary and final official statement in connection with the sale of the bonds; providing for the execution of a lease of such nursing home facility by County Commissioners of St. Mary's County (the "County") which provides for lease payments by the County to the Commission equal to the principal of, premium (if any) and the interest on the bonds; providing for the execution of an assignment of such lease to the Trustee and for the execution of a facility site lease providing for the lease of the site of the nursing home from the County to the Commission; providing that the bonds issued by the Commission and the interest on them are limited obligations of the Commission, the principal of, premium (if any) and interest on which are payable solely from rents or any other revenues derived from such facility and from any other funds made available to the Commission for such purpose; and generally relating to the issuance, sale, delivery and payment of the bonds.

BE IT RESOLVED BY ST. MARY'S COUNTY BUILDING AUTHORITY COMMISSION:

Section 1. Pursuant to the authority of Chapter 416 of the Laws of Maryland of 1986, Chapter 226 of the Laws of Maryland of 1984 and Chapter 475 of the Laws of Maryland of 1983 (collectively, the "Act"), the St. Mary's County Building Authority Commission (the "Commission"), a body politic and corporate and public instrumentality of the County Commissioners of St. Mary's County (the "County"), which may utilize the Commission to accomplish the public purposes of the County, hereby determines to issue its limited obligation bonds in the aggregate principal amount of \$5,360,000 for the public purpose of financing the costs of acquiring and constructing a nursing home facility consisting (by way of general description and not limitation) of an approximately 135 comprehensive care bed multi-level nursing home facility located near the intersection of Jefferson Drive and Peabody Street in Leonardtown, Maryland, together with all necessary or useful furnishings, equipment and machinery and such interests in land and site improvements as may be necessary or suitable for the foregoing, including roads and rights of access, utilities and other necessary site improvements (the "Facility").

Section 2. To evidence the issuance of such bonds authorized in Section 1 of this Resolution, the Commission, acting pursuant to the authority of the Act, hereby determines to issue and sell its serial maturity and term, limited obligation bonds in the aggregate principal amount of Five Million, Three Hundred Sixty Thousand Dollars (\$5,360,000), to be designated "St. Mary's County Building Authority Commission Nursing Home Bonds of 1986" (the "Bonds").

Section 3. The Bonds shall be dated July 15, 1986, and shall be issued as fully registered bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. The Bonds shall bear interest at the rate or rates of interest per annum set forth below and shall mature, subject to prior redemption as hereinafter provided, on July 15, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1988	\$ 65,000	5.00%
1989	65,000	5.30
1990	70,000	5.60
1991	70,000	5.90
1992	80,000	6.20
1993	80,000	6.40



1994	90,000	6.60
1995	95,000	6.75
1996	100,000	6.90
1997	105,000	7.00
1998	115,000	7.10
2004	890,000	7.50
2016	3,535,000	7.75

Section 4. (a) Bonds that mature on or before July 15, 1996, shall not be subject to redemption prior to their maturities. Bonds that mature on or after July 15, 1997, shall be subject to redemption beginning July 15, 1996, as a whole at any time or in part on any interest payment date, in the inverse order of maturities, at the option of the Commission, upon the direction of the County, at the following redemption prices expressed as a percentage of the principal amount of the Bonds to be redeemed, set forth in the table below, together with interest accrued to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
July 15, 1996 to July 14, 1997	103½
July 15, 1997 to July 14, 1998	102
July 15, 1998 to July 14, 1999	101
On or after July 15, 1999	100

(b) Bonds that mature on July 15, 2004, are subject to mandatory sinking fund redemption on July 15 of the years and in the amounts shown below at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption:

<u>Date</u>	<u>Sinking Fund</u> <u>Installment</u>	<u>Date</u>	<u>Sinking Fund</u> <u>Installment</u>
1999	\$ 125,000	2002	155,000
2000	130,000	2003	160,000
2001	140,000	2004	180,000

Bonds that mature on July 15, 2016, are subject to mandatory sinking fund redemption on July 15 of the years and in the amounts shown below at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption:

<u>Date</u>	<u>Sinking Fund Installment</u>	<u>Date</u>	<u>Sinking Fund Installment</u>
2005	\$ 190,000	2011	\$ 300,000
2006	200,000	2012	315,000
2007	220,000	2013	345,000
2008	240,000	2014	370,000
2009	255,000	2015	400,000
2010	270,000	2016	430,000

The sinking fund installment due on any date shall be reduced by an amount equal to the aggregate principal amount of Bonds redeemed prior to such date and not theretofore credited against a sinking fund installment.

(c) If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portion of Bonds to be redeemed from such maturity shall be selected by lot by the Bond Registrar (hereinafter designated).

(d) When less than all of a Bond in a denomination in excess of \$5,000 is so redeemed, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof, for the unredeemed balance of the principal amount of such Bond, at the option of such owner, Bonds in any of the authorized denominations as specified by the registered owner. The aggregate face amount of Bonds issued shall be equal to the unredeemed balance of the principal amount of the Bond surrendered, and the Bonds issued shall bear the same interest rate and shall mature on the same date as the unredeemed balance of the Bond surrendered.

(e) If the Commission elects to redeem all or a portion of the Bonds outstanding, it shall give a redemption notice to the registered owners of the Bonds to be redeemed by letter mailed first class, postage prepaid at least thirty (30) days prior to the date fixed for redemption to the addresses of such registered owners appearing on the registration books kept by the Bond Registrar; provided, however, that the failure to mail the redemption notice or any defect in the notice so mailed, or in the mailing thereof, shall not affect the validity of the redemption proceedings. The redemption notice shall state (i) whether the Bonds are redeemed in whole or in part and, if in part, the maturities and numbers of the Bonds to be redeemed, (ii) that the interest on the Bonds to be redeemed shall cease on the date fixed for redemption, (iii) the date fixed for redemption and the redemption price and (iv) that the Bonds to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the principal corporate trust office of the Paying Agent (hereinafter designated).



(f) From and after the date fixed for redemption, if notice has been duly and properly given and if funds sufficient for the payment of the redemption price and accrued interest are available on such date, the Bonds designated for redemption shall cease to bear interest. Upon presentation for redemption in compliance with the redemption notice, the Bonds to be redeemed shall be paid by the Paying Agent at the redemption price. If they are not paid upon presentation, the Bonds designated for redemption shall continue to bear interest at the rates stated therein until paid.

Section 5. Interest on the Bonds shall be payable on January 15, 1987, and semi-annually thereafter on the fifteenth day of July and January in each of the years that the Bonds are outstanding. Interest payments due under the Bonds shall be made to the registered owners of the Bonds who are the registered owners of record as of the last business day of the month next preceding each such interest payment date. Each Bond shall bear interest from the most recent date to which interest has been paid or, if no interest has been paid, from July 15, 1986. The principal of, premium, if any, and interest on the Bonds will be paid in lawful money of the United States of America.

Section 6. The principal of and redemption premium, if any, on the Bonds shall be payable at the principal corporate trust office of The First National Bank of Maryland in Baltimore, Maryland, hereby designated as Paying Agent. Interest on the Bonds will be payable by check or draft of the Paying Agent mailed to the registered owners thereof.

Section 7. The Bonds shall be executed in the name of the Commission and on its behalf by the Chairman of the Commission, whose signature may be by facsimile, and a facsimile of the corporate seal of the Commission shall be imprinted thereon, attested by the Secretary of the Commission, whose signature may be by facsimile. The Bonds shall be issued subject to registration as to principal and interest in the name or names of the owner or owners thereof on books kept for the registration and registration of transfer of the Bonds at the principal corporate trust office of The First National Bank of Maryland, Baltimore, Maryland, hereby designated as Bond Registrar. Each Bond shall be authenticated by the manual signature of an authorized officer of the Bond Registrar. There shall be printed on each Bond the text of the approving legal opinion of bond counsel with respect to the Bonds. Such printed text shall be certified, in the name of the Commission, to be a correct copy of the approving legal opinion of bond counsel by the Chairman of the Commission, whose signature may be by facsimile. In case any official of the Commission whose

signature appears on the Bond shall cease to be such official prior to the authentication and delivery of such Bond, or in the case that any such official shall take office subsequent to the date of issue of any such Bond, his signature, in either event, shall nevertheless be valid for the purposes herein intended.

Section 8. (a) The Bonds shall be transferable only upon the registration books kept at the principal corporate trust office of the Bond Registrar, by the registered owner thereof in person, or by his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer in the form attached thereto and satisfactory to the Bond Registrar and duly executed by the registered owner or his duly authorized attorney.

(b) The Bonds may be transferred or exchanged at the principal corporate trust office of the Bond Registrar. Upon any transfer or exchange, the Commission shall issue and the Bond Registrar shall authenticate and deliver a new registered Bond or Bonds of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Bond exchanged or transferred and maturing on the same date and bearing interest at the same rate. In each case, the Bond Registrar may require payment by any registered owner requesting the exchange or transfer of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect thereto, but otherwise no charge shall be made to the registered owner for the exchange or transfer.

(c) The Bond Registrar shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or portion thereof for redemption; provided, however, that this limitation shall not apply to that portion of a Bond in excess of \$5,000 which is not being called for redemption.

Section 9. Except as provided hereinafter or in a resolution or resolutions of the Commission adopted prior to the issuance of the Bonds, the Bonds shall be issued in substantially the following form. Appropriate variations and insertions may be made to provide dates, numbers and amounts, and modifications not altering its substance may be made by the Chairman or Vice Chairman of the Commission to carry into effect the purposes of this Resolution or to comply with recommendations of legal counsel. All of the covenants contained in the following form are hereby adopted by the Commission as and for the form of obligation to be incurred by the Commission, and the covenants and conditions contained therein are hereby made binding upon the Commission, including the promise to pay therein contained:



(Form of Bond)  
[BOND FACE]

UNITED STATES OF AMERICA  
STATE OF MARYLAND

No. R-

ST. MARY'S COUNTY BUILDING AUTHORITY COMMISSION  
NURSING HOME BOND OF 1986

Maturity Date Interest Rate Original Issue Date CUSIP

\_\_\_\_\_, 1986

Registered Owner:

Principal Amount

Dollars

The St. Mary's County Building Authority Commission, a body politic and corporate and public instrumentality of County Commissioners of St. Mary's County organized and existing under the Constitution and laws of the State of Maryland (the "Commission"), hereby acknowledges itself indebted for value received, and promises to pay, but only from the Revenues (described herein), to the registered owner shown above or his or her registered assigns or legal representatives, on the date specified above (unless this bond shall be redeemable, shall have been called for prior redemption and payment of the redemption price made or provided for), upon presentation and surrender of this bond at the principal corporate trust office of The First National Bank of Maryland, Baltimore, Maryland (the "Bond Registrar" and "Paying Agent"), the principal amount shown above in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts and to pay to the registered owner hereof by check or draft, mailed to such registered owner at his address as it appears on the bond registration books kept by the Bond Registrar, interest on the principal sum at the rate per annum shown above until payment of such principal amount or until the prior redemption hereof, such interest being payable on January 15 and July 15, in each year, in like coin or currency, accounting from the most recent date to which interest has been paid or, if no interest has been paid, from the original issue

date shown above. All interest due on this bond shall be payable to the registered owner in whose name this bond is registered on such bond registration books as of the close of business on the Regular Record Date for such interest payment, which shall be the last business day of the month next preceding the interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this bond is registered as of the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Bond Registrar, notice whereof being given by letter mailed first class, postage prepaid, to the registered owners not less than 30 days prior to such Special Record Date, at the addresses of such registered owners appearing on the registration books kept by the Bond Registrar, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the bonds of this series may be listed and upon such notice as may be required by such exchange. If an interest payment date falls on a Saturday, a Sunday or a day on which the Bond Registrar is not required to be open, payment may be made on the next succeeding day that is not a Saturday, a Sunday or a day on which the Bond Registrar is not required to be open and no interest shall accrue for the intervening period.

ADDITIONAL PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HEREIN.

This bond shall not be deemed to constitute an indebtedness or a charge against the general credit of the Commission or the general credit or taxing power of County Commissioners of St. Mary's County within the meaning of any constitutional or statutory limitation. The Commission has no taxing powers. Neither this bond nor the interest hereon shall give rise to any pecuniary liability of the Commission or the County, except for rental payments made by the County under the Lease (as defined on the reverse side hereof).

No recourse shall be had for the payment of the principal of, premium, if any, or interest on this bond or for any claims based thereon against any member, officer or official of the Commission or County Commissioners of St. Mary's County or any person executing the Bonds, all such liability, if any, being expressly waived and released by the holder of this bond by the acceptance of this bond.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have



happened, and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland and the Resolution (as defined on the reverse hereof), and that the issue of bonds, of which this bond is one, is within every other limit prescribed by the Constitution and laws of the State of Maryland.

This bond shall not become obligatory for any purpose or be entitled to any benefit under the above-mentioned laws until this bond shall have been authenticated by an officer of the Bond Registrar.

IN WITNESS WHEREOF, the St. Mary's County Building Authority Commission has caused this bond to be executed in its name by the facsimile signature of the Chairman of the Commission and its corporate seal to be imprinted hereon in facsimile, attested by the facsimile signature of the Secretary of the Commission all as of the fifteenth day of July, 1986.

ST. MARY'S COUNTY BUILDING  
AUTHORITY COMMISSION

By [Facsimile Signature]

( SEAL )

ATTEST: [Facsimile Signature]

Date of  
Authentication:

#### CERTIFICATE OF AUTHENTICATION

This bond is one of the registered bonds of the St. Mary's County Building Authority Commission Nursing Home Bonds of 1986.

The First National Bank of  
Maryland, as Bond Registrar

By: Authorized Officer

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[REVERSE SIDE OF BOND]

This bond is one of a duly authorized issue or series of bonds of the St. Mary's County Building Authority Commission designated "Nursing Home Bonds of 1986" and aggregating Five Million Three Hundred Sixty Thousand Dollars (\$5,360,000) in principal amount, all dated July 15, 1986 (the "Bonds"). The Bonds are issued pursuant to and in full conformity with the provisions of Chapter 416 of the Laws of Maryland of 1986, Chapter 226 of the Laws of Maryland of 1984 and Chapter 475 of the Laws of Maryland of 1983 and by virtue of due proceedings had and taken by the St. Mary's County Building Authority Commission, particularly a resolution adopted on July 15, 1986 (the "Resolution").

The Bonds are limited obligations of the Commission, the principal of, premium (if any) and interest on which are payable solely from rental payments under the Lease (hereinafter defined) and any other revenues derived from the nursing home facility acquired with the proceeds thereof (the "Revenues").

The County and the Commission have entered into a Lease Agreement dated as of July 15, 1986 (the "Lease") pursuant to which the County has agreed to make rental payments from general funds of the County to the Commission in each year in which the Bonds are outstanding in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds in each such year. Such rental payments constitute Revenues and are pledged by the Commission in the Resolution to the payment of the principal of, premium, if any, and interest on the Bonds.

The Bonds mature and are payable on July 15 in the following years and amounts and bear interest at the following rates per annum:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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The Bonds which mature on or after July 15, 1997 are subject to redemption beginning July 15, 1996, as a whole at any time or in part on any interest payment date, in the inverse order of maturities, at the option of the Commission, upon the direction of the County, at the following redemption prices, expressed as percentages of the principal amount of the Bonds to be redeemed, together with interest accrued to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
July 15, 1996 to July 14, 1997	103½
July 15, 1997 to July 14, 1998	102
July 15, 1998 to July 14, 1999	101
On or after July 15, 1999	100

Bonds maturing on July 15, 2004, are subject to mandatory sinking fund redemption on July 15, 1999, and each July 15 thereafter to their maturity, and Bonds maturing on July 15, 2016, are subject to mandatory sinking fund redemption on July 15, 2005, and on each July 15, thereafter to their maturity, from sinking fund installments as set forth in the Resolution at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption.

If less than all of the Bonds of any one maturity are called for redemption, the particular Bonds or portion of Bonds to be redeemed from such maturity will be selected by lot by the Bond Registrar.

When less than all of a Bond in a denomination in excess of \$5,000 is so redeemed, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof, for the unredeemed balance of the principal amount of such Bond, at the option of such owner, Bonds in any of the authorized denominations as specified by the registered owner, the aggregate face amount of such Bonds not to exceed the unredeemed balance of the principal amount of the Bond surrendered, and to bear the same interest rate and to mature on the same date as the unredeemed balance of the Bond surrendered.

If the Commission elects to redeem all or a portion of the Bonds outstanding, it will give a redemption notice to the registered owners of the Bonds to be redeemed by letter mailed first class, postage prepaid, at least thirty (30) days prior to the date fixed for redemption to the addresses of such

registered owners appearing on the registration books kept by the Bond Registrar; provided, however, that the failure to mail the redemption notice or any defect in the notice so mailed, or in the mailing thereof, shall not affect the validity of the redemption proceedings. The redemption notice shall state (i) whether the Bonds are redeemed in whole or in part and, if in part, the maturities and numbers of the Bonds to be redeemed, (ii) that the interest on the Bonds to be redeemed shall cease on the date fixed for redemption, (iii) the date fixed for redemption and the redemption price, and (iv) that the Bonds to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the principal corporate trust office of the Paying Agent. From and after the date fixed for redemption, if notice has been duly and properly given, and if funds sufficient for the payment of the redemption price and accrued interest are available on such date, the Bonds designated for redemption shall cease to bear interest. Upon presentation for redemption in compliance with the redemption notice, the Bonds to be redeemed shall be paid by the Paying Agent at the redemption price. If they are not paid upon presentation, the Bonds designated for redemption shall continue to bear interest at the rates stated therein until paid.

The Commission has appointed The First National Bank of Maryland, Baltimore, Maryland, as Bond Registrar to open books for the registration and for the transfer of Bonds. This bond will be transferable only upon the registration books kept at the principal corporate trust office of the Bond Registrar, by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer in the form attached hereto and satisfactory to the Bond Registrar and duly executed by the registered owner or his duly authorized attorney. The Commission may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes.

This bond may be transferred or exchanged at the principal corporate trust office of the Bond Registrar. Upon any transfer or exchange, the Commission shall issue and the Bond Registrar shall authenticate and deliver a new registered bond or bonds of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the bond exchanged or transferred and maturing on the same date and bearing interest at the same rate. In each case, the Bond Registrar may require payment by the registered owner of this bond, requesting the exchange or transfer hereof, of any tax.



fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect thereto, but otherwise no charge shall be made to the registered owner hereof for the exchange or transfer.

The Bond Registrar shall not be required to transfer or exchange this bond after the mailing of notice calling this bond or portion hereof for redemption; provided, however, that this limitation shall not apply to that portion of this bond in excess of \$5,000 which is not being called for redemption.

The holder of this bond shall have no right to enforce the provisions of the Resolution or the Lease, or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Resolution or the Lease, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Resolution.

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells,  
assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF ASSIGNEE

\_\_\_\_\_  
\_\_\_\_\_  
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS,  
INCLUDING ZIP CODE OF ASSIGNEE)

the within bond and all rights thereunder and does hereby  
constitute and appoint

attorney to transfer the within bond on the books kept for the  
registration thereof, with full power of substitution in the  
premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

Notice: Signatures must be  
guaranteed by a member firm  
of the New York Stock Exchange  
or a commercial bank or trust  
company.

Notice: The signature to this  
assignment must correspond  
with the name as it appears  
upon the face of the within  
bond in every particular,  
without alteration or  
enlargement or any change  
whatever.

(Form of Legal Certification)

IT IS HEREBY CERTIFIED that the following is a true  
and correct copy of the complete approving legal opinion of  
Piper & Marbury, Baltimore, Maryland, with respect to the issue  
of bonds of which this bond is one, that the original of the  
approving legal opinion was manually executed, dated and issued  
as of the date of delivery of, and payment for, said issue of



bonds and that an executed copy thereof is on file with the  
Bond Registrar.

ST. MARY'S COUNTY BUILDING  
AUTHORITY COMMISSION

[Facsimile Signature]

Section 10. It is hereby determined that it is in the best interests of the Commission to sell the Bonds at private (negotiated) sale. The Bonds are hereby sold to Alex. Brown & Sons Incorporated (the "Underwriter") at the purchase price stated in the Purchase Contract dated July 15, 1986 delivered to the Commission on the date of adoption of this resolution (the "Purchase Contract"). The Bonds shall bear interest at the rates set forth in the Purchase Contract. The Purchase Contract of the Underwriter is hereby accepted and approved and the Chairman of the Commission is hereby authorized to execute the Purchase Contract for and on behalf of the Commission.

Section 11. As soon as may be practicable after the sale hereinabove provided for has been held, the Bonds shall be suitably prepared in definitive form, executed and delivered to the Underwriter upon receipt of the purchase price therefor, plus interest accrued from July 15, 1986 to the date of delivery, less the good faith deposit delivered in accordance with the Purchase Contract. The Chairman and Vice Chairman and all other officers and employees of the Commission are expressly authorized, empowered and directed to take any and all action necessary to complete and close the award, sale and delivery of the Bonds to the Underwriter thereof.

Section 12. The Chairman and Vice Chairman are hereby designated to receive payment on behalf of the Commission of the proceeds of the sale of the Bonds. Such proceeds shall be deposited in the proper accounts of the Commission and shall be used and applied by the Commission exclusively and solely for the public purposes described in Section 1 of this Resolution, including the payment, repayment or redemption of any advances or interim financing heretofore undertaken in connection with such public purposes. If the proceeds received from the sale of the Bonds exceed the amount actually expended or required for such public purposes, the amount of such unexpended excess shall be set apart in a separate fund and applied to the payment of the next principal maturity of the Bonds or to the redemption of Bonds or to the purchase and cancellation of Bonds, unless a resolution is adopted by the Commission to provide for the expenditure of that excess for some other valid purpose authorized by the Act. Any investment earnings on the proceeds of the sale of the Bonds shall be used or applied by the Commission for the public purposes described in Section 1 of this Resolution.

Section 13. The Commission hereby pledges to, and creates a lien in favor of, each and every owner of the Bonds, and to the Trustee on behalf of the owners of the Bonds, as security for the payment of the principal of, premium, if any, and interest on the Bonds when due, and grants a security



interest in, all rental payments received by the Commission pursuant to the Lease Agreement dated as of July 15, 1986 (the "Lease") between the Commission and County Commissioners of St. Mary's County with respect to the Facility and any other revenues derived by the Commission from the Facility (the "Revenues"). As provided by the Act, such pledge shall be valid and binding against any person having a claim of any kind against the Commission, irrespective of whether the person has notice.

Section 14. (a) The Chairman and Vice Chairman shall be the officials of the Commission responsible for the issuance of the Bonds within the meaning of Section 1.103-13(a)(2)(ii)(C) of the Arbitrage Regulations (defined below). The Chairman and Vice Chairman shall also be the officials of the Commission responsible for the execution and delivery (on the date of the issuance of the Bonds) of a certificate of the Commission (the "Section 103(c) Certificate") that complies with the requirements of Section 103(c) of the Internal Revenue Code of 1954, as amended, and the applicable regulations thereunder (the "Arbitrage Regulations"), and such officials are hereby authorized and directed to execute and deliver the Section 103(c) Certificate to counsel rendering an opinion on the validity of the Bonds on the date of the issuance of the Bonds.

(b) The Commission shall set forth in the Section 103(c) Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Bonds or of any moneys, securities or other obligations to the credit of any account of the Commission which may be deemed to be proceeds of the Bonds pursuant to Section 103(c) or the Arbitrage Regulations (collectively, the "Bond Proceeds"). The Commission covenants and agrees with the registered owners of the Bonds that the facts, estimates and circumstances set forth in the Section 103(c) Certificate will be based on the Commission's reasonable expectations on the date of the issuance of the Bonds and will be, to the best of the certifying officials' knowledge, true and correct as of that date. -

(c) The Commission covenants and agrees with the registered owners of the Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Bond Proceeds that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 103(c) and the Arbitrage Regulations and that it will comply with those provisions of Section 103(c) and the Arbitrage Regulations as may be applicable to the Bonds as long as the Bonds remain outstanding and unpaid.

Section 15. (a) The First National Bank of Maryland, a national banking association duly organized and existing under the laws of the United States of America, is hereby appointed Trustee for the Bonds. The Trustee shall also be the Paying Agent for the Bonds and the Bond Registrar. The Trustee shall signify its acceptance by written notice delivered to the Commission and upon delivery of such notice shall be deemed to have accepted the trusts and the duties of Trustee. Such written notice shall consist of a counterpart or counterparts of this Resolution bearing the following form of acceptance executed by the Trustee, and such counterparts shall then constitute one and the same trust agreement between the Commission and the Trustee for the benefit of the holders from time to time of the Bonds.

"organized and existing under the laws of the and having its principal  
corporate trust office in Trustee, hereby accepts the trusts  
under the foregoing St. Mary's County Building  
Authority Commission Resolution No. adopted  
on 1986, and the duties and obligations  
imposed upon the Trustee thereby, intending hereby to  
create obligations under seal under the laws of the  
State of Maryland with force and effect as an  
agreement and indenture of trust."

The Trustee's acceptance of the trusts and the duties of Trustee also shall constitute acceptance of the trusts and the duties of Bond Registrar and Paying Agent.

(b) The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Resolution, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability. The Trustee, nevertheless, may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Commission shall reimburse the Trustee from the rents or other revenues derived from the Facility for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Commission shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this



Resolution and shall be entitled to a preference therefor over any Bonds outstanding hereunder.

(c) The recitals contained in this Resolution and in the Bonds shall be taken as the statements of the Commission or the County (as the case may be) and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Resolution, or of the Bonds or in respect of the security afforded by this Resolution, and the Trustee shall incur no responsibility in respect thereof. Except as otherwise expressly provided in this Resolution, the Trustee shall be under no responsibility or duty with respect to: (i) the issuance of the Bonds for value; (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee or Paying Agent; or (iii) the application of any moneys paid to the Commission or others in accordance with this Resolution except as to the application of any moneys paid to it in its capacity as Trustee or paying agent. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or default.

The duties and obligations of the Trustee shall be determined by the express provisions of this Resolution, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Resolution.

The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Resolution.

(d) All moneys and securities held by the Trustee at any time pursuant to the terms of this Resolution shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of this Resolution.

(e) The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Resolution, upon any notice, resolution, request, consent, order, certificate, report, waiver, statement, affidavit, requisition, opinion, bond or other paper or document that it shall in good faith believe to be genuine, and to have been adopted, signed or presented by the proper party or parties, or upon the written opinion of any attorney, architect, engineer, insurance consultant, management

consultant or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be counsel to the Commission, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, such matter (unless other evidence in respect thereof be hereby specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by an authorized officer of the Commission. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Commission to the Trustee shall be sufficiently executed if executed in the name of the Commission by an authorized officer.

The Trustee shall not be under any obligation to see to the recording or filing of this Resolution, or otherwise to the giving to any person of notice of the provisions hereof except as expressly required in connection with the Lease.

(f) Unless otherwise provided by contract with the Trustee, the Commission shall pay to the Trustee, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Bond Registrar, together with all its reasonable expenses, charges, counsel fees and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder. The Commission, to the extent permitted by law, shall indemnify and save the Trustee harmless against any expenses and liabilities that the Trustee may incur in the exercise and performance of its powers and duties hereunder, and that are not due to its negligence or default. None of the provisions contained in this Resolution shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for



believing that the repayment of such funds or liability is not reasonably assured to it. If the Commission shall fail to make any payment required by this paragraph, the Trustee may make such payment from any moneys in its possession under the provisions of this Resolution and shall be entitled to a preference therefor over any of the Bonds outstanding hereunder.

(g) The Trustee and its directors, officers, employees or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any registered owner of a Bond may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the Commission or any committee formed to protect the rights of the registered owners of the Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Resolution, whether or not such committee shall represent the holders of a majority in aggregate principal amount of the Bonds Outstanding hereunder.

(h) The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days' written notice to the Commission and the County and publishing notice thereof, specifying the date when such resignation shall take effect, at least once in a daily newspaper printed in the English language and having a general circulation in the City of Baltimore, Maryland (an "Authorized Baltimore Newspaper"), and in a daily newspaper or a financial journal printed in the English language and having a general circulation in the Borough of Manhattan, City and State of New York (an "Authorized New York Newspaper"), the first publication in each newspaper to be made within ten (10) days after the giving of such written notice. Such resignation shall take effect upon the date specified in such notice or prior thereto in the event a successor shall have been previously appointed by the Commission or the registered owners of the Bonds as provided in paragraph (j) of this Section, in which event such resignation shall take effect immediately on the appointment of such successor and the acceptance of such appointment by such successor, even though prior to the effective resignation date specified in such notice.

(i) The Trustee, or any successor thereof, may be removed at any time by the registered owners of a majority in aggregate principal amount of the outstanding Bonds, including any Bonds held by or for the account of the Commission, by an instrument or concurrent instruments in writing signed and acknowledged by such registered owners or by their attorneys-

in-fact, duly authorized and delivered to the Commission with notification to the County. Facsimile copies of each such instrument providing for any such removal shall be delivered by the Commission to the Trustee and any successor thereof. The Trustee or any successor thereof may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Resolution with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the Commission pursuant to a resolution of the Commission or of the registered owners of not less than ten percent (10%) in aggregate principal amount of the outstanding Bonds.

(j) In case the Trustee, or any successor thereof, shall resign, be removed, be dissolved, become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the position of such Trustee as Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one (1) year after any such vacancy shall have occurred by the registered owners of a majority in aggregate principal amount of the outstanding Bonds, excluding any Bonds held by or for the account of the Commission, by an instrument or concurrent instruments in writing signed and acknowledged by such registered owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee, the Commission and the County.

Until such successor Trustee shall have been appointed by the registered holders of the Bonds, the Commission shall forthwith appoint a Trustee to act until such appointment is made by the registered holders of the Bonds. Copies of any resolution of the Commission providing for any such appointment shall be delivered by the Commission to the Trustee so appointed, the predecessor Trustee and the County. The Commission shall publish notice of any such appointment at least once in an Authorized Baltimore Newspaper and in an Authorized New York Newspaper, the first publication in each newspaper to be within twenty (20) days after such appointment. Any appointment made by the Commission shall be superseded and revoked by an appointment subsequently made by the registered owners of the Bonds, immediately and without further act.



If in a proper case no appointment of a successor shall be made within forty-five (45) days after the giving of written notice in accordance with paragraph (h) of this Section or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any registered owner of the Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor.

Any successor appointed under the provisions of this paragraph (j) shall be a bank or trust company or national banking association having a capital and surplus aggregating at least \$20,000,000 if there be such a bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms and authorized by law to perform all the duties required by this Resolution.

(k) Any successor appointed under the provisions of paragraph (j) of this Section shall execute, acknowledge and deliver to its predecessor, and also to the Commission and the County, an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act, on request of the Commission or of such successor, shall execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as reasonably may be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers and trusts of such Trustee and all the right, title and interest of such Trustee in and to any property held by it hereunder, and shall pay over, assign and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Commission be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged and delivered by the Commission.

(l) Any company into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which such Trustee may sell or transfer all or substantially all of its corporate trust

business, provided that such company shall be a bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of paragraph (j) of this Section, shall be the successor to such Trustee, without any further act, deed or conveyance.

(m) Each of the provisions of the Lease, whether by assignment of such Lease to the Trustee or otherwise, creating duties to be performed by the Trustee shall be deemed to be duties of the Trustee under this Resolution and the acceptance by the Trustee of the duties and obligations imposed upon the Trustee hereby shall be deemed to include such duties.

Section 16. (a) The Trustee may proceed, and upon the written request of the registered owners of not less than twenty percent (20%) in aggregate principal amount of the outstanding Bonds shall proceed (subject to the provisions of Section 15(b) hereof), to protect and enforce the rights of the registered owners of the Bonds under the laws of the State of Maryland or under this Resolution and the Lease by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained herein or in aid or execution of any power herein granted, or for an accounting against the Commission as if the Commission were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

(b) In the enforcement of any remedy under this Resolution, the Trustee shall be entitled to sue for, enforce payment of, and receive, any and all amounts then or during any default becoming, and at any time remaining, due from the Commission for principal of or interest on the Bonds, or otherwise under any of the provisions of this Resolution or of the Bonds, with interest on overdue payments at the rate or rates of interest specified in such Bonds together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds without prejudice to any other right or remedy of the Trustee or of the registered owners of such Bonds - and to recover and enforce judgment or decree against the Commission, but solely as provided herein and in such Bonds and from the sources and moneys provided herein and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable.

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time,



as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The setting aside of such moneys in trust for the benefit of all registered owners of the outstanding Bonds, shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Commission, to any registered owner of the Bonds, or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an interest payment date for the Bonds unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal of the Bonds to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date; provided, however, that the provisions of this paragraph shall be subject in all respects to the provisions of Section 5 hereof and of the Bonds with respect to the payments of interest on the Bonds. The Trustee shall not be required to make payment to the Bond holder unless such Bond shall be presented to the Trustee for appropriate endorsement.

(d) In case any proceedings taken by the Trustee or registered owners of the Bonds on account of any default in respect of the Bonds shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the registered owners of the Bonds, then and in every such case the Commission, the Trustee and the registered owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

(e) Anything in this Resolution to the contrary notwithstanding, the holders of a majority in aggregate principal amount of the outstanding Bonds shall have the right (subject to the provisions of Section 15(b) hereof), by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under this Resolution, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be

unjustly prejudicial to holders of the Bonds not parties to such direction.

(f) No registered owner of a Bond shall have any right to institute any suit, action or proceeding in equity or at law on any Bond for the execution of any trust hereunder or for any other remedy hereunder unless such registered owner previously shall have given to the Trustee written notice of the default on account of which such suit, action or proceeding is to be instituted, and also unless the registered owners of not less than twenty per centum (20%) in aggregate principal amount of the outstanding Bonds shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by this Resolution or to institute such action, suit or proceeding in its or their name, and further, unless there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Resolution or to any other remedy hereunder; provided, however, that notwithstanding the foregoing provisions of this Section and without complying therewith, the registered owners of not less than twenty per centum (20%) in aggregate principal amount of the outstanding Bonds may institute any such suit, action or proceeding in their own names for the benefit of all registered owners of the Bonds.

It is understood and intended that, except as otherwise provided above, no one or more registered owners of the Bonds secured by this Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Resolution or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all holders of the outstanding Bonds and that any individual right of action or other right given by law to one or more of such registered owners of the outstanding Bonds is restricted by this Resolution to the rights and remedies herein provided.

(g) All rights of action under this Resolution or under any of the Bonds secured hereby, enforceable by the Trustee, may be enforced by it without the possession of any of



such Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all registered owners of such Bonds, all subject to the provisions of this Resolution.

(h) No remedy herein conferred upon or reserved to the Trustee or to the registered owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

(i) No delay or omission of the Trustee or any registered owner of a Bond to exercise any right or power accruing upon any default shall impair any such right or power, nor shall any such delay or omission be construed to be a waiver of any such default or an acquiescence therein. Every power and remedy given by this Section to the Trustee and the registered owner of a Bond, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the registered owners of not less than twenty percent (20%) in aggregate principal amount of the outstanding Bonds shall, with respect to the Bonds, waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Resolution or before the completion of the enforcement of any other remedy under this Resolution; but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

(j) The Trustee shall mail to all registered owners of Bonds written notice of the occurrence of any default known to it within thirty (30) days after any such default shall have occurred. The Trustee shall not, however, be subject to any liability to any such registered owner by reason of its failure to mail any notice required by this paragraph.

Section 17. (a) The lease agreement, dated as of July 15, 1986 (the "Lease"), by and between the Commission and the County, shall be and hereby is approved and such Lease shall be, and hereby is directed to be, filed among the permanent records of the Commission. The Chairman or in his absence, the Vice Chairman, and the Secretary shall be and hereby are, authorized to execute and deliver the Lease substantially in the form of such document approved hereby with such changes,

omissions, insertions and revisions as shall be deemed desirable by the Chairman or in his absence, the Vice Chairman.

(b) The facility site lease, dated as of July 15, 1986 (the "Facility Site Lease"), by and between the County, as Landlord, and the Commission, as Tenant, shall be and hereby is approved and such Facility Site Lease shall be, and hereby is directed to be, filed among the permanent records of the Commission. The Chairman or in his absence, the Vice Chairman, and the Secretary shall be and hereby are authorized to execute and deliver the Facility Site Lease substantially in the form of such document approved hereby with such changes, omissions, insertions and revisions as shall be deemed desirable by the Chairman or in his absence, the Vice Chairman.

(c) The assignment of lease agreement, dated as of July 15, 1986 (the "Assignment"), from the Commission to the Trustee, shall be and hereby is approved and such Assignment shall be, and hereby is directed to be, filed among the permanent records of the Commission. The Chairman or in his absence, the Vice Chairman, and the Secretary shall be and hereby are authorized to execute and deliver the Assignment substantially in the form of such document approved hereby with such changes, omissions, insertions and revisions as shall be deemed desirable by the Chairman or in his absence, the Vice Chairman.

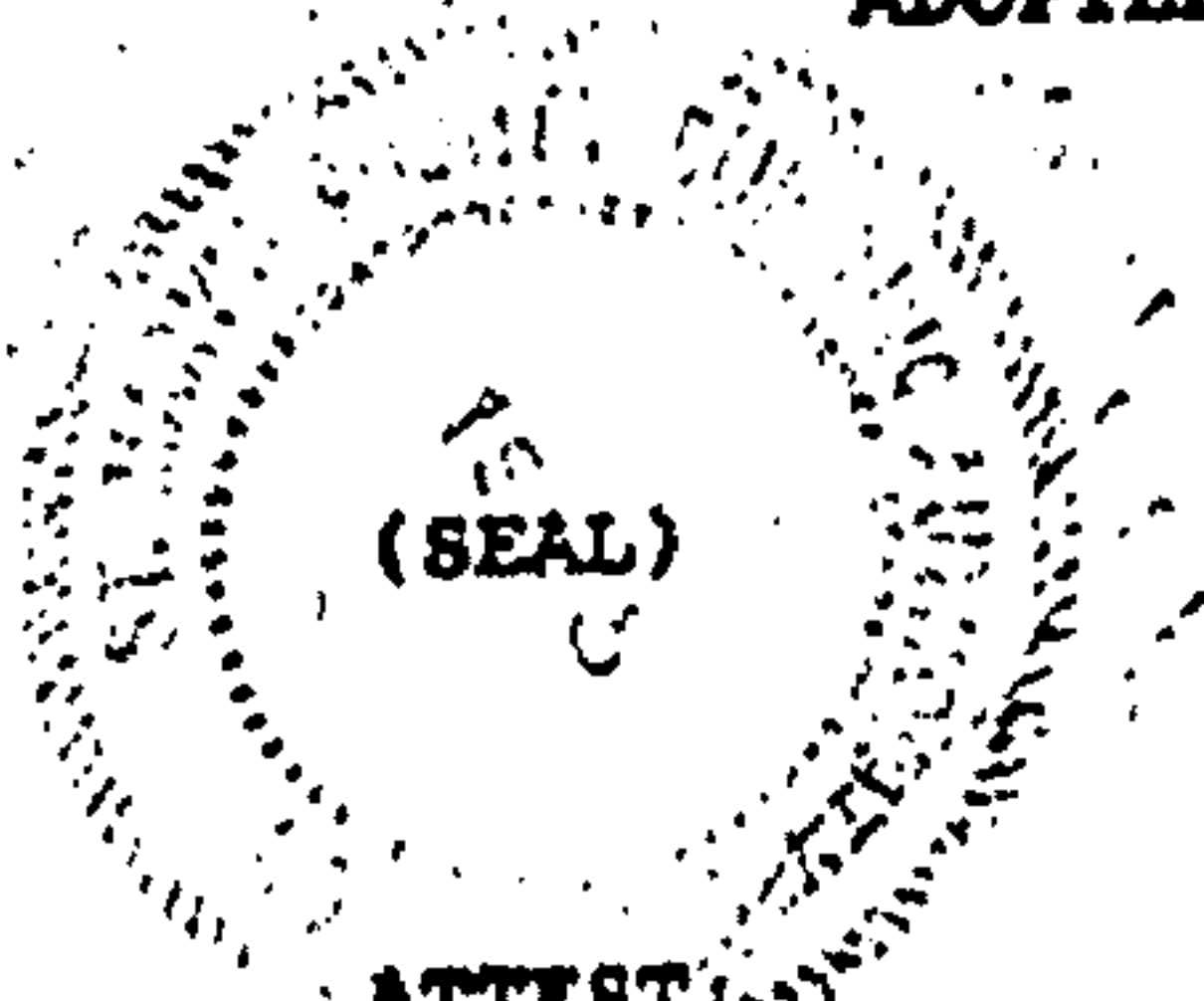
Section 18. The distribution of an Official Statement pertaining to the Bonds is hereby authorized, the final form of such Official Statement to be approved by the Chairman and Vice Chairman of the Commission as evidenced by their signatures thereon. The Official Statement shall be in substantially the form of the Preliminary Official Statement dated July 9, 1986, with such changes, modifications, additions and deletions as the Chairman and Vice Chairman of the Commission may approve. The distribution of the Preliminary Official Statement is hereby approved.



Section 19. This Resolution shall become effective immediately upon its passage.

ADOPTED this 13th day of July, 1986.

ST. MARY'S COUNTY BUILDING  
AUTHORITY COMMISSION



*Theodore P. Weiner*  
Theodore P. Weiner  
Chairman

ATTEST  
*Joseph A. Scully*

*Joseph P. Dell*  
Joseph P. Dell  
Vice Chairman

*Edward V. Cox*  
Edward V. Cox  
Member

Frank J. Gerred  
Member

*John B. Norris, Jr.*  
John B. Norris, Jr.  
Member

ACCEPTANCE OF DUTIES BY THE TRUSTEE

The First National Bank of Maryland, a national banking association organized and existing under the laws of the United States of America and having its principal corporate trust office in the City of Baltimore, Maryland, Trustee, hereby accepts the trusts under the foregoing St. Mary's County Building Authority Commission Resolution adopted on July 15, 1986, and the duties and obligations imposed upon the Trustee thereby, intending hereby to create obligations under seal under the laws of the State of Maryland with force and effect as an agreement and indenture of trust.

The First National Bank  
of Maryland as Trustee

By: \_\_\_\_\_  
Vice President

(SEAL)

Attest:

\_\_\_\_\_



STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

On this the \_\_\_\_ day of July, 1986, before me, the undersigned, a Notary Public in and for the State of Maryland personally appeared J. Thorpe Staylor, who acknowledged himself to be a Vice President of The First National Bank of Maryland, a national banking association duly organized and existing under the laws of the United States of America and having its principal corporate trust office in Baltimore, Maryland, and that he, as such officer, being authorized so to do, executed the foregoing Acceptance of Duties by the Trustee for the purposes therein contained, by signing his name thereto as a Vice President of The First National Bank of Maryland, and causing the corporate seal of The First National Bank of Maryland to be affixed thereto and attested by \_\_\_\_\_, \_\_\_\_\_ of The First National Bank of Maryland.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this \_\_\_\_ day of July, 1986.

\_\_\_\_\_  
(SEAL)

My Commission Expires:

NO: 86-18  
 SUBJECT: ST. MARY'S  
 COUNTY BUILDING  
 AUTHORITY  
 COMMISSION  
 BONDS

A RESOLUTION of the Board of County Commissioners of St. Mary's County (the "Board"), approving the passage and adoption of a Resolution adopted July 15, 1986 (the "Commission Resolution"), by St. Mary's County Building Authority Commission (the "Commission") which Commission Resolution authorized and provided for the issuance and sale of Five Million Three Hundred Sixty Thousand Dollars (\$5,360,000) "St. Mary's County Building Authority Commission Nursing Home Bonds of 1986" (the "Bonds"); approving and concurring in the form of such Bonds; making certain findings concerning the Commission and the Board of Directors of St. Mary's Nursing Home (the "Nursing Home Board"); authorizing County Commissioners of St. Mary's County (the "County") to participate in the acquisition of a new nursing home facility (the "Facility") through, among other things, the leasing of the site on which the Facility will be located (the "Facility Site") to the Commission and the lease of the Facility and Facility Site from the Commission; making certain findings concerning the acquisition of the Facility; providing for the execution of and approving a Lease Agreement between the County and the Commission pursuant to which the Facility and the Facility Site will be leased to the County and the County will defray the Commission's costs of acquiring, designing, constructing and equipping the Facility and Facility Site through the making of rental payments sufficient to pay the principal of and premium, if any, and interest on the Bonds due from time to time, such rental payments to be an unconditional and irrevocable obligation of the County payable from the County's general funds; approving the Nursing Home Board entering into an Operation Agreement with the Commission pursuant to which the Nursing Home Board will operate the Facility; providing for the approval of the Official Statement for the Bonds; providing for the execution of and approving a Purchase Contract for the Bonds; and generally providing for and determining various matters in connection with the participation of the County in the acquisition, construction, leasing and operation of the Facility and the Facility Site and the execution and delivery of such documents pursuant to such transaction.

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RECITALS

On July 15, 1986, St. Mary's County Building Authority Commission (the "Commission"), a body corporate and politic and a public instrumentality created and existing under and pursuant to the Constitution and laws of the State of Maryland adopted a Resolution (the "Commission Resolution") entitled as follows:

A RESOLUTION of the St. Mary's County Building Authority Commission (the "Commission") authorizing the issuance and sale of Five Million, Three Hundred Sixty Thousand Dollars (\$5,360,000) aggregate principal amount of serial maturity and term, limited obligation bonds under the provisions of Chapter 416 of the Laws of Maryland of 1986, Chapter 226 of the Laws of Maryland of 1984 and Chapter 475 of the Laws of Maryland of 1983, the bonds to be designated "St. Mary's County Building Authority Commission Nursing Home Bonds of 1986", the net proceeds of the sale thereof to be used for the purpose of financing the costs of acquiring and constructing a nursing home facility in St. Mary's County; prescribing the form and tenor of the bonds and the terms and conditions for the issuance and sale thereof; providing that it is in the best interests of the Commission to sell the bonds at private negotiated sale; designating the purchaser for the bonds; setting forth the interest rates on the bonds; prescribing the terms and conditions of the bonds and all other details incident to the issuance, sale and delivery of the bonds; providing for the appointment of a Paying Agent, a Bond Registrar and a Trustee for the bonds; providing for the disbursement of the proceeds of the bonds; authorizing the preparation and distribution of a preliminary and final official statement in connection with the sale of the bonds; providing for the execution of a lease of such

nursing home facility by County Commissioners of St. Mary's County (the "County") which provides for lease payments by the County to the Commission equal to the principal of, premium (if any) and the interest on the bonds; providing for the execution of an assignment of such lease to the Trustee and for the execution of a facility site lease providing for the lease of the site of the nursing home from the County to the Commission; providing that the bonds issued by the Commission and the interest on them are limited obligations of the Commission, the principal of, premium (if any) and interest on which are payable solely from rents or any other revenues derived from such facility and from any other funds made available to the Commission for such purpose; and generally relating to the issuance, sale, delivery and payment of the bonds.

The Commission Resolution authorizes the issuance and sale of limited obligation bonds of the Commission designated "St. Mary's County Building Authority Commission Nursing Home Bonds of 1986" in aggregate principal amount of \$5,360,000 (the "Bonds") for the public purpose of financing the costs of acquisition and construction of a new nursing home facility (the "Facility") to be located in Leonardtown, St. Mary's County, Maryland. The Board of County Commissioners of St. Mary's County (the "Board") has determined to approve the issuance by the Commission of its limited obligation bonds as described in the Commission Resolution and to participate in the financing of the Facility in the manner provided in this Resolution.

The County and the Commission intend to enter into (i) a Facility Site Lease (the "Facility Site Lease") which provides (by way of general description and not limitation) for the leasing by the County to the Commission of the site on which the Facility will be located (the "Facility Site") and (ii) a Lease Agreement (the "Lease") which provides (by way of general description and not limitation) for the leasing by the County from the Commission of the Facility and the Facility Site. The Commission and the Board of Directors of St. Mary's Nursing Home (the "Nursing Home Board") are entering into an Operation Agreement (the "Operation Agreement") which provides (by way of



general description and not limitation) for the management and operation of the Facility by the Nursing Home Board.

Pursuant to Chapter 416 of the Laws of Maryland of 1986, Chapter 226 of the Laws of Maryland of 1984 and Chapter 475 of the Laws of Maryland of 1983 (collectively, the "Act"), the County has determined to enter into the Facility Site Lease and the Lease with the Commission in order to accomplish the public purposes of the County and the Commission.

NOW, THEREFORE, BE IT RESOLVED BY COUNTY COMMISSIONERS OF ST. MARY'S COUNTY:

Section 1. It is hereby found and determined by the Board of County Commissioners of St. Mary's County (the "Board") that:

(a) Capitalized terms that are defined in the title or recitals of this Resolution shall have the meanings provided in the title or recitals.

(b) The (i) leasing of the Facility Site to the Commission, (ii) the acquisition, construction and equipping of the Facility on the Facility Site, (iii) the lease of the Facility Site and the Facility by the County, and (iv) the financing of the acquisition, construction and equipping of the Facility Site and the Facility by the issuance and sale of the Commission's limited obligation bonds will accomplish the public purposes of the County.

(c) The Board has appointed the members of the Commission and has determined the structure, organization, and administration of the Commission, including (i) the number, tenure, manner of appointment and compensation of its members, (ii) the manner of election of officers, (iii) staffing requirements, and (iv) bylaws and procedures used by the Commission for the regulation of its affairs and the conduct of its business.

(d) The Board has appointed the members of the Nursing Home Board and has approved the By-Laws of St. Mary's Nursing Home, dated July 8, 1975, as amended September 1978, and April, 1980.

Section 2. The Board hereby ratifies, confirms and approves (i) the designation of the members and officers of the Commission and the Nursing Home Board, (ii) the bylaws and procedures and other administrative matters regarding the Commission and (iii) the By-Laws of St. Mary's Nursing Home.

Section 3. Acting pursuant to the Act, the Board hereby approves the issuance and sale of the bonds of the Commission designated "St. Mary's County Building Authority Commission Nursing Home Bonds of 1986" in aggregate principal amount of Five Million-Three Hundred Sixty Thousand Dollars (\$5,360,000) upon the terms and conditions set forth in the Commission Resolution, all of which terms, conditions, covenants and undertakings are hereby approved by the County.

Section 4. The terms, provisions, form, content and substance of the Facility Site Lease are approved and adopted. A copy of the Facility Site Lease, has been presented to the Board and has been placed in the official records of the County and made available for public inspection at the Office of the County Administrator.

The leasing of the Facility Site to the Commission for use in connection with the Facility as provided in the Facility Site Lease is approved. Such conveyance is hereby found and determined to be in furtherance of a public purpose of the County.

Section 5. The terms, provisions, form, content and substance of the Lease are approved and adopted. A copy of the Lease has been presented to the Board and has been placed in the official records of the County and made available for public inspection at the Office of the County Administrator. It is recognized that pursuant to the Lease, during the period the Bonds are outstanding (the "Term") the County will pay the Commission rent (the "Rent") which will be sufficient at all times to pay, among other things, the principal, interest and redemption premium, if any, due from time to time on the Bonds to be issued and sold by the Commission to finance all or a portion of the cost of the Facility. The assignment by the Commission of its right, title and interest in and to the Lease, and the pledge of the Rent as security for the Bonds, to the Trustee for the Bonds are hereby acknowledged and approved.

Section 6. The County is hereby authorized at any time to enter into the Facility Site Lease and the Lease (collectively, the "Project Documents"). The President of the Board, or at his order the Vice President or other Member of the Board, is hereby authorized on behalf of the County to execute, seal and deliver the Project Documents on behalf of the County and to cause the Project Documents to be accepted and executed by the other party or parties thereto, in substantially the forms filed with the Board and approved by this Resolution (i) with such changes in form or such changes in content which do not materially adversely affect the interest of the County as may be approved by the President of the Board or, if applicable,



the Vice President or other Member of the Board, his execution to constitute conclusive evidence of approval of any and all changes or revisions from the form of Project Documents hereby approved or (ii) with such other changes as may be approved by resolution or resolutions of the Board. The President of the Board or, at his order the Vice President or other Member of the Board, shall have impressed or imprinted on the Project Documents the corporate seal of the County attested by the County Administrator.

The President of the Board or, at his order the Vice President or other Member of the Board, is hereby authorized to execute, seal and deliver such other and further documents as may be necessary and incident to the consummation of the transactions contemplated by this Resolution as may be approved by the President of the Board, or if applicable, the Vice President or other Member of the Board, his execution thereof to constitute conclusive evidence of such approval.

Section 7. The Rent and other payments to be made by the County under the Lease shall be general obligations of the County payable from the general funds of the County. The County shall in each and every fiscal year during the Term of the Lease provide for the immediately succeeding fiscal year revenues sufficient to pay the Rent due under the Lease in such fiscal year. To the extent revenues of the County in any such fiscal year are insufficient for the payment of Rent due in any fiscal year during the Term of the Lease, the County shall in each and every such fiscal year levy or cause to be levied ad valorem taxes unlimited as to rate and amount upon all assessable property within the corporate limits of the County subject to assessment for unlimited County taxation in rate and amount sufficient to provide for or assure the payment, when due, of such Rent in each such fiscal year and, in the event the proceeds from the taxes so levied in any such fiscal year shall prove inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up any such deficiency.

Section 8. The terms, provisions, form, content and substance of the Operation Agreement to be entered into by the Commission and the Nursing Home Board are hereby approved. A copy of the Operation Agreement has been presented to the Board and has been placed in the official records of the County and made available for public inspection at the Office of the County Administrator. The members of the Nursing Home Board are hereby authorized to execute the Operation Agreement in substantially the form filed with the Board and approved by this Resolution with such changes in form or such changes in content which do not materially adversely affect the interests

of the County as may be approved by the President of the Nursing Home Board.

Section 9. The distribution of an Official Statement pertaining to the Bonds is hereby authorized, the final form of which is to be approved by the President, or, at his direction, any other Member, of the Board as evidenced by his signature. The Official Statement shall be in substantially the form of the Preliminary Official Statement dated July 9, 1986, with such changes, modifications, additions and deletions as the President, or, at his direction, any other Member, of the Board may approve. A copy of the Preliminary Official Statement has been presented to the Board and has been placed in the official records of the County and made available for public inspection at the Office of the County Administrator. The distribution of the Preliminary Official Statement is hereby authorized, approved and ratified.

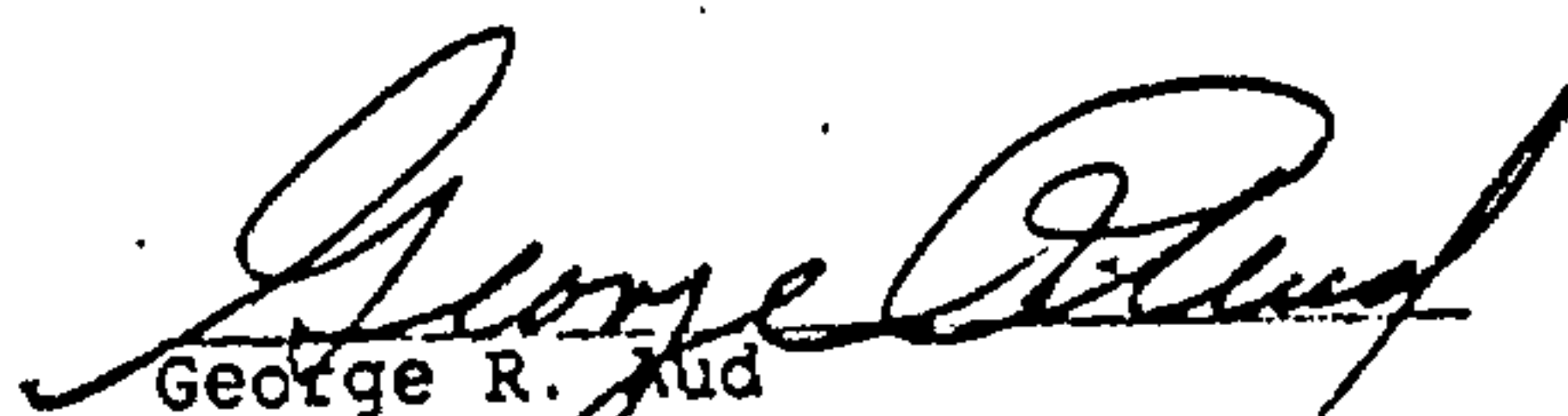
Section 10. The terms, provisions, form, content and substance of the Purchase Contract dated July 15, 1986 between the Commission and Alex. Brown & Sons Incorporated with respect to the Bonds are hereby approved. The President, or, at his direction, any other Member, of the Board is hereby authorized to execute the Purchase Contract, with such changes, modifications, additions and deletions as such person signing the Purchase Contract may approve.

Section 11. The provisions of this Resolution are severable, and if any provision, sentence, clause, section or part thereof is held illegal, invalid, unconstitutional or inapplicable to any person or circumstance, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Resolution or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Resolution would have been adopted if such illegal, invalid, unconstitutional or inapplicable provision, sentence, clause, section or part had not been included therein, and as if the person or circumstances to which this Resolution or any part thereof is inapplicable had been specifically exempted therefrom.




Section 12. This Resolution shall take effect on the date of its adoption.

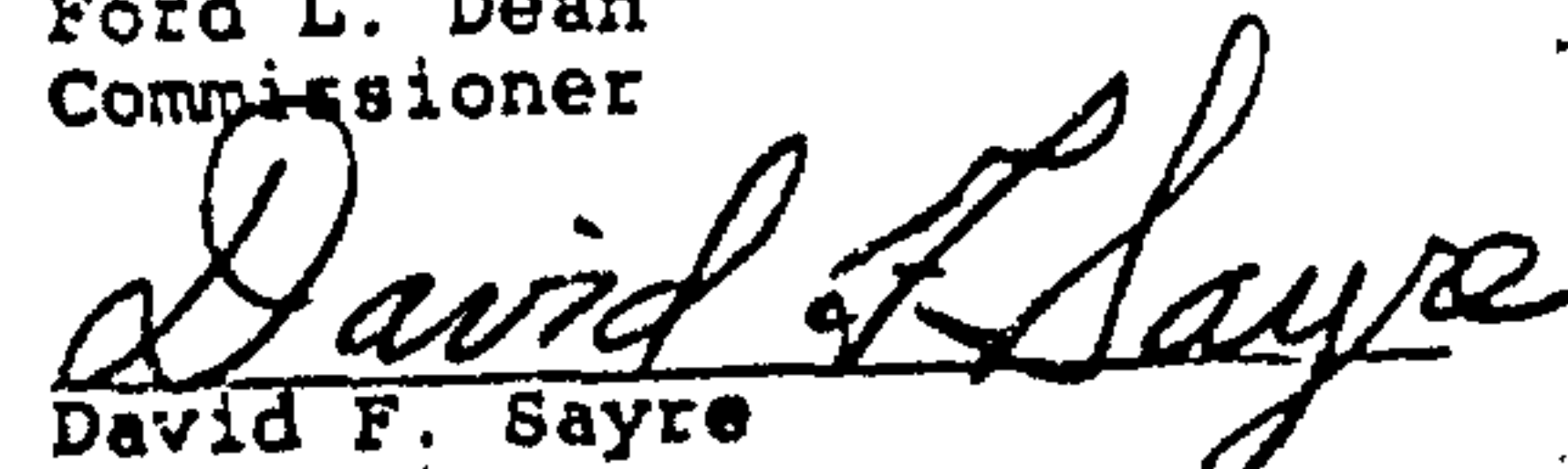
Adopted: July 15, 1986

  
George R. Aud  
President

\_\_\_\_\_  
J. Laurence Millison  
Vice President

\_\_\_\_\_  
Richard D. Arnold  
Commissioner

  
Ford L. Dean  
Commissioner

  
David F. Sayre  
Commissioner

NO.: 86-19

SUBJ: ST. MARY'S COUNTY HIGHWAY  
MAINTENANCE SYSTEM  
ROADDATA INDEX

RESOLUTION

WHEREAS, the following Resolution was adopted by the Board of St. Mary's County Commissioners at their regular meeting on the 22nd day of July, 1986.

WHEREAS, the St. Mary's County Department of Public Works has recommended to the Board of County Commissioners, in the interest of public convenience, that the attached document entitled "ST. MARY'S COUNTY HIGHWAY MAINTENANCE SYSTEM, ROADDATA INDEX," dated July 22, 1986, be incorporated into the Land Records for St. Mary's County.

NOW, THEREFORE, BE IT RESOLVED and Ordained that in an open meeting held on July 22, 1986, after due consideration and deliberation, the Board of County Commissioners declare that the above referenced ROADDATA INDEX is hereby adopted and incorporates all streets and roads currently maintained as part of the County's Highway Maintenance System.

WHEREAS, by motion duly made and seconded, the Board of County Commissioners has unanimously voted to accept the said ST. MARY'S COUNTY HIGHWAY MAINTENANCE SYSTEM, ROADDATA INDEX, effective this date: July 22, 1986.

ATTEST:

*Edward V. Cox*

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

*George R. ...*  
George R. ...  
President

J. Laurence Millison  
Vice President

Richard D. Arnold, Commissioner

*Ford A. Dean*  
FORD A. DEAN, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

12:32PM 07/24/86A CO.COM 40.00

APPROVED AS TO LEGAL FORM  
AND SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford  
Assistant County Attorney



No. Z86-08

Subj: ZONE #85-1682  
LEWIE ALDRIDGE SR., ET AL  
(E.M. INVESTMENTS)

USER 005 PAGE 282

RESOLUTION

WHEREAS, LEWIE ALDRIDGE. SR/EM INVESTMENTS has made application to rezone approximately 1.13 acres of land on Maryland Route 246, Great Mills Road, across from Amber House Nursing Facility, from R-2, Rural-Residential, to C-1, Commercial. The property is located in the Eighth Election District of St. Mary's County, Maryland, on Tax Map 51, Block 2, Parcel 4. The matter is identified as Case No. 85-1682.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on February 24, 1986.

WHEREAS, following deliberation, the Planning Commission, on April 14, 1986, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County that the subject property be rezoned from R-2 to C-1 on the condition that the applicant provide a twenty-four (24) foot dedication along the property frontage on Maryland Route 246 to allow for the future expansion/road widening of Great Mills Road.

WHEREAS, the Board of County Commissioners, after publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, conducted a public hearing on the request on May 13, 1986.

WHEREAS, following deliberation on June 24 and July 1, 1986, the County Commissioners, in accordance with the provisions of Section 4.05(a) of Article 66B of the Maryland Annotated Code and Section 70.05 of the St. Mary's County Zoning Ordinance, find as fact the following with regard to the request:

I. Change in the Character of the Neighborhood:

The neighborhood of the subject property extends along Maryland Route 246 from Great Mills High School to the east boundary of Suburban Mobile Home Park to a depth of approximately five hundred (500) feet on each side. Construction of various office buildings for defense contractors and a self-serve warehouse constitute a change in the neighborhood to a more commercial nature.

2121PH07/29/868 CD.COM 80.00

II. Population Change:

From 1980 to 1986, the Eighth Election District has grown in population from 20,562 to 24,128, an increase of 17%.

III. Adequacy of Public Facilities:

All public facilities are in place. The major public facility impact is from the traffic on Great Mills Road. Average daily traffic counts in 1982 were 11,975. Development as proposed can generate from 120 to 1,200 trips per day, with a typical average of 300 trips.

No other public facilities will be significantly affected.

IV. Present and Future Transportation Patterns:

This rezoning would not have a major impact on MD. Route 246.

V. Relation to Comprehensive Plan:

The site is part of an existing commercial use corridor. However, no comprehensive plan exists for this area.

VI. Fiscal Impact on Government:

The change in zoning may increase property taxes.

No. 286-08

Subj: ZONE #85-1682  
LEWIE ALDRIDGE SR., ET AL  
(E.M. INVESTMENTS)

USER 005 PAGE 283 (Page 2 of 2)

VII. Suitability of Property for Uses Under Existing and Proposed Zoning Classifications:

The property is too small for uses under the R-2 zoning classification, and is more suitable for C-1 zoning.

VIII. Compatibility with Existing and Proposed Development for the Area:

The existing residential development around this site is compatible with R-2 or C-1 zoning.

IX. Mistake in Original Zoning:

There is no evidence in the record of a mistake in the original zoning of the subject property.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, this 22nd day of July, 1986, that the above-mentioned rezoning request is GRANTED and the subject property is hereby reclassified from R-2 to C-1, subject to the condition recommended by the Planning Commission, as set forth above.

The undersigned applicant hereby agrees to the condition recommended by the Planning Commission, as set forth above, which shall be binding on the personal representatives, heirs, successors, and assigns of the applicant, and shall run with and bind the subject property.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

George R. Aud  
GEORGE R. AUD, President

Larry Millison  
LARRY MILLISON, Vice President

RICHARD D. ARNOLD, Commissioner

Ford L. Dean  
FORD L. DEAN, Commissioner

David F. Sayre  
DAVID F. SAYRE, Commissioner

ATTEST:

Edward V. Cox  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
JOSEPH R. DENSFORD  
Assistant County Attorney

Lewie Aldridge Sr.  
LEWIE ALDRIDGE, SR.  
Applicant

J.J. M'Allister  
E.M. INVESTMENTS, J.J. M'ALLISTER  
Applicant



Subj: Text Amendments,  
Zoning Ordinance and  
Subdivision Regulations  
SPEC 85-1511

RESOLUTION

WHEREAS, Article 66B of the Annotated Code of Maryland, as amended, empowers St. Mary's County to enact a zoning ordinance and subdivision regulations and to provide for their administration, enforcement and amendment; and

WHEREAS, from time to time, the Board of County Commissioners of St. Mary's County deems it necessary, in order to protect the health, safety and welfare of St. Mary's County and its citizens, to amend various parts of the Zoning Ordinance and Subdivision Regulations; and

WHEREAS, after holding a public hearing on December 9, 1985 regarding proposed Minor Subdivision Regulations, the St. Mary's County Planning Commission has recommended that the Zoning Ordinance be amended to provide for New Minor Subdivision Regulations; and

WHEREAS, the Board of County Commissioners of St. Mary's County held public hearings on March 18, 1986 and April 1, 1986 for consideration of the proposed amendments;

NOW BE IT, THEREFORE, RESOLVED, that the St. Mary's County Zoning Ordinance and Subdivision Regulations are hereby amended as follows:

MINOR SUBDIVISIONS

3:07PM 07/31/86A CO.COM \$0.00

AMENDMENTS TO ZONING ORDINANCE

FARMSTEAD LOT - An area of 15 acres or more in single ownership which is a lot of record. A farmstead counts as a lot but may be created, so long as it has the required frontage on a public road or public or private right-of-way, by recording a deed. Such deed must be approved by the Planning Office prior to recording.

PARCEL OF RECORD - An individual parcel of land recorded separately in the Official Land Records of St. Mary's County, Maryland, as of March 15, 1978. Each so designated parcel of record shall be allowed up to 8 lots in a basic or minor subdivision. Only County or State Road rights-of-way which existed on March 15, 1978 shall be considered parcel dividers which divide a parcel into 2 or more parcels of record.

SUBDIVISION, BASIC - The division of a parcel of record such that no more than 3 buildable lots are created which do not have public road frontage, or private right-of-way which is recorded in the land records as of the effective date of this resolution. Basic subdivision lots may be served by a 20 ft. right-of-way, but no more than 3 lots shall be served by any 20 ft. right-of-way. A road maintenance agreement is required prior to recording any lots.

SUBDIVISION, MINOR - The division of a parcel of record which creates 4 to 8 lots which do not have frontage on a public road, or private right-of-way which is recorded in the land records as of the effective date of this resolution. Minor subdivision lots shall be served by a road designed and built to the modified R-1



standard. A road maintenance agreement is required prior to recording any lots.

**AGRICULTURAL DIVISIONS** - The division of land without making provisions for water supply or sewage disposal. Agricultural divisions are permitted to settle estates or other court ordered partitions and to add land to existing parcels, to transfer land for purposes other than development, or to transfer land to children for development in the future.

**SUBDIVISION, FARMSTEAD** - Minor subdivisions in which all lots are 15 acres or larger. Farmstead subdivisions are permitted without any road design standards.

**ROADS, MODIFIED R-1 STANDARD** - A private road serving a minor subdivision. The road must be designed and constructed to the R-1 road standard except that 6 inches of gravel may be used instead of the gravel and asphalt standards required for the R-1 road standard. Road plans must be approved by the Department of Public Works.

B. APPENDIX I, Page 4, Schedule of Lot Dimensions...

In the AR, R-1, R-2 and R-4 zoning districts, the following setbacks apply for principle structures:

On all roads classified as minor collectors or higher road classifications, setbacks from public road rights-of-way shall be 75 ft. On all local roads and lower road classifications, and on private rights-of-way, the setbacks shall be 25 ft. from the right-of-way, unless the Department of Public Works designated the public road as one in need of improvement. If a road is so designated, the setback shall be 50 ft.

C. PERMITTED USES

Sec. 31.00.2.L. Basic and Minor Subdivisions  
Sec. 32.02.H. Basic and Minor Subdivisions

AMENDMENTS TO SUBDIVISION REGULATIONS

D. Sec. 7.02, Definitions

**FARMSTEAD LOT** - An area of 15 acres or more in single ownership which is a lot of record. A farmstead counts as a lot but may be created, so long as it has the required road frontage on a public road or public or private right-of-way, by recording a deed. Such deed must be approved by the Planning Office prior to recording.

**PARCEL OF RECORD** - An individual parcel of land recorded separately in the Official Land Records of St. Mary's County, Maryland, as of March 15, 1978. Each so designated parcel of record shall be allowed up to 8 lots in a basic or minor subdivision. Only County or State Road rights-of-way which existed on March 15, 1978 shall be considered parcel dividers which divide a parcel into 2 or more parcels of record.



Subj: Text Amendments,  
Zoning Ordinance and  
Subdivision Regulations

(Page 3 of 5)

SUBDIVISION, BASIC - The division of a parcel of record such that no more than 3 buildable lots are created which do not have public road frontage or private right-of-way which is recorded in the land records as of the effective date of this resolution. Basic subdivision lots may be served by a 20 ft. right-of-way, but no more than 3 lots shall be served by any 20 ft. right-of-way. A road maintenance agreement is required prior to recording any lots.

SUBDIVISION, MINOR - The division of a parcel of record which creates 4 to 8 lots which do not have frontage on a public road, or private right-of-way which is recorded in the land records as of the effective date of this resolution. Minor subdivision lots shall be served by a road designed and built to the modified R-1 standard. A road maintenance agreement is required prior to recording any lots. The road must be constructed or bonded prior to the issuance of any building permits.

SUBDIVISION, FARMSTEAD - A minor subdivision in which all lots are 15 acres or larger. Farmstead subdivisions require a 40 ft. right-of-way but are not subject to road design standards.

AGRICULTURAL DIVISIONS - The division of land without making provisions for water supply or sewage disposal. Agricultural divisions are permitted to settle estates or other court ordered partitions and to add land to existing parcels, to transfer land for purposes other than development, or to transfer land to children for development in the future.

#### Sec. 4.03, Roads

##### A. General Requirements

###### 1. Frontage Requirements

Except for Basic, Minor and Farmstead Subdivisions, no single family detached home lot shall be approved unless it has public road frontage as required by the Zoning Ordinance, or unless the lots are an approved PUD or cluster subdivision.

2. Basic Subdivisions may be approved with access provided to a public road via a private right-of-way, a minimum of 20 ft. wide.

3. Minor Subdivisions may be approved with access provided to a public road via a road designed and constructed to the modified R-1 standard. In no case shall more than 8 lots or dwellings be served by a private road.

4. Farmstead Subdivisions may be approved on a 40 ft. right-of-way. No road design or construction standard is required.

###### 5. Driveway Separations/Access

There shall be as few access points as possible to any parcel being subdivided. On any public road classified as a

Subj: Text Amendments,  
Zoning Ordinance and  
Subdivision Regulations

(Page 4 of 5)

minor collector or higher road classification, driveway access points shall be a minimum of 750 ft. apart from any other new access point to the parcel. Driveways may serve more than one dwelling or lot and multiple use driveways are encouraged.

6. Roads classified below Minor Collectors may have unlimited access points, provided lots meet current regulations.

7. In cases where a hardship is demonstrated, the Planning Commission may modify the 750 ft. separation required in item 5 above, provided that any modification does not create a safety hazard.

#### 8. Utilities

The subdivision land owner is responsible for installing telephone and electric lines. Prior to recording a plat, the owner must show evidence from the appropriate utilities that lines exist or that satisfactory arrangements have been made with SMECO and/or C & P Telephone to have lines installed.

#### Sec. 4.03.3, Access to Primary Arterials

Change to Sec. 4.03.8

#### Sec. 4.03.4, Reserve Strips

Change to 4.03.8

#### Sec. 1.04.E, Waiver

Change all references to "Minor Subdivision" to "Basic, Minor or Farmstead Subdivisions."

#### 4.09, Nonresidential Subdivisions

##### C. Agricultural Divisions

In certain instances, parcels may be created without making provisions for water supply or sewage disposal. An Agricultural Division is permitted under the following circumstances:

- i. to settle estates or other court ordered partitions;
- ii. to add land to an existing parcel;
- iii. to transfer land for purposes other than development;
- iv. to transfer land to children for development in the future.

Agricultural Divisions may be established by deed, provided the deed is approved by the Office of Planning and Zoning prior to the deed being recorded.



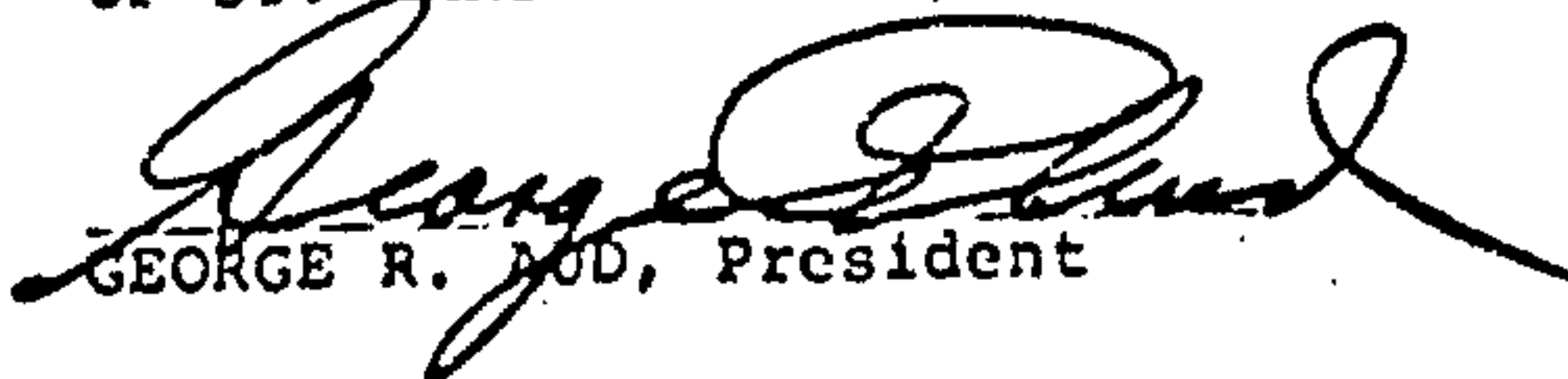
Subj: Text Amendments,  
Zoning Ordinance and  
Subdivision Regulations

(Page 5 of 5)

In all cases when an Agricultural Division Parcel is developed, a Standard Subdivision plat must be recorded prior to issuance of a building permit.

BE IT FURTHER RESOLVED, that the foregoing amendments shall become effective as of August 1, 1986.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

  
GEORGE R. HUD, President

LARRY MILLISON, Vice-President

RICHARD D. ARNOLD, Commissioner

  
FORD L. DEAN, Commissioner

  
DAVID F. SAYRE, Commissioner

ATTEST:

  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

  
JOSEPH R. DENSFORD  
Assistant County Attorney

USER 005 PAGE 283

No. 786-10

Subj: ZONE #84-0977  
JACK SHRIVER (THE GREENERY)

RESOLUTION

3:09PM08/26/86A CC.COM 00.00

WHEREAS, JACK SHRIVER has made application to rezone approximately 10.06 acres of land near Old Maryland Route 235 from R-1, Rural-Residential, to C-2, Commercial. The property is located in the Sixth Election District of St. Mary's County, Maryland, on Tax Map J4, Block 2, Parcel 327. The matter is identified as Case No. 84-0977.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on August 13, 1984.

WHEREAS, following deliberation, the Planning Commission, on Sept. 10, 1984, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County that designation of the subject property as C-2 be granted, on the following conditions:

- (1) A fifty (50) foot wide evergreen buffer shall be provided along all boundaries of the subject property which adjoin neighboring R-1 properties.
- (2) Drive-In Theatres and Sheet Metal Shops shall be prohibited.
- (3) A survey of the subject property shall be completed.

WHEREAS, the Board of County Commissioners, after publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, conducted a public hearing on the request on October 16, 1984.

WHEREAS, after deliberation, the County Commissioners, in accordance with the provisions of Section 4.05(a) of Article 66B of the Maryland Annotated Code and Section 70.05 of the St. Mary's County Zoning Ordinance, find as fact the following with regard to the request:

I. Change in the Character of the Neighborhood:

The neighborhood is defined as Sandy Bottom, a small commercial neighborhood which extends from the northern limits of the Thompson Furniture property to the northernmost intersection of Old Maryland Route 235 and Clark's Mill Road. The neighborhood extends west from Old Maryland Route 235 approximately two hundred (200) feet to the railroad right-of-way. On the east side the boundaries of the neighborhood extend to the boundaries of the existing commercial properties up to a distance of four hundred (400) feet from Old Maryland Route 235. The major change in the neighborhood is the establishment of a major intersection for new Maryland Route 235 and Clarke's Landing Road. However, the applicant did not intend that a substantial change in the neighborhood was justification for his zoning request.

II. Population Change:

From 1970 to 1980 the Sixth Election District has grown in population from 5,283 to 8,093. It is estimated that the population has increased to 8,900 in 1984.

III. Adequacy of Public Facilities:

Water, sewer, schools, police, parks and other government services would not be significantly affected by this change in zoning.

IV. Present and Future Transportation Patterns:

The site is now located on a service road off of new Maryland Route 235 and is ideally situated for commercial use.



USER 005 290

No. 286-10

Subj: ZONE #84-0977  
JACK SHRIVER (THE GREENERY)  
(Page 2 of 3)

V. Relationship to Comprehensive Plan:

Because the rezoning will expand the present use, and is located on a service road, it is consistent with the Comprehensive Plan.

VI. Fiscal Impact on Government:

The change in zoning may increase property taxes.

VII. Suitability of Property for Uses Under Existing and Proposed Zoning Classifications:

Because of its location on a service road, the subject property would be more suitable under the C-2 classification than R-1.

VIII. Compatibility with Existing and Proposed Development for the Area:

The front of the subject property is bordered by land zoned commercial. Behind it and to the sides is land zoned residential. With vegetative buffers, an expansion of the nursery will be compatible with adjoining residential land.

IX. Mistake in Original Zoning:

Based on documents and map drawings submitted by the applicant, the use of the property as a commercial nursery has been established. Since the storage of bulk fertilizer requires a C-2 zoning classification, there appears to have been a mistake in zoning the property R-1 in 1974.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this \_\_\_\_\_ day of June, 1986, that the above-mentioned rezoning request is granted and the property is hereby reclassified from R-1 to C-2, on the condition that a fifty (50) foot wide ever-green buffer be provided along all boundaries of the subject property adjoining R-1 property; and that drive-in theatres and sheet metal shops are prohibited.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

  
\_\_\_\_\_  
GEORGE R. AUD, President


\_\_\_\_\_  
LARRY MILLISON, Vice President

\_\_\_\_\_  
RICHARD D. ARNOLD, Commissioner

  
\_\_\_\_\_  
FORD L. DEAN, Commissioner

  
\_\_\_\_\_  
DAVID F. SAYRE, Commissioner

ATTEST:

  
\_\_\_\_\_  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

  
\_\_\_\_\_  
JOSEPH R. DENSFORD  
Assistant County Attorney

USER 005 PAGE 291

No. 786-10

Subj: ZONE #84-0977  
JACK SHRIVER (THE GREENERY)

(Page 3 of 3)

The undersigned hereby consents to the afore-mentioned conditions imposed on the rezoning of the subject property, which conditions shall be binding on the personal representatives, heirs and assigns of the property owners.

  
JACK SHRIVER

  
SHERAL A. DUNN

  
DAVID G. SHRIVER

Ret: Patricia Gay 8/26/86

MARY R. BELL, CLERK



No. 786-11

Subj: ZONE #85-0156  
TEXT AMENDMENT TO ZONING ORDINANCE  
(SLAUGHTERHOUSES)

LIBER 005 PAGE 292

RESOLUTION

WHEREAS, Article 66B of the Annotated Code of Maryland, as amended, empowers the County Commissioners to enact a Zoning Ordinance and to provide for its administration, enforcement, and amendment; and

WHEREAS, The Board of County Commissioners did, on the 28th day of May, 1974, adopt a St. Mary's County Zoning Ordinance for the purpose of promoting the health, safety, morals, and general welfare of the County; and

WHEREAS, This Ordinance has been amended from time to time; and

WHEREAS, The Zoning Ordinance was significantly updated on the 7th day of June, 1978; and

WHEREAS, The Board of County Commissioners recognizes that, from time to time, situations arise which require clarification and amendment to certain portions of the Zoning Ordinance; and

WHEREAS, the Planning Commission, after publication of notice, conducted a public hearing on April 22, 1985 regarding a proposed text amendment on Slaughterhouses, and a Slaughterhouse Proposal Committee was subsequently formed to study the matter and make a recommendation to the Planning Commission; and

WHEREAS, following deliberation, the Planning Commission recommended to the Board of County Commissioners on June 9, 1986 that the 2nd Draft of the Committee's proposal be adopted, with clarification; and

WHEREAS, the Board of County Commissioners, after publication of notice, conducted a public hearing on the proposed text changes on July 8, 1986;

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 19th day of August, 1986, that the Zoning Ordinance be, and it hereby is, amended as follows:

- (1) Section 31.00.2., add:  
"n. Slaughterhouses in conformance with Article 5,  
Section 53.16."
- (2) Section 31.00.4., delete: "w. Animal slaughter house."
- (3) Section 32.01.2., add:  
"h. Slaughterhouses in conformance with Article 5,  
Section 53.16."
- (4) Section 32.01.5., delete: "s. Animal slaughter house."
- (5) Section 34.03.2.b., add:  
"(19) Slaughterhouses in conformance with Article 5,  
Section 53.16."
- (6) Section 36.01.2., add:  
"r. Slaughterhouses in conformance with Article 5,  
Section 53.16."
- (7) Section 53.10, delete "...and slaughter house" in title  
and "...and slaughter houses" in line one.
- (8) Section 53.16, delete existing paragraph and add the  
following:

2:43PM08/28/868 CO.COM \$0.00

No. 786-11

Subj: ZONE #85-0156  
TEXT AMENDMENT TO ZONING ORDINANCE  
(SLAUGHTERHOUSES)

LBTR 005 PAGE 293

(Page 2 of 3)

## "SLAUGHTERHOUSES

### 1. AR and R-1 Zoning Districts

- a. No slaughterhouses shall be constructed or established within 1/2 mile of any neighborhood of 20 lots or more in which the average density is one (1) dwelling unit per five (5) acres or more.
- b. A minimum of 20 acres is required for any slaughterhouse operation. If the slaughterhouse includes a feedlot, a minimum of 100 acres is required.
- c. Stock pens or buildings associated with the slaughterhouse operation not meeting the 25 SLR requirements must be at least 300 ft. from any public right-of-way and must be at least 500 ft. from any other property line.

### 2. I-1 and C-2 Zoning Districts

- a. A minimum of five (5) acres is required.
- b. No structure may be located closer than 200 feet from the nearest public or private boundary, except that if the facility includes a retail sales outlet, the front of the retail sales outlet may be as close as 50 ft. from the right-of-way boundary of a major public road.

### 3. Site Plan Requirements

- a. Waste or any decomposable residue from the slaughterhouse operation may not be disposed of by spreading on and/or plowing under on a farm unless the farm contains at least 100 acres and Health Department approval is obtained.
- b. Adequate measures must be developed, as per Section 53.09 for the abatement of offensive and obnoxious odors, dust, smoke, or similar nuisances to the degree that such odors, dust, smoke, or similar nuisances will be confined within the boundaries of the slaughterhouse site boundaries.
- c. Adequate measures meeting SLR 25 construction code requirements must be installed for the abatement of animal noises.
- d. Design, construction, and operation of the facility must meet or exceed the requirements of all relevant State and Federal regulations. Specifically, the operation must conform to the requirements of "Agricultural Handbook 570, U. S. Inspected Meat and Poultry Packing Plants, a Guide to Construction and Layout", published by the U.S.D.A. in February, 1981, as amended.
- e. Waste, by-products or any decomposable residue which results from the slaughtering of animals must be refrigerated while on the premises.
- f. There must be provided adequate off-street parking and loading and unloading facilities for customers and employees.



No. 786-11

Subj: ZONE #85-0156  
TEXT AMENDMENT TO ZONING ORDINANCE  
(SLAUGHTERHOUSES)

USER 005 PAGE 294 (Page 3 of 3)

- g. The site must have direct access to a major public road.
- h. The site plan must be approved by the Planning Commission.
- i. Holding of live animals is not to exceed 24 hours in C-2 or I-1, except as may be required by the Department of Agriculture or Health Regulations.
- j. There will be no construction in a flood plain even with flood proofing.
- k. Construction and earthmoving will not be done within 25 feet of slopes over 20%.
- l. Construction and earthmoving will not be done within 25 feet of tidal or non-tidal wetlands which cover at least 1/4 acre.
- m. Sediment control shall be required in accordance with Article 40.03 of the Zoning Ordinance.
- n. When required, stormwater management will be provided according to the standards and specifications set down in Article 52.03 of the Zoning Ordinance.
- o. Screening will be required in accordance with Article 5 of the Zoning Ordinance."

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

GEORGE R. AUD, President

Larry Millison  
LARRY MILLISON, Vice President

RICHARD D. ARNOLD, Commissioner

Ford L. Dean  
FORD L. DEAN, Commissioner

David F. Sayre  
DAVID F. SAYRE, Commissioner

ATTEST:

Edward V. Cox  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL FORM AND SUFFICIENCY:

Joseph R. Densford  
JOSEPH R. DENSFORD  
Assistant County Attorney

Ret: Patricia R. Guy 8/28/86

MARY R. BELL, CLERK

No. 285-12

Subj: ZONE #85-0171  
JOSEPH ABEL CLARKE

2:38PM 09/02/868 CD.COM 90.00

RESOLUTION

WHEREAS, JOSEPH ABEL CLARKE has made application to rezone approximately eleven (11) acres of land off Abell's Wharf Road from R-1, Rural-Residential, to CM, Commercial Marine. The property is located in the Third Election District of St. Mary's County, Maryland, on Tax Map 8, Block 4, Parcel 204 and part of Parcel 123. The matter is identified as Case No. 85-0171.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on April 8, 1985 and January 10, 1986.

WHEREAS, following deliberation, the Planning Commission, on March 10, 1986, by a vote of four (4) to one (1), recommended to the Board of County Commissioners of St. Mary's County that classification of the subject property as CM be granted, subject to certain conditions contained in the record of this case.

WHEREAS, the Board of County Commissioners, after publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, conducted a public hearing on the request on April 15, 1986.

WHEREAS, after deliberation, the County Commissioners, in accordance with the provisions of Section 4.05(a) of Article 66B of the Maryland Annotated Code and Section 70.05 of the St. Mary's County Zoning Ordinance, find as fact the following with regard to the request:

I. Change in the Character of the Neighborhood:

The neighborhood for the subject property is the area encompassing the parcels adjoining Abell's Wharf Road.

It has been established in other cases that the gravel processing site was established prior to the adoption of the Zoning Ordinance in 1974. However, the gravel mining operation, which has, or does surround this site, was established as a conditional use after 1974. The gravel mining operation, which is ongoing, is a change in the character of the neighborhood. Whereas the neighborhood formerly consisted of farms and farm fields, it now consists of gravel pits and reclaimed areas.

II. Population Change:

The population in the Third Election District has increased by approximately 500 persons since 1980.

III. Adequacy of Public Facilities:

1. Water and Sewer

Individual systems will not affect public facilities.

2. Roads

Access to the site is from Route 244, a State road, carrying only 1,300 vehicles per day in 1982. Route 244 has a design capacity of about



No. 286-12

Subj: ZONE #85-0171  
JOSEPH ABEL CLARKE

(Page 2 of 3)

5,000 vehicles. (Compton Road, or Route 243, a similar road, carried 2,700 vehicles per day in 1982.) From Route 244, vehicles use Breton Beach Road and Abell's Wharf Road, local roads with hardly any daily traffic. Staff concludes that there would be no adverse impacts on the roads if this project were developed as proposed.

3. Schools, Police, Parks, Emergency Services

No significant impact.

IV. Present and Future Transportation Patterns:

Changing the subject property from R-1 to CM should have no adverse impact on public roads in the area.

V. Relationship to Comprehensive Plan:

The County Commissioners established the fact that the Comprehensive Plan and Zoning Ordinance were in error in not establishing enough Commercial Marine Districts in 1979 in the John Scrivener case. Also, there was a restaurant and marina about 1/4 mile from this site up until about 5 years ago. Thus, there is some historical precedent for having a marina in this area.

VI. Fiscal Impact on Government:

The change in zoning should result in a net increase for property taxes.

VII. Suitability of Property for Uses under Existing and Proposed Zoning Classification:

The subject property is unsuitable for residential uses because of the adjacent mining operation. Its size and location made it suitable for a marina.

VIII. Compatibility with Existing and Proposed Development for the Area:

Except for the gravel mining and processing, there is no development against which to measure compatibility. While the visual environment presented by the gravel operation may affect the attraction of the proposal from a consumer's standpoint, the conflicts between different types of water traffic should be minimal because the barges move so slowly.

IX. Mistake in Original Zoning:

There does not appear to have been a mistake in the original zoning.

X. Critical Area Criteria:

The environmental assessment, prepared by an individual who has been accepted as an expert witness in this area in other local cases, concludes that there will be "little environmental problem with your developing a small marina facility with a clubhouse in the area, providing it did not substantially affect the small pond area." The report notes that there are no stands of trees which need to be cleared and that the primary land structure is already in place.

The report makes the following recommendations which are good:

1. Avoid construction or disturbance in the area of the small pond.

No. 786-12

Subj: ZONE #85-0171  
JOSEPH ABEL CLARKE

(Page 3 of 3)

2. Locate parking and work areas as far as practical from the shoreline.
3. Use permeable surfaces for all access roads and parking areas. This will facilitate percolation of precipitation and reduce non-point pollution to the Bay.
4. Locate the fuel storage tanks above the 100 year flood plain.
5. Provide adequate facilities for trash disposal and removal.
6. Be prepared to contain and clean up small oil spills, should they occur.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 19th day of August, 1986, that the above-referenced rezoning request is GRANTED and the property is hereby reclassified from R-1 to CM.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

GEORGE R. AUD, President

Rory Millison  
LARRY MILLISON, Vice-President

RICHARD D. ARNOLD, Commissioner

Ford L. Dean  
FORD L. DEAN, Commissioner

David F. Sayre  
DAVID F. SAYRE, Commissioner

ATTEST:

Edward V. Cox  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL FORM AND  
SUFFICIENCY:

Joseph R. Densford  
JOSEPH R. DENSFORD  
Assistant County Attorney

LIBER 005 REC 237

Ret: Patricia B. Gray 9/2/86  
MARK A. BELL CLERK



SUBJ: TRANSFER OF ST. MARY'S  
COUNTY NURSING HOME, INC.  
PROJECT TO BUILDING  
AUTHORITY COMMISSION

10:52AM09/03/86A CO.COM \$0.00

RESOLUTION

WHEREAS, the Board of County Commissioners of St. Mary's County, on March 11, 1986, voted to do the following with regard to the St. Mary's Nursing Home project:

1. To accept the transfer of the project from St. Mary's Nursing Home, Inc. because of more favorable financing arrangements;
2. To assign the project to the Building Authority Commission;
3. To adopt Resolution No. 86-07 approving the Building Authority Commission to accept the assignment of, and assuming the rights and obligations of St. Mary's Nursing Home, Inc.;
4. To re-establish the Nursing Home Board of Directors and to appoint its members;
5. To approve the transfer of the State \$500,000 grant from St. Mary's Nursing Home, Inc. to the Building Authority Commission; and

WHEREAS, there is no further need for the corporation designated as St. Mary's Nursing Home, Inc. to remain in existence; and

WHEREAS, those persons who have served as directors and officers of said corporation are entitled to protection from any personal liability they may incur in connection with their capacity as directors and officers of said corporation.

IT IS THEREFORE RESOLVED, that the Board of County Commissioners of St. Mary's County shall assume and accept any and all liability on behalf of each of the directors and/or officers of St. Mary's Nursing Home, Inc. for any thing or cause which may arise in connection with St. Mary's Nursing Home, Inc., the St. Mary's Nursing Home project, or anything connected herewith, and shall indemnify said directors and officers and hold them harmless for any and all such liability that may arise.

This Date: 8-19-86

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

George R. Aud, President

*Larry Millison*  
Larry Millison, Vice-President

Richard D. Arnold, Commissioner

*Forrest A. Dean*  
Forrest A. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

ATTEST:

*Edward V. Cox*  
Edward V. Cox, County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford  
Assistant County Attorney

Ret. Judy Sandram (ofc. of Co. Adm.) 9/3/86

MARY R. BELL, CLERK



Subj: Text Amendments,  
Zoning Ordinance Design  
Standards for Water Quality

RESOLUTION

3:09PM09/08/86A CO.COM 00.00

WHEREAS, Article 66B of the Annotated Code of Maryland, as amended, empowers St. Mary's County to enact a zoning ordinance and subdivision regulations and to provide for their administration, enforcement and amendment; and

WHEREAS, from time to time, the Board of County Commissioners of St. Mary's County deems it necessary, in order to protect the health, safety and welfare of St. Mary's County and its citizens, to amend various parts of the Zoning Ordinance and Subdivision Regulations; and

WHEREAS, after holding a public hearing on September 23, 1985 regarding Design Standards for New Waterfront Development, the St. Mary's County Planning Commission has recommended that the Zoning Ordinance be amended to provide for Design Standards for New Water Developments; and

WHEREAS, the Board of County Commissioners of St. Mary's County held public hearings on March 18, 1986 and April 1, 1986 for consideration of the proposed amendment;

NOW BE IT, THEREFORE, RESOLVED, that the St. Mary's County Zoning Ordinance is hereby amended as follows:

ZONING ORDINANCE

## Sec. 40.04, Yard Requirements

## 8. Design Standards for Water Quality Protection

Any parcel for which a development plan, subdivision plat or site plan has not been submitted by August 1, 1986 is subject to the following design criteria if the parcel is developed such that a site plan, subdivision or development plan is required prior to development:

a. All development subject to these regulations must establish the following buffer and setback zones:

- i. A Water Quality Protection Zone is established which includes all land 25 ft. from the following natural features: all tidal and non-tidal waters and wetlands (except man-made ponds, basins, ), 100 year flood plains, Evesboro-Westphalia and other highly erodable soils (K value greater than .37) on slopes 20 % or greater. There shall be no construction or clearing within the Water Quality Protection Zone except for piers, boardwalks, other structures for water access, structures for erosion control or accessory structures which do not exceed a total of 144 sq. ft.
- ii. A Water Quality Protection Buffer is established 150 ft. landward from the inland edge of the Water Quality Protection Zone. No more than 10% of the area within the buffer may be covered with impervious surfaces.
- iii. Extraction of natural resources is permitted in the zone and the buffer under the terms of an approved mining and reclamation plan.



Subj: Text Amendments,  
Zoning Ordinance Design  
Standards for Water Quality

(Page 2 of 2)

b. In lieu of the standards established in subsection a. above, the development may be designed to comply with the following performance standards:

- i. Water flowing off the site shall be of equal or better quality than that prior to development with regard to suspended solids, total nitrogen, total phosphorous, biological oxygen demand and other pollutants;
- ii. Peak discharge for stormwater shall conform to the standards set forth in Section 52.03;
- iii. Streamside vegetation providing shading of water courses and wildlife movement corridors shall be preserved.

c. These standards do not apply to building lots recorded prior to the effective date of this ordinance amendment.

d. These standards do not apply to road construction where roads cross streams. However, roads must be designed to minimize construction in the Water Quality Protection Zone and Water Quality Protection Buffer.

BE IT FURTHER RESOLVED, that the foregoing amendments shall become effective as of August 26, 1986.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

*George R. Aud*  
GEORGE R. AUD, President

LARRY MILLISON, Vice-President

RICHARD D. ARNOLD, Commissioner

*Ford L. Dean*  
FORD L. DEAN, Commissioner

*David F. Sayre*  
DAVID F. SAYRE, Commissioner

ATTEST:

*Edward V. Cox*  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
JOSEPH R. DENSFORD  
Assistant County Attorney

Ret: Patricia Luy 9/8/86 MARY R. BELL, CLERK

LIBER 005 PAGE 283

No. 785-10

Subj: ZONE #84-0977  
JACK SHRIVER (THE GREENERY)

RESOLUTION

3:09PM 09/25/86A CO.COM 30.00

WHEREAS, JACK SHRIVER has made application to rezone approximately 10.06 acres of land near Old Maryland Route 235 from R-1, Rural-Residential, to C-2, Commercial. The property is located in the Sixth Election District of St. Mary's County, Maryland, on Tax Map 34, Block 2, Parcel 327. The matter is identified as Case No. 84-0977.

RE-RECORDED  
10:17AM 09/11/86A CO.COM 30.00

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on August 13, 1984,

WHEREAS, following deliberation, the Planning Commission, on Sept. 10, 1984, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County that designation of the subject property as C-2 be granted, on the following conditions:

- (1) A fifty (50) foot wide evergreen buffer shall be provided along all boundaries of the subject property which adjoin neighboring R-1 properties.
- (2) Drive-In Theatres and Sheet Metal Shops shall be prohibited.
- (3) A survey of the subject property shall be completed.

WHEREAS, the Board of County Commissioners, after publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, conducted a public hearing on the request on October 16, 1984.

WHEREAS, after deliberation, the County Commissioners, in accordance with the provisions of Section 4.05(a) of Article 66B of the Maryland Annotated Code and Section 70.05 of the St. Mary's County Zoning Ordinance, find as fact the following with regard to the request:

I. Change in the Character of the Neighborhood:

The neighborhood is defined as Sandy Bottom, a small commercial neighborhood which extends from the northern limits of the Thompson Furniture property to the northernmost intersection of Old Maryland Route 235 and Clark's Mill Road. The neighborhood extends west from Old Maryland Route 235 approximately two hundred (200) feet to the railroad right-of-way. On the east side the boundaries of the neighborhood extend to the boundaries of the existing commercial properties up to a distance of four hundred (400) feet from Old Maryland Route 235. The major change in the neighborhood is the establishment of a major intersection for new Maryland Route 235 and Clarke's Landing Road. However, the applicant did not intend that a substantial change in the neighborhood was justification for his zoning request.

II. Population Change:

From 1970 to 1980 the Sixth Election District has grown in population from 5,283 to 8,093. It is estimated that the population has increased to 8,900 in 1984.

III. Adequacy of Public Facilities:

Water, sewer, schools, police, parks and other government services would not be significantly affected by this change in zoning.

IV. Present and Future Transportation Patterns:

The site is now located on a service road off of new Maryland Route 235 and is ideally situated for commercial use.



UBCR 005 PAGES 302  
UBCR 005 PAGES 290

No. 786-10  
Subj: ZONE #84-0977  
JACK SHRIVER (THE GREENERY)  
(Page 2 of 3)

V. Relationship to Comprehensive Plan:

Because the rezoning will expand the present use, and is located on a service road, it is consistent with the Comprehensive Plan.

VI. Fiscal Impact on Government:

The change in zoning may increase property taxes.

VII. Suitability of Property for Uses Under Existing and Proposed Zoning Classifications:

Because of its location on a service road, the subject property would be more suitable under the C-2 classification than R-1.

VIII. Compatibility with Existing and Proposed Development for the Area:

The front of the subject property is bordered by land zoned commercial. Behind it and to the sides is land zoned residential. With vegetative buffers, an expansion of the nursery will be compatible with adjoining residential land.

IX. Mistake in Original Zoning:

Based on documents and map drawings submitted by the applicant, the use of the property as a commercial nursery has been established. Since the storage of bulk fertilizer requires a C-2 zoning classification, there appears to have been a mistake in zoning the property R-1 in 1974.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 17th day of June, 1986, that the above-mentioned rezoning request is granted and the property is hereby reclassified from R-1 to C-2, on the condition that a fifty (50) foot wide ever-green buffer be provided along all boundaries of the subject property adjoining R-1 property; and that drive-in theatres and sheet metal shops are prohibited.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

George R. Aud  
GEORGE R. AUD, President

LARRY MILLISON, Vice President

RICHARD D. ARNOLD, Commissioner

Ford L. Dean  
FORD L. DEAN, Commissioner

David F. Sayre  
DAVID F. SAYRE, Commissioner

ATTEST:

Edward V. Cox  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
JOSEPH R. DENSFORD  
Assistant County Attorney

005 303  
005 291

No. 286-10

Subj: ZONE #84-0977  
JACK SHRIVER (THE GREENERY)

(Page 3 of 3)

The undersigned hereby consents to the afore-mentioned conditions imposed on the re-zoning of the subject property, which conditions shall be binding on the personal representatives, heirs and assigns of the property owners.

  
JACK SHRIVER

  
SHERIL A. DUNN

  
DAVID G. SHRIVER

Ret: Judy Landrum 9/11/86 Mary L. Hill, clerk



LIBER 005 304

NO: BA-86-02

SUBJ: ISSUANCE AND SALE OF ST. MARY'S  
COUNTY BUILDING AUTHORITY COM-  
MISSION NURSING HOME BONDS OF 1986

RESOLUTION

A Resolution of the St. Mary's County Building Authority Commission making certain findings and confirming certain statements regarding the issuance and sale of the St. Mary's County Building Authority Commission Nursing Home Bonds of 1986.

Recitals

1. Pursuant to Section 26-18 of the Public Local Laws of St. Mary's County (the "Enabling Act"), and with the approval of the Board of County Commissioners of St. Mary's County (the "County"), St. Mary's County Building Authority Commission (the "Commission") is authorized to issue its limited obligation bonds for the purpose of financing or refinancing the costs of acquiring, constructing, reconstructing, renovating, rehabilitating, expanding, equipping or leasing real property and improvements thereon, including the necessary expenses of preparing, printing, selling and issuing the bonds, the funding of reserves and the payment of interest in such amounts and for such period as the Commission deems reasonable.

2. On August 7, 1986, the Commission issued its Nursing Home Bonds of 1986 (the "Bonds") pursuant to a resolution of the Commission adopted by the Commission on July 15, 1986 (the "Bond Resolution").

3. Section 12 of the Bond Resolution provides that the proceeds of the sale of the Bonds and any investment earnings on the proceeds of the sale of the Bonds are to be used by the Commission for the public purpose of financing the costs of acquiring and constructing a nursing home facility in Leonardtown, Maryland, together with all necessary or useful furnishings, equipment and machinery and such interests in land and site improvements as may be necessary or suitable for the foregoing, including roads and rights of access, utilities and other necessary site improvements (the "Facility").

4. Section 12 of the Bond Resolution further provides that if the proceeds received from the sale of the Bonds exceed the amount actually expended or required for such public purpose, the amount of such unexpended excess shall be set apart in a separate fund and applied to the payment of the next principal maturity of the Bonds, unless a resolution is adopted by the Commission to provide for the expenditure of that excess for some other valid purpose authorized by the Enabling Act.

5. On August 7, 1986, the Chairman and Vice-Chairman of the Commission executed on behalf of the Commission the Section 103(r) Certificate of the Commission. Paragraph 9 of the Section 103(c) Certificate states that the Bonds are being issued for the purpose of (i) financing the costs of acquiring and constructing the Facility, including repayment of amounts heretofore advanced by the County on a temporary basis in connection with the Facility, (ii) paying interest on the Bonds for approximately 15 months and (iii) paying certain expenses in connection with the issuance of the Bonds. The estimated total cost of acquiring and constructing the Facility, including costs of issuing the Bonds, the payment of interest on the Bonds during the construction period (net of interest paid from investment earnings) and an unallocated reserve of \$150,000 is approximately \$5,946,063, of which \$500,000 is expected to be paid from a grant from the State and approximately \$92,860 is to be paid with fund-raising proceeds. The balance of approximately \$5,353,203 in cost, will be paid from Bond proceeds and investment earnings thereon, which are not expected to exceed such amount.



NO: BA-86-02

SUBJ: ISSUANCE AND SALE OF ST. MARY'S  
COUNTY BUILDING AUTHORITY COM-  
MISSION NURSING HOME BONDS OF 1986

Page 2 of 3

Section 11(a) of the Section 103(c) Certificate sets forth the Commission's reasonable expectation as to the use of the proceeds of the sale of the Bonds stating that such proceeds (\$5,231,350) together with investment earnings thereon (estimated to be \$121,843 net of investment earnings applied to the payment of interest on the Bonds) will be expended as follows: (i) approximately \$125,000 will be expended for the payment of issuance expenses for the Bonds by February 7, 1987, (ii) approximately \$510,850 will be expended for the payment of interest on the Bonds for approximately 15 months after settlement and (iii) the remaining proceeds will be expended for the payment of costs of designing and constructing the Facility, including repayment of amounts advanced by the County on a temporary basis in connection with the Facility. The unallocated reserve of \$150,000 described in Paragraph 9 of the Section 103(c) Certificate will be funded by the fund-raising proceeds of approximately \$92,863 and the balance of approximately \$57,137 will be attributable to Bond proceeds. Funds in the unallocated reserve allocated to Bond proceeds are expected to be expended on additional costs of the Facility, if any, or to be applied to the payment of interest on the Bonds during the start-up period or for other purposes permitted under the Bond Resolution after approval by the Commission pursuant to section 12 of the Bond Resolution.

6. Section 11(c) of the Section 103(c) Certificate provides that if the proceeds received from the sale of the Bonds exceed the amount actually expended or required for the public purposes set forth in the Bond Resolution, the amount of such unexpended excess will be set apart in a separate fund and applied to the payment of the next principal maturity of the Bonds or to the redemption of Bonds or to the purchase and cancellation of Bonds, unless a resolution is adopted by the Commission to provide for the expenditure of that excess for some other valid, authorized Commission purpose.

NOW, THEREFORE BE IT RESOLVED BY ST. MARY'S COUNTY BUILDING  
AUTHORITY COMMISSION:

Section 1. That the statement of the public purposes for which its Nursing Home Bonds of 1986 are being issued and the statement regarding the use of the proceeds of the sale of such Bonds and any excess proceeds remaining after such public purposes are satisfied as set forth in Paragraphs 9 and 11, respectively, of the Section 103(c) Certificate of the Commission are hereby ratified and confirmed.

Section 2. The Commission finds that the payment of interest from the proceeds of the sale of the Bonds for a construction period of approximately 15 months is reasonable and that the payment of interest on the Bonds for a Facility start-up period of approximately five months is also reasonable.

Section 3. This Resolution shall become effective immediately upon its passage.



NO: BA-86-02  
SUBJ: ISSUANCE AND SALE OF ST. MARY'S  
COUNTY BUILDING AUTHORITY COM-  
MISSION NURSING HOME BONDS OF 1986

Page 3 of 3

ADOPTED this 4th day of September, 1986.

ST. MARY'S COUNTY BUILDING AUTHORITY  
COMMISSION

*Theodore P. Weiner*  
Theodore P. Weiner, Chairman  
*Joseph P. O'Dell*  
Joseph P. O'Dell, Vice-Chairman  
*Edward V. Cox*  
Edward V. Cox, Member  
*Frank J. Berred*  
Frank J. Berred, Member  
*John B. Norris, Jr.*  
John B. Norris, Jr., Member

(SEAL)

ATTEST:

*Margaret M. Nelson*

APPROVED this 16TH day of SEPTEMBER, 1986.

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

*Carleton H. D.*  
Carleton H. D., President  
*Larry Hillison*  
Larry Hillison, Vice-President  
*Richard D. Arnold*  
Richard D. Arnold, Commissioner  
*Forbes U. Dean*  
Forbes U. Dean, Commissioner  
*David F. Seyre*  
David F. Seyre, Commissioner

ATTEST:

*Edward V. Cox*

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford  
Assistant County Attorney

*Ret: Judy Anderson 9/22/86* MARY R. BELL, CLERK

NO: 86-21  
SUBJ: ST. MARY'S COUNTY SELF-  
INSURANCE FUND - AMENDMENTS  
NO. 1 AND NO. 2

12:06PM 09/22/86 CD.COM 90.00

RESOLUTION

WHEREAS, the Board of County Commissioners on April 1, 1986 established by Resolution 86-08 the St. Mary's County Self-Insurance Fund with by-laws for general and automobile liability coverages; and

WHEREAS, the Board of County Commissioners has found it necessary to make certain amendments to the by-laws and wishes hereby to formally amend the by-laws;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners that the by-laws of the St. Mary's County Self-Insurance Fund are amended as follows:

1. Article III  
Add: Section 7  
Automobile Physical Damage - Limit \$250,000 per Occurrence.

The Fund will pay for loss to owned or hired autos or their equipment due to any cause not specifically excluded.

Valuation: Actual Cash Value

Exclusions:

1. Wear and tear, freezing, mechanical or electrical breakdown;
2. Blowouts, punctures or other road damage to tires;
3. Loss caused by radioactive contamination;
4. Loss to tape decks or other sound reproducing equipment not permanently installed in a covered auto;
5. Loss to tapes, records or other sound reproduction devices designed for use with sound reproduction equipment;
6. Loss to any sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the auto manufacturer for the installation of a radio.



NO: 86-21  
SUBJ: ST. MARY'S COUNTY SELF-  
INSURANCE FUND - AMENDMENTS  
NO. 1 AND NO. 2  
PAGE 2 of 2

- 2. Article VII
- Amend: Section 1 - "Automobile Liability"
- Section 2 - "Personal Injury Liability"
- Section 3 - "Employee Benefit Liability"
- Section 4 - "Automobile Liability Limit"
- Section 5 - "Uninsured Motorist Coverage"
- Section 6 - "Maryland Personal Injury Protection"

To remove the Board of Education from the except listing  
and place the Board of Education among the insured listing.

This Date: SEPT 16, 1986

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

Patrick Jarboe  
V. Patrick Jarboe, M.D., President

Larry Millison  
Larry Millison, Vice-President

Richard D. Arnold, Commissioner

Ford E. Dean  
Ford E. Dean, Commissioner

David F. Sayre  
David F. Sayre, Commissioner

ATTEST:

Edward V. Cox  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Theodore P. Weiner  
Theodore P. Weiner  
County Attorney

Ret: Judy Sandram 9/22/86

MARY R. BELL, CLERK

## RESOLUTION NO. 86-22

A Resolution adopted pursuant to and in implementation of Resolution No. 86-03, adopted on January 28, 1986 (the "Authorizing Resolution"), authorizing and providing for the issuance by the County of its revenue bond in the principal amount of \$400,000, designated "St. Mary's County, Maryland, Economic Development Revenue Bond (RFG&F Partnership Project) 1986 Series", such Bond being authorized pursuant to the provisions of §§266A through 266-I of Article 41 of the Annotated Code of Maryland; authorizing the private (negotiated) sale of such Bond, the execution, delivery and performance by the County of the Loan and Financing Agreement (the "Financing Agreement"), the Assignment of Note, and other documents (collectively the "Documents") hereinafter referred to, and the lending by the County of the proceeds of such sale to RFG&F Partnership for the purposes set forth in such Resolution; providing that such Bond shall be payable solely from the revenue of the Bond as described in the Loan and Financing Agreement (the "Revenues"); shall not constitute an indebtedness of the County or a charge against the general credit or taxing powers of the County within the meaning of any constitutional provision or any provision of County law or statutory limitation and shall never constitute or give rise to any pecuniary liability of the County, other than to pay the same from such Revenues; prescribing the terms, conditions, security, form and tenor of such Bond, including the maturity, interest rates and prepayment provisions of such Bond; providing for the forms of the Documents, and authorizing and directing the execution and delivery thereof; appointing a Bond Registrar for such Bond under this Resolution; and generally providing for and determining various matters in connection with the authorization, issuance, security, sale and payment of such Bond.

RECITALS

SECTION 1. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that pursuant to and in accordance with the Revenue Bond Act and the Resolution, St. Mary's County (the "Issuer") shall issue, sell and deliver a series of the Bonds in the aggregate principal amount of \$400,000, designated "St. Mary's County, Maryland Economic Development Revenue Bond (RFG&F Partnership Project), 1986 Series" (the "Bond").

SECTION 2. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall be issued pursuant to a Loan and Financing Agreement to be entered into by and among the Issuer, the Borrower, and Mercantile-Safe Deposit and Trust Company, a Maryland banking institution (the "Lender") in a form to be approved by the President of the Board, as hereinafter provided (the "Financing Agreement").



SECTION 3. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall:

(a) be issued as a single, installment bond, in the principal amount of \$400,000 in substantially the form attached to this Resolution as Exhibit 1,

(b) be dated the date of its delivery,

(c) mature as provided in the form of Bond attached hereto as Exhibit 1,

(d) bear interest as provided in the form of Bond attached hereto as Exhibit 1,

(e) be secured as provided in the form of Bond attached hereto as Exhibit 1,

(f) be payable in such amounts, at such times, and at such place or places as provided in the form of Bond attached hereto as Exhibit 1,

(g) be subject to redemption prior to maturity at such price or prices and under such terms and conditions as are set forth in the form of Bond attached hereto as Exhibit 1, and

(h) contain substantially the same terms and provisions of the form of Bond attached hereto as Exhibit 1, which terms and provisions are hereby incorporated by reference into and made a part of this Resolution, and which form of Bond is hereby adopted and approved as the form, tenor and substance of the Bond.

SECTION 4. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Lender shall act as bond registrar for the Bond until such time as any other bond registrar shall be appointed in accordance with the provisions of the Financing Agreement.

SECTION 5. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the proceeds of the Bond shall be lent by the Issuer to the Borrower pursuant to the terms and provisions of the Financing Agreement.

SECTION 6. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall be sold by the Issuer to the Lender, at par, and shall be executed, issued, sold and delivered, at such time and upon such other terms and conditions as may be determined by the Lender and the Borrower. Accordingly, there shall be no preliminary or final official statement in connection with the sale of the Bond, and no contract or contracts of purchase and sale thereof.

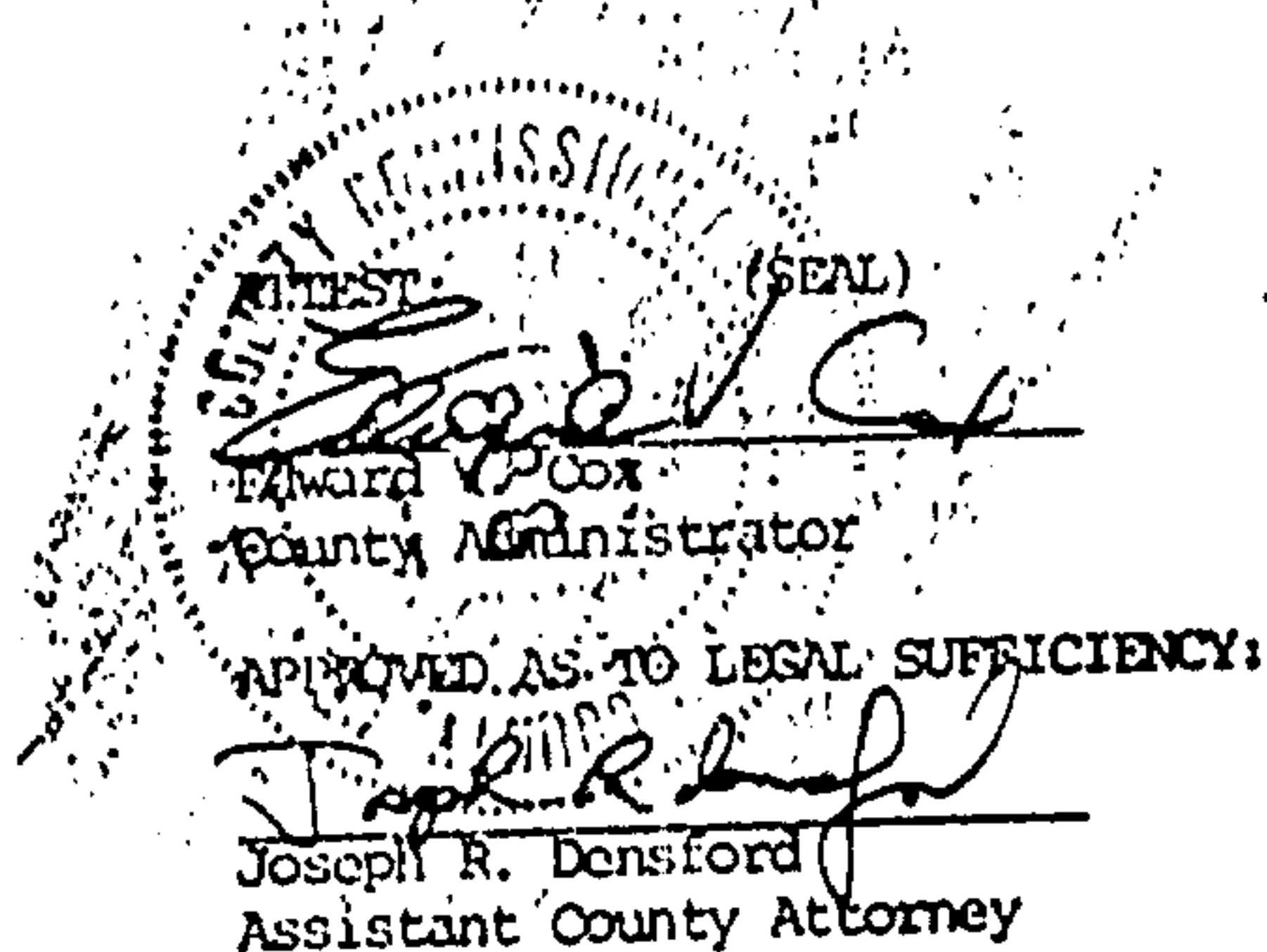
SECTION 7. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Bond shall be in substantially the form attached hereto as Exhibit 1 and made a part hereof, subject to such changes or modifications in such form as the President of the Board may deem to be required or appropriate in order to accomplish the purpose of the transactions authorized by this Resolution; and the terms, provisions, form, content and substance of such form so attached are hereby adopted and approved. The Financing Agreement and any other document or certificate to be executed and delivered by or to the Issuer in connection with the issuance, sale and delivery of the Bond shall be in such form, and shall contain such provisions as the President of the Board, shall approve; and executions of the Bond and such other documents and certificates by the President of the Board shall be conclusive evidence of his approval of the final terms, provisions, form, content and substance of the Bond and all other documents and certificates executed and delivered in connection therewith, which shall thereupon become binding upon the Issuer.

SECTION 8. BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the Borrower shall pay directly all costs, fees and expenses incurred by or on behalf of the Issuer in connection with the issuance, sale and delivery of the Bond, including (without limitation) costs of printing (if any) and issuing the Bond, legal expenses (including the fees of bond counsel and counsel to the Issuer) and compensation to any person (other than full-time employees of the Issuer) performing services by or on behalf of the Issuer in connection therewith, to the extent that such costs are not paid from the proceeds of the Bond.

SECTION 9. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, that the proceeds of the Bond shall not be applied to the funding of reserves or to the payment of interest on the Bond unless so provided in the Financing Agreement which the President of the Board shall approve.

SECTION 10. BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS, OF ST. MARY'S COUNTY, MARYLAND, that this Resolution shall take effect on this 16th day of September, 1986.

WITNESS, the hand and seal of the Board of County Commissioners of St. Mary's County, Maryland, this 16th day of September, 1986.

 (SEAL)  
Edward V. Cox  
County Administrator  
APPROVED AS TO LEGAL SUFFICIENCY:  
Joseph R. Densford  
Assistant County Attorney

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND  
J. Patrick Jarboe, President  
J. Lawrence Millison, Vice-President

Richard D. Arnold, Commissioner  
Ford L. Dean, Commissioner  
David F. Sayre, Commissioner



LSEB 005 PAGE 312

No. R-1

\$400,000

UNITED STATES OF AMERICA  
 STATE OF MARYLAND  
 ST. MARY'S COUNTY, MARYLAND  
 ECONOMIC DEVELOPMENT REVENUE BOND  
 R P G & F PROJECT  
 1986 SERIES

September 16, 1986

THIS BOND IS BEING ISSUED UNDER THE PROVISIONS OF THE MARYLAND ECONOMIC DEVELOPMENT REVENUE BOND ACT AND DOES NOT CONSTITUTE AN INDEBTEDNESS TO WHICH THE FAITH AND CREDIT OF THE ISSUER IS PLEDGED.

FOR VALUE RECEIVED, COUNTY COMMISSIONERS OF ST. MARY'S COUNTY (the "Issuer"), a body corporate and politic and a political subdivision and a public body of the State of Maryland (the "State"), hereby promises to pay (but only from the sources hereinafter referred to), to Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation (the "Lender"), or its registered assigns or legal representative, the principal sum of FOUR HUNDRED THOUSAND DOLLARS, and to pay interest from the date hereof (the "Closing Date") on the unpaid principal balance hereof, but only to the extent that moneys are actually advanced pursuant to the Financing Agreement (hereinafter defined), at the fluctuating annual rate which is at all times equal to 80% of the Prime Rate (hereinafter defined) (the "Tax-Exempt Rate"), until this Bond is paid in full (or, if this Bond, or any portion hereof shall have been duly called for early redemption and payment of the redemption price shall have been made, until the date fixed for such early redemption), such principal and interest to be payable at the times and in the manner hereinafter set forth; provided, however, that

(a) in the event that the maximum federal corporate income tax rate (if any) applicable to the Holder (hereinafter defined) shall be either increased or reduced on or after the Closing Date, the Tax-Exempt Rate shall be adjusted to equal the product obtained by multiplying the Tax-Exempt Rate by a fraction, the numerator of which shall be one minus the new maximum federal corporate income tax rate and the denominator of which shall be one minus the maximum federal corporate income tax rate which was in effect on the Closing Date (the "Adjusted Tax-Exempt Rate"); provided, however, that (i) the Adjusted Tax-

Exempt Rate shall be rounded to the nearest one-tenth of one percent, (ii) in no event shall the Adjusted Tax-Exempt Rate exceed the Taxable Rate (hereinafter defined), and (iii) in no event shall the Adjusted Tax-Exempt Rate be applicable with respect to any Holder not subject to corporate income tax; and

(b) during any period in which the interest payable hereon is for any reason includible in the gross income, as defined in Section 61 of the Internal Revenue Code of 1954, as amended (the "Code"), of the Lender or any subsequent registered owner hereof (the Lender and any such subsequent registered owner being herein sometimes called the "Holder") (but not including any period during which any Holder is a "substantial user" of the Facility (hereinafter defined) or any "related person", within the meaning of Section 103(b) of the Code,) the rate of interest payable on the unpaid principal balance hereof shall be the fluctuating annual rate which is at all times equal to the Prime Rate plus 1/2 of 1% per annum (the "Taxable Rate").

As used in this Bond, the term "Prime Rate" means the commercial prime rate of interest per annum internally announced to be in effect from time to time at Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland.

All interest on this Bond shall be calculated on the basis of a 360-day year factor applied to actual days elapsed, and shall be adjusted on any date on which a change occurs in the Prime Rate, such new adjusted rate to be based on the Prime Rate established and declared by the Lender on the date of adjustment.

This Bond evidences a loan made by the Lender to the Issuer in the amount of the principal amount hereof, under and pursuant to (a) the Constitution and laws of the State of Maryland, particularly the Maryland Economic Development Revenue Bond Act (the "Revenue Bond Act"), (b) the Resolution adopted by the legislative body of the Issuer on January 28, 1986 (the "Resolution"), and (c) the Approving Resolution adopted by the legislative body of the Issuer on September 16, 1986 (the "Approving Resolution"), for the purpose of lending the proceeds hereof (the "Loan") to RFG&F Partnership (the "Borrower"), pursuant to the terms and provisions of the Loan and Financing Agreement of even date herewith (the "Financing Agreement") by and among the Issuer, the Lender, and the Borrower, for the purpose of financing, with the proceeds hereof, the costs of the acquisition, of a certain "facility" (as defined in the Revenue Bond Act), located or to be located, in St. Mary's County, Maryland (the "Facility"), as more particularly described in the Financing Agreement, and to be leased by the Borrower to the Facility User (as defined in the Financing Agreement). This Bond is secured and entitled to the protection given by the Financing Agreement.



The principal of and interest on this Bond are payable in lawful money of the United States which is legal tender for the payment of all debts and dues, public and private, at the time of payment, in the following manner:

(a) interest on the outstanding principal balance hereof (but only to the extent that proceeds of this Bond are actually advanced by the Lender, each such advance to bear interest from the date it is advanced) shall be due and payable (i) on the first day of each and every month, commencing on the first day of the first month after the Closing Date, and continuing until this Bond has been paid in full, and (ii) on any other date on which a payment of principal (including any redemption) is made on this Bond;

(b) commencing on the first day of October, 1987, and on the first day of each and every month thereafter, continuing to and including the first day of September, 1997, the principal amount hereof shall be paid by 119 equal consecutive monthly installments in the amount of \$3,330 each, with a final installment of principal in the amount of \$3,730; and

(c) this Bond shall mature, and the entire unpaid balance of principal hereof and all accrued and unpaid interest hereon shall be due and payable, on the first day of September, 1997 (if not paid earlier).

Notwithstanding any other provision of this Bond (but subject to the right of the Borrower to contest any determination that the interest hereon is includible in the gross income of the Holder hereof, as provided in Section 3.3 of the Financing Agreement), during any period in which the interest payable hereon is payable at the Taxable Rate or at the Adjusted Tax-Exempt Rate, the Issuer agrees to make all payments hereon (but only from the sources herein provided) during any such period in an amount adjusted (retroactively and prospectively) to include interest at the Taxable Rate or at the Adjusted Tax-Exempt Rate, as the case may be.

All payments of principal (including any redemptions) and interest hereon shall be made by check mailed to the Holder at the address indicated on the registration books of the Bond Registrar (hereinafter defined), without the necessity of surrendering or presenting this Bond, and all such payments shall fully discharge the obligation of the Issuer herein to the extent of the payments so made.

In the event any payment hereon is not paid within 15 days from the date on which the same is due and payable, such payment shall continue as an obligation of the Issuer (limited as herein provided), and such payment in default and the entire unpaid principal balance hereof shall bear interest, from the date on which the payment was due until such payment in default

is paid in full, at the fluctuating rate which is at all times equal to the higher of (a) the Tax-Exempt Rate, the Adjusted Tax-Exempt Rate or the Taxable Rate, whichever is then in effect, plus 2% per annum, or (b) the Prime Rate plus 2% per annum. In addition, the Issuer shall pay (solely from the sources herein provided) (a) a late charge in an amount equal to 5% of the amount of any payment of interest or principal as set forth above which is made more than 15 days after the date on which the same is due and payable, and (b) all costs of collection, including a reasonable attorneys' fees, if this Bond is referred to an attorney for collection after default.

This Bond is subject to:

(a) optional redemption prior to maturity;  
 (b) mandatory redemption prior to maturity from Receipts Requiring Mandatory Redemption (as defined in the Financing Agreement);

(c) mandatory redemption prior to maturity at the option of the Holder; and

(d) mandatory redemption prior to maturity at the option of the Issuer or the Holder if the interest rate payable on this Bond is increased to the Taxable Rate;

all as provided and prescribed by and with the effect described in Section 2.2 of the Financing Agreement. The amount of any partial redemption prior to maturity shall be applied to the principal installments hereof in the inverse order of their installment payment dates.

The amount of any partial redemption prior to maturity, and the date on which the same is made, shall be noted by the Holder on Schedule A attached hereto and made a part hereof, but the failure to so note any such partial redemption shall not affect the validity of any amounts actually received by the Holder. Except for a redemption of the Bond effected in the manner set forth in the last literary paragraph of Section 2.2(d) of the Financing Agreement, the redemption price of any redemption (whether by optional or mandatory redemption) shall be an amount equal to the principal amount to be redeemed, plus all unpaid interest accrued to the date fixed for redemption.

All payments made hereunder, including all redemptions, shall be applied to the principal hereof and interest hereon in the manner set forth in Section 2.2 of the Financing Agreement. All payments, including all redemptions, shall be applied first to accrued and unpaid interest and the remainder to principal, unless otherwise provided in Section 2.3 of the Financing Agreement.



Pursuant to the Financing Agreement, the Issuer, among other things, (a) has assigned to the Lender (among other things) the Documents (as defined in the Financing Agreement) (with the exception of certain Reserved Rights of the Issuer), as defined in the Financing Agreement, and (b) has lent the proceeds of this Bond to the Borrower. The proceeds of this Bond will be advanced by the Lender to the Borrower (or for its account) from time to time in accordance with the terms of the Financing Agreement; accordingly, this Bond shall bear interest only to the extent that the Bond proceeds have actually been advanced to the Borrower (or for its account).

Pursuant to the Promissory Note of even date herewith executed and delivered by the Borrower and made payable to the Issuer (the "Note"), the Borrower has agreed to make payments of principal and interest to the Issuer in amounts at least equal to the payments of principal of, premium (if any), and interest on this Bond. With the exception of the Reserved Rights of the Issuer, such payments have been assigned by the Issuer to the Holder for the purpose of repaying the principal of, premium (if any) and interest on this Bond, at the applicable rates set forth above. The Financing Agreement provides that all payments by the Borrower pursuant to the Note are to be made by the Borrower directly to the Holder at the address designated on the registration books maintained by the Bond Registrar (hereinafter defined).

The Borrower's obligations under the Financing Agreement and the Note are secured as provided in the Financing Agreement.

The maturity of this Bond is subject to acceleration as provided in the Financing Agreement.

Reference is hereby made to the Financing Agreement for a full and complete statement of the provisions with respect to the application of the proceeds of this Bond, the collection and disposition of the Documents assigned as security for the payment of this Bond and the interest hereon, the nature and extent of the security and the rights of the Holder of this Bond, the terms and conditions on which, and the purposes for which, this Bond is issued, the terms and conditions under which this Bond may or shall be redeemed prior to maturity, and the rights, duties and obligations of the Issuer thereunder, to all of which the Holder hereof, by acceptance of this Bond, assents and agrees.

THIS BOND AND THE INTEREST ON IT ARE LIMITED OBLIGATIONS OF THE ISSUER, THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON WHICH ARE PAYABLE SOLELY FROM THE PLEDGED RECEIPTS (AS DEFINED IN THE FINANCING AGREEMENT) OR FROM ALL OTHER MONEYS MADE AVAILABLE TO THE ISSUER FOR SUCH PURPOSE; PROVIDED, HOWEVER, THAT UNDER THE FINANCING AGREEMENT, THE ISSUER HAS RESERVED TO ITSELF, AND HAS NOT PLEDGED OR ASSIGNED, THE RESERVED RIGHTS OF THE ISSUER. AS PROVIDED IN THE REVENUE BOND ACT, NEITHER THIS BOND NOR THE



INTEREST HEREON SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR CHARTER PROVISION OR STATUTORY LIMITATION, AND NEITHER SHALL EVER CONSTITUTE OR GIVE RISE TO ANY PECUNIARY LIABILITY OF THE ISSUER.

This Bond shall be registered on the books of the Issuer to be kept for that purpose by the Lender or any other person maintaining books for the registration and transfer of this Bond pursuant to the provisions of the Financing Agreement (the "Bond Registrar"). This Bond shall be transferable only upon such books (which transfer shall be similarly noted on the registration table attached hereto as Schedule B and made a part hereof) at such office by the Holder hereof or by its duly authorized officer or attorney. This Bond may be transferred upon presentation hereof at the office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Holder hereof or its duly authorized attorney. Such transfers shall be without charge to the Holder hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Holder requesting such transfer as a condition precedent to the exercise of such privilege.

The Issuer and the Borrower may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes; and neither the Issuer nor the Borrower shall be affected by any notice to the contrary (other than the written notice of transfer referred to in the preceding paragraph).

This Bond, having been made, executed, sealed and delivered in the State of Maryland, shall be construed, interpreted and enforced in accordance with the laws of the State of Maryland as the same are in effect from time to time.

All acts, conditions and things required by the Constitution and laws of the State of Maryland and the Resolution and the Approving Resolution, to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Bond, do exist, have happened and have been performed.

No covenant or agreement contained in this Bond or in the Financing Agreement shall be deemed to be a covenant or agreement of any Agent (as defined in the Financing Agreement) of the Issuer in his or her individual capacity, and neither the members of the legislative body of the Issuer nor any person executing this Bond or any other Documents (as defined in the Financing Agreement) entered into by the Issuer shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance, execution or delivery hereof.



IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name and on its behalf by the President of the Board of County Commissioners of the Issuer, by his manual or facsimile signature, and has caused its corporate seal to be impressed or otherwise reproduced hereon and attested by the County Administrator of the Issuer, by his manual or facsimile signature, all as of the date first above written.

ATTEST

COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY

\_\_\_\_\_  
Edward V. Cox  
County Administrator

By \_\_\_\_\_  
J. Patrick Jarboe  
President of the Board of  
County Commissioners

[SEAL]

LIBER 005 PAGE 319

SCHEDULE A

\$1,800,000

UNITED STATES OF AMERICA

STATE OF MARYLAND

ST. MARY'S COUNTY, MARYLAND

ECONOMIC DEVELOPMENT REVENUE BOND

(R F G & F PARTNERSHIP PROJECT)

1986 SERIES

REDEMPTION SCHEDULE

Date of Redemption

Amount of Redemption

\$



LIBER 005 PAGE 320

SCHEDULE B

\$400,000

UNITED STATES OF AMERICA  
STATE OF MARYLAND  
ST. MARY'S COUNTY, MARYLAND  
ECONOMIC DEVELOPMENT REVENUE BOND  
(R F G & F PARTNERSHIP PROJECT)  
1986 SERIES

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Transfer of Bond

The transfer of this Bond may be registered only by the registered owner in person or by its duly authorized officer or attorney upon presentation hereof to the Bond Registrar, who shall make note thereof in the books kept for such purpose and in registration blank below.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

USER 005 321

ASSIGNMENT

FOR VALUE RECEIVED

the undersigned hereby sells, assigns and transfer unto to

\_\_\_\_\_  
(Please Print or Typewrite Name and Address of Transferee)

the within Bond of  
ST. MARY'S COUNTY, MARYLAND

and does hereby irrevocably constitute and appoint

\_\_\_\_\_  
on the books of the within-named Issuer, with full power of  
substitution on the premises. Attorney to transfer such Bond

Dated: \_\_\_\_\_

In the presence of:

\_\_\_\_\_  
Notice must correspond with  
assignment appears on the  
the name as it Bond in every  
particular, without alteration  
or enlargement or any change  
whatever.

Please insert Social Security  
or other Identifying Number  
of Assignee:

\_\_\_\_\_  
Signature Guaranteed



1358 005 322

\$400,000  
ST. MARY'S COUNTY, MARYLAND  
ECONOMIC DEVELOPMENT REVENUE BOND  
(RFG&P PARTNERSHIP PROJECT)  
1986 SERIES

CERTIFICATE OF COUNTY ATTORNEY  
AS TO NO LITIGATION OR CONFLICTS


The undersigned, Joseph R. Densford, Esquire, the July appointed, qualified and incumbent Assistant County Attorney of St. Mary's County, Maryland HEREBY DOES CERTIFY with respect to the above-referenced Economic Development Revenue Bond (the "Bond"), being issued by the County Commissioners of St. Mary's County (the "County") pursuant to the terms of Resolution No. 86-03 adopted by the Board of County Commissioners of St. Mary's County (the "Board") on January 28, 1986 (the "Authorizing Resolution") and Resolution No. 86-22, adopted by the Board on September 16, 1986 (the "Approving Resolution") (the "Authorizing Resolution" and the "Approving Resolution" are collectively called the "County Actions") as follows:

1. No litigation, inquiry, investigation or proceeding of any nature to which the County is a party is now pending (either in the State or Federal courts or before any administrative body or tribunal) or, to the knowledge of the undersigned after having made due inquiry with respect thereto threatened, (i) seeking to restrain or enjoin the execution, issuance, sale and delivery of the Bond, or the execution and delivery of the Loan and Financing Agreement, referred to in the County Actions or any other instrument referred to in the County Actions, or any other documents executed and delivered in connection with the sale and delivery of the Bond (collectively, the "Documents"), or (ii) which in any way questions or affects the authority or proceedings for the issuance of the Bond, or affects in any manner the validity or enforceability thereof, or the obligations of the county thereunder, or the validity or enforceability of the County Actions, or the Documents, or any proceedings taken with respect to the foregoing, or (iii) which in any manner questions the creation, organization or existence or boundaries of the County or the title of any of the present officers thereof to their respective offices or the County's powers to issue the Bond.

2. The (i) adoption of the County Actions, (ii) execution, authorization and delivery of the Bond, (iii) execution and delivery of the Documents, and (iv) fulfillment of and compliance with the respective provisions of the foregoing by the County, do not conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or (other than as contemplated

thereby) result in the creation of any lien upon any of the properties or assets of the County or require any authorization, consent, approval, exemption or other action or any notice to or any filing with any court or administrative or governmental body (other than specified approvals heretofore obtained), pursuant to the organic instruments of the County, or, to the knowledge of the undersigned, after having made due inquiry with respect thereto, any agreement, instrument, order, judgment or decree to which the County is subject.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 16th day of September, 1986.

  
\_\_\_\_\_  
Joseph R. Densford  
Assistant County Attorney

Ret: Judy Landron 9/22/86 MARY R. BELL, CLERK



SUBJECT: ST. MARY'S COUNTY  
AGRICULTURE COMMISSION

12:06PM 09/22/86B CO.COM \$0.00

RESOLUTION

WHEREAS, the agriculture community of St. Mary's County has traditionally been a principal part of the local economy, contributing revenues, employment and economic well being; and

WHEREAS, agriculture in St. Mary's County by its very nature improves the landscape, adds to the beauty and rural tranquility of the community and provides an aesthetic benefit to the people of St. Mary's County; and

WHEREAS, the interests of agriculture in St. Mary's County deserve to be protected and supported; and

WHEREAS, it is deemed advisable that there be permanently established a forum for the discussion of public policy issues relating to concerns of agriculture in St. Mary's County; and

WHEREAS, the Board of County Commissioners welcomes the advice and recommendations of those countians engaged in farming and agribusiness operations;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners that there is established in St. Mary's County an Agriculture Commission under the following conditions:

- (a) Composition of Commission — The Agriculture Commission shall have members who represent, at a minimum, the following commodities, agencies, professions and interest groups associated with agriculture. Additional members may be appointed at the recommendation of the Agriculture Commission.

The Agriculture Commission shall have members who represent the tobacco industry, the livestock industry, the field crops industry, the nursery/horticulture industry, the aquaculture industry, the forestry industry, the poultry industry, an agricultural financial institution, the Cooperative Extension Service of the University of Maryland, the Maryland Department of Agriculture, the Farm Bureau, the St. Mary's County Soil Conservation District, and the St. Mary's County Department of Economic and Community Development.

- (b) Tenure - The term of membership is limited to no more than two consecutive three-year terms for any one individual member. Initial appointments shall be staggered so that an equal number of members shall be appointed to one-year terms, two-year terms and three-year terms. New appointments shall be made from nominees of the industry, agency, profession or interest group represented by the member whose term is expiring.
- (c) Officers - The Commission may elect from among its appointed members a chairman, vice-chairman, secretary and other officers it deems appropriate. The officers have the duties and responsibilities usually incumbent upon these officers.
- (d) Meetings - The Commission shall meet regularly at least quarterly within a calendar year. Additional meetings may be scheduled by the Chairman, and/or as a result of a majority vote of the members.

NO: 86-23

SUBJECT: ST. MARY'S COUNTY  
AGRICULTURE COMMISSION

PAGE 2

(e) Staff Support - It is the intention of the County Commissioners that projects and activities determined by the Agriculture Commission to be in the best interests of the County, if approved by the Board of County Commissioners, be carried out by the appropriate staff of the County's Department of Economic and Community Development.

BE IT FURTHER RESOLVED that this resolution shall be effective October 20, 1986, at which time the Commission shall be fully constituted. Once constituted, the Agriculture Commission replaces the existing Agriculture Task Force established in July of 1984.

This date:

9/16/86

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

Patrick Jarboe  
Patrick Jarboe, President

Larry Millison, Vice President

Richard D. Arnold, Commissioner

Ford L. Dean  
Ford L. Dean, Commissioner

David F. Sayre  
David F. Sayre, Commissioner

Attest:

Edward V. Cox  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
Joseph R. Densford  
Assistant County Attorney



1005 326

NO: 86-24  
SUBJ: ST. MARY'S COUNTY SELF-  
INSURANCE FUND - AMENDMENT  
NO. 3

RESOLUTION

WHEREAS, the Board of County Commissioners on April 1, 1986 established by Resolution 86-08 the St. Mary's County Self-Insurance Fund with by-laws for general and automobile liability coverages; and

WHEREAS, the Board of County Commissioners on September 16, 1986 by Resolution 86-21 formally amended the by-laws and now finds it necessary to amend the by-laws again;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners that the by-laws of the St. Mary's County Self-Insurance Fund are amended as follows:

Article VIII

Scope of Coverage

11:39AM 09/26/86 CO.COM \$0.00

Section 8.

Public Officials and Employees Liability -  
Limit \$250,000 each loss inclusive of defense costs.

The Fund will pay on behalf of the Insureds all Loss which the Insureds shall be legally obligated to pay for any civil claim against them because of a Wrongful Act.

In the event of a claim, the Insureds shall take reasonable measures to protect their interests. If defense of a suit shall be required then the Insured shall appoint counsel.

No costs or expenses shall be incurred on behalf of the Fund under any circumstances without its consent, which consent, once given, may be withdrawn at any time but may not be unreasonably withheld. In the event the Insured and the Fund cannot agree on the allocation or appointment of counsel's fees and expenses, then under such circumstances the Insured's right of indemnity for such expenses and fees shall not mature until the claim giving rise thereto has been finally and completely adjudicated and/or settled.

The Fund, at its option, shall have the right at its own expense to investigate any claim and/or negotiate the settlement thereof, as it deems expedient, but the Fund shall not commit the Insureds to any settlement without their consent.

If, however, the Insureds shall refuse to consent to any settlement recommended by the Fund and shall elect to contest the claim or continue any legal proceedings in connection with such claim, then subject to the provisions of the below paragraph, the Fund's liability for the claim shall not exceed the amount for which the claim could have been settled including costs, charges and expenses incurred with its consent up to date of such refusal.

Regardless of the number of (a) Insureds under this coverage, (b) persons or organizations who sustain Loss from Wrongful Acts, or (c) claims made or suits brought on account of Wrongful Acts or otherwise, the Fund's liability is limited to \$250,000 for all Loss arising out of one Wrongful Act covered hereby.

NO: 86-24

SUBJ: ST. MARY'S COUNTY SELF-  
INSURANCE FUND - AMENDMENT  
NO. 3

The Insureds shall, as a further condition precedent to the Insured's right to be indemnified under this coverage, shall give the Fund any information and all such cooperation as it may reasonably require and as shall be in the Insured's power.

Exclusions:

The Fund shall not be liable to make payment for Loss in connection with any claim against the Insureds allegedly, based upon or arising out of any one or more of the following:

1. Gaining any personal profit or advantage to which they were not legally entitled;
2. The return by the Insureds of any remuneration paid in fact to them if payment of such remuneration shall be held by the courts to be in violation of law;
3. Brought about or contributed to by the dishonesty of the Insureds, however, notwithstanding the foregoing, the Insureds shall be protected under the terms of this coverage as to any claims upon which suit is brought against them by reason of any alleged dishonesty on the part of the Insureds, unless a judgement or other adjudication thereof adverse to the Insureds shall establish that acts of active and deliberate dishonesty committed by the Insureds with actual dishonest purpose and intent were material to the cause of action so adjudicated;
4. a. Claims, demands or actions seeking relief or redress, in any form other than money damages;  
b. For fees or expenses relating to claims, demands or actions seeking relief or redress, in any form other than money damages;
5. a. Any damages, whether direct, indirect or consequential, arising from, or caused by, bodily injury, personal injury, sickness, disease or death;  
b. Loss or criminal abstraction of, damage to or destruction of any tangible property or the loss of use of such property by reason of the foregoing;
6. a. False arrest, assault and battery, detention or imprisonment, or malicious prosecution;  
b. Defamation, including, but not limited to libel or slander;  
c. Wrongful entry or eviction or other invasion of the right of private occupancy;
7. The willful violation of statute or ordinance committed by or with the knowledge or consent of an Insured.

Coverage Extensions:

The Fund shall cover Loss arising from any civil claim against the estates, heirs, legal representatives or assigns of deceased persons who were the Insureds at the time of the Wrongful Act upon which such civil claim or claims are based, and the legal representatives or assigns of the Insureds in the event of their incompetency, insolvency or bankruptcy.



LIBER 005 329

NO: 86-24

SUBJ: ST. MARY'S COUNTY SELF-  
INSURANCE FUND - AMENDMENT  
NO. 3

Definitions:

- A. "Insureds" shall mean the Board of County Commissioners of St. Mary's County, Maryland, St. Mary's County Metropolitan Commission, and all Departments, Boards, Commissions or other entities established or appointed or operating under their direction and control except the Board of Education of St. Mary's County, Maryland and all persons who were, now are or shall be lawfully elected or lawfully appointed officials and members and employees.
- B. "Wrongful Act" shall mean any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty including misfeasance, malfeasance, and nonfeasance by an Insured.
- C. "Loss" shall mean any amount which the Insureds are legally obligated to pay for any claim or claims against them, for Wrongful Acts and shall include but not be limited to damages, judgements, settlements and costs, cost of investigation and defense of legal actions, claims or proceedings and appeals therefrom, cost of attachment or similar bonds; provided always, however, such subject of loss shall not include fines or penalties imposed by law, or matters which may be deemed uninsurable under the law pursuant to which this coverage shall be construed.

This Date: 9/23/86

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND

J. Patrick Jarboe, M.D.  
J. Patrick Jarboe, M.D., President

Larry Millison, Vice-President

Richard D. Arnold, Commissioner

Fora L. Dean  
Fora L. Dean, Commissioner

David F. Sayre  
David F. Sayre, Commissioner

ATTEST:

Edward V. Cox  
Edward V. Cox  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Theodore P. Wether  
Theodore P. Wether  
County Attorney

Delivered to Comm.:

SEP 29 1986

MARY R. BELL, CLERK

RESOLUTION

WHEREAS, ARTICLE 66B of the Annotated Code of Maryland, as amended, empowers the County Commissioners to enact a Zoning Ordinance and to provide for its administration, enforcement, and amendment; and

WHEREAS, the Board of County Commissioners recognize that, from time to time, situations arise which require clarifications and amendment to certain portions of the Zoning Ordinance; and

WHEREAS, after due notice, a public hearing was held by the Board of County Commissioners on February 11, 1986 regarding proposed text changes to the Zoning Ordinance concerning site plan approval and access to a major road for Day Care/Child Care Centers serving more than 12 children;

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 23rd day of September, 1986, that the Zoning Ordinance be, and it hereby is amended, as follows:

- (1) Article 5, Section 53.035.1  
Change "Small Group (8-12 children)" to "Small Group (7-12 children)".
- (2) Article 5, Section 53.035.2  
Change to read: "Centers serving more than 12 children must have direct access to a major public road and must obtain site plan approval."
- (3) Section 8, Definitions, "Child Care Center"  
Change line two from "eight or more" to "seven or more".

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

*J. Patrick Jarbov*  
J. PATRICK JARBOV, M.D., President

LARRY MILLISON, Vice President

RICHARD D. ARNOLD, Commissioner

*Ford Dean*  
FORD D. DEAN, Commissioner

*David F. Sayre*  
DAVID F. SAYRE, Commissioner

ATTEST:

*Edward V. Cox*  
EDWARD V. COX  
County Administrator 9/23/86

2:24PM 10/01/86 CD.COM \$0.00

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
JOSEPH R. DENSFORD  
Assistant County Attorney

Delivered: Patricia R. Bury OCT 1 1986 MARY R. BELL, CLERK



No. Z-86-15

Subj: ZONE # 86-0031  
ORAVILLE SHELL  
(Burch Oil Co.)

RESOLUTION

WHEREAS, Burch Oil Company has made application to rezone approximately 0.71 acres of land which is the site of the Oraville Shell Station at the intersection of Maryland Routes 6 and 235, Rural-Residential, to C-2, Commercial. The property is located in the Fifth Election District of St. Mary's County, Maryland, on Tax Map 13, Block 6, Parcel 22. The matter is identified as Case No. 86-0031.

WHEREAS, following publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on March 10, 1986.

WHEREAS, following deliberation, the Planning Commission, on May 12, 1986, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County that designation of the subject property as C-2 be granted.

WHEREAS, the Board of County Commissioners, after publication of notice and notification of all property owners within 200 feet of the subject property by certified mail, conducted a public hearing on the request on June 17, 1986.

WHEREAS, after deliberation, the County Commissioners, in accordance with the provisions of Section 4.05(a) of Article 66B of the Maryland Annotated Code and Section 70.05 of the St. Mary's County Zoning Ordinance, find as fact the following with regard to the request:

I. Change in the Character of the Neighborhood:

This issue was not raised by the applicant.

II. Population Change:

From 1980 to 1986 the Fifth Election District has grown in population from 7,376 to 7,843. 2:24PM 10/01/86B CO.COM \$0.00

III. Adequacy of Public Facilities:

Water, sewer, schools, police, parks and other government services would not be significantly affected by this change in zoning. The uses permitted under the C-2 classification include the same use now in existence on this site.

IV. Present and Future Transportation Patterns:

The site is now located on Maryland Route 235, a main thoroughfare and is ideally situated for commercial use.

V. Relationship to Comprehensive Plan:

Because the rezoning will continue the present use, it is consistent with the Comprehensive Plan.

VI. Fiscal Impact on Government:

The change in zoning may increase property taxes.

No. 786-15

Subj: ZONE # 86-0031  
ORAVILLE SHELL  
(Burch Oil Co.)

(Page 2 of 2)

VII. Suitability of Property for Uses Under Existing and Proposed Zoning Classifications:

Because of its small size and its location on Maryland Route 235, the property would be more suitable under the C-2 classification than R-1, particularly as a corner lot.

VIII. Compatibility with Existing and Proposed Development for the Area:

Because the present use will continue under the C-2 classification, it should be no less congested than prior to the rezoning.

IX. Mistake in Original Zoning:

Based on testimony and plats submitted by the applicant, the long-term use of the property as a full-service gas station has been established. Since this use requires a C-2 zoning classification, there appears to have been a mistake in zoning the property R-1 in 1974.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 30<sup>TH</sup> day of September, 1986, that the above mentioned rezoning request is granted and the property is hereby reclassified from R-1 to C-2.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

J. PATRICK JARBOE, President

Larry Millison  
LARRY MILLISON, Vice President

Ford L. Dean  
FORD L. DEAN, Commissioner

David F. Sayre  
DAVID F. SAYRE, Commissioner

ATTEST:

Edward V. Cox  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
JOSEPH R. DENSFORD  
Assistant County Attorney



NO: 86 - 25  
SUBJ: ECONOMIC  
DEVELOPMENT  
REVENUE BONDS -  
ARCO AQUACULTURE  
LIMITED PARTNERSHIP

INDUCEMENT RESOLUTION

PREAMBLE

A Resolution authorizing the execution of an agreement with Arco Aquaculture Limited Partnership, a Maryland limited partnership, with Arco Development Systems Limited, a District of Columbia corporation, as its general partner, pertaining to the financing of the acquisition, construction and equipping of an aquaculture production, processing and marketing facility to be located at a site or sites within the boundaries of St. Mary's County, Maryland.

9:38AM 11/12/86 CD.COM \$0.00

RECITALS

WHEREAS, County Commissioners of St. Mary's County, a body politic and corporate and a political subdivision of the State of Maryland (the "Issuer" by virtue of the laws of the State of Maryland, particularly the Maryland Economic Development Revenue Bond Act, Sections 266A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Act"), and the authorities therein

mentioned), <sup>005 245333</sup> wishes to take the necessary actions for the issuance of economic development revenue bonds of the Issuer in order to assist Arko Aquaculture Limited Partnership, a Maryland limited partnership, with Arko Development Systems Limited, a District of Columbia corporation, as its general partner (the "Project Owner"), in financing the acquisition, construction and equipping of an aquaculture production, processing and marketing facility to be located at a site or sites within the boundaries of the Issuer (the "Project" as more fully described in Exhibit 1 to this Resolution);

NOW, THEREFORE, be it resolved by County Commissioners of St. Mary's County:

SECTION I. The Board of County Commissioners does hereby find and determine that:

- (a) The Project constitutes a "facility" within the meaning of that term as defined in Section 266A(g) of the Act; and
- (b) The Project is consistent with the legislative purpose of Section 266B(b) of the Act, i.e., to relieve conditions of unemployment, to encourage the increase of industry and commerce and a balanced economy, to assist in the retention of existing industry and commerce and in the



mentioned), wishes to take the necessary actions for the issuance of economic development revenue bonds of the Issuer in order to assist Arko Aquaculture Limited Partnership, a Maryland limited partnership, with Arko Development Systems Limited, a District of Columbia corporation, as its general partner (the "Project Owner"), in financing the acquisition, construction and equipping of an aquaculture production, processing and marketing facility to be located at a site or sites within the boundaries of the Issuer (the "Project" as more fully described in Exhibit 1 to this Resolution);

NOW, THEREFORE, be it resolved by County Commissioners of St. Mary's County:

SECTION I. The Board of County Commissioners does hereby find and determine that:

- (a) The Project constitutes a "facility" within the meaning of that term as defined in Section 266A(g) of the Act; and
- (b) The Project is consistent with the legislative purpose of Section 266B(b) of the Act, i.e., to relieve conditions of unemployment, to encourage the increase of industry and commerce and a balanced economy, to assist in the retention of existing industry and commerce and in the

attraction of new industry and commerce in the State of Maryland, to promote economic development and generally to promote the health, welfare, and safety of the residents of St. Mary's County and the State of Maryland.

SECTION II. In order to assist in the financing of the Project, the Board of County Commissioners hereby agrees to authorize and issue revenue bonds of the Issuer, in an aggregate amount not to exceed \$5,000,000, pursuant to the Act, upon the terms provided in the form of agreement attached hereto as Exhibit 1 and made a part hereof, to bind and inure to the benefit of the Issuer and Project Owner, which form of agreement is hereby in all respects approved. Any three (3) Commissioners are hereby authorized and directed to execute such agreement substantially in such form, with such changes as are not adverse to the Issuer as such Commissioners may approve, such execution being conclusive evidence of approval of any such changes.

SECTION III. It is found and determined that all formal actions of the Board of County Commissioners concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Board, and that all deliberations of the Board and any of its committees that resulted in such formal action were in meetings open to the

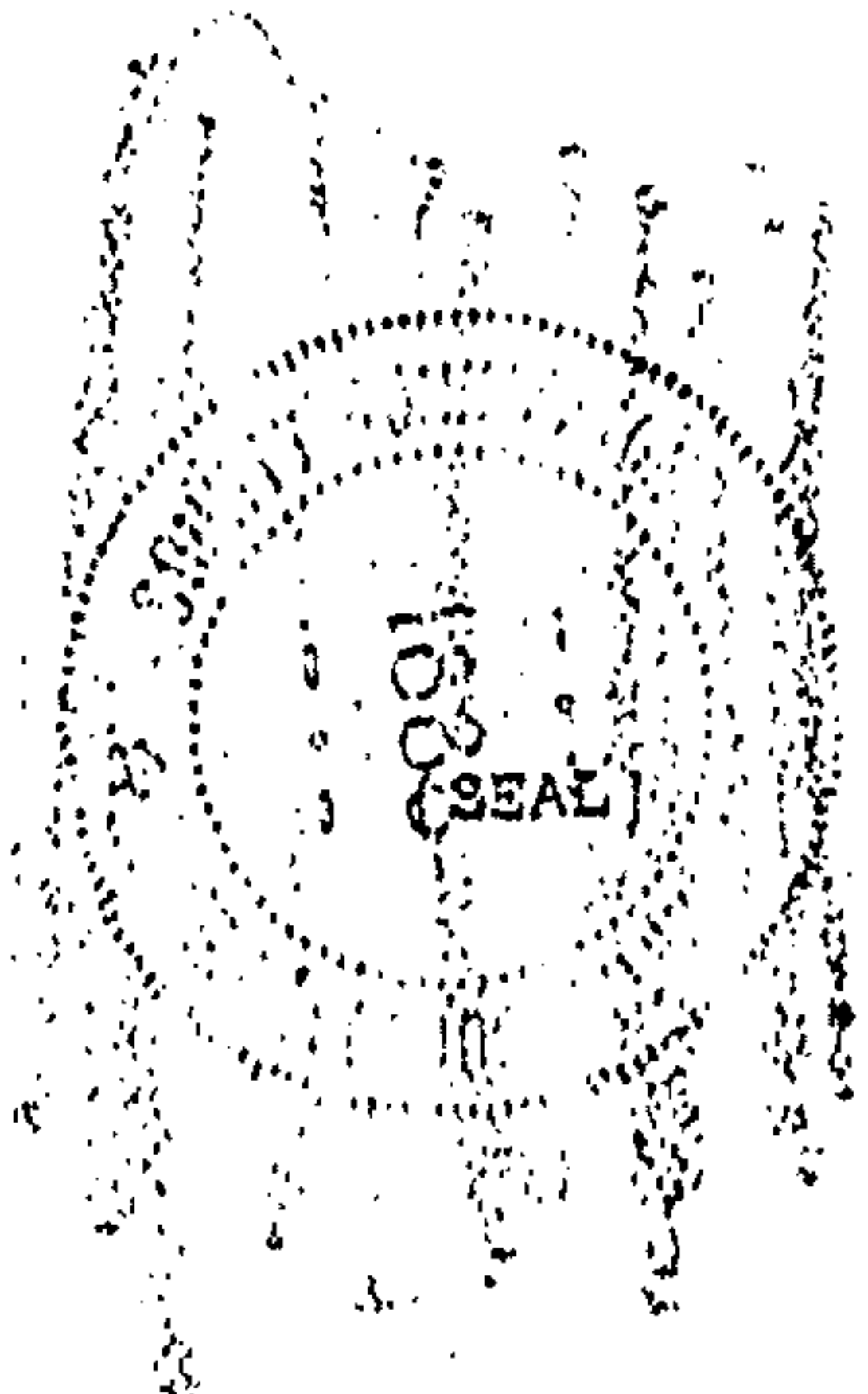


public, in compliance with all legal requirements of the State of Maryland and the Act.

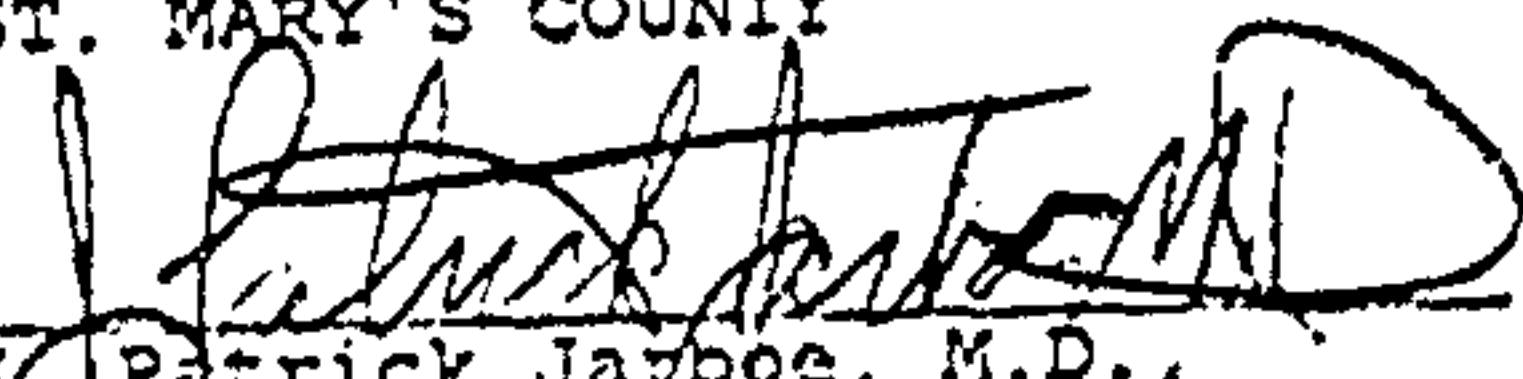
SECTION IV. This Resolution is intended to constitute (i) the "some other similar official action" toward the issuance of revenue bonds for the Project pursuant to the Act within the meaning of Section 1.103-8(a)(5) of the Income Tax Regulations prescribed by the United States Treasury Department, as applied to "small-issue" industrial development bonds pursuant to rulings of the Internal Revenue Service, (ii) the resolution described in Section 266D(d) of the Act and (iii) the public approval of the bonds described in Section II hereof required by Section 147(f) of the Internal Revenue Code of 1986 (Section 103(k) of the Internal Revenue Code of 1954), which approval follows a public hearing held before the Board of County Commissioners of the County on October 28, 1986, notice of which was published in a newspaper of general circulation in the County on October 10 and 15, 1986, in substantially the form set forth in Exhibit 2 to this resolution, which public approval shall be deemed to contain the information set forth in Exhibit 2 to this resolution, which information is expressly incorporated herein.


SECTION V. This Resolution shall be in full force and take effect immediately upon its adoption.


Adopted: October 28, 1986





COUNTY COMMISSIONERS  
ST. MARY'S COUNTY

  
J. Patrick Jarboe, M.D.,  
President

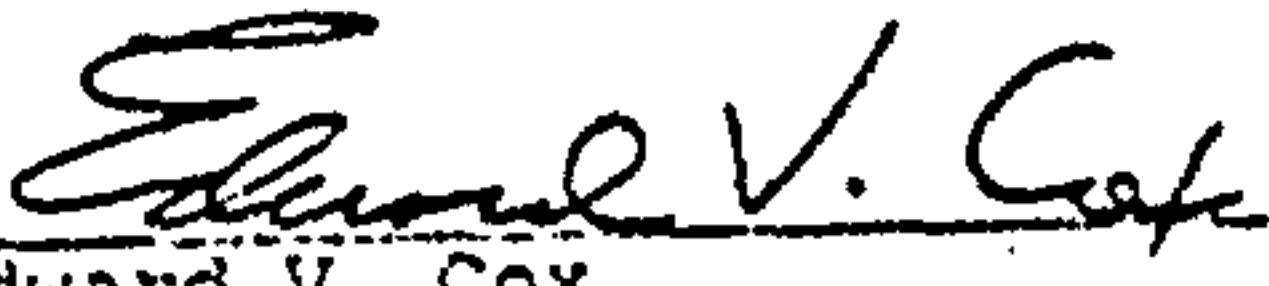
  
J. Laurence Millison,  
Vice President

  
Ford L. Dean, Commissioner

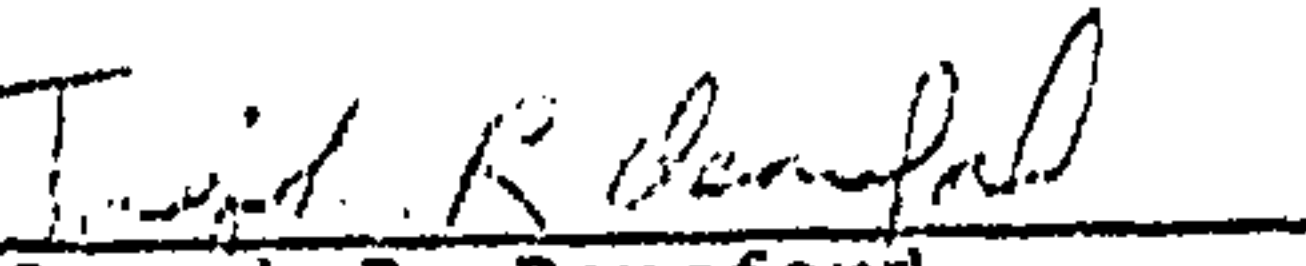
  
David F. Sayre, Commissioner

  
William Edward Bailey,  
Commissioner

ATTEST:

  
Edward V. Cox,  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

  
Joseph R. Densford,  
Assistant County Attorney

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43003-000



AGREEMENT TO ISSUE BONDS

This Agreement entered into this 28th day of October, 1986, by and between County Commissioners of St. Mary's County, a body politic and corporate and a political subdivision of the State of Maryland (the "Issuer"), and Arko Aquaculture Limited Partnership, a Maryland limited partnership, with Arko Development Systems Limited, a District of Columbia corporation, as its general partner (the "Project Owner"), to relieve conditions of unemployment, to encourage the increase of industry and commerce and a balanced economy, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State of Maryland, to promote economic development and generally to promote the health, welfare, and safety of the residents of St. Mary's County and the State of Maryland under the following circumstances:

- A. The Project Owner desires to finance costs of a facility (the "Project") which will include the acquisition, construction and equipping of an aquaculture production, processing and marketing facility to be located in St. Mary's County, Maryland. The Project will be owned by the Project Owner and will consist of the acquisition of approximately 500 acres of land and

the construction and equipping of a fish hatchery, fingerling ponds and tanks, grow-out ponds and tanks and a processing plant, together with related storage and distribution facilities and financing and legal costs.

B. The Project Owner has requested that the Issuer issue economic development revenue bonds pursuant to the Maryland Economic Development Revenue Bond Act, Section 266A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Act"), in an aggregate principal amount not to exceed \$5,000,000 (the "Bonds"), to assist in the financing of the Project, and is agreeable to making payments to the Issuer sufficient to pay all the principal of and premium, if any, and interest on the Bonds.

C. The Issuer is willing to issue the Bonds and desires to obtain the economic benefits from the Project. As an inducement to and in consideration of the Project Owner's plan with respect to the Project, the Issuer and the Project Owner agree as follows:

1. The Project Owner shall commence and continue to cause to be commenced and continued, the acquisition, construction and equipping of the Project as soon as feasible and the Project Owner will



provide, or cause to be provided, at its own expense, the necessary interim financing to permit acquisition, construction and equipping of the Project to commence and continue. Upon the issuance of the Bonds, the Issuer and the Project Owner will enter into one or more agreements (the "Financing Agreement") with respect to the Project and the financing thereof. The Financing Agreement shall be in the form of a loan, a conditional or installment sale agreement, or a lease with the option to purchase and may contain such terms and conditions as provided or permitted under the Act.

Provided, however, that the Financing Agreement shall require payment sufficient to pay the principal of and premium, if any, and interest on the Bonds as may be issued with respect to the Project, or a portion thereof, which is subject to the Financing Agreement. In order to secure the payment of the principal of and premium, if any, and interest on the Bonds, the Issuer may also enter into a mortgage or other security agreement with the Project Owner which shall have such terms and conditions as may be provided or permitted under the Act. The Issuer shall not have any financial responsibility with respect to the Bonds or the Project except from revenue actually

derived by the Issuer with respect to the Bonds and the Project under the Financing Agreement or any mortgage or security agreement.

2. Upon receipt of a request from the Project Owner, the Issuer will promptly issue the Bonds in one or more series, maturing in such amounts and times, bearing interest at such rate or rates, payable on such dates and containing such optional and mandatory redemption features and prices as are requested by the Project Owner and will deliver the Bonds to the purchaser or purchasers thereof and cooperate to its fullest extent in consummating the transaction. The Issuer will enter into such trust agreement or trust indenture as may be necessary to the issuance of the Bonds with such terms and conditions as provided or permitted under the Act.

3. In order to induce the Issuer to execute and deliver this Agreement, and ultimately to issue the Bonds, the Project Owner hereby represents and agrees:

a. The assistance to be provided under this Agreement and the commitments thereto made by the Issuer have induced the Project Owner to



UBER 005 202342

locate the Project within the boundaries of the Issuer and will create additional jobs and employment opportunities therein.

b. The Act provides that the Issuer shall incur no pecuniary liability in connection with this transaction. Accordingly, the Project Owner will defend, indemnify and hold the Issuer and any and all officials thereof harmless against any and all losses, costs, expenses, claims, or actions arising out of or connected with the execution of this Agreement, the Financing Agreement, any mortgage or security agreement, any trust agreement or trust indenture and the preparation of, proceedings for, and the issuance, sale or delivery of the Bonds.

c. The Project Owner will pay all costs of the Issuer related to this Agreement, the Financing Agreement, any mortgage or security agreement, any trust agreement or trust indenture and the Bonds, including, without limitation, the fees and expenses of bond counsel to the Issuer, regardless of whether the Bonds are actually issued, sold and delivered.

4. This Agreement <sup>ISSR 005 PAGE 343</sup> will be binding upon the Project Owner, its successors and assigns.

5. This Agreement is intended to constitute a "letter of intent or similar agreement" with the Issuer as referred to in Section 266A(h) of the Act.



IN WITNESS WHEREOF, the Issuer, pursuant to the Resolution duly adopted on October 28, 1986, by the Board of County Commissioners, has caused this Agreement to be executed by at least three (3) County Commissioners and the Project Owner has caused it to be executed, all as of the date and year first above written.

COUNTY COMMISSIONERS  
ST. MARY'S COUNTY

(SEAL)

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

ATTEST:

\_\_\_\_\_  
Edward V. Cox,  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
Joseph R. Densford,  
Assistant County Attorney

WITNESS:

ARKO AQUACULTURE LIMITED  
PARTNERSHIP

\_\_\_\_\_

\_\_\_\_\_  
Ulysses J. Montgomery,  
President, Arko Development  
Systems Limited  
General Partner

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NOTICE OF PUBLIC HEARING

Tuesday, October 28, 1986

Board of County Commissioners' Conference Room

St. Mary's County Governmental Center

Route 245, Leonardtown, Maryland 20650

11:00 a.m.

ECONOMIC DEVELOPMENT REVENUE BOND

Notice is hereby given that at 11:00 a.m. on Tuesday, October 28, 1986, the Board of County Commissioners of St. Mary's County will hold a public hearing on an inducement resolution of County Commissioners of St. Mary's County to issue economic development revenue bonds in an amount not to exceed \$5,000,000.

The proceeds of the sale of the bonds will be used for the purpose of financing the acquisition, construction and equipping of:

Facility: An aquaculture production, processing and marketing facility on approximately 500 acres of land, including a fish hatchery of approximately 20,000 square feet, approximately 40 fingerling and grow-out ponds and tanks, and a processing plant of approximately 10,000 square feet, together with related storage and distribution facilities.

Location: All or a portion of the following sites in St. Mary's County:

1. Hewins Farm, located off Bull Road, approximately 1 mile east of Maryland Route 243, the access road to Society Hill Subdivision, otherwise known as Breton Bay in Leonardtown, Maryland.

2. Aquafood International, Inc. site at Piney Point, located off Maryland Route 249, approximately 1 mile south of Tall Timber Marina Road and approximately 100 yards north of the entrance to Steuart Petroleum, and bounded by Maryland Route 249 and St. George's Creek.

3. Medley Neck Farm at Posey's Bluff, located off Breton Beach Road (Maryland Route 244) approximately 5 miles south of Leonardtown immediately past the entrance to Maryland Rock



Industries and bounded by the Potomac River and Breton Beach Road.

Owner: Arko Aquaculture Limited Partnership, a Maryland limited partnership, with Arko Development Systems Limited, a District of Columbia corporation, as its general partner.

The revenue bonds are to be issued and sold pursuant to the Maryland Economic Development Revenue Bond Act, Sections 266A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland (1982 Replacement Volume and 1985 Supplement), as limited obligations of County Commissioners of St. Mary's County, payable solely from revenues received in connection with the financing or refinancing of the facility described above and from any other moneys that may be made available to the County for such purposes. The revenue bonds will not pledge the full faith and credit or taxing powers of the County and will not create any pecuniary liability of the County.

Interested individuals are invited to attend this public hearing and may express their views, either orally or in writing, on the proposed issue of bonds and the location and nature of the facility proposed to be financed. Individuals wishing (1) to be placed on the advanced speaker's list to testify at the public hearing, (2) to receive copies of the resolution or (3) to submit written comments should contact David W. Morgan, Economic Development Coordinator, P.O. Box 653, Governmental Center, Leonardtown, Maryland 20650. Written comments must be received no later than 4:00 p.m., Monday, October 20, 1986.

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AGREEMENT TO ISSUE BONDS

This Agreement entered into this 28th day of October, 1986, by and between County Commissioners of St. Mary's County, a body politic and corporate and a political subdivision of the State of Maryland (the "Issuer"), and Arko Aquaculture Limited Partnership, a Maryland limited partnership, with Arko Development Systems Limited, a District of Columbia corporation, as its general partner (the "Project Owner"), to relieve conditions of unemployment, to encourage the increase of industry and commerce and a balanced economy, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State of Maryland, to promote economic development and generally to promote the health, welfare, and safety of the residents of St. Mary's County and the State of Maryland under the following circumstances:

- A. The Project Owner desires to finance costs of a facility (the "Project") which will include the acquisition, construction and equipping of an aquaculture production, processing and marketing facility to be located in St. Mary's County, Maryland. The Project will be owned by the Project Owner and will consist of the acquisition of approximately 500 acres of land and the construction and equipping of a fish hatchery, fingerling ponds and tanks, grow-out ponds and tanks and a processing plant, together with related storage



and distribution facilities and financing and legal costs.

B. The Project Owner has requested that the Issuer issue economic development revenue bonds pursuant to the Maryland Economic Development Revenue Bond Act, Section 266A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Act"), in an aggregate principal amount not to exceed \$5,000,000 (the "Bonds"), to assist in the financing of the Project, and is agreeable to making payments to the Issuer sufficient to pay all the principal of and premium, if any, and interest on the Bonds.

C. The Issuer is willing to issue the Bonds and desires to obtain the economic benefits from the Project. As an inducement to and in consideration of the Project Owner's plan with respect to the Project, the Issuer and the Project Owner agree as follows:

1. The Project Owner shall commence and continue to cause to be commenced and continued, the acquisition, construction and equipping of the Project as soon as feasible and the Project Owner will provide, or cause to be provided, at its own expense, the necessary interim financing to permit acquisition, construction and equipping of the

Project to commence and continue. Upon the issuance of the Bonds, the Issuer and the Project Owner will enter into one or more agreements (the "Financing Agreement") with respect to the Project and the financing thereof. The Financing Agreement shall be in the form of a loan, a conditional or installment sale agreement, or a lease with the option to purchase and may contain such terms and conditions as provided or permitted under the Act.

Provided, however, that the Financing Agreement shall require payment sufficient to pay the principal of and premium, if any, and interest on the Bonds as may be issued with respect to the Project, or a portion thereof, which is subject to the Financing Agreement. In order to secure the payment of the principal of and premium, if any, and interest on the Bonds, the Issuer may also enter into a mortgage or other security agreement with the Project Owner which shall have such terms and conditions as may be provided or permitted under the Act. The Issuer shall not have any financial responsibility with respect to the Bonds or the Project except from revenue actually derived by the Issuer with respect to the Bonds and the Project under the Financing Agreement or any mortgage or security agreement.



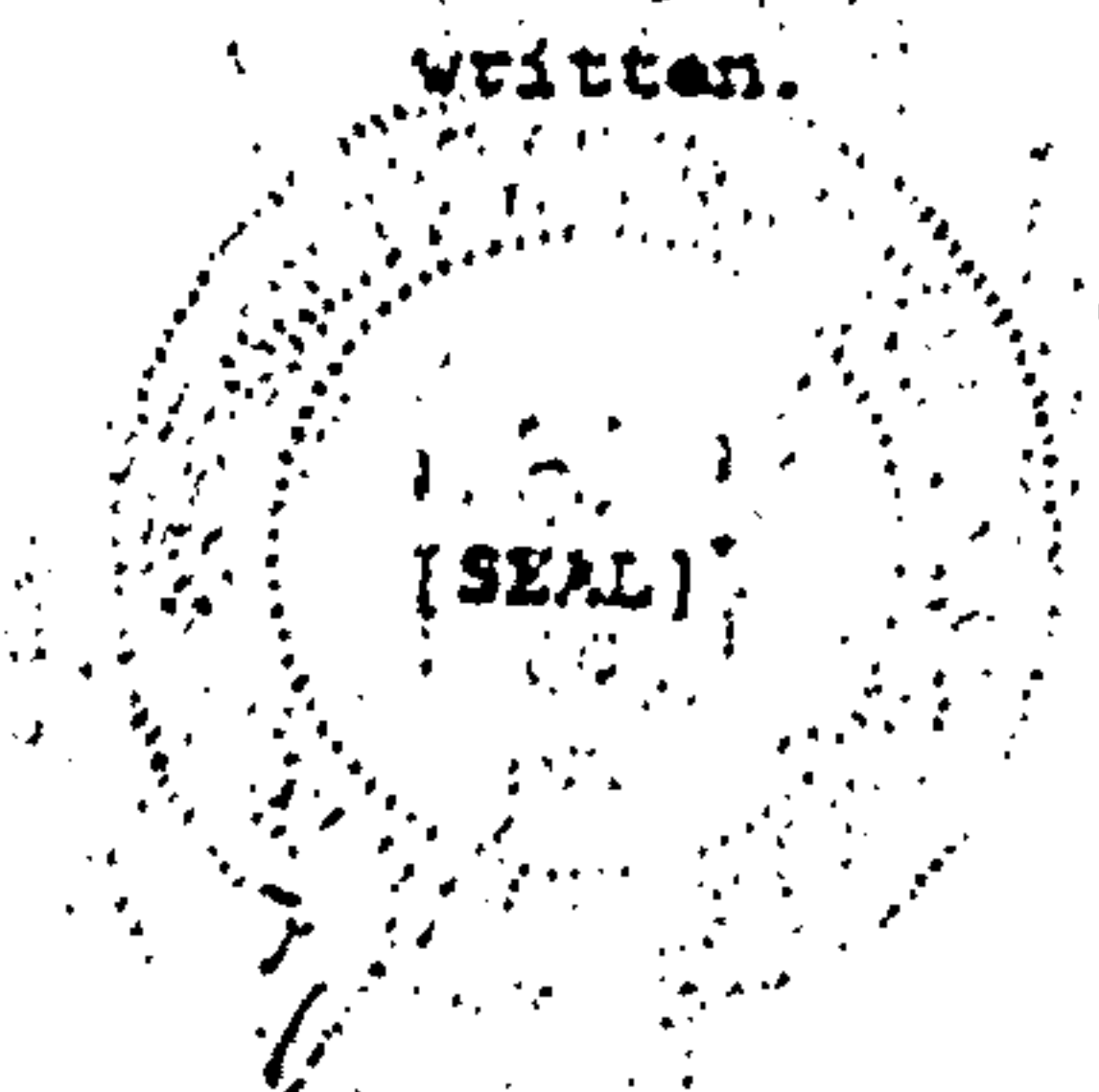
2. Upon receipt of a request from the Project Owner, the Issuer will promptly issue the Bonds in one or more series, maturing in such amounts and times, bearing interest at such rate or rates, payable on such dates and containing such optional and mandatory redemption features and prices as are requested by the Project Owner and will deliver the Bonds to the purchaser or purchasers thereof and cooperate to its fullest extent in consummating the transaction. The Issuer will enter into such trust agreement or trust indenture as may be necessary to the issuance of the Bonds with such terms and conditions as provided or permitted under the Act.
  
3. In order to induce the Issuer to execute and deliver this Agreement, and ultimately to issue the Bonds, the Project Owner hereby represents and agrees:
  - a. The assistance to be provided under this Agreement and the commitments thereto made by the Issuer have induced the Project Owner to locate the Project within the boundaries of the Issuer and will create additional jobs and employment opportunities therein.

- b. The Act provides that the Issuer shall incur no pecuniary liability in connection with this transaction. Accordingly, the Project Owner will defend, indemnify and hold the Issuer and any and all officials thereof harmless against any and all losses, costs, expenses, claims, or actions arising out of or connected with the execution of this Agreement, the Financing Agreement, any mortgage or security agreement, any trust agreement or trust indenture and the preparation of, proceedings for, and the issuance, sale or delivery of the Bonds.
- c. The Project Owner will pay all costs of the Issuer related to this Agreement, the Financing Agreement, any mortgage or security agreement, any trust agreement or trust indenture and the Bonds, including, without limitation, the fees and expenses of bond counsel to the Issuer, regardless of whether the Bonds are actually issued, sold and delivered.
4. This Agreement will be binding upon the Project Owner, its successors and assigns.



5. This Agreement is intended to constitute a "letter of intent or similar agreement" with the Issuer as referred to in Section 266A(h) of the Act.

IN WITNESS WHEREOF, the Issuer, pursuant to the Resolution duly adopted on October 28, 1986, by the Board of County Commissioners, has caused this Agreement to be executed by at least three (3) County Commissioners and the Project Owner has caused it to be executed, all as of the date and year first above written.



COUNTY COMMISSIONERS  
ST. MARY'S COUNTY

*Patrick J. [Signature]*  
Commissioner

*Laurence [Signature]*  
Commissioner

*David F. [Signature]*  
Commissioner

ATTEST:

*Edward V. Cox*  
Edward V. Cox,  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford,  
Assistant County Attorney

WITNESS:

*[Signature]*

ARKO AQUACULTURE LIMITED  
PARTNERSHIP

*[Signature]*  
Ulisses D. Montgomery,  
President, Arko Development  
Systems Limited  
General Partner

W2M163.txt  
31:02:10/27/86,43003-000

Ret'd to:  
Judy Landram  
Office of Co. Administrator

NOV 12 1986

MARY R. BELL, CLERK

Subj: ZPUD #86-1058  
FIRST TIDEWATER DEVELOPMENT  
CORPORATION, INC.

RESOLUTION

3:01PM 11/19/86 CO.COM \$0.00

WHEREAS, FIRST TIDEWATER DEVELOPMENT CORPORATION, INC., has made application to designate a parcel of land as PD-CP, Planned Development -- Commercial Park, containing approximately 27.6 acres, and a second parcel of land as PDR 5.0, Planned Development Residential, containing approximately 52.3 acres, located on the southeast corner of the intersection of Maryland Route 235 and Old Rolling Road in California, as shown on Tax Map 34, Block 23, Parcel 99 in the Eighth Election District of St. Mary's County, Maryland. The matter is identified as Case No. 86-1058.

WHEREAS, following publication of notice and notification of property owners within 200 feet of the subject parcel by certified mail, the St. Mary's County Planning Commission conducted a public hearing on the request on August 11, 1986.

WHEREAS, following deliberation, the Planning Commission, on September 22, 1986, by a unanimous vote, recommended to the Board of County Commissioners of St. Mary's County that designation of the subject property as PD-CP and PDR 5.0 be granted, subject to certain conditions.

WHEREAS, the Board of County Commissioners, after publication of notice and notification of all property owners within 200 feet of the subject parcel by certified mail, conducted a public hearing on the request on October 21, 1986.

WHEREAS, the Board of County Commissioners deliberated on the application at a public meeting held on November 5, 1986.

WHEREAS, the PD-CP and PDR 5.0 zoning classifications are "floating zones" and therefore not subject to the "change or mistake" rule set forth in Article 66B of the Maryland Annotated Code and the St. Mary's County Zoning Ordinance.

WHEREAS, the Board of County Commissioners finds that the designation of the subject property as PD-CP and PDR 5.0 will encourage innovative and creative design of residential and commercial development; facilitate use of the most advantageous construction techniques; and maximize the conservation and efficient use of open space and natural features. It will further the purposes and provisions of the Comprehensive Plan and conserve public fiscal resources; efficiently utilize public facilities and resources; and provide a broad range of housing and economic opportunities to present and future residents of St. Mary's County.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 12th day of November, 1986, that the subject property is hereby designated as PD-CP and PDR 5.0 as set



No. Z-86-16

LSER 005 PAGE 354

Subj: ZPUD #86-1058  
FIRST TIDEWATER DEVELOPMENT  
CORPORATION, INC.

(Page 2 of 2)

forth on the Concept Plan for the subject property prepared by D. H. Steffens  
Company dated June 1986, Job No. SM08-3424, subject to the following conditions:

- (1) That Old Rolling Road is improved to THREE (3) lanes from Route 235 to the first road into the project off Old Rolling Road; and
- (2) That a bypass lane is constructed at the intersection of Old Rolling Road and Barefoot Drive when Barefoot Drive is constructed.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

Patrick Jarbo  
PATRICK JARBO, M.D., President

Larry Millison  
LARRY MILLISON, Vice President

W. Edward Bailey  
W. EDWARD BAILEY, Commissioner

Ford L. Dean  
FORD L. DEAN, Commissioner

David F. Sayre  
DAVID F. SAYRE, Commissioner

ATTEST:

Edward V. Cox  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

Joseph R. Densford  
JOSEPH R. DENSFORD  
Assistant County Attorney

The undersigned applicant hereby accepts the conditions set forth  
above for designation of the subject property as PD-CP and PDR 5.0, which shall  
be binding on the applicant, together with its successors and assigns.

ATTEST:

Keith A. Bell  
Secretary

FIRST TIDEWATER DEVELOPMENT  
CORPORATION, INC.

By: Robert L. Brown  
President

Ret'd to Patricia Guy

NOV 18 1986

MARY R. BELL, CLERK

No. Z-86-17

Subj: ZONE #86-0183  
TEXT CHANGES TO ZONING ORDINANCE  
AND SUBDIVISION REGULATIONS  
(Clusters, NCUs and Penalties)

LBCEA 0015 PAGE 355

RESOLUTION

11:12AM 11/21/86A CC.COM \$0.00

WHEREAS, Article 66B of the Annotated Code of Maryland, as amended, empowers the County Commissioners to enact a Zoning Ordinance and Subdivision Regulations and to provide for their administration, enforcement, and amendment; and

WHEREAS, The Board of County Commissioners did, on the 28th day of May, 1974, adopt a St. Mary's County Zoning Ordinance, and on the 15th day of March, 1978 adopted the St. Mary's County Subdivision Regulations for the purpose of promoting the health, safety, morals, and general welfare of the County; and

WHEREAS, the Zoning Ordinance and Subdivision Regulations have been amended from time to time; and

WHEREAS, The Zoning Ordinance was significantly updated on the 7th day of June, 1978 and the Subdivision Regulations were amended in June, 1982; and

WHEREAS, The Board of County Commissioners recognizes that, from time to time, situations arise which require clarification and amendment to certain portions of the Zoning Ordinance and Subdivision Regulations; and

WHEREAS, the Planning Commission, after publication of notice, conducted a public hearing on March 24, 1986 regarding these text changes, and, following deliberation, recommended to the Board of County Commissioners on May 26, 1986 that these text changes on Clusters, NCUs and Penalties be adopted; and

WHEREAS, The Board of County Commissioners, after publication of notice, conducted a public hearing on August 12, 1986 and, after deliberation, approved these proposed text changes on November 12, 1986:

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND, this 18th day of November, 1986, that the Zoning Ordinance and Subdivision Regulations be, and they hereby are, amended as follows:

ZONING ORDINANCE:

(1) Section 42.01.b (Cluster Development)

Add: "If the density bonus is utilized, a public hearing must be conducted by the Planning Commission. In order to determine the net density allowed by not clustering, the applicant must submit a Concept Plan of sufficient detail to adequately demonstrate the number of lots which the site could accommodate through a noncluster arrangement of lots.

Delete second sentence, "Streets, wetlands, public and private, existing water bodies, and slope greater than 30% are excluded from density calculations."

(2) Section 48.02 (Authority to Continue Nonconforming Uses)

Change line 7 to read: "...continued consistent with current restrictions, standards and limitations of the applicable use."

(3) Section 48.03.5 (Regulations of Nonconforming Uses)

Add: "In all cases, however, IF EXPANDED, the Board of Appeals, to the extent practicable, shall require the noncomplying



1986 005 356 2-86-17

Subj: ZONE #86-0183  
TEXT CHANGES TO ZONING ORDINANCE  
AND SUBDIVISION REGULATIONS  
(Clusters, NCUs and Penalties)  
(Page 2 of 2)

structure and a nonconforming use to meet the design standards and locational limitations of the zoning district normally required for the specific building or use."

(4) Section 71.04.1 (Penalties)

Change to read: "1. Any person, firm or corporation who violates any of the provisions of this Ordinance or fails to comply with any of the requirements herein; or who constructs or alters any building not in accordance with plan approved under the regulations herein; or defaces, removes or destroys an official warning, safety or stop work signs; or who interferes with or threatens in any manner any person engaged in the performance of a duty required by the terms of this Ordinance; shall be guilty of a misdemeanor and shall be liable to a fine not to exceed \$1,000 per day that the violations exist."

SUBDIVISION REGULATIONS:

(1) 4.11 (Clusters)

Add to A: "If a public hearing is required..." and  
Add "C. An appeal of the Planning Commission approval of a cluster plan must be made within thirty (30) days to the Circuit Court of St. Mary's County, Maryland."

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND

*J. Patrick Jarboe*  
J. PATRICK JARBOE, M.D., President

*Larry Millison*  
LARRY MILLISON, Vice President

*W. Edward Bailey*  
W. EDWARD BAILEY, Commissioner

*Forbes L. Dean*  
FORBES L. DEAN, Commissioner

*David F. Sayre*  
DAVID F. SAYRE, Commissioner

ATTEST:

*Edward V. Cox*  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
JOSEPH R. DENSFORD  
Assistant County Attorney

Ret'd to: Patricia Guy

NOV 21 1986

MARY R. BELL, CLERK

Subj: SPEC #86-1543  
 TEXT CHANGE TO ZONING ORDINANCE  
 RE: RESOURCE CONSERVATION AREA  
 DISTRICT REGULATIONS  
 (CRITICAL AREA CRITERIA)

RESOLUTION

WHEREAS, Natural Resources Article 8-1808 of the Annotated Code of Maryland empowers St. Mary's County to enact Zoning Regulations for the implementation of State promulgated Critical Area Criteria, and to provide for their administration, enforcement, and amendment; and

WHEREAS, from time to time the Board of County Commissioners of St. Mary's County deems it necessary, in order to protect the health, safety, and welfare of its citizens, to amend various parts of the Zoning Ordinance and Subdivision Regulations; and

WHEREAS, said State promulgated Critical Area Criteria 1) delimit a preliminary Critical Area as all land within 1,000 feet of the heads of tides, 2) restrict the extent of limited and intense development within the Critical Area to 5% of the determined Resource Conservation Area as of December 1, 1985, and 3) require local jurisdictions to, insofar as possible, comply with the limits of the Criteria prior to the adoption of local Critical Area Programs; and

WHEREAS, a limited moratorium on building development is necessary to ensure such compliance with said Criteria; and

WHEREAS, after holding a public hearing on October 21, 1986, regarding Resource Conservation Area zoning regulations for new development within that portion of St. Mary's County located within 1,000 feet of the heads of tides, the Board of County Commissioners of St. Mary's County have determined that the Zoning Ordinance should be so amended as to include such zoning regulations;

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED, this 25th day of November, 1986, that the Zoning Ordinance be, and it hereby is amended to add the following:

"38.07 RESOURCE CONSERVATION AREA (RCA) 11:00AM 12/03/86 CD.COM 30.00  
 (CRITICAL AREA)

1. PURPOSE

Resource Conservation Area Special Districts are created to support resource utilization and recreation activities in areas dominated by farmland, forests, wetlands, and barren land. The intent of the RCA District is to protect these lands and activities for the water quality and habitat protection benefits they provide. New industrial and commercial facilities are not permitted in the RCA zone. Land management practices consistent with agriculture, forestry and habitat protection are encouraged within this zone, as are agricultural and conservation easements. Increasing total acreage of woodland shall be encouraged. Existing zoning regulations governing sediment control and stormwater management shall be strictly enforced in the RCA District.



No. Z-86-18

USER 005 PAGE 358

Subj: SPEC #86-0543  
TEXT CHANGE TO ZONING ORDINANCE  
RE: RESOURCE CONSERVATION AREA  
DISTRICT REGULATIONS  
(CRITICAL AREA CRITERIA)

(Page 2 of 3)

2. PERMITTED USES

- a. Agriculture
- b. Single Family Dwelling

3. LOT SIZE REQUIREMENTS

Density shall be limited to one dwelling unit per twenty (20) acres except when:

- a. Private wetlands located on a property are used in determining the density of development on that property provided that:

- (1) the density of development on the upland portion of the property does not exceed one dwelling unit per eight acres; and
- (2) State Wetlands Maps are used to determine the extent of private wetlands.

- b. The property being developed is within a subdivision created in conjunction with an intrafamily transfer of land, in which case the following conditions shall apply:

- (1) A covenant shall run with the deed which states that the subdivision was for the purpose of creating a bona fide intrafamily transfer.
- (2) Conveyance of the lot to a third party as security for a mortgage or deed of trust is not prohibited by this Ordinance.
- (3) Once a transfer is made to a family member, a subsequent transfer cannot be made unless to a member of the owner's immediate family, except when:
  - (a) The lot was created as part of a bona fide transfer and not with the intent of subdividing for commercial sale; and
  - (b) A change in circumstances has occurred since the original transfer which warrants an exception. Such change warranting an exception must be consistent with the purpose and intent of this section of the Zoning Ordinance.
- (4) Intrafamily transfers may only be made from parcels of land that were on record as of November 1, 1986, and which are 7 or more acres or less than sixty (60) acres in size. On such lands the following conditions shall apply to intrafamily transfers:
  - (a) A parcel that is 7 or more acres and less than 12 acres in size may be subdivided into 2 lots.
  - (b) A parcel that is 12 or more acres and less than 60 acres in size may be subdivided into 3 lots.

Subj: SPEC #86-1543  
TEXT CHANGE TO ZONING ORDINANCE  
RE: RESOURCE CONSERVATION AREA  
DISTRICT REGULATIONS  
(CRITICAL AREA CRITERIA)  
(Page 3 of 3)

- (c) The lots may be created at any time.
- (d) No greater subdivision of such parcels may be allowed.

4. EFFECTIVE DATE

These RCA District Regulations shall apply to all proposals for building development submitted after October 1, 1986. All plans having concept, preliminary, or final approval, and all minor subdivision applications received prior to this date are exempt. All commercial marine zoned districts and uses are also exempt.

BE IT FURTHER RESOLVED that the zoning district classification of all lands within St. Mary's County within 1,000 feet of the heads of tides are hereby rezoned to the classification of RESOURCE CONSERVATION AREA (RCA) DISTRICT.

BOARD OF COUNTY COMMISSIONERS  
OF ST. MARY'S COUNTY, MARYLAND  
*Patrick Jakobe*  
PATRICK JAKOBE, M.D., Commissioner

LARRY MILLISON, Vice President

*W. Edward Bailey*  
W. EDWARD BAILEY, Commissioner

*For L. Dean*  
FOR L. DEAN, Commissioner

*David F. Sayre*  
DAVID F. SAYRE, Commissioner

ATTEST:

*Edward V. Cox*  
EDWARD V. COX  
County Administrator

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
JOSEPH R. DENSFORD  
Assistant County Attorney

*Patricia B. Guy*

DEC 03 1986

MARY R. BELL, CLERK



RESOLUTION

WHEREAS, Robert E. Pogue and Lucy L. Pogue by deed dated December 31, 1949 (recorded at CBG 24, Folio 303) conveyed to the County Commissioners of St. Mary's County the property described therein and which is commonly referred to as the Bushwood Wharf property; and

WHEREAS, the precise boundaries of the Bushwood Wharf property are not clearly determined by surveys in relation to the property of Robert E. Pogue and Lucy L. Pogue and to the property of James Carroll Boyd; and

WHEREAS, the Bushwood Wharf property has served without interruption for over thirty-five (35) years several public purposes including a boat launching ramp, a wharf for commercial watermen, and general recreation; and

WHEREAS, the Bushwood Wharf property does not meet the current zoning regulation of a minimum of five (5) acres for a public facility of this type containing only one-third (1/3) of an acre, more or less, on which are situated a public wharf, a boat ramp, and parking area; and

WHEREAS, the insufficient size of the Bushwood Wharf property is the cause of crowded use by members of the public resulting in trespass and damage to adjoining property; and

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners that an immediate search will begin to find a replacement site of adequate size to serve the public needs subject to the following understandings:

1. That until such time as a replacement site is found and a replacement facility is developed, the present Bushwood Wharf property shall continue at its present usage, with the County enforcing the public's orderly use thereof.
2. That upon the establishment of a replacement facility, the Bushwood Wharf property shall be returned by quit claim deed to Robert E. Pogue and Lucy L. Pogue, or their heirs, successors and assigns. The property to be so returned will be determined by survey and mutual agreement of three parties namely Robert E. Pogue and Lucy L. Pogue, or their heirs, successors and assigns; James Carroll Boyd, or his heirs, successors and assigns; and the County Commissioners. The conveyance of a portion of said property to James Carroll Boyd shall not be precluded, if mutually agreed to by the same three parties.
3. That in the event mutual agreement as to the boundaries of said property cannot be reached, the matter of the boundaries shall be referred to a court of competent jurisdiction for resolution. The court shall be asked to designate which portion of the Bushwood Wharf property shall be conveyed to Robert E. Pogue and Lucy L. Pogue or their heirs, successors and assigns, and which, if any, shall be conveyed to James Carroll Boyd, or his heirs, successors and assigns.

This Date: December 9, 1986

BOARD OF COUNTY COMMISSIONERS  
ST. MARY'S COUNTY, MARYLAND  
*Patrick Jarboe*  
Patrick Jarboe, M.D., President

*Larry Millison*  
Larry Millison, Vice-President

*W. Edward Bailey*  
W. Edward Bailey, Commissioner

*Ford L. Dean*  
Ford L. Dean, Commissioner

*David F. Sayre*  
David F. Sayre, Commissioner

ATTEST:

*Edward V. Cox*  
Edward V. Cox, County Administrator

10137AM12/15/86A CD.COM \$0.00

APPROVED AS TO LEGAL SUFFICIENCY:

*Joseph R. Densford*  
Joseph R. Densford  
Assistant County Attorney

Ret'd to: *Judy Landram*  
Office of Co. Administrator

DEC 15 1986

MARY R. BELL, CLERK

SUBJ: County Commissioners of  
St. Mary's County Public  
Facilities Refunding Bonds  
of 1986.

LCR 005 PAGE 361

COUNTY COMMISSIONERS OF ST. MARY'S COUNTY

RESOLUTION NO. 86- 29

A RESOLUTION of County Commissioners of St. Mary's County (the "County") authorizing the issuance and sale of Four Million Nine Hundred Forty-Five Thousand Dollars (\$4,945,000) aggregate principal amount of serial maturity, general obligation bonds (the "1986 Refunding Bonds") under the provisions of Chapter 705 of the Laws of Maryland of 1981 and Section 24 of Article 31 of the Annotated Code of Maryland (1986 Replacement Volume) and, the 1986 Refunding Bonds to be designated "County Commissioners of St. Mary's County Public Facilities Refunding Bonds of 1986", the net proceeds of the sale thereof to be used for the purpose of providing funds to advance refund the (i) \$850,000 aggregate principal amount of the County's Public Facilities Bonds of 1984 dated October 1, 1984 which mature on or after October 1, 1995 (the "1984 Refunded Bonds") and (ii) \$3,120,000 aggregate principal amount of the County's Public Facilities Bonds of 1985, dated October 1, 1985 which mature on or after October 1, 1996 (the "1985 Refunded Bonds") prescribing the form and tenor of the 1986 Refunding Bonds and the terms and all other matters relating to the issuance of the 1986 Refunding Bonds; providing for the sale of the 1986 Refunding Bonds at private (negotiated) sale without advertisement or publication of notice of sale or solicitation of competitive bids; providing for the disbursement of the proceeds of the 1986 Refunding Bonds; providing for the appointment of an Escrow Deposit Agent and the execution and delivery of an Escrow Deposit Agreement; providing for the levy and collection of any taxes necessary for the prompt payment of the maturing principal of and interest on the 1986 Refunding Bonds, and providing that the full faith and credit and taxing power of County Commissioners of St. Mary's County shall be irrevocably pledged to the payment of such principal and interest; and generally relating to the issuance, sale, delivery and payment of the 1986 Refunding Bonds.

10:37AM 12/15/86A CC.COM \$0.00

RECITALS

Chapter 705 of the Laws of Maryland of 1981 (the "County Enabling Act"), enables County Commissioners of St.



Mary's County, a body politic and corporate and a political subdivision of the State of Maryland (the "County"), to issue bonds on the full faith and credit of the County.

Section 24 of Article 31 of the Annotated Code of Maryland (1986 Replacement Volume) (the "Refunding Bond Enabling Act") authorizes any County that has the power under any public general or public local law to borrow money to issue bonds for the purpose of refunding any of its bonds then outstanding, including the payment of any redemption premium and any interest accrued or to accrue to the date of redemption, purchase or maturity of the bonds or other obligations. The authority to issue refunding bonds under such section is additional and supplemental to the issuer's existing borrowing power. The proceeds of refunding bonds issued under such section may be deposited in trust with a trust company or other banking institution as trustee, in a trust established in the name of the issuer. Money in the trust fund may be invested and reinvested in direct obligations of, or obligations the principal of and the interest on which are guaranteed by the United States of America or in certificates of deposit or time deposits secured by direct obligations or obligations the principal of, and the interest on which, are guaranteed by, the United States of America.

On October 24, 1984, the County issued \$1,700,000 aggregate principal amount of its Public Facilities Bonds of

1984, dated October 1, 1984 (the "1984 Bonds") pursuant to the County Enabling Act and Resolution R-84-26 adopted by the Board of County Commissioners on September 11, 1984 (the "1984 Resolution"). The 1984 Bonds were issued to provide funds for (i) the purpose of paying at maturity \$645,000 outstanding principal amount of the County's General Obligation Bond Anticipation Notes, Series 1982 and (ii) to pay the cost of financing certain library, school, recreation and other capital projects. On October 22, 1985 the County issued \$4,365,000 aggregate principal amount of its Public Facilities Bonds of 1985 dated October 1, 1985 (the "1985 Bonds") pursuant to the County Enabling Act and Resolution R-85-22 adopted by the Board of County Commissioners on September 17, 1985 (the "1985 Resolution"). The 1985 Bonds were issued to provide funds to pay the cost of financing a detention center, museum addition, a parking lot and certain school and health capital projects.

The County has been advised by Baker, Watts & Co., its financial advisor, that total debt service costs to the County with respect to the 1984 Refunded Bonds and the 1985 Refunded Bonds will be reduced by \$208,539 by the County's issuing refunding bonds in the aggregate principal amount of \$4,945,000 in accordance with the proposal of Alex. Brown & Sons Incorporated and by applying the proceeds thereof to discharge and satisfy the indebtedness evidenced by (i) those 1984 Bonds which mature on or after October 1, 1995 (the "1984 Refunded



Bonds") and (ii) those 1985 Bonds which mature on or after October 1, 1996 (the "1985 Refunded Bonds"). After the delivery of the 1986 Refunding Bonds as provided for herein, the 1984 Bonds which mature on or before October 1, 1994 (the "1984 Outstanding Bonds") in the amount of \$780,000 will remain outstanding and the 1985 Bonds which mature on or before October 1, 1995 (the "1985 Outstanding Bonds") in the amount of \$1,245,000 will remain outstanding.

The net proceeds of the 1986 Refunding Bonds will be deposited in trust with Mercantile-Safe Deposit and Trust Company, as Escrow Deposit Agent, pursuant to an Escrow Deposit Agreement. Under the terms of the Escrow Deposit Agreement, the net proceeds of the 1986 Refunding Bonds will be used to purchase direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by the United States of America or certificates of deposit or time deposits fully collateralized by direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by the United States of America in such amounts and maturing at stated fixed prices as to principal and interest at such times so that sufficient moneys will be available from such maturing principal and interest to (i) redeem on October 1, 1994, at the redemption price of 103% of the principal amount thereof and to pay interest when due on the \$850,000 aggregate principal amount of the 1984 Refunded

Bonds and (ii) redeem on October 1, 1995, at the redemption price of 103 $\frac{1}{4}$  of the principal amount thereof and to pay interest when due on the \$3,120,000 aggregate principal amount of the 1985 Refunded Bonds.

BE IT RESOLVED BY COUNTY COMMISSIONERS OF ST. MARY'S COUNTY:

Section 1. The County, acting pursuant to the authority of the County Enabling Act and the Refunding Bond Enabling Act, hereby determines to issue and sell, upon its full faith and credit, its serial maturity, general obligation bonds in the aggregate principal amount of Four Million Nine Hundred Forty-Five Thousand Dollars (\$4,945,000), to be designated "County Commissioners of St. Mary's County Public Facilities Refunding Bonds of 1986" (the "1986 Refunding Bonds"), the net proceeds of such sale to be used to purchase direct obligations of, or obligations the principal of and the interest on which are guaranteed by the United States of America or certificates of deposit or time deposits secured by direct obligations or obligations the principal of and the interest on which, are guaranteed by the United States of America in such amounts and maturing at stated fixed prices as to principal and interest at such times as will be sufficient (i) to redeem on October 1, 1994 at a redemption price of 103 $\frac{1}{4}$  of the principal amount thereof and to pay interest when due on the \$850,000 principal amount of the County's Public Facilities



Bonds of 1984, maturing on or after October 1, 1995 (the "1984 Refunded Bonds") and (ii) to redeem on October 1, 1995 at a redemption price of 103% of the principal amount thereof and to pay interest when due on the \$3,120,000 principal amount of the County's Public Facilities Bonds of 1985, maturing on or after October 1, 1996 (the "1985 Refunded Bonds"). After the issuance of the 1986 Refunding Bonds as provided for herein, Public Facilities Bonds of 1984 maturing on or before October 1, 1994 (the "1984 Outstanding Bonds") in the aggregate principal amount of \$850,000 will remain outstanding and Public Facilities Bonds of 1985 maturing on or before October 1, 1995 (the "1985 Outstanding Bonds") in the aggregate principal amount of \$1,245,000 will remain outstanding.

Section 2. The 1986 Refunding Bonds shall be dated December 1, 1986, and shall be issued only as fully registered bonds in the denominations of \$5,000 or any integral multiple thereof and shall be consecutively numbered from one upward (e.g. 1, 2, 3, etc.) in the order of their maturity. The 1986 Refunding Bonds shall mature, subject to prior redemption as hereinafter provided, in annual serial installments on October 1, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1987	\$125,000	4.00%	1997	\$455,000	6.15%
1988	50,000	4.30	1998	490,000	6.30
1989	55,000	4.60	1999	515,000	6.40
1990	60,000	4.80	2000	325,000	6.50
1991	55,000	5.00	2001	350,000	6.60
1992	65,000	5.20	2002	370,000	6.70
1993	60,000	5.40	2003	390,000	6.75
1994	70,000	5.60	2004	420,000	6.80
1995	215,000	5.80	2005	445,000	6.90
1996	430,000	6.00			

Section 3. (a) The 1986 Refunding Bonds which mature on or before October 1, 1996, shall not be subject to redemption prior to their maturities. The 1986 Refunding Bonds which mature on or after October 1, 1997, shall be subject to redemption beginning October 1, 1996, as a whole at any time or in part on any interest payment date, and, if in part, in the inverse order of their maturities, at the option of the County, at the following redemption prices, expressed as percentages of the principal amount of the 1986 Refunding Bonds to be redeemed, together with interest accrued to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
October 1, 1996 to September 30, 1997	102 1/2
October 1, 1997 to September 30, 1998	101 1/2
October 1, 1998 to September 30, 1999	101
October 1, 1999 to September 30, 2000	100 1/2
October 1, 2000 and thereafter	100

(b) If less than all of the 1986 Refunding Bonds of any one maturity shall be called for redemption, the particular 1986 Refunding Bonds or portion of 1986 Refunding Bonds to be



redeemed from such maturity shall be selected by lot by the Bond Registrar and Paying Agent appointed by Section 16 hereof.

(c) Not less than thirty (30) days prior to the date of redemption of any 1986 Refunding Bonds the County shall cause notice of such redemption to be mailed, postage prepaid, to all registered owners of 1986 Refunding Bonds to be redeemed at their addresses as they appear on the registration books hereinafter provided for; provided, however, that the failure to so mail such notice to any such registered owners or any defect in the notice so mailed or in the mailing thereof shall not affect the validity of the proceeding for the redemption of the 1986 Refunding Bonds. The redemption notice shall state (i) whether the 1986 Refunding Bonds are to be redeemed in whole or in part and, if in part, the maturities and numbers of the 1986 Refunding Bonds to be redeemed; (ii) that the interest on the 1986 Refunding Bonds shall cease to accrue on the date fixed for redemption; (iii) the date fixed for redemption and the redemption price; and (iv) that the 1986 Refunding Bonds to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the principal corporate trust office of the Bond Registrar and Paying Agent. If, on the date fixed for redemption, notice has been given as provided in this section and monies for payment of the redemption price are held by the Bond Registrar and Paying Agent, then the 1986 Refunding Bonds so called for redemption shall become and be due and

payable at such redemption price, and from and after the date fixed for redemption in the notice of call for redemption, interest on such 1986 Refunding Bonds so called for redemption shall cease to accrue. If any such 1986 Refunding Bond is not paid upon presentation in accordance with this Resolution, then such 1986 Refunding Bond shall continue to bear interest at the rate stated in such 1986 Refunding Bond until paid.

(d) If less than all of a 1986 Refunding Bond in a denomination in excess of \$5,000 is redeemed, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof, for the unredeemed balance of the principal amount of such 1986 Refunding Bond, at the option of the registered owner, 1986 Refunding Bonds in any authorized denomination specified by the registered owner. The amount of 1986 Refunding Bonds so issued shall not exceed the unredeemed balance of the principal amount of the 1986 Refunding Bonds surrendered and the 1986 Refunding Bonds so issued shall bear the same interest rate and mature on the same date as the unredeemed balance of the 1986 Refunding Bond surrendered.

Section 4. The 1986 Refunding Bonds shall bear interest from December 1, 1986 at the rates set forth in Section 2 of this Resolution. The interest shall be payable on July 1, 1987 (7 months' interest) and semi-annually on each January 1 and July 1 thereafter until the date of maturity or the date of prepayment of such 1986 Refunding Bonds, whichever is earlier.



Section 5. The 1986 Refunding Bonds, when issued, shall be executed in the name and on behalf of the County by the facsimile signature of the President of the Board of County Commissioners of St. Mary's County and a facsimile seal of the County shall be imprinted on each of the 1986 Refunding Bonds, attested by the facsimile signature of the County Administrator. The facsimiles of the signatures of the President and the County Administrator of the Board of County Commissioners of St. Mary's County and the facsimile of the seal of the County shall be engraved, printed or lithographed on each of the 1986 Refunding Bonds in accordance with, and pursuant to the authority of, Sections 2-301 to 2-306, inclusive, of the State Finance and Procurement Article of the Annotated Code of Maryland (1985 Volume and 1986 Supplement). If any officer whose facsimile signature appears on any 1986 Refunding Bond shall cease to be such officer before delivery of such 1986 Refunding Bond, such signature shall, nevertheless, be valid and sufficient for all purposes as if the officer had remained in office until such delivery. Each 1986 Refunding Bond shall be authenticated by the manual signature of an authorized officer of the Bond Registrar and Paying Agent. No 1986 Refunding Bond issued hereunder shall be valid for any purpose or constitute an obligation of the County unless so authenticated.

There shall be printed on each 1986 Refunding Bond the text of the approving legal opinion of bond counsel with respect to the 1986 Refunding Bonds. Such printed text shall be certified, in the name of the County, to be a correct copy of said opinion by the facsimile signature of the President of the Board of County Commissioners of St. Mary's County.

Section 6. The 1986 Refunding Bonds shall be negotiable instruments for all purposes and shall be transferable by delivery subject only to the provisions for registration and registration of transfer endorsed on the 1986 Refunding Bonds as hereinafter provided.

The County shall cause books for registration and the registration of transfer of 1986 Refunding Bonds to be prepared. The registration books shall be kept by the Bond Registrar and Paying Agent for the purpose of registering the 1986 Refunding Bonds and the transfers of the 1986 Refunding Bonds. The holder of any 1986 Refunding Bond may register such 1986 Refunding Bond only upon such books.

The 1986 Refunding Bonds shall be transferable only upon the registration books kept at the principal corporate trust office of the Bond Registrar and Paying Agent, by the registered owner thereof in person, or by his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer in the form attached thereto and satisfactory to the Bond Registrar and Paying Agent and duly



executed by the registered owner or his duly authorized attorney. Upon surrender of any 1986 Refunding Bond at the principal corporate trust office of the Bond Registrar and Paying Agent, together with a written instrument of transfer described above, such 1986 Refunding Bond may be exchanged for an equal aggregate principal amount of 1986 Refunding Bonds in any authorized denominations, bearing interest at the same rate and having the same stated maturity date.

In all cases in which 1986 Refunding Bonds shall be exchanged hereunder, the County shall execute and the Bond Registrar and Paying Agent shall authenticate and deliver at the earliest practicable time 1986 Refunding Bonds in accordance with the provisions of this Resolution. All 1986 Refunding Bonds surrendered in any such exchange shall forthwith be cancelled by the Bond Registrar and Paying Agent. The Commission or the Bond Registrar and Paying Agent may make a charge for every such exchange of 1986 Refunding Bonds sufficient to reimburse it for any tax, fee or other governmental charge, shipping charge and insurance that may be required to be paid with respect to such exchange, but no other charge shall be made to any holder for the privilege of exchanging 1986 Refunding Bonds under the provisions of this Resolution.

Neither the County nor the Bond Registrar and Paying Agent shall be required to register the transfer of any Bond or

portion thereof or make any such exchange of any 1986 Refunding Bond after mailing of notice calling such 1986 Refunding Bond or any portion thereof for redemption; provided, however, that this limitation shall not apply to that portion of a 1986 Refunding Bond in excess of \$5,000 which is not being called for redemption.

The County and the Bond Registrar and Paying Agent may deem and treat the person in whose name any 1986 Refunding Bond shall be registered as the absolute owner thereof (whether or not such 1986 Refunding Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the County or the Bond Registrar and Paying Agent) for the purpose of receiving payment of or on account of the principal or redemption price of such 1986 Refunding Bond, and for all other purposes and neither the County nor the Bond Registrar and Paying Agent shall be affected by any notice to the contrary. All such payments so made to any such registered owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such 1986 Refunding Bond.

Section 7. The principal of the 1986 Refunding Bonds shall be payable to the person appearing on the registration books of the County provided for herein as the registered owner thereof, such principal to be payable at the principal



corporate trust office of the Bond Registrar and Paying Agent, upon presentation and surrender of such 1986 Refunding Bonds, on the date such principal is payable or if such date is not a Business Day (defined herein) then on the next succeeding Business Day. Payment of the interest on the 1986 Refunding Bonds shall be made by check mailed by the Bond Registrar and Paying Agent on or before each interest payment date (or if such date is not a Business Day, on the next succeeding Business Day) to the persons in whose names such 1986 Refunding Bonds shall be registered as of the fifteenth (15th) day of the month immediately preceding each interest payment date, notwithstanding any transfer or exchange of such 1986 Refunding Bonds subsequent to such date, at their addresses as they appear on the registration books of the County; provided, however, that if and to the extent that there is a default in the payment of the interest due on any interest payment date, such defaulted interest may be paid to the persons in whose names the 1986 Refunding Bonds are registered at the close of business on a subsequent date established by the Bond Registrar and Paying Agent, notice of which shall be mailed first-class, postage prepaid, to the registered owners of the 1986 Refunding Bonds not less than ten (10) days prior such date, which date shall be not less than ten (10) nor more than fifteen (15) days prior the date set for the payment of such defaulted interest, or may be paid at any time in any other lawful manner not

inconsistent with the requirements of any securities exchange on which the 1986 Refunding Bonds may be listed and upon such notice as may be required by such exchange.

"Business Day" means any day other than a Saturday, Sunday or day on which banking institutions under the laws of the state governing the Bond Registrar and Paying Agent are authorized or obligated by law or required by executive order to remain closed.

Section 8. Except as provided hereinafter or in resolutions of the Board of County Commissioners adopted prior to the issuance of the 1986 Refunding Bonds, the 1986 Refunding Bonds shall be in substantially the following form, which form, together with all of the covenants and conditions therein contained, is hereby adopted by the County as and for the form of obligation to be incurred by the County, and said covenants and conditions, including the promises to pay therein contained, are hereby made binding upon the County.



USER 005 PAGE 376

(Form of Bond)  
[BOND FACE]

UNITED STATES OF AMERICA  
STATE OF MARYLAND

No. R- \_\_\_\_\_

\$ \_\_\_\_\_

COUNTY COMMISSIONERS OF ST. MARY'S COUNTY  
PUBLIC FACILITIES REFUNDING BONDS OF 1986

Maturity Date    Interest Rate    Dated Date    CUSIP  
December 1, 1986

Registered Owner:

Principal Amount:

Dollars

County Commissioners of St. Mary's County, a body politic and corporate and a political subdivision of the State of Maryland (the "County"), hereby acknowledges itself indebted for value received, and promises to pay to the registered owner shown above or his registered assigns or legal representative, on the Maturity Date shown above (unless this bond shall be redeemable, shall have been called for prior redemption and payment of the redemption price made or provided for), or, if such day is not a Business Day (hereinafter defined) then on the next succeeding Business Day, upon presentation and surrender of this bond at the principal corporate trust office of The First National Bank of Maryland, Baltimore, Maryland (the "Bond Registrar and Paying Agent"), the principal amount shown above in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts and to pay to the registered owner hereof by check or draft payable in like coin or currency, mailed to such registered owner at his address as it appears on the bond registration books kept by the Bond Registrar and Paying Agent (the "Bond Register"), interest on such principal amount at the interest rate per annum shown above until payment of such principal amount or until the prior redemption hereof, such interest being payable on July 1 and January 1 in each year commencing July 1, 1987 (seven month's interest), accounting from the most recent date to which interest has been paid or, if no interest has been paid, from December 1, 1986. All interest due on this bond shall be payable to the registered owner in whose name this bond is registered on the Bond Register as of the close of business on the Regular Record Date for such interest payment, which shall be the 15th day of the month immediately preceding each interest payment date and shall be

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75200-8

made by check mailed by the Bond Registrar and Paying Agent on or before the interest payment date (or if such date is not a Business Day, on the next succeeding interest payment date) to such person at his address as it appears on the Bond Register; provided, however, that if and to the extent that there is a default in the payment of interest due on any interest payment date, such defaulted interest may be paid to the person in whose name this bond is registered as of the close of business on a date fixed by the Bond Registrar and Paying Agent for such defaulted interest payment (the "Special Record Date") (which date shall be not less than 10 nor more than 15 days prior to the date set for the payment of such interest) notice whereof being given by letter mailed first class, postage prepaid, to the registered owner not less than 30 days prior to such Special Record Date, at the addresses of such registered owners appearing on the Bond Register, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the bonds of this series may be listed and upon such notice as may be required by such exchange.

"Business Day" means a day other than a Saturday, Sunday or a day on which banking institutions under the laws of the state governing the Bond Registrar and Paying Agent are authorized or obligated by law or required by executive order to remain closed.

ADDITIONAL PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE SIDE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HEREIN.

The full faith and credit and unlimited taxing power of County Commissioners of St. Mary's County are hereby unconditionally pledged to the payment of this bond and of the interest payable hereon according to its terms, and the County does hereby covenant and agree to pay punctually the principal of this bond and the interest hereon on the dates and in the manner prescribed herein, according to the true intent and meaning hereof.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened, and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland and the Resolution (as defined on the reverse hereof), and that the issue of bonds, of which this bond is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the State of Maryland and that due provision has been made for the levy and collection of an annual ad valorem tax or taxes upon all the legally assessable property within the corporate limits of the County in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on this bond.

This bond shall not become obligatory for any purpose or be entitled to any benefit under the above-mentioned laws until this bond shall have been authenticated by an authorized officer of the Bond Registrar and Paying Agent.



IN WITNESS WHEREOF, County Commissioners of St. Mary's County has caused this bond to be executed in its name by the facsimile signature of the President of the Board of County Commissioners and by its corporate seal imprinted hereon in facsimile, attested by the facsimile signature of the County Administrator all as of the first day of December, 1986.

COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY

By [Facsimile Signature]  
President, Board of County  
Commissioners

( S E A L )

ATTEST: [Facsimile Signature]  
County Administrator

This bond is one of the registered bonds of County Commissioners of St. Mary's County Public Facilities Refunding Bonds of 1986.

THE FIRST NATIONAL BANK OF  
MARYLAND, Bond Registrar and  
Paying Agent

Date of  
Authentication: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Officer

## [REVERSE SIDE OF BOND]

This bond is one of a duly authorized issue of bonds of the County aggregating \$4,945,000 in principal amount, which are in denominations of \$5,000 each or any integral multiple thereof, all dated December 1, 1986, and designated as "County Commissioners of St. Mary's County Public Facilities Refunding Bonds of 1986" (the "Bonds"), which mature serially in installments on the first day of October in each of the years 1987 to 2005, inclusive, as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>
1987	\$125,000	1997	\$455,000
1988	50,000	1998	490,000
1989	55,000	1999	515,000
1990	60,000	2000	325,000
1991	55,000	2001	350,000
1992	65,000	2002	370,000
1993	60,000	2003	390,000
1994	70,000	2004	420,000
1995	215,000	2005	445,000
1996	430,000		

The Bonds are numbered from one consecutively upward in order of maturity and within each maturity and are of like tenor and effect except as to maturity, number, interest rate, denomination and redemption provisions and are issued pursuant to and in full conformity with the provisions of Chapter 705 of the Laws of Maryland of 1981, Section 24 of Article 31 of the Annotated Code of Maryland (1986 Replacement Volume) and by virtue of due proceedings had and taken by the Board of County Commissioners of St. Mary's County, particularly a resolution adopted by the County on December 10, 1986 (the "Resolution").

Bonds which mature on or after October 1, 1997, are subject to redemption beginning October 1, 1996, as a whole at any time or in part on any interest payment date, in the inverse order of maturities, at the option of the County, at the following redemption prices, expressed as percentages of the principal amount of the Bonds to be redeemed, together with interest accrued to the date fixed for redemption:

<u>Redemption Period (both dates inclusive)</u>	<u>Redemption Price</u>
October 1, 1996 to September 30, 1997	102%
October 1, 1997 to September 30, 1998	101 1/2
October 1, 1998 to September 30, 1999	101
October 1, 1999 to September 30, 2000	100 1/2
October 1, 2000 to and thereafter	100



If less than all of the Bonds of any one maturity are called for redemption, the particular Bonds or portion of Bonds to be redeemed from such maturity will be selected by lot by the Bond Registrar and Paying Agent.

When less than all of a Bond in a denomination in excess of \$5,000. is so redeemed, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof, for the unredeemed balance of the principal amount of such Bond, at the option of such owner, Bonds in any of the authorized denominations as specified by the registered owner, the aggregate face amount of such Bonds not to exceed the unredeemed balance of the principal amount of the Bond surrendered, and to bear the same interest rate and to mature on the same date as the unredeemed balance of the Bond surrendered.

If the County elects to redeem all or a portion of the Bonds outstanding, it will give a redemption notice to the registered owners of the Bonds to be redeemed by letter mailed first class, postage prepaid, at least thirty (30) days prior to the date fixed for redemption to the addresses of such registered owners appearing on the Bond Register; provided, however, that the failure to mail the redemption notice or any defect in the notice so mailed, or in the mailing thereof, shall not affect the validity of the redemption proceedings. The redemption notice shall state (i) whether the Bonds are redeemed in whole or in part and, if in part, the maturities and numbers of the Bonds to be redeemed, (ii) that the interest on the Bonds to be redeemed shall cease on the date fixed for redemption, (iii) the date fixed for redemption and the redemption price and (iv) that the Bonds to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the principal corporate trust office of the Bond Registrar and Paying Agent. From and after the date fixed for redemption, if notice has been given as provided in the Resolution, and if monies for the payment of the redemption price and accrued interest are available on such date, the Bonds designated for redemption shall cease to bear interest. Upon presentation and surrender for redemption in compliance with the redemption notice, the Bonds to be redeemed shall be paid by the Bond Registrar and Paying Agent at the redemption price. If they are not paid upon presentation, the Bonds designated for redemption shall continue to bear interest at the rates stated therein until paid. All Bonds redeemed and paid will be cancelled.

This bond will be transferable only upon the Bond Register, by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer in the form attached hereto and satisfactory to the Bond Registrar and Paying Agent and duly executed by the registered owner or his duly authorized attorney. The County may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment

of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes.

This bond may be transferred or exchanged at the principal corporate trust office of the Bond Registrar and Paying Agent. Upon any transfer or exchange, the County shall, within a reasonable time, issue and the Bond Registrar and Paying Agent shall authenticate and deliver a new registered Bond or Bonds or any of the authorized denominations in an aggregate principal amount equal to the principal amount hereof and maturing on the same date and bearing interest at the same rate. In each case, the Bond Registrar and Paying Agent may require payment by the registered owner of this bond of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect to such transfer or exchange, but otherwise no charge shall be made to the registered owner hereof for the exchange or transfer.

The Bond Registrar and Paying Agent shall not be required to transfer or exchange this bond after the mailing of notice calling this bond or any portion hereof for redemption; provided, however, that this limitation shall not apply to any portion of this bond in excess of \$5,000 which is not being called for redemption.

The County and the Bond Registrar and Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof (whether or not this bond is overdue and notwithstanding any notation hereon made by anyone other than the County or the Bond Registrar and Paying Agent) for the purpose of receiving payment of or on account of the principal or redemption price of this bond, and for all other purposes, and neither the County nor the Bond Registrar and Paying Agent shall be affected by any notice to the contrary. All payments made to the registered owner hereof, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon this bond.



(Form of Assignment)  
ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

\_\_\_\_\_  
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

the within bond and all rights thereunder and does hereby constitute and appoint

\_\_\_\_\_ attorney to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

Notice: Signatures must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

LIBER 005 PAGE 383

(Form of Legal Certification)

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the complete approving legal opinion of Piper & Marbury, Baltimore, Maryland, with respect to the issue of bonds of which this bond is one, that the original of the approving legal opinion was manually executed, dated and issued as of the date of delivery of, and payment for, said issue of bonds and that an executed copy thereof is on file with the Bond Registrar and Paying Agent.

COMMISSIONERS OF ST. MARY'S COUNTY

By: (Facsimile Signature)  
President, Board of County  
Commissioners

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75266-8



Section 9. In view of the desirability of flexibility in the scheduling of the sale of the 1986 Refunding Bonds and taking into account present bond market conditions, interest rate levels on municipal bonds, and the proposal which has been received by the County for the sale of the 1986 Refunding Bonds at private sale, the 1986 Refunding Bonds, bearing the interest rates set forth in Section 2 of this Resolution, are hereby sold to Alex. Brown & Sons Incorporated, from which a proposal for the purchase of the 1986 Refunding Bonds has been received this date, at the price named in such proposal, namely, Four Million Eight Hundred Seventy-Eight Thousand Two Hundred Forty-Two Dollars and Fifty Cents (\$4,878,242.50), plus interest accrued from December 1, 1986 to the date of delivery of the 1986 Refunding Bonds.

The proposal submitted for the 1986 Refunding Bonds is accompanied by a certified check upon, or a cashier's or treasurer's or other official check of, a responsible banking institution, payable to "County Commissioners of St. Mary's County" in the amount of \$49,300. Such check will be collected and the proceeds thereof retained by the County for disbursement in accordance with Section 11 of this Resolution and applied in part payment for the 1986 Refunding Bonds, and no interest will be allowed upon the amount thereof, but, in the event Alex. Brown & Sons Incorporated shall fail to comply with the terms of its proposal, the proceeds of such check will be retained as and for full liquidated damages. The President

of the Board of County Commissioners and such other County officials as the President shall deem appropriate are hereby authorized to execute appropriate documents, if requested by the purchaser of the 1986 Refunding Bonds, to indicate the acceptance by the County of the proposal for the purchase of the 1986 Refunding Bonds on the conditions authorized by this Resolution.

The 1986 Refunding Bonds will be delivered as soon as practicable, upon due notice and at the expense of the County, at such place as may be agreed upon between the purchaser of the 1986 Refunding Bonds, upon payment of the purchase price for the 1986 Refunding Bonds stated in this Section 9, plus accrued interest to the date of delivery, less the deposit theretofore made. Such payment shall be made in Federal or other immediately available funds.

Section 10. The distribution of an Official Statement pertaining to the 1986 Refunding Bonds is hereby authorized, the final form of such Official Statement to be approved by the President of the Board of County Commissioners as evidenced by his signature thereon. The Official Statement shall be in substantially the form of the Preliminary Official Statement dated December 4, 1986 with such changes, modifications, additions and deletions as the President of the Board of County Commissioners may approve. The distribution of the Preliminary Official Statement is hereby approved.



The President of the Board of County Commissioners and such other County official as he shall deem appropriate are hereby authorized to execute on behalf of the County an escrow deposit agreement (the "Escrow Deposit Agreement") with Mercantile-Safe Deposit and Trust Company, which is hereby appointed escrow deposit agent (the "Escrow Deposit Agent") in substantially the form of the Escrow Deposit Agreement attached to this Resolution as Schedule 1 and filed in the official records of the County, with such changes, additions or modifications as shall be approved by the President, his execution thereof to be conclusive evidence of such approval.

Section 11. The County Administrator is hereby designated to receive payment on behalf of the County of the proceeds of the sale of the 1986 Refunding Bonds who shall deduct from the proceeds of the 1986 Refunding Bonds the amount, if any, paid on account of accrued interest on the 1986 Refunding Bonds which amount he shall set apart for payment on account of the first interest payment due on the 1986 Refunding Bonds.

On the date the 1986 Refunding Bonds are delivered in exchange for the purchase price thereof the County Administrator shall deposit with the Escrow Deposit Agent, cash in an amount sufficient to purchase direct obligations of, or obligations the timely payment of the principal of and interest on which is unconditionally guaranteed by the United States of America, the

principal of and interest on which will be sufficient without reinvestment (i) to redeem on October 1, 1994, at a price of 103% of the principal amount thereof, the 1984 Refunded Bonds and to pay the semi-annual interest payments when due on the 1984 Refunded Bonds on or before October 1, 1994 and (ii) to redeem on October 1, 1995, at a redemption price of 103% of the principal amount thereof, the 1985 Refunded Bonds and to pay the semi-annual interest payments when due on the 1985 Refunded Bonds on or before October 1, 1995. No portion of the proceeds of the 1986 Refunding Bonds shall be used to pay the principal of or the interest on the 1984 Outstanding Bonds or the 1985 Outstanding Bonds.

Section 12. Accountant's Certificate. Prior to the delivery of the 1986 Refunding Bonds, the County shall have received a certificate of a firm of independent certified public accountants, nationally recognized in the field of advance refunding of tax exempt obligations, verifying that the maturing principal amounts of the obligations held in the Escrow Deposit Fund and interest earned thereon will be sufficient (i) to redeem on October 1, 1994, at 103% of the principal amount thereof and to pay interest when due on the \$850,000 principal amount of 1984 Refunded Bonds and (ii) to redeem on October 1, 1995, at 103% of the principal amount thereof and to pay interest when due on the \$3,120,000 principal amount of 1985 Refunded Bonds.



Section 13. Redemption of the 1984 Refunded Bonds and the 1985 Refunded Bonds. Conditional only upon the delivery of and payment for the 1986 Refunding Bonds, the County hereby specifically and irrevocably elects (i) to redeem on October 1, 1994, the \$850,000 principal amount of the 1984 Refunded Bonds, at the redemption price of 103% of the principal amount thereof, plus interest accrued and unpaid to October 1, 1994, and hereby directs the Bond Registrar for the 1984 Refunded Bonds, at least 30 days before October 1, 1994, to cause to be published a notice of redemption substantially in the form attached hereto as Exhibit A at least once in a newspaper of general circulation in the City of Baltimore, Maryland and in a financial journal or newspaper published or circulating in the City of New York, New York and to be mailed, postage prepaid, to all registered owners of 1984 Refunded Bonds at their addresses as they appear on the registration books provided for in the 1984 Resolution and (ii) to redeem on October 1, 1995, the \$3,120,000 principal amount of the 1985 Refunded Bonds, at the redemption price of 103% of the principal amount thereof, plus interest accrued and unpaid to October 1, 1995, and hereby directs the Bond Registrar for the 1985 Refunded Bonds, at least 30 days before October 1, 1995, to cause to be published a notice of redemption substantially in the form attached hereto as Exhibit B at least once in a newspaper of general circulation in the City of Baltimore, Maryland and a financial

journal or newspaper published or circulating in the City of New York, New York and to be mailed, postage prepaid, to all registered owners of 1985 Refunded Bonds at their addresses as they appear on the registration books provided for in the 1985 Resolution. Mailing of any such notice of redemption shall not be a condition precedent to redemption and failure so to mail any such notice to any registered owner of 1984 Refunded Bonds or 1985 Refunded Bonds shall not affect the validity of the proceedings for the redemption of 1984 Refunded Bonds or 1985 Refunded Bonds. In the event the 1986 Refunding Bonds are not issued and delivered and payment is not received therefor, this Section shall be void and of no force and effect.

Section 14. For the purpose of paying the principal of and interest on the 1986 Refunding Bonds when due, the County shall levy or cause to be levied, for each and every fiscal year during which the 1986 Refunding Bonds may be outstanding, upon all real and tangible personal property within its corporate limits subject to assessment for unlimited County taxation, ad valorem taxes in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on the 1986 Refunding Bonds in each such fiscal year; and, if the proceeds from the taxes so levied in any fiscal year are inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up such deficiency. The full faith and credit and unlimited taxing



power of the County are hereby irrevocably pledged to the prompt payment of the principal of and interest on the 1986 Refunding Bonds as and when they become due and payable and to the levy and collection of the taxes hereinabove prescribed as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the 1986 Refunding Bonds. The County hereby covenants and agrees with each of the registered owners of the 1986 Refunding Bonds to levy and collect the taxes hereinabove prescribed and to take any further action that may be appropriate from time to time during the period that the 1986 Refunding Bonds remain outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and the interest due thereon. The County may apply to the payment of the principal of or interest on the 1986 Refunding Bonds any funds received by it from the State of Maryland or the United States of America or any governmental agency or instrumentality, or from any other source, if such funds are granted for the purpose of assisting the County in accomplishing the type of project or projects which the 1986 Refunding Bonds are issued to finance, and to the extent of any such funds received or receivable in any fiscal year, the taxes hereby required to be levied may be reduced proportionately.

Section 15. (a) The President of the Board of County Commissioners and the County Administrator shall be the

officials of the County responsible for the issuance of the 1986 Refunding Bonds within the meaning of the Arbitrage Regulations (defined herein). The President of the Board of County Commissioners and the County Administrator shall also be the officials of the County responsible for the execution and delivery (on the date of the issuance of the 1986 Refunding Bonds) of a certificate of the County (the "Section 148 Certificate") which complies with the requirements of Section 148 of the Internal Revenue Code of 1986, ("Section 148"), and the applicable regulations thereunder (the "Arbitrage Regulations"), and such officials are hereby authorized and directed to execute and deliver the Section 148 Certificate to counsel rendering an opinion on the validity of the 1986 Refunding Bonds on the date of the issuance of the 1986 Refunding Bonds.

(b) The County shall set forth in the Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the 1986 Refunding Bonds or of any moneys, securities or other obligations to the credit of any account of the County which may be deemed to be proceeds of the 1986 Refunding Bonds pursuant to Section 148 or the Arbitrage Regulations (collectively, the "Bond Proceeds"). The County covenants and agrees with the registered owners of the 1986 Refunding Bonds that the facts, estimates and circumstances set forth in the



Section 148 Certificate will be based on the County's reasonable expectations on the date of the issuance of the 1986 Refunding Bonds and will be, to the best of the certifying officials' knowledge, true and correct as of that date.

(c) The County covenants and agrees with the registered owners of the 1986 Refunding Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Bond Proceeds that would cause the 1986 Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148 and the Arbitrage Regulations. The County further covenants that it will comply with Section 148 of the Internal Revenue Code of 1986 and the regulations thereunder which are applicable to the 1986 Refunding Bonds on the date of issuance of the 1986 Refunding Bonds and which may subsequently lawfully be made applicable to the 1986 Refunding Bonds.

(d) The County further covenants that it shall make such use of the proceeds of the 1986 Refunding Bonds, regulate the investment of the proceeds thereof, and take such other and further actions as may be required to maintain the exemption from federal income taxation of interest on the 1986 Refunding Bonds. All officers, employees and agents of the County are hereby authorized and directed to take such actions, and to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the 1986 Refunding Bonds,

as may be necessary or appropriate from time to time to comply with, or to evidence the County's compliance with, the covenants set forth in this Section.

Section 16. The County hereby appoints The First National Bank of Maryland, Baltimore, Maryland as Bond Registrar and Paying Agent for the 1986 Refunding Bonds. The President of the County is hereby authorized to execute and deliver a Paying Agent and Bond Registrar Agreement between the County and The First National Bank of Maryland substantially in the form attached hereto as Schedule 2, with such changes as shall be approved by the President, his execution thereof to be conclusive evidence of such approval.

Section 17. Joseph P. O'Dell, the Director of Budget and Data Services of the County is hereby authorized to execute and file on behalf of the County a subscription for United States Treasury Obligations - State and Local Government Series. The authorization granted hereby shall be deemed to include the authorization to amend such subscription and take any action on behalf of the County necessary to purchase such obligations.

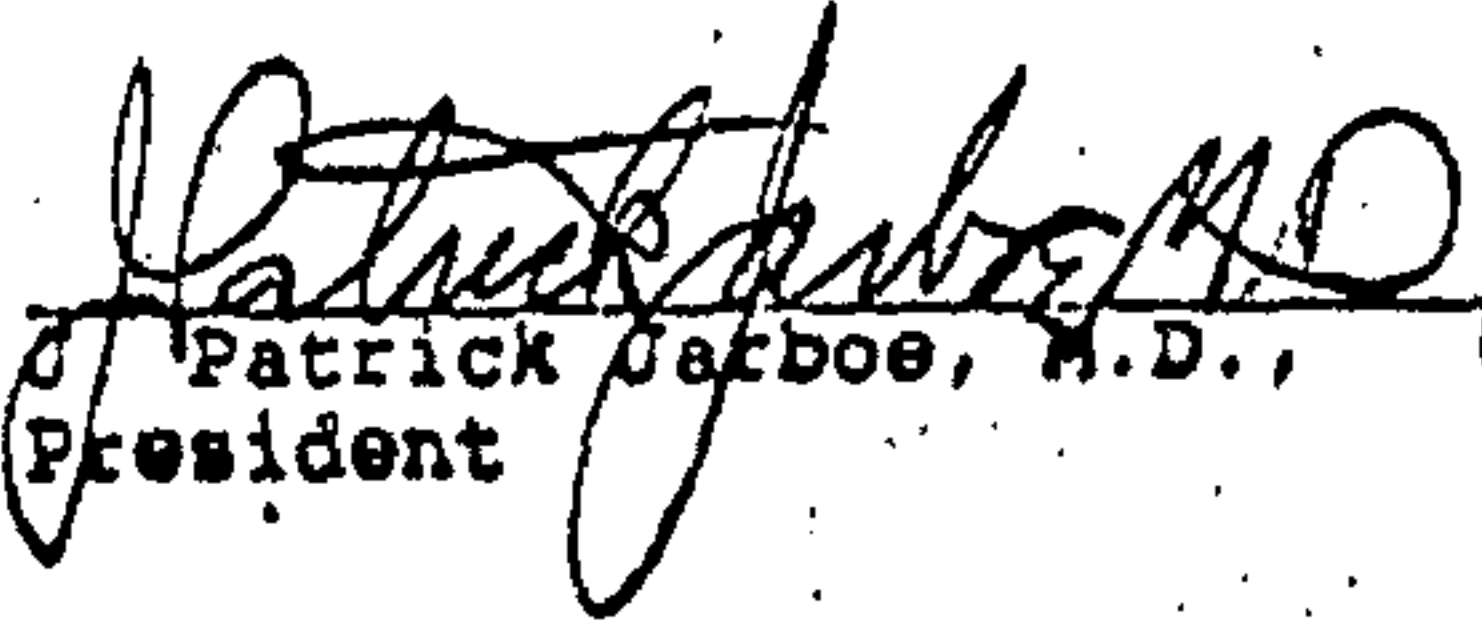


Section 18. This Resolution shall become effective immediately upon its passage.

ADOPTED this 10th day of December, 1986.

COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY

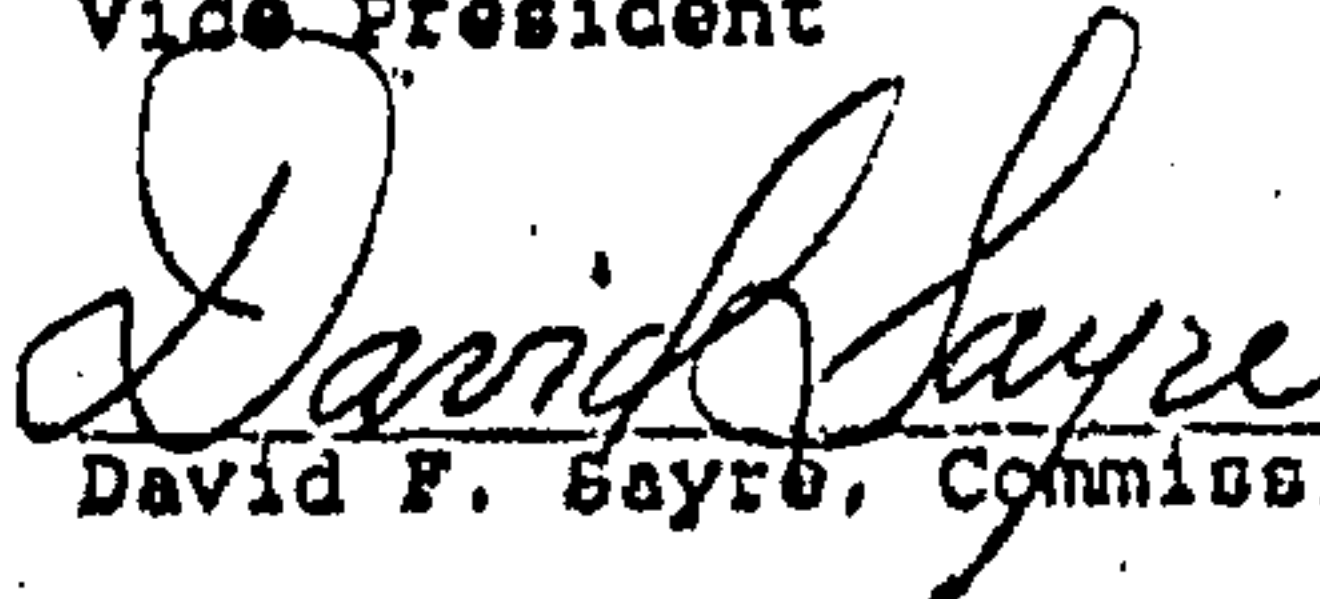
(SEAL)

  
Patrick Carbo, M.D.,  
President

ATTEST:

  
County Administrator

J. Laurence Millison,  
Vice President

  
David F. Sayre, Commissioner

  
Ford L. Dean, Commissioner

W. Edward Bailey, Commissioner

EXHIBIT A

NOTICE OF REFUNDING

COUNTY COMMISSIONERS OF ST. MARY'S COUNTY

PUBLIC FACILITIES BONDS OF 1984, DATED OCTOBER 1, 1984  
MATURING ON OR AFTER OCTOBER 1, 1995  
AND

PUBLIC FACILITIES BONDS OF 1985, DATED OCTOBER 1, 1985  
MATURING ON OR AFTER OCTOBER 1, 1996

NOTICE IS HEREBY GIVEN that there have been deposited in trust with the undersigned Escrow Deposit Agent, proceeds of certain refunding bonds issued by County Commissioners of St. Mary's County (the "County"), which proceeds have been invested in direct obligations of the United States of America, designated United States Treasury Obligations, State and Local Government Series (the "Government Obligations"), for the purpose of refunding \$850,000 aggregate principal amount of County Commissioners of St. Mary's County Public Facilities Bonds of 1984, which mature on or after October 1, 1995 and the \$3,925,000 aggregate principal amount of County Commissioners of St. Mary's County Public Facilities Bonds of 1985, which mature on or after October 1, 1996. (together, the "Refunded Bonds").

The projected principal and interest payments to be derived from the Government Obligations held in trust by the undersigned Escrow Deposit Agent, pursuant to an Escrow Deposit Agreement, dated as of December 30, 1986, between the County and the undersigned Escrow Deposit Agent, have been calculated to be adequate to pay the principal of and the interest and any redemption premium on the Refunded Bonds as such interest, principal and redemption premium, if any, become due and payable. Such payments to the holders of the Refunded Bonds shall be made at the places, in the manner, in such medium of payment, by The First National Bank of Maryland, as paying agent for the Refunded Bonds.

MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY  
Escrow Deposit Agent



1389 005 12-30-88

EXHIBIT B

NOTICE OF REDEMPTION  
COUNTY COMMISSIONERS OF ST. MARY'S COUNTY  
PUBLIC FACILITIES BONDS OF 1984

Dated October 1, 1984

NOTICE IS HEREBY GIVEN of the election by County Commissioners of St. Mary's County to redeem on October 1, 1994, \$850,000 aggregate principal amount of its County Commissioners of St. Mary's County Public Facilities Bonds of 1984, stated to mature and bearing interest as follows:

<u>Maturing July 1, Numbers</u>	<u>Principal Amount</u>	<u>Coupon Rate</u>
1995	\$ 140,000	9.25%
1996	155,000	9.50
1997	170,000	9.60
1998	185,000	9.70
1999	200,000	9.70

The above bonds will become due and will be redeemed on October 1, 1994, at the redemption price of 103% of the principal amount thereof, together with interest accrued to October 1, 1994, upon presentation thereof at the principal corporate trust office of The First National Bank of Maryland, Baltimore Maryland. From and after October 1, 1994, interest will cease to accrue on the above bonds called for redemption.

Dated: \_\_\_\_\_, 1994 COUNTY COMMISSIONERS OF ST.  
MARY'S COUNTY

EXHIBIT C

NOTICE OF REDEMPTION  
 COUNTY COMMISSIONERS OF ST. MARY'S COUNTY  
 PUBLIC FACILITIES BONDS OF 1985  
 Dated October 1, 1985

NOTICE IS HEREBY GIVEN of the election by County Commissioners of St. Mary's County to redeem on October 1, 1995, \$3,925,000 aggregate principal amount of its County Commissioners of St. Mary's County Public Facilities Bonds of 1985, stated to mature and bearing interest as follows:

<u>Maturing July 1 Numbers</u>	<u>Principal Amount</u>	<u>Coupon Rate</u>
1996	\$ 205,000	8.80%
1997	225,000	8.90
1998	245,000	9.00
1999	265,000	9.10
2000	290,000	9.15
2001	315,000	9.20
2002	345,000	9.25
2003	375,000	9.30
2004	410,000	9.35
2005	445,000	9.40

The above bonds will become due and will be redeemed on October 1, 1995, at the redemption price of 103% of the principal amount thereof, together with interest accrued to October 1, 1995, upon presentation thereof at the principal corporate trust office of The First National Bank of Maryland, Baltimore Maryland. From and after October 1, 1995, interest will cease to accrue on the above bonds called for redemption.

Dated: \_\_\_\_\_, 1994 COUNTY COMMISSIONERS OF ST.  
 MARY'S COUNTY



ESCROW DEPOSIT AGREEMENT

This ESCROW DEPOSIT AGREEMENT, dated as of December \_\_, 1986, between County Commissioners of St. Mary's County, a body politic and corporate and a political subdivision of the State of Maryland (the "County"); and Mercantile-Safe Deposit and Trust Company, a trust company organized and existing under the laws of the State of Maryland, as Escrow Deposit Agent (the "Escrow Deposit Agent") under this Escrow Deposit Agreement.

RECITALS

The County, pursuant to Chapter 705 of the Laws of Maryland of 1981 (the "Enabling Act") and Resolution No. R-84-26 adopted by the Board of County Commissioners on September 11, 1984 (the "1984 Resolution"), issued, sold and delivered \$1,700,000 aggregate principal amount of general obligation bonds designated "County Commissioners of St. Mary's County Public Facilities Bonds of 1984," dated October 1, 1984 (the "1984 Bonds"), for the purpose of (i) paying at maturity \$645,000 outstanding amount of the County's General Obligation Bond Anticipation Notes, Series 1982 dated January 1, 1982 and (ii) paying a portion of the cost of financing certain library school, recreation and other capital projects. \$850,000 principal amount of the 1984 Bonds remain outstanding.

The County, pursuant to the Enabling Act and Resolution 85-22 adopted by the Board of County Commissioners on September 17, 1985 (the "1985 Resolution"), issued, sold and delivered \$4,365,000 aggregate principal amount of general obligation bonds designated "County Commissioners of St. Mary's County Public Facilities Bonds of 1985," dated as of October 1, 1985 (the "1985 Bonds") for the purpose of paying the cost of a detention center and certain health, school and other capital projects. \$3,120,000 principal amount of the 1985 Bonds remain outstanding.

The County has determined to provide for the payment of a portion of the 1984 Bonds and the 1985 Bonds by depositing with the Escrow Deposit Agent immediately available funds sufficient to purchase direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or certificates of deposit or time deposits fully collateralized by direct obligations of, or obligations the principal of and the interest on which are guaranteed



by, the United States of America in such amounts and maturing at stated fixed prices as to principal and interest at such times so that sufficient moneys will be available from such maturing principal and interest (i) to redeem on October 1, 1994 at the redemption price of 103% of the principal amount thereof and to pay interest when due on the 1984 Bonds stated to mature on or after July 1, 1995 (the "1984 Refunded Bonds") and (ii) to redeem on October 1, 1995 at the redemption price of 103% of the principal amount thereof and to pay interest when due on the 1985 Bonds stated to mature on or after October 1, 1996 (the "1985 Refunded Bonds"). The 1984 Bonds maturing on or before October 1, 1994 (the "1984 Outstanding Bonds") and the 1985 Bonds maturing on or before October 1, 1995 (the "1985 Outstanding Bonds") are not being advance refunded and will remain outstanding after the 1984 Refunded Bonds and the 1985 Refunded Bonds are defeased.

To provide funds, together with certain other moneys which are or will become available, to effect such advance refunding of the 1984 Refunded Bonds and the 1985 Refunded Bonds, the County has determined to issue \$4,945,000 aggregate principal amount of refunding bonds designated "County Commissioners of St. Mary's County Public Facilities Refunding Bonds of 1986," pursuant to Chapter 705 of the Laws of Maryland of 1981 and Section 24 of Article 31 of the Annotated Code of Maryland (1986 Replacement Volume) and Resolution No. R-86-\_\_ adopted by the Board of County Commissioners of St. Mary's County on December 10, 1986 (the "Resolution"). The Resolution also provides for (i) the redemption on October 1, 1994, of the 1984 Bonds maturing on or after October 1, 1995, and irrevocably instructs the Bond Registrar for the 1984 Bonds to give notice of such redemption and directs the Paying Agent for the 1984 Bonds to pay the redemption price of the 1984 Refunded Bonds and the interest thereon and (ii) the redemption on October 1, 1995 of the 1985 Bonds maturing on or after October 1, 1996 and irrevocably instructs the Bond Registrar for the 1985 Bonds to give notice of such redemption and directs the paying agent for the 1985 Bonds to pay the redemption price of the 1985 Refunded Bonds and the interest thereon.

NOW, THEREFORE, the County and the Escrow Deposit Agent, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, do hereby agree as follows:



ARTICLE I

DEFINITIONS

Section 1.01. Definitions. As used in this Escrow Deposit Agreement, unless a different meaning clearly appears from the context:

"Authorized Obligations" means direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America or certificates of deposit or time deposits fully collateralized by direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America.

"County" means County Commissioners of St. Mary's County, a body politic and corporate and a political subdivision of the State of Maryland, and its successors and assigns.

"Escrow Deposit Agent" means the Escrow Deposit Agent under this Escrow Deposit Agreement.

"Escrow Deposit Agreement" means this Escrow Deposit Agreement dated as of December 30, 1986, pertaining to the 1984 Bonds and the 1985 Bonds, executed by and between the County and the Escrow Deposit Agent.

"Escrow Deposit Fund" means the fund so designated which is created and established by this Escrow Deposit Agreement.

"Escrowed Obligations" means Authorized Obligations on deposit from time to time to the credit of the Escrow Deposit Fund.

"Resolution" means Resolution No. R-86-\_\_\_ adopted by the Board of County Commissioners of St. Mary's County on December 10, 1986, including resolutions amendatory thereof or supplemental thereto.

"1984 Bonds" means the bonds designated "County Commissioners of St. Mary's County Public Facilities Bonds of 1984," dated October 1, 1984, issued in the aggregate principal amount of \$1,700,000 pursuant to the 1984 Resolution.

"1984 Outstanding Bonds" means the 1984 Bonds which mature on or before October 1, 1994.

"1984 Refunded Bonds" means the 1984 Bonds which mature on or after October 1, 1995.

"1984 Resolution" means Resolution No. R-84-26 adopted by the Board of County Commissioners of St. Mary's County on September 11, 1984 which authorized the issuance of the 1984 Bonds.

"1985 Bonds" means the bonds designated "County Commissioners of St. Mary's County Public Facilities Bonds of 1985" dated October 1, 1985 issued in the aggregate principal amount of \$4,365,000 pursuant to the 1985 Resolution.

"1985 Outstanding Bonds" means the 1985 Bonds which mature on or before October 1, 1995.

"1985 Refunded Bonds" means the 1985 Bonds which mature on or after October 1, 1996.

"1985 Resolution" means Resolution No. R-22 adopted by the Board of County Commissioners of St. Mary's County on September 17, 1985 which authorized the issuance of the 1985 Bonds.

"1986 Refunding Bond" or "1986 Refunding Bonds" means the Bonds designated "County Commissioners of St. Mary's County Public Facilities Refunding Bonds of 1986", dated December 1, 1986, in the aggregate principal amount of \$4,945,000, issued as general obligations of the County to advance refund the 1984 Refunded Bonds and the 1985 Refunded Bonds.

## ARTICLE II

### ESCROW FOR REFUNDED BONDS

Section 2.01. Receipt of Resolutions. The Escrow Deposit Agent hereby acknowledges receipt of copies of the 1984 Resolution, 1985 Resolution and the Resolution certified as being true and correct by the County Administrator.

Section 2.02. Establishment of Escrow Deposit Fund. There is hereby created and established with the Escrow Deposit Agent a special and irrevocable Escrow Deposit



Fund designated "County Commissioners of St. Mary's County St. Mary's Hospital 1986 Escrow Deposit Fund", to be held in trust by the Escrow Deposit Agent separate and apart from other funds of the County and of the Escrow Deposit Agent.

Section 2.03. Deposit of Funds. The County herewith deposits with the Escrow Deposit Agent for deposit in the Escrow Deposit Fund immediately available funds aggregating \$4,857,210 to be applied solely as provided in this Escrow Deposit Agreement. The County represents that such funds will be sufficient to purchase Authorized Obligations which will mature in principal amounts at such times and bear interest at a rate or rates so that sufficient moneys will be available from such maturing principal and interest and any cash balance to (i) redeem on October 1, 1994, at the redemption price of 103% of the principal amount thereof and to pay interest when due on the 1984 Refunded Bonds and (ii) redeem on October 1, 1995 at the redemption price of 103% of the principal amount thereof and to pay interest when due on the 1985 Refunded Bonds. The County further represents that such funds are derived from the net proceeds of the sale of the 1986 Refunding Bonds and from certain other moneys lawfully available to the County therefor.

Section 2.04. Deposit Irrevocable. The deposit of funds in the Escrow Deposit Fund shall constitute an irrevocable deposit of such funds for the equal and ratable benefit of the holders of the 1984 Refunded Bonds and the 1985 Refunded Bonds. The principal of the Escrowed Obligations and interest earned thereon shall be held in escrow and shall be applied, as hereinafter set forth, solely to the payment of the redemption price of and interest when due on the 1984 Refunded Bonds and the 1985 Refunded Bonds.

Section 2.05. Investment. (a) The Escrow Deposit Agent hereby acknowledges creation and establishment of the Escrow Deposit Fund and acknowledges receipt of the sum described in Section 2.03 of this Escrow Deposit Agreement. The Escrow Deposit Agent shall apply such funds to the purchase of the Authorized Obligations described in Schedule A attached hereto. Except as otherwise expressly provided in this Section 2.05 and in Section 2.13 hereof, the Escrow Deposit Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of Escrowed Obligations held hereunder. Notwithstanding the foregoing, the Escrow Deposit Agent may invest any cash on hand in the Escrow

Deposit Fund in Authorized Obligations, provided that such Authorized Obligations shall mature in principal amounts at such time so that sufficient cash will be on hand in the Escrow Deposit Fund as required to make payments in accordance with Section 2.06 hereof.

(b) The County and the Escrow Deposit Agent hereby covenant that no part of the moneys or funds at any time in the Escrow Deposit Fund shall be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause the 1986 Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended and the applicable regulations thereunder.

Section 2.06. Use of Funds and Payment of 1984 Refunded Bonds and the 1985 Refunded Bonds. (a) The Escrow Deposit Agent shall deposit, as received, all maturing principal of and interest on Escrowed Obligations to the credit of the Escrow Deposit Fund. On each interest date for the 1984 Refunded Bonds and the 1985 Refunded Bonds, the Escrow Deposit Agent shall pay from cash on hand in the Escrow Deposit Fund, a sum sufficient to pay the interest on and any principal or redemption price of the 1984 Refunded Bonds and the 1985 Refunded Bonds payable on such date as set forth in Schedule B attached hereto. On October 1, 1994, the Escrow Deposit Agent shall pay the interest on the 1984 Refunded Bonds due on such date and the redemption price of all 1984 Refunded Bonds. On October 1, 1995, the Escrow Deposit Agent shall pay the interest on the 1985 Refunded Bonds due on such date and the redemption price of all 1985 Refunded Bonds. No portion of the moneys and Escrowed Obligations on deposit in the Escrow Deposit Agreement shall be used to pay interest on or principal of the 1984 Outstanding Bonds or the 1985 Outstanding Bonds.

Section 2.07. Pledges and Liens. The County hereby assigns and pledges to the Escrow Deposit Agent for the benefit of the holders of the 1984 Refunded Bonds and the 1985 Refunded Bonds, respectively, and grants to the Escrow Deposit Agent for the benefit of such holders of such Refunded Bonds a security interest in, the Escrowed Obligations and the interest income thereon. The Escrow Deposit Agent shall have an express first lien on, pledge of and security interest in all funds, Escrowed Obligations and income earned then on deposit in or credited to the Escrow Deposit Fund, until such funds, Escrowed Obligations and income are used and applied in accordance with this Escrow Deposit Agreement, all for the



benefit of the holders of the 1984 Refunded Bonds and the 1985 Refunded Bonds, respectively.

Section 2.08. Redemption; No Acceleration of Maturity. The County represents that it has irrevocably elected (i) to redeem on October 1, 1994, at the redemption price of 103% of the principal amount thereof plus interest accrued and unpaid to October 1, 1994, the 1984 Refunded Bonds and (ii) to redeem on October 1, 1995, at the redemption price of 103% of the principal amount thereof plus interest accrued and unpaid to October 1, 1995, the 1985 Refunded Bonds. The County has (i) directed the Bond Registrar for the 1984 Bonds at least thirty (30) days before October 1, 1994 (A) to publish a notice of redemption substantially in the form set forth in Exhibit B hereto at least once in a newspaper of general circulation in the City of Baltimore, Maryland, and in a financial journal or newspaper published in the City of New York, New York, and (B) to mail such notice of redemption, postage prepaid, to all registered owners of 1984 Refunded Bonds to be redeemed at their addresses as they appear on the registration books provided for in the 1984 Resolution and (ii) directed the Bond Registrar for the 1985 Bonds at least thirty (30) days before October 1, 1995 (A) to publish a notice of redemption substantially in the form set forth in Exhibit C hereby at least once in a newspaper of general circulation in the City of Baltimore, Maryland and in a financial journal or newspaper published in the City of New York, New York and (B) to mail such notice of redemption, postage prepaid, to all registered owners of 1985 Refunded Bonds to be redeemed at their addresses as they appear on the registration books provided for in the 1985 Resolution. Mailing of any such notice of redemption shall not be a condition precedent to redemption, and failure so to mail any such notice to any registered owner of 1984 Refunded Bonds or 1985 Refunded Bonds shall not affect the validity of the proceedings for the redemption of 1984 Refunded Bonds or 1985 Refunded Bonds. The First National Bank of Maryland as the Bond Registrar under the 1984 Resolution and the 1985 Resolution has agreed to make the foregoing publications and mailings as directed, the cost of which publications and mailings to be paid by the Escrow Deposit Agent pursuant to Section 2.13 hereof. The County covenants that it will not accelerate the maturity of, or purchase or exercise any option to redeem before maturity, the 1984 Refunded Bonds and the 1985 Refunded Bonds, except as provided above in this Section 2.08.

Section 2.09. Fees and Expenses of Escrow Deposit Agent. The aggregate amount of the fees and expenses of the Escrow Deposit Agent in connection with the performance of its duties under this Escrow Deposit Agreement including paying agent and cremation fees relating to the 1984 Refunded Bonds, the 1985 Refunded Bonds and the cost of the publications and mailings described in Section 2.12 hereof relating to the notice of refunding of the 1984 Refunded Bonds and the 1985 Refunded Bonds in the amount of \$\_\_\_\_\_ has been paid to the Escrow Deposit Agent pursuant to Section \_\_\_ of the Resolution. The cost of the publications and mailings described in Sections 2.08 hereof relating to the redemption of the 1984 Refunded Bonds and the 1985 Refunded Bonds has not been paid to the Escrow Deposit Agent. Except for the cost of the publications and mailings described in Section 2.08 hereof relating to the redemption of the 1984 Refunded Bonds and the 1985 Refunded Bonds, no other fees and expenses of the Escrow Deposit Agent are anticipated. However, if the Escrow Deposit Agent incurs any unusual or extraordinary expenses, or undertakes any unusual or extraordinary services, not anticipated at the time of the execution and delivery of this Escrow Deposit Agreement, the Escrow Deposit Agent may request payment of its reasonable fees and expenses from the County. The Escrow Deposit Agent shall have no lien whatsoever upon any of the moneys in the Escrow Deposit Fund for the payment of its fees and expenses.

Section 2.10. Liability and Duties of Escrow Deposit Agent. (a) The Escrow Deposit Agent and its respective successors, assigns, agents and servants, absent negligence or willful misconduct, shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Escrow Deposit Agreement, the establishment of the Escrow Deposit Fund, the acceptance of the moneys deposited therein, the purchase of Escrowed Obligations, the retention of Escrowed Obligations or the proceeds thereof, or any payment, transfer or other application of moneys or securities by the Escrow Deposit Agent in accordance with the provisions of this Escrow Deposit Agreement.

(b) This Escrow Deposit Agreement sets forth exclusively the duties of the Escrow Deposit Agent with respect to any and all matters pertinent hereto and no implied duties or obligations shall be read into this Escrow Deposit Agreement against the Escrow Deposit



Agent. The Escrow Deposit Agent may act in reliance upon any instrument or signature believed by it to be genuine and may assume that any person purporting to give any writing, notice, advice or direction in connection with the provisions hereof has been duly authorized to do so.

Section 2.11. Term; Disposition of Surplus Funds. This Escrow Deposit Agreement shall become effective upon its execution and delivery and shall terminate when all the 1984 Refunded Bonds and the 1985 Refunded Bonds and the interest due thereon have been paid and discharged. Upon such termination of the Escrow Deposit Agent, any remaining moneys and Escrowed Obligations shall be paid and delivered by the Escrow Deposit Agent to the County for deposit in the appropriate fund of the County.

Section 2.12. Notice of Refunding. Within 30 days after the delivery of and payment for the 1984 Refunded Bonds and the 1985 Refunded Bonds, the Escrow Deposit Agent shall cause a notice of refunding, substantially in the form set forth in Exhibit A hereto (i) to be published at least once in a newspaper of general circulation in the City of Baltimore, Maryland, and in a financial journal or newspaper published or circulating in the City of New York, New York and (ii) to be mailed, postage prepaid, to all registered owners of 1984 Refunded Bonds and the 1985 Refunded Bonds at their addresses as they appear on the registration books provided for in the 1984 Resolution and the 1985 Resolution. The cost of such publications and mailings shall be paid by the Escrow Deposit Agent pursuant to Section 2.09 hereof.

Section 2.13. Costs of Notices; Establishment of Special Account. There is hereby created and established with the Escrow Deposit Agent a special account within the Escrow Deposit Fund for the sole and exclusive purpose of paying all costs and expenses related to the publications and mailings described in Sections 2.08 and 2.12 hereof. Moneys on deposit in the special account established hereby shall be invested exclusively in Authorized Obligations which shall mature in principal amounts at such time so that sufficient cash will be available to pay the costs of the publications and mailings required by Sections 2.08 and 2.12 as and when such costs are incurred. If, for any reason, there are insufficient moneys in the special account established hereby to pay such costs as and when incurred, such costs or any unpaid portion thereof shall be paid by the County upon request to the County and provision of reasonable evidence of the incurrence and the amount of such additional costs.

ARTICLE III

MISCELLANEOUS

Section 3.01. Entire Agreement. This Escrow Deposit Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 3.02. Section and Paragraph Headings. The County and the Escrow Deposit Agent agree that the Section and paragraph headings have been prepared for convenience only and are not part of this Escrow Deposit Agreement and shall not be taken as an interpretation of any provision of this Escrow Deposit Agreement.

Section 3.03. Severability. If any clause, provision or Section of this Escrow Deposit Agreement is held illegal or invalid by any court, the invalidity of such clause, provision or Section shall not affect any of the remaining clauses, provisions or Sections hereof, and this Escrow Deposit Agreement shall be construed and enforced as if such illegal or invalid clause, provision or Section had not been contained herein. In case any agreement or obligation contained in this Escrow Deposit Agreement is held to be in violation of law, then such agreement or obligation shall be determined to be the agreement or obligation of the County or the Escrow Deposit Agent, as the case may be, only to the full extent permitted by law.

Section 3.04. Maryland Law. This Escrow Deposit Agreement is executed and delivered with the intent that the laws of the State of Maryland shall govern.

Section 3.05. Escrow Deposit Agreement Constitutes Security Agreement. It is intended by the parties hereto that this Escrow Deposit Agreement shall constitute and be a security agreement under the laws of the State of Maryland.



IN WITNESS WHEREOF, the parties hereto have caused this Escrow Deposit Agreement to be duly executed, sealed and delivered as of the day and year first written above.

COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY

(SEAL)

By: \_\_\_\_\_  
Joseph P. O'Dell, President  
Board of County  
Commissioners

Attest:

\_\_\_\_\_  
Edward V. Cox, County  
Administrator

MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY, as  
Escrow Deposit Agent

(SEAL)

By: \_\_\_\_\_  
Authorized Officer

Attest:

\_\_\_\_\_

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this \_\_\_\_ day of \_\_\_\_\_ in the year 1986, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared Joseph P. O'Dell, who acknowledged himself to be the President of the Board of County Commissioners of County Commissioners of St. Mary's County, a body politic and corporate and political subdivision of the State of Maryland, and on behalf of the said County acknowledges the foregoing Escrow Deposit Agreement to be the act and deed of County Commissioners of St. Mary's County.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: July 1, 1990

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this \_\_\_\_ day of \_\_\_\_\_ in the year 1986, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared \_\_\_\_\_, who acknowledged himself to be a \_\_\_\_\_ of Mercantile-Safe Deposit and Trust Company, a trust company duly organized and existing under the laws of the State of Maryland and having its principal office in the City of Baltimore, Maryland, and on behalf of the said Bank acknowledges the foregoing Escrow Deposit Agreement to be the act and deed of Mercantile-Safe Deposit and Trust Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: July 1, 1990



SCHEDULE A  
ESCROWED OBLIGATIONS

<u>Date</u>	<u>Principal Maturing</u>	<u>Coupon Rate</u>	<u>Type of Investment (1)</u>	<u>Total Interest on Payment Date (2)</u>
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(1) All investments are in U.S. Treasury obligations.

(2) Reflects the total interest earned on all outstanding Escrowed Obligations.

EXHIBIT A

NOTICE OF REFUNDING

COUNTY COMMISSIONERS OF ST. MARY'S COUNTY

PUBLIC FACILITIES BONDS OF 1984, DATED OCTOBER 1, 1984  
MATURING ON OR AFTER OCTOBER 1, 1995

AND

PUBLIC FACILITIES BONDS OF 1985, DATED OCTOBER 1, 1985  
MATURING ON OR AFTER OCTOBER 1, 1996

NOTICE IS HEREBY GIVEN that there have been deposited in trust with the undersigned Escrow Deposit Agent, proceeds of certain refunding bonds issued by County Commissioners of St. Mary's County (the "County"), which proceeds have been invested in direct obligations of the United States of America, designated United States Treasury Obligations, State and Local Government Series (the "Government Obligations"), for the purpose of refunding \$850,000 aggregate principal amount of County Commissioners of St. Mary's County Public Facilities Bonds of 1984, which mature on or after October 1, 1995 and the \$3,925,000 aggregate principal amount of County Commissioners of St. Mary's County Public Facilities Bonds of 1985, which mature on or after October 1, 1996, (together, the "Refunded Bonds").

The projected principal and interest payments to be derived from the Government Obligations held in trust by the undersigned Escrow Deposit Agent, pursuant to an Escrow Deposit Agreement, dated as of December 30, 1986, between the County and the undersigned Escrow Deposit Agent, have been calculated to be adequate to pay the principal of and the interest and any redemption premium on the Refunded Bonds as such interest, principal and redemption premium, if any, become due and payable. Such payments to the holders of the Refunded Bonds shall be made at the places, in the manner, in such medium of payment, by The First National Bank of Maryland, as paying agent for the Refunded Bonds.

MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY  
Escrow Deposit Agent



EXHIBIT B

NOTICE OF REDEMPTION

COUNTY COMMISSIONERS OF ST. MARY'S COUNTY

PUBLIC FACILITIES BONDS OF 1984

Dated October 1, 1984

NOTICE IS HEREBY GIVEN of the election by County Commissioners of St. Mary's County to redeem on October 1, 1994, \$850,000 aggregate principal amount of its County Commissioners of St. Mary's County Public Facilities Bonds of 1984, stated to mature and bearing interest as follows:

<u>Maturing July 1 Numbers</u>	<u>Principal Amount</u>	<u>Coupon Rate</u>
1995	\$ 140,000	9.25%
1996	155,000	9.50
1997	170,000	9.60
1998	185,000	9.70
1999	200,000	9.70

The above bonds will become due and will be redeemed on October 1, 1994, at the redemption price of 103% of the principal amount thereof, together with interest accrued to October 1, 1994, upon presentation thereof at the principal corporate trust office of The First National Bank of Maryland, Baltimore Maryland. From and after October 1, 1994, interest will cease to accrue on the above bonds called for redemption.

Dated: \_\_\_\_\_, 1994 COUNTY COMMISSIONERS OF ST.  
MARY'S COUNTY

EXHIBIT C

NOTICE OF REDEMPTION  
 COUNTY COMMISSIONERS OF ST. MARY'S COUNTY  
 PUBLIC FACILITIES BONDS OF 1985

Dated October 1, 1985

NOTICE IS HEREBY GIVEN of the election by County Commissioners of St. Mary's County to redeem on October 1, 1995, \$3,925,000 aggregate principal amount of its County Commissioners of St. Mary's County Public Facilities Bonds of 1985, stated to mature and bearing interest as follows:

<u>Maturing July 1 Numbers</u>	<u>Principal Amount</u>	<u>Coupon Rate</u>
1996	\$ 205,000	8.80%
1997	225,000	8.90
1998	245,000	9.00
1999	265,000	9.10
2000	290,000	9.15
2001	315,000	9.20
2002	345,000	9.25
2003	375,000	9.30
2004	410,000	9.35
2005	445,000	9.40

The above bonds will become due and will be redeemed on October 1, 1995, at the redemption price of 103% of the principal amount thereof, together with interest accrued to October 1, 1995, upon presentation thereof at the principal corporate trust office of The First National Bank of Maryland, Baltimore Maryland. From and after October 1, 1995, interest will cease to accrue on the above bonds called for redemption.

Dated: \_\_\_\_\_, 1994 COUNTY COMMISSIONERS OF ST.  
 MARY'S COUNTY



PAYING AGENT AND BOND REGISTRAR AGREEMENT

THIS PAYING AGENT AND BOND REGISTRAR AGREEMENT (this "Agreement") is entered into as of December 1, 1986 by and between the COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, MARYLAND (the "Issuer"), and THE FIRST NATIONAL BANK OF MARYLAND, a national banking institution (the "Bank").

RECITALS OF THE ISSUER

The Issuer has duly authorized and provided for the issuance of its Public Facilities Refunding Bonds of 1986 (the "Securities") in the aggregate principal amount of \$4,885,000 to be issued as registered securities without coupons. All things necessary to make the Securities the valid obligations of the Issuer, in accordance with their terms, will be taken upon the issuance and delivery thereof.

The Issuer desires the Bank to act as the Paying Agent of the Issuer in paying the principal, premium (if any) and interest on the Securities, in accordance with the terms thereof, and to act as Registrar for the Securities. The Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the Issuer, in accordance with its terms, have been done.

RECITALS OF THE BANK

The Bank has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the Bank, in accordance with its terms, have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE - DEFINITIONS

Section 1.01

Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Bank Office" means the principal corporate trust office of the Bank as indicated on page 8. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Holder" and "Security Holder" each mean a Person in whose name a Security is registered in the Security Register.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government, or any agency or political subdivision of a government.

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any Security registered and delivered under Section 4.06 hereof in lieu of a mutilated, lost, destroyed, or stolen Security shall be deemed to evidence the same obligation as the mutilated, lost, destroyed or stolen Security).

"Record Date" means the 15th day of the month preceding the principal or interest payment date.

"Redemption Date," when used with respect to any Bond to be redeemed, means the date fixed for such redemption pursuant to the terms of the Securities.



"Security Register" means a register in which the Issuer shall provide for the registration of Securities and of transfer of Securities.

"Stated Maturity" means the date specified in a Security as the fixed date on which the principal of the Security is due and payable.

Section 1.02

Other Definitions. The terms "Bank", "Issuer", and "Security" have the meanings assigned to them in the opening paragraph of this Agreement or in the Recitals of the Issuer. The terms "Paying Agent" and "Registrar" refer to the Bank when it is performing the respective functions associated with such terms in this Agreement.

ARTICLE TWO - APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 2.01

Appointment. The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Securities, in paying to the holders of the Securities the principal, premium (if any) and interest on all or any of the Securities. The Issuer hereby appoints the Bank as Registrar with respect to the Securities. The Bank hereby accepts its appointment, and agrees to act as, the Paying Agent and Registrar.

Section 2.02

Compensation. As compensation for the Bank's services as Paying Agent and Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Exhibit 1 hereto.

## ARTICLE THREE - PAYING AGENT

## Section 3.01

Duties of Paying Agent. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer (a) the principal of the Securities at their Stated Maturity or Redemption Dates, to the Holders upon surrender of the Securities to the Bank at the Bank Office; and (b) the interest on the Securities when due, by computing the amount of interest to be paid each Holder, preparing the checks and mailing the checks on the business day immediately preceding each payment date, to the Holders of the Securities (or their Predecessor Securities) as of the close of business on the Record Date, addressed to their addresses appearing on the Security Register.

## Section 3.02

Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Securities. Any such principal and interest not so punctually paid or duly provided for shall cease to be payable to the Holder as of the close of business on the pertinent Record Date, and may be paid to the Person in whose name a Security is registered as of the close of business on a special record date (the "Special Record Date") to be fixed by the Bank for the payment of such defaulted interest, notice whereof being given by the Bank by letter mailed first class, postage prepaid, to the Holders of Securities not less than ten (10) days prior to such Special Record Date at the addresses of such Holders appearing on the Security Register, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed and upon such notice as may be required by such exchange.



ARTICLE FOUR - REGISTRAR

Section 4.01

Transfer and Exchange. The Issuer shall keep at the Bank Office a register (herein sometimes referred to as the "Security Register") in which, subject to any reasonable written instructions as the Issuer may prescribe, the Issuer shall provide for the registration of Securities and of transfers of Securities. The Bank is hereby appointed "Registrar" for the purpose of registering Securities and transfers of Securities as herein provided. The Bank agrees to maintain the Security Register while it is Registrar.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company, in form satisfactory to the Bank, duly executed by the Holder thereof or his attorney duly authorized in writing. The transfer and exchange of Securities shall be accomplished in accordance with accepted industry and regulatory standards.

The Bank shall register and authenticate Securities only in the denominations of \$5000 each or any integral multiple thereof. Upon any transfer or exchange, the Bank shall authenticate and register a new registered Security or Securities without coupons in any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Security exchanged or transferred, and maturing on the same date and bearing interest at the same rate. In each case, the Bank may require payment by the Holder of a Security requesting exchange or transfer of any tax, fee or other governmental charge, shipping fees, and insurance that may be required to be paid with respect to such exchange or transfer, but otherwise no charge shall be made to the Holder of a Security for such exchange or transfer. The Registrar may request any

supporting documentation it feels necessary to effect a re-registration.

Section 4.02

Certificates. The Issuer shall provide an adequate inventory of Securities certificates to facilitate transfers. The Bank covenants that it will maintain Securities certificates in safekeeping and will use reasonable care in maintaining such Securities in safekeeping, which shall be not less than the care it maintains for debt securities of other governments or corporations for which it serves as registrar, or which it maintains for its own Securities.

Section 4.03

Form of Security Register. The Bank as Registrar will maintain the records of the Security Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Register in any form other than those which the Bank has currently available and currently utilizes at the time. The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04

List of Security Holders. The Bank will provide the Issuer, at anytime requested by the Issuer, with a copy of the information contained in the Security Register. The Issuer may also inspect the information in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form. The Bank will not release or disclose the content of the Security Register to any person other than to or at the written request of, an authorized officer or



employee of the Issuer, except upon receipt of a subpoena or court order. Upon receipt of a subpoena or court order, the Bank will notify the Issuer so that the Issuer may contest such subpoena or court order.

Section 4.05

Return of Cancelled Certificates. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, Securities certificates (or evidence of the destruction thereof) in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06

Mutilated, Destroyed, Lost, or Stolen Securities. The Issuer may direct the Bank in writing to register, authenticate and deliver a new Security in exchange for a mutilated Security surrendered to the Bank. The Issuer may direct the Bank in writing to register, authenticate and deliver a new Security in lieu of a Security with respect to which the Issuer or the Bank has received written representations from the Holder that the certificate representing such Security has been destroyed, lost, or stolen, without the surrender or production of the original certificate. The Issuer may direct the Bank in writing to pay on behalf of the Issuer the principal and premium, if any, of a Security with respect to which it has received written representations from the Holder that the certificate representing such Security has been destroyed, lost or stolen, following the Stated Maturity or Redemption Date of the Security, without the surrender or production of the original certificate.

The Issuer may direct the Bank to issue a replacement Security, or to pay the principal and premium, if any, of a Security with respect to which it has received written representations that the certificate representing such Security has been destroyed, lost

or stolen, following the Stated Maturity or Redemption Date of such Security, only if there is delivered to the Issuer and the Bank such security or indemnity as they may require to save both the Bank and the Issuer harmless. On satisfaction of the Bank and the Issuer, the certificate number on the Security registered will be cancelled with a notation that it has been mutilated, destroyed, lost or stolen and a new Security will be issued of the same series and of like tenor and principal amount bearing a number (according to the Security Register) not contemporaneously outstanding. The Bank may charge the Holder the Bank's fees and expenses in connection with issuing a new Security in lieu of or exchange for a mutilated, destroyed, lost or stolen Security.

Section 4.07

Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, (a) furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01 hereof, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01 hereof, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost or stolen Securities pursuant to Section 4.06 hereof and (b) provide debt service account activity statements.

ARTICLE FIVE - THE BANK

Section 5.01

Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.



Section 5.02

Reliance on Documents, Etc. (a) The Bank may reasonably rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(c) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or any attorney-in-fact of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(d) The Bank may consult with counsel, and may obtain the written advice of such counsel.

(e) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys and the Bank.

Section 5.03

Recitals. The Recitals of the Issuer contained herein shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness. The Recitals of the Bank contained herein shall be taken as the statements of the Bank, and the Issuer assumes no responsibility for their correctness.

Section 5.04

May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent and Registrar.

Section 5.05

Moneys Held by Bank. Money held by the Bank hereunder shall be collateralized in accordance with the requirements of applicable law. The Bank shall be under no liability for interest on any money received by it hereunder. Any money deposited with the Bank for the payment of the principal, premium (in any) or interest on any Security and remaining unclaimed for six years after final maturity of the Security has become due and payable, will be paid by the Bank to the Issuer, and the Holder of such Security shall thereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such moneys shall thereupon cease. The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security or any other Person for any amount due on any Security from its own funds.



ARTICLE SIX - MISCELLANEOUS PROVISIONS

Section 6.01

Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02

Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03

Notices. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered (a) if to the Issuer, County Commissioners of St. Mary's County, Governmental Center, Leonardtown, Maryland 20650, Attention: Joseph P. O'Dell, Director of Budget and Data Services; and (b) if to the Bank, at 25 South Charles Street, Baltimore, Maryland 21201, Attention: Corporate Trust Department.

Section 6.04

Effect of Headings. The Article and Section headings herein are for convenience only and shall not effect the construction hereof.

Section 6.05

Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Severability. In case any provision herein shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07

Benefits of Agreement. Nothing herein, expressed or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 6.08

Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto relative to the Bank acting as Paying Agent and Registrar.

Section 6.09

Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10

Termination. a. This Agreement will terminate on the date of final payment of the Securities, on which the Bank issues its checks for the final payment of principal of and interest on the Securities.

b. This Agreement may be earlier terminated by the Issuer upon 60 days' written notice to the Bank.



c. This Agreement may be earlier terminated by the Bank upon 60 days' written notice to the Issuer and by giving the Holder notice of such resignation by mailing such notice to each such Holder at the addresses shown on the Security Register. On the effective date of such registration the Bank shall turn over to the Issuer or to any successor Paying Agent and Registrar as the Issuer shall direct all certificates, the Security Register and all funds on deposit with the Bank for the payment of principal and interest on the securities along with an accounting for all such funds.

Section 6.11

Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Maryland.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

(SEAL)

COUNTY COMMISSIONERS OF ST. MARY'S  
COUNTY

ATTEST:

By: \_\_\_\_\_

(SEAL)

THE FIRST NATIONAL BANK OF MARYLAND

ATTEST:

By: \_\_\_\_\_  
Vice President

\_\_\_\_\_  
Authorized Officer

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Paying Agent and Registrar Services of  
The First National Bank of Maryland

1.	Acceptance Fee	100.00
2.	Register, authenticate and deliver original issue certificate per instructions of underwriter	.35 each cert.
3.	Transfers - Certificates imprinted, authenticated, registered and delivered	1.25 each
4.	Bondholder Account Maintenance (annual charge)	.70 each
5.	Pay Registered Interest	.55 per check
6.	Pay Principal Upon Presentation	.60 each
7.	Monthly Report for Funds	no charge
8.	Storage and Safekeeping of All Blank Certificates	no charge
9.	Annual Administration Charge	300.00



10. Out-of-Pocket Expense

These charges are the basic charges and are subject to change. They do not include counsel fees or any out-of-pocket expenses such as postage, shipping charges, cost of checks, stationery, etc. These expenses will be billed in addition to the fees quoted above.

11. These fees are in effect for two years after which time we reserve the right to review and renegotiate.

J. Thorpe Staylor  
Vice President

Let'd to: Judy Landrum

DEC 15 1986

MARY R. BELL, CLERK

NO: 86-30

SUBJ: St. Mary's County Metropolitan  
Commission Refunding Bonds of 1986

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Resolution of the County Commissioners of St. Mary's County, approving the passage and the adoption of a Resolution adopted on December 10, 1986 by the St. Mary's County Metropolitan Commission, which Resolution authorized and provided for the issuance and sale of Two Million, Eight Hundred Twenty Thousand Dollars (\$2,820,000) "St. Mary's County Metropolitan Commission Refunding Bonds of 1986"; approving and concurring in the form of the bonds; authorizing the County to execute the form of endorsement which evidences the guarantee of the bonds; pledging the full faith and credit of the County to the payment of the principal of and interest on such bonds, when due; and generally relating to the issuance of such bonds and the form thereof.

RECITALS

On December 10, 1986, St. Mary's County Metropolitan Commission (the "Commission") adopted a resolution (the "Commission Resolution") entitled as follows:

RESOLUTION OF ST. MARY'S COUNTY METROPOLITAN COMMISSION providing for the issuance and sale, upon the full faith and credit of County Commissioners of St. Mary's County, of Two Million Eight Hundred Twenty Thousand Dollars (\$2,820,000) aggregate principal amount of bonds (the "1986 Refunding Bonds") under the provisions of Sections 113-1 to 113-28, inclusive, of the Code of Public Local Laws of St. Mary's County (1978 Edition, as amended, being Article 19 of the Code of Public Local Laws of Maryland), as enacted by Chapter 369 of the Laws of Maryland of 1978 and amended by various Laws of Maryland, including Chapter

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417 of the Laws of Maryland of 1979 and Chapters 84 and 87 of the Laws of Maryland of 1981, the 1986 Refunding Bonds to be designated "St. Mary's County Metropolitan Commission Refunding Bonds of 1986," and to be issued and sold for the purpose of providing funds to advance refund the \$2,360,000 aggregate principal amount of the Commission's Bonds (Fourth Issue) dated June 1, 1983 which mature on or after July 1, 1994 (the "Refunded Bonds"); prescribing the form, tenor and all other matters relating to the issuance of the 1986 Refunding Bonds; providing for the sale of the 1986 Refunding Bonds at private (negotiated) sale without advertisement or publication of notice of sale or solicitation of competitive bids; providing for the disbursement of the proceeds of the 1986 Refunding Bonds; providing for the appointment of an Escrow Deposit Agent and the execution and delivery of an Escrow Deposit Agreement; covenanting that the proceeds of the 1986 Refunding Bonds, or any monies deemed to be proceeds, will not be used in a manner which would cause the 1986 Refunding Bonds to be arbitrage bonds; providing for the levy and collection of assessments, taxes and charges to the extent necessary to provide for the payment of the interest on the 1986 Refunding Bonds and to pay the principal when due of 1986 Refunding Bonds; providing for any necessary action by the Commission in connection with the levy and collection of taxes by the County in accordance with the guarantee of the County to be endorsed on the 1986 Refunding Bonds; and determining various matters relating to the issuance, sale, delivery and payment of the 1986 Refunding Bonds.

The Commission Resolution authorized and provided for the issuance and sale, at private (negotiated) sale, of bonds, in fully registered form to be designated St. Mary's County Metropolitan Commission Refunding Bonds of 1986 in the aggregate principal amount of \$2,820,000.

The Board of County Commissioners of St. Mary's County has considered the Commission Resolution and has determined that this Board approves and concurs in the passage of the Commission Resolution.

The Board of County Commissioners desires to authorize its officers to execute the form of endorsement which evidences the guarantee of County Commissioners of St. Mary's County to pay the principal of and interest on the bonds.

NOW, THEREFORE, BE IT RESOLVED BY COUNTY COMMISSIONERS OF ST. MARY'S COUNTY:

Section 1: Acting pursuant to Section 113-6 of the Code of Public Local Laws of St. Mary's County (1978 Edition, as amended, being Article 19 of the Code of Public Local Laws of Maryland), County Commissioners of St. Mary's County, a body politic and corporate and a political subdivision of the State of Maryland (the "County"), hereby concurs in the judgment of the Commission as set forth by the terms of the Commission Resolution.

The County accordingly approves the issuance and sale of bonds of the Commission designated St. Mary's County Metropolitan Commission Refunding Bonds of 1986 in an aggregate principal amount of \$2,820,000 upon the terms and conditions set forth in the Commission Resolution, all of which terms, conditions, covenants and undertakings are hereby approved by the County and are adopted by the County as and for its own.



Section 2: The form of endorsement which evidences the guarantee by the County, on the full faith and credit of the County, of the payment of the principal of and interest on the St. Mary's County Metropolitan Commission Refunding Bonds of 1986 shall be as set forth in Section 8 of the Commission Resolution. The endorsement shall be signed and executed in the manner set forth in Section 5 of the Commission Resolution.

Section 3: The full faith and credit and unlimited taxing power of the County are hereby irrevocably pledged to the levy and collection of ad valorem taxes upon all the assessable property within the corporate limits of the County in rate and amount sufficient to provide for the payment of the principal of and interest on the St. Mary's County Metropolitan Commission Refunding Bonds of 1986 issued in the aggregate principal amount of \$2,820,000 as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements on the said bonds. If the ad valorem taxes prescribed in Section 113-7 of the Code of Public Local Laws of St. Mary's County described in the Commission Resolution are insufficient to pay the principal of and interest on the bonds, when due, the County hereby covenants and agrees with each of the owners or holders, from time to time, of the bonds, in each and every fiscal year in which any such bonds are outstanding, to levy and collect ad valorem taxes upon all the assessable property within the corporate

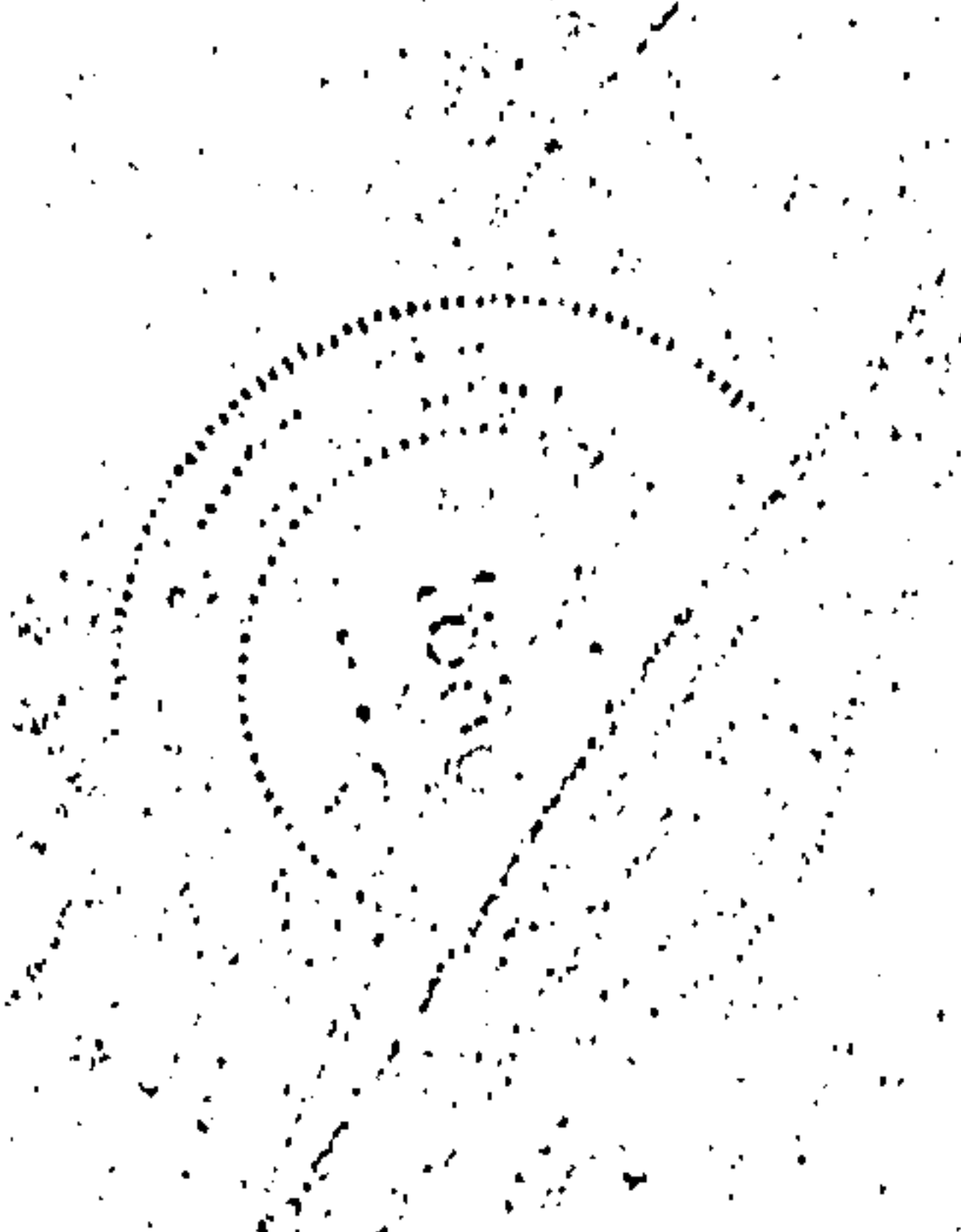
limits of the County in rate and amount sufficient to provide for the payment of such principal and interest, when due, together with accrued interest to the date of payment.

Section 4: The distribution of an Official Statement pertaining to the St. Mary's County Metropolitan Commission Refunding Bonds of 1986 is hereby authorized, the final form of which is to be approved by the President of the Board of County Commissioners as evidenced by his signature thereon. The Official Statement shall be in substantially the form of the Preliminary Official Statement dated December 4, 1986, with such changes, modifications, additions and deletions as the President of the Board of County Commissioners may approve. The distribution of the Preliminary Official Statement is hereby authorized, approved and ratified.



Section 5: This Resolution shall take effect on the date of its adoption.

Adopted: December 10, 1986

  
*J. Patrick Jarboe*  
\_\_\_\_\_  
J. Patrick Jarboe, President

\_\_\_\_\_  
J. Laurence Millison, Vice President

*David Sayre*  
\_\_\_\_\_  
David Sayre, Commissioner

*Ford L. Dean*  
\_\_\_\_\_  
Ford L. Dean, Commissioner

\_\_\_\_\_  
W. Edward Bailey, Commissioner

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Let'd to:  
Judy Landram

DEC 15 1986

MARY R. BELL, CLERK

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RESOLUTION OF THE COUNTY COMMISSIONERS OF ST. MARY'S COUNTY providing for the issuance and sale of Fifteen Million Eight Hundred Thirty-Five Thousand Dollars (\$15,835,000) aggregate principal amount of general obligation refunding bonds pursuant to the provisions of Chapter 475 of the Laws of Maryland of 1980 (as supplemented and amended by Chapter 711 of the Laws of Maryland of 1981) and Section 24 of Article 31 of the Annotated Code of Maryland (1986 Replacement Volume), the bonds to be designated "County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1986" (the "1986 Refunding Bonds"), to be issued and sold for the public purpose of advance refunding the callable portion of the County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1983, dated July 1, 1983 (the "1983 Bonds"), in order to realize savings to the County and the Hospital in the effective costs of debt service; prescribing the form, tenor and all other matters relating to the issuance of the 1986 Refunding Bonds; determining that it is in the public interest to sell the 1986 Refunding Bonds on a negotiated basis without solicitation of bids and awarding the refunding bonds to Alex. Brown & Sons Incorporated; providing for the disbursement of the proceeds of the 1986 Refunding Bonds and authorizing the execution and delivery of an Escrow Deposit Agreement under which there shall be established and maintained an escrow fund for the purpose of paying as and when due the principal or redemption price of and interest on the 1983 Bonds that are to be refunded; providing for the transfer of certain funds currently held by the trustee for the 1983 Bonds and for the redemption on July 1, 1993 of the 1983 Bonds which mature on or after July 1, 1994; authorizing the execution and delivery of an amendment to the Loan Agreement dated as of June 29, 1982, between the County and the Hospital as amended by the First Supplemental Loan Agreement dated June 17, 1983 to provide that the Hospital will pay as and when due from its own sources of revenues the maturing principal of and interest on the 1986 Refunding Bonds and the 1983 Bonds which mature on or before July 1, 1993 and an amendment to the Mortgage dated as of June 29, 1982, as amended by the First Supplemental Mortgage dated June 17, 1983 securing the Hospital's obligations under the Loan Agreement, as amended; appointing a trustee under this Resolution and specifying the rights, duties, privileges and immunities of the trustee; creating funds to be held by the trustee and providing for their disbursement; appointing an escrow deposit agent and authorizing the execution and delivery of an Escrow Deposit Agreement; providing for the investment of moneys held by the trustee; providing for the levy and collection of all taxes necessary for the prompt payment of the maturing principal of and interest on the 1986 Refunding Bonds; and generally providing for the authorization, issuance, sale and delivery of the 1986 Refunding Bonds.

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RECITALS

1. Pursuant to Chapter 475 of the Laws of Maryland of 1980, as supplemented and amended by Chapter 711 of the Laws of Maryland of 1981 (collectively, the "St. Mary's Hospital Bond Enabling Act"), and Resolution No. R-83-12 adopted by the Board of County Commissioners of St. Mary's County on June 17, 1983 (the "1983 Resolution"), County Commissioners of St. Mary's County (the "County") issued, sold and delivered \$17,150,000 aggregate principal amount of general obligation bonds designated "County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1983", dated July 1, 1983 (the "1983 Bonds"), to advance refund the County's general obligation bonds in the aggregate principal amount of \$13,915,000 and designated "County Commissioners of St. Mary's County St. Mary's Hospital Bonds of 1982", dated July 1, 1982 (the "1982 Bonds") the proceeds of which were loaned to, or expended for the benefit of, St. Mary's Hospital of St. Mary's County (the "Institution") under a Loan Agreement dated as of June 29, 1982 (the "Loan Agreement"), to finance a portion of the cost of acquiring, constructing and equipping a 114-bed replacement hospital facility for the Institution in Leonardtown, Maryland (the "Project"). Under the terms and conditions of the Loan Agreement, as amended pursuant to the 1983 Resolution, the Institution is obligated to provide funds to pay when due the debt service on the 1983 Bonds. \$16,460,000 of the 1983 Bonds remain outstanding.

2. The County has been advised by Baker, Watts & Co., its financial advisor, that total debt service costs to the County and the Institution with respect to the financing of the Project will be reduced by \$1,736,308 by the County's issuing refunding bonds in the aggregate principal amount of \$15,835,000 in accordance with the proposal of Alex. Brown & Sons Incorporated referred to below and by applying the proceeds thereof to discharge and satisfy the indebtedness evidenced by those 1983 Bonds which mature on or after July 1, 1994 (the "Refunded Bonds"). After the Refunded Bonds are defeased as provided for herein, those 1983 Bonds which mature on or before July 1, 1993 in the aggregate principal amount of \$3,290,000 will remain outstanding under the 1983 Resolution.

3. The St. Mary's Hospital Bond Enabling Act authorizes and empowers the County, at any time and from time to time, to issue bonds for the purpose of refunding any bonds previously issued thereunder. In addition, Section 24 of Article 31 of the Annotated Code of Maryland (1986 Replacement Volume) (the "Refunding Bond Enabling Act") provides that any county may issue bonds for the purpose of refunding any of its bonds then outstanding, including the payment of any redemption

premium and any interest accrued or to accrue to the date of redemption, purchase or maturity of the bonds or other obligations. The Refunding Bond Enabling Act further provides that such refunding bonds may be sold on a negotiated basis without solicitation of bids in an amount determined by the issuer, which amount may be in excess of the principal amount of bonds refunded. Proceeds of any refunding bonds may be invested in direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States of America or in certificates of deposit or time deposits secured by direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States of America to assure that the principal, interest and redemption premium, if any, on the bonds or other obligations being refunded shall be paid in full on their respective maturity, redemption or interest payment dates.

4. Alex. Brown & Sons Incorporated has offered to purchase \$13,835,000 aggregate principal amount of the County's general obligation refunding bonds designated "County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1986", dated December 1, 1986 (the "1986 Refunding Bonds"), and to pay \$15,621,227.50 therefor plus accrued interest thereon from December 1, 1986 to the date of payment of the purchase price. The County has determined that it is in the public interest to sell the 1986 Refunding Bonds on a negotiated basis without solicitation of bids and that the proposal of Alex. Brown & Sons Incorporated is in the best interest of both the County and the Institution. Accordingly, the County accepts the proposal of Alex. Brown & Sons Incorporated and will issue the 1986 Refunding Bonds in accordance with the terms of such proposal.

5. The net proceeds of the 1986 Refunding Bonds will be deposited in trust with Mercantile-Safe Deposit and Trust Company, as Escrow Deposit Agent, pursuant to an Escrow Deposit Agreement. In addition, by the Resolution the County instructs the trustee under the 1983 Resolution to transfer funds from the debt service fund created by the 1983 Resolution to the Escrow Deposit Agent for deposit in trust to provide for payment on January 1, 1987 of the interest then due on the 1983 Bonds maturing on or after July 1, 1994. The County hereby determines that such transfer does not materially and adversely affect the rights of the holders of the 1983 Bonds. Under the terms of the Escrow Deposit Agreement, the net proceeds of the 1986 Refunding Bonds will be used to purchase direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or certificates of deposit or time deposits fully collateralized by direct obligations of, or obligations the



principal of and the interest on which are unconditionally guaranteed by, the United States of America in such amounts and maturing at stated fixed prices as to principal and interest at such times so that sufficient moneys will be available from such maturing principal and interest to redeem on July 1, 1993, at the redemption price of 103% of the principal amount thereof and to pay interest when due on the \$13,170,000 aggregate principal amount of the Refunded Bonds stated to mature on or after July 1, 1994.

NOW, THEREFORE, BE IT RESOLVED BY COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, that:

Section 1. Issuance of Bonds Authorized. Acting pursuant to the authority of Chapter 475 of the Laws of Maryland of 1980 (as supplemented and amended by Chapter 711 of the Laws of Maryland of 1981) and Section 24 of Article 31 of the Annotated Code of Maryland (1986 Replacement Volume), County Commissioners of St. Mary's County, a body politic and corporate and political subdivision of the State of Maryland (the "County"), shall issue and sell, upon its full faith and credit, in the manner hereinafter provided, Fifteen Million Eight Hundred Thirty-Five Thousand Dollars (\$15,835,000) of its general obligation refunding bonds designated as "St. Mary's Hospital Refunding Bonds of 1986" (the "1986 Refunding Bonds"), the net proceeds of such sale (together with any other funds lawfully available therefor) to be used to purchase direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations") or certificates of deposit or time deposits fully collateralized by Government Obligations in such amounts and maturing at stated fixed prices as to principal and interest at such times as will be sufficient, together with other amounts available therefore, to redeem on July 1, 1993, at 103% of the principal amount thereof and to pay interest when due on the \$13,170,000 principal amount of 1983 Bonds maturing on or after July 1, 1994 (the "Refunded Bonds"). After the delivery of the 1986 Refunding Bonds as described above, the \$3,290,000 principal amount of 1983 Bonds maturing on or before July 1, 1993 (the "Outstanding Bonds") will remain outstanding.

Section 2. Denomination and Maturities of 1986 Refunding Bonds. The 1986 Refunding Bonds shall be dated December 1, 1986, shall bear interest from the most recent date as to which interest has been paid, or if no interest has been paid, from December 1, 1986 at the rate or rates per annum set forth below (payable on July 1, 1987 (7 months' interest), and semiannually thereafter on July 1 and January 1 in each year that the 1986 Refunding Bonds are outstanding), shall be issued

only in fully registered bonds in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof each, and shall be numbered from one consecutively upward in the order of their maturities. The 1986 Refunding Bonds shall mature, subject to prior redemption as hereinafter provided, on the first day of July as follows:

Year of Maturity	Principal Amount	Interest Rates	Year of Maturity	Principal Amount	Interest Rates
1987	\$ 35,000	4.00%	1997	\$1,015,000	6.15%
1988	170,000	4.30	1998	1,090,000	6.30
1989	175,000	4.60	1999	1,155,000	6.40
1990	180,000	4.80	2000	1,230,000	6.50
1991	195,000	5.00	2001	1,300,000	6.60
1992	200,000	5.20	2002	1,395,000	6.70
1993	210,000	5.40	2003	1,490,000	6.75
1994	865,000	5.60	2004	1,575,000	6.80
1995	910,000	5.80	2005	1,685,000	6.90
1996	960,000	6.00			

Section 3. Redemption of 1986 Refunding Bonds. (a) The 1986 Refunding Bonds which mature on or before January 1, 1996, shall not be subject to redemption prior to their maturities. The 1986 Refunding Bonds which mature on or after January 1, 1997, shall be subject to redemption, as a whole at any time or in part on any interest payment date, and if in part, in the inverse order of maturities, at the option of the County on or after January 1, 1996, at a redemption price, expressed as percentages of the principal amount of the 1986 Refunding Bonds to be redeemed, set forth in the table below, together with interest accrued to the date fixed for redemption:

Redemption Period (both dates inclusive)	Redemption Price
July 1, 1996 to June 30, 1997	102%
July 1, 1997 to June 30, 1998	101 1/2
July 1, 1998 to June 30, 1999	101
July 1, 1999 to June 30, 2000	100 1/2
July 1, 2000 and thereafter	100

(b) If less than all of the 1986 Refunding Bonds of any one maturity shall be called for redemption, the particular 1986 Refunding Bonds to be redeemed shall be selected by lot by the Trustee in such manner as the Trustee in its sole discretion may determine.



(c) Not less than thirty (30) days prior to the date of redemption of any 1986 Refunding Bonds the County shall cause notice of such redemption to be mailed, postage prepaid, to all registered owners of 1986 Refunding Bonds to be redeemed at their addresses as they appear on the registration books hereinafter provided for; provided, however, that the failure to mail such notice or any defect in the notice so mailed or in the mailing thereof shall not affect the validity of the proceedings for the redemption of the 1986 Refunding Bonds. The redemption notice shall state: (i) whether the 1986 Refunding Bonds are to be redeemed in whole or in part and; if in part, the maturities and numbers of the 1986 Refunding Bonds to be redeemed; (ii) that the interest on the 1986 Refunding Bonds to be redeemed shall cease to accrue on the date fixed for redemption; (iii) the date fixed for redemption and the redemption price; and (iv) that the 1986 Refunding Bonds to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the principal corporate trust office of the Trustee.

(d) If less than all of a 1986 Refunding Bond in a denomination in excess of \$5,000 is redeemed, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof, for the unredeemed balance of the principal amount of such 1986 Refunding Bond, of the registered owner, 1986 Refunding Bonds in any authorized denomination specified by the registered owner, the amount of 1986 Refunding Bonds so issued shall not exceed the unredeemed balance of the principal amount of the 1986 Refunding Bonds surrendered, and the 1986 Refunding Bonds issued shall bear the same interest rate and mature on the same date as the unredeemed balance of the 1986 Refunding Bond surrendered.

(e) From and after the date fixed for redemption, if funds sufficient for the payment of the redemption price and accrued interest are on deposit with the Trustee, the 1986 Refunding Bonds called for redemption shall cease to bear interest. Upon presentation for redemption on or after the date fixed for redemption at the principal corporate trust office of the Trustee in Baltimore, Maryland, the 1986 Refunding Bonds so called for redemption shall be paid by the Trustee at the redemption price, plus accrued interest. If any such 1986 Refunding Bond is not paid upon presentation in accordance with this Resolution, then such 1986 Refunding Bonds shall continue to bear interest at the rate stated in such 1986 Refunding Bond until paid.

Section 4. Manner of Execution of 1986 Refunding Bonds. The 1986 Refunding Bonds, when issued, shall be executed in the name of the County and on its behalf by the President of the Board of County Commissioners (the "Board"), whose signature may be by facsimile, and a facsimile of the

seal of the County shall be imprinted on each of the 1986 Refunding Bonds, attested to by the signature of the County Administrator whose signature may be by facsimile. The facsimile of the signature of the President of the Board, the facsimile of the signature of the County Administrator and the facsimile of the seal of the County shall be engraved, printed or lithographed on each of the 1986 Refunding Bonds in accordance with, and pursuant to the authority of, Sections 2-301 to 2-306, inclusive, of the State Finance and Procurement Article of the Annotated Code of Maryland (1985 Volume and 1986 Supplement). Each 1986 Refunding Bond shall be authenticated by the manual signature of an authorized officer of the Trustee. If any officer whose facsimile signature appears on such 1986 Refunding Bond shall cease to be such officer before delivery of such 1986 Refunding Bonds, such signature shall, nevertheless, be valid and sufficient for all purposes as if the officer had remained in office until such delivery. No 1986 Refunding Bonds issued hereunder shall be valid for any purpose or constitute an obligation of the County unless so authenticated. There shall be printed on each 1986 Refunding Bond the text of the approving legal opinion of bond counsel with respect to the 1986 Refunding Bonds. Such printed text shall be certified, in the name of the County, to be a correct copy of said opinion by the facsimile signature of the President of the Board.

Section 5. Place and Medium of Payment. The 1986 Refunding Bonds shall be payable as to principal or redemption price thereof and interest thereon in lawful money of the United States of America.

The principal of the 1986 Refunding Bonds shall be payable to the person appearing on the registration books of the County provided for herein as the registered owner thereof, such principal to be payable at the principal corporate trust office of the Trustee in Baltimore, Maryland, upon presentation and surrender of such 1986 Refunding Bonds, on the date such principal is payable or if such date is not a Business Day (hereinafter defined) then on the next succeeding Business Day.

Payment of the interest on the 1986 Refunding Bonds shall be made by check mailed on or before each interest payment date (or if such date is not a Business Day, then on the succeeding Business Day) by the Trustee to the persons in whose names such 1986 Refunding Bonds shall be registered as of the close of business on the Regular Record Date which shall be the fifteenth (15th) day of the month immediately preceding each interest payment date, notwithstanding any transfer or exchange of such 1986 Refunding Bonds subsequent to such date, at their



addresses as they appear on the registration books of the County. Payment of any defaulted interest may be paid to the person in whose name such 1986 Refunding Bond is registered as of the close of business on the Special Record Date which shall be the date to be fixed by the Trustee for the payment of such defaulted interest, (such Special Record Date shall be not less than ten (10) or more than fifteen (15) days prior to the date set for payment of such defaulted interest), notice whereof being given by letter mailed first class, postage prepaid, to such registered owner not less than 10 days prior to such Special Record Date, at the address of such person appearing on the Bond Register, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the 1986 Refunding Bonds may be listed and upon such notice as may be required by such exchange.

"Business Day" means any day other than a Saturday, Sunday or day on which banking institutions under the laws of the state governing the Trustee are authorized or obligated by law or required by executive order to remain closed.

Section 6. Registration and Exchange of 1986 Refunding Bonds. The 1986 Refunding Bonds shall be negotiable instruments for all purposes and shall be transferable by delivery subject only to the provisions for registration and registration of transfer endorsed on the 1986 Refunding Bonds as hereinafter provided.

The County shall cause books for registration and the registration of transfer of 1986 Refunding Bonds to be prepared (the "Bond Register"). The registration books shall be kept by the Trustee, which is hereby designated "Bond Registrar" for the purpose of registering the 1986 Refunding Bonds and the transfers of the 1986 Refunding Bonds. The holder of any 1986 Refunding Bond may register such 1986 Refunding Bond only upon such books.

The 1986 Refunding Bonds shall be transferable only upon the Bond Register, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer in the form attached thereto and satisfactory to the Trustee and duly executed by the registered owner or his duly authorized attorney. Upon surrender of any 1986 Refunding Bond at the principal corporate trust office of the Trustee in Baltimore, Maryland, together with a written instrument of transfer described above, such 1986 Refunding Bond may be exchanged for an equal aggregate principal amount of 1986 Refunding Bonds of

other authorized denominations, bearing interest at the same rate and having the same stated maturity date.

In all cases in which 1986 Refunding Bonds shall be exchanged hereunder, the County shall execute and the Trustee shall authenticate and deliver at the earliest practicable time 1986 Refunding Bonds in accordance with the provisions of this Resolution. All 1986 Refunding Bonds surrendered in any such exchange shall forthwith be cancelled by the Trustee. The County or the Trustee may make a charge for every such exchange of 1986 Refunding Bonds sufficient to reimburse it for any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect to such exchange, but no other charge shall be made to any holder for the privilege of exchanging 1986 Refunding Bonds under the provisions of this Resolution.

Neither the County nor the Trustee shall be required to register the transfer of any 1986 Refunding Bond or make any exchange of any 1986 Refunding Bond after mailing of notice calling such 1986 Refunding Bond or any portion thereof for redemption; provided, however, that this limitation shall not apply to that portion of a 1986 Refunding Bond in excess of \$5,000 which is not being called for redemption.

The County and the Trustee may deem and treat the person in whose name any 1986 Refunding Bond shall be registered as the absolute owner thereof (whether or not such 1986 Refunding Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the County or the Trustee) for the purpose of receiving payment of or on account of the principal or redemption price of such 1986 Refunding Bond, and for all other purposes, and neither the County nor the Trustee shall be affected by any notice to the contrary. All such payments so made to any such registered owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such 1986 Refunding Bond.

Section 7. Form of 1986 Refunding Bonds. Except as provided hereinafter or in a resolution or resolutions of the Board adopted prior to the issuance of the 1986 Refunding Bonds, the 1986 Refunding Bonds shall be in substantially the following form, with necessary or appropriate variations, omissions and exceptions as permitted or required by this Resolution; provided that there shall be inserted at the points indicated therein, when appropriate, the words more particularly set forth as insertions, which form, together with all of the covenants and conditions therein contained, is



hereby adopted by the County as and for the form of obligation to be incurred by the County and said covenants and conditions, including the promise to pay therein contained, are hereby made binding upon the County:

(Form of Bond)  
[BOND FACE]

UNITED STATES OF AMERICA  
STATE OF MARYLAND

No. \_\_\_\_\_

\$ \_\_\_\_\_

COUNTY COMMISSIONERS OF ST. MARY'S COUNTY  
ST. MARY'S HOSPITAL REFUNDING BOND OF 1986

Maturity Date	Interest Rate	Dated	CUSIP
		December 1, 1986	

Registered Owner:

Principal Amount: \_\_\_\_\_ Dollars

County Commissioners of St. Mary's County, a body politic and corporate organized and existing under the Constitution and laws of the State of Maryland (the "County"), hereby acknowledges itself indebted for value received, and promises to pay to the registered owner shown above or registered assigns or legal representative, on the Maturity Date shown above (unless this bond shall be redeemable, shall have been called for prior redemption and payment of the redemption price made or provided for), in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts, upon presentation and surrender of this bond on the date such principal is payable or, if such date is not a Business Day (hereinafter defined) then on the next succeeding Business Day, at the principal corporate trust office of The First National Bank of Maryland, in Baltimore, Maryland (the "Trustee"), and to pay to the registered owner hereof by check or draft payable in like coin or currency, mailed to such registered owner at his address as it appears on the bond registration books maintained by the Trustee (the "Bond Register") interest on such principal amount at the Interest Rate per annum shown above until payment of such

principal amount, or until the prior redemption hereof, such interest being payable semi-annually on the first days of July and January in each year (each, an "Interest Payment Date") commencing on July 1, 1987, accounting from the most recent date to which interest has been paid or, if no interest has been paid, from December 1, 1986. All interest due on this bond shall be payable to the registered owner in whose name this bond is registered on the Bond Register as of the close of business on the regular record date, which shall be the fifteenth day of the month preceding each regular interest payment date (the "Regular Record Date"), and shall be made by check mailed by the Trustee on the Interest Payment Date (or if such date is not a Business Day, on the next succeeding Business Day) to such person at his address as it appears on the Bond Register. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this bond is registered as of the close of business on a date for the payment of such defaulted interest to be fixed by the Trustee (the "Special Record Date") (such Special Record Date shall be not less than 10 or more than 15 days prior to the date set for payment of such defaulted interest), notice whereof being given by letter mailed first class, postage prepaid, to the registered owners not less than 10 days prior to such Special Record Date, at the addresses of such registered owners appearing on the Bond Register, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the bonds of this series may be listed and upon such notice as may be required by such exchange.

"Business Day" means a day other than a Saturday, Sunday or day on which banking institutions under the laws of the state governing the Trustee are authorized or obligated by law or required by executive order to remain closed.

ADDITIONAL PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HEREIN.

The full faith and credit and unlimited taxing power of County Commissioners of St. Mary's County are hereby unconditionally pledged to the payment of this bond and of the interest payable hereon according to its terms, and the County does hereby covenant and agree to pay punctually the principal of this bond and the interest hereon on the dates and in the manner prescribed herein, according to the true intent and meaning hereof.



It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened, and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland and the Resolution (as defined on the reverse hereof), and that the issue of bonds, of which this bond is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the State of Maryland and that due provision has been made for the levy and collection of an annual ad valorem tax or taxes upon all the legally assessable property within the corporate limits of the County in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on this bond.

This bond shall not become obligatory for any purpose or be entitled to any benefit under the above-mentioned laws until this bond shall have been authenticated by an authorized officer of the Trustee.

IN WITNESS WHEREOF, County Commissioners of St. Mary's County has caused this bond to be executed in its name by the facsimile signature of the President of the Board of County Commissioners and by its corporate seal imprinted hereon in facsimile, attested by the facsimile signature of the County Administrator all as of the first day of December, 1986.

COUNTY COMMISSIONERS OF  
ST MARY'S COUNTY

By [Facsimile Signature]  
President, Board of County  
Commissioners

( S E A L )

ATTEST: [Facsimile Signature]  
County Administrator

CERTIFICATE OF AUTHENTICATION

This bond is one of the registered bonds of County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1986.

The First National Bank of Maryland, as Trustee

By: \_\_\_\_\_  
Authorized Officer

Date of Authentication:



(REVERSE SIDE OF BOND)

This bond is one of a duly authorized issue of bonds of the County aggregating \$15,835,000 in principal amount, all dated December 1, 1986 (the "Bonds"). The Bonds are issued pursuant to and in full conformity with the provisions of Chapter 475 of the Laws of Maryland of 1981 (as supplemented and amended by Chapter 711 of the Laws of Maryland of 1981) and Section 24 of Article 31 of the Annotated Code of Maryland (1986 Replacement Volume) and by virtue of due proceedings had and taken by the Board of County Commissioners, particularly a resolution adopted by the Board of County Commissioners of St. Mary's County on December 10, 1986 (the "Resolution").

The Bonds mature and are payable on July 1 in the following years and amounts and bear interest at the following rates per annum:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rates</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
1987	\$ 35,000	4.00%	1997	\$1,015,000	6.15%
1988	170,000	4.30	1998	1,090,000	6.30
1989	175,000	4.60	1999	1,155,000	6.40
1990	180,000	4.80	2000	1,230,000	6.50
1991	195,000	5.00	2001	1,300,000	6.60
1992	200,000	5.20	2002	1,395,000	6.70
1993	210,000	5.40	2003	1,490,000	6.75
1994	865,000	5.60	2004	1,575,000	6.80
1995	910,000	5.80	2005	1,685,000	6.90
1996	960,000	6.00			

The Bonds which mature on or after July 1, 1997 are subject to redemption beginning July 1, 1996, as a whole at any time or in part on any interest payment date, in the inverse order of maturities, at the option of the County, at the following redemption prices, expressed as percentages of the principal amount of the Bonds to be redeemed, together with interest accrued to the date fixed for redemption:

<u>Redemption Period (both dates inclusive)</u>	<u>Redemption Price</u>
July 1, 1996 to June 30, 1997	102%
July 1, 1997 to June 30, 1998	101 1/2
July 1, 1998 to June 30, 1999	101
July 1, 1999 to June 30, 2000	100 1/2
July 1, 2000 and thereafter	100

If less than all of the Bonds of any one maturity are called for redemption, the particular Bonds or portion of Bonds to be redeemed from such maturity will be selected by lot by the Trustee in such manner as the Trustee in its sole discretion may determine.

When less than all of a Bond in a denomination in excess of \$5,000 is so redeemed, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof, for the unredeemed balance of the principal amount of such Bond, at the option of such owner, Bonds in any of the authorized denominations as specified by the registered owner, the aggregate face amount of such Bonds not to exceed the unredeemed balance of the principal amount of the Bond surrendered, and to bear the same interest rate and to mature on the same date as the unredeemed balance of the Bond surrendered.

If the County elects to redeem all or a portion of the Bonds outstanding, it will give a redemption notice to the registered owners of the Bonds to be redeemed by letter mailed first class, postage prepaid, at least thirty (30) days prior to the date fixed for redemption to the addresses of such registered owners appearing on the registration books kept by the Trustee; provided, however, that the failure to mail the redemption notice or any defect in the notice mailed, or in the mailing thereof, shall not affect the validity of the redemption proceedings. The redemption notice shall state (i) whether the Bonds are redeemed in whole or in part and, if in part, the maturities and numbers of the Bonds to be redeemed, (ii) that the interest on the Bonds to be redeemed shall cease on the date fixed for redemption, (iii) the date fixed for redemption and the redemption price, and (iv) that the Bonds to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the principal corporate trust office of the Trustee, in Baltimore, Maryland. From and after the date fixed for redemption, if notice has been duly and properly given, and if funds sufficient for the payment of the redemption price and accrued interest are available on such date, the Bonds designated for redemption shall cease to bear interest. Upon presentation and surrender for redemption in compliance with the redemption notice, the Bonds to be redeemed shall be paid by the Trustee at the redemption price. If they are not paid upon presentation, the Bonds designated for redemption shall continue to bear interest at the rates stated therein until paid.

The County has appointed the Trustee as bond registrar to keep books for the registration and for the transfer of Bonds (the "Bond Register"). This bond will be transferable



only upon the registration books kept at the principal corporate trust office of the Trustee in Baltimore, Maryland, by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer in the form attached hereto and satisfactory to the Trustee and duly executed by the registered owner or his duly authorized attorney.

This bond is transferable only upon the Bond Register. Upon any transfer or exchange, the County shall issue and the Trustee shall authenticate and deliver a new registered bond or bonds of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the bond exchanged or transferred and maturing on the same date and bearing interest at the same rate. In each case, the Trustee may require payment by the registered owner of this bond requesting the exchange or transfer hereof of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect thereto, but otherwise no charge shall be made to the registered owner hereof for the exchange or transfer.

Neither the County nor the Trustee shall not be required to transfer or exchange this bond after mailing of notice of calling this bond or any portion hereof for redemption; provided, however, that this limitation shall not apply to any portion of this bond in excess of \$5,000 which is not being called for redemption.

The County may deem and treat the person in whose name this bond is registered as the absolute owner hereof (whether or not this bond is overdue and notwithstanding any notation hereon made by anyone other than the County or the Trustee) for the purpose of receiving payment of or on account of the principal or redemption price of this bond, and for all other purposes, and neither the County nor the Trustee shall be affected by any notice to the contrary. All payments made to the registered owner hereof, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon this bond.

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

the within bond and all rights thereunder and does hereby constitute and appoint

attorney to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

Notice: Signatures must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

(Form of Legal Certification)

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the complete approving legal opinion of Piper & Marbury, Baltimore, Maryland, with respect to the issue of bonds of which this bond is one, that the original of the approving legal opinion was manually executed, dated and issued as of the date of delivery of, and payment for, said issue of bonds and that an executed copy thereof is on file with the Trustee.



COUNTY COMMISSIONERS OF  
ST. MARY'S

[Facimile Signature]  
President, Board of County  
Commissioners

[Here insert text of approving legal opinion.]

Section 8. Changes in Form of 1986 Refunding Bonds.  
 The President of the Board of County Commissioners is hereby authorized to make such changes in the form of bond set forth in Section 7 hereof as he shall deem necessary to carry into effect the purposes of this Resolution or to comply with recommendations of legal counsel; provided, however, that the President shall make no change affecting the substance of such form.

Section 9. Sale of Bonds; Application of Good Faith Deposit; Delivery of Bonds. (a) In view of the desirability of flexibility in the scheduling of the sale of the 1986 Refunding Bonds and taking into account present bond market conditions, interest rate levels on municipal bonds, and the proposal which has been received by the County for the sale of the 1986 Refunding Bonds at private sale, the 1986 Refunding Bonds, bearing the interest rates set forth in Section 2 of this Resolution, are hereby sold to Alex. Brown & Sons Incorporated, from which a proposal for the purchase of the 1986 Refunding Bonds has been received this date, at the price named in such proposal, namely, Fifteen Million Six Hundred Twenty-One Thousand Two Hundred Twenty-Seven Dollars and Fifty Cents (\$15,621,227.50), plus interest accrued from December 1, 1986 to the date of delivery of the 1986 Refunding Bonds.

(b) The proposal submitted for the 1986 Refunding Bonds is accompanied by a certified check upon, or a cashier's or treasurer's or other official check of, a responsible banking institution, payable to "County Commissioners of St. Mary's County" in the amount of \$157,900. Such check will be collected and the proceeds thereof retained by the County for disbursement in accordance with Section 11 of this Resolution and applied in part payment for the 1986 Refunding Bonds, and no interest will be allowed upon the amount thereof, but, in the event Alex. Brown & Sons Incorporated shall fail to comply with the terms of its proposal, the proceeds of such check will be retained as and for full liquidated damages. The President of the Board of County Commissioners and the County Administrator are hereby authorized to execute appropriate documents, if requested by the purchaser of the 1986 Refunding Bonds, to indicate the acceptance by the County of the proposal for the purchase of the 1986 Refunding Bonds on the conditions authorized by this Resolution.

(c) The 1986 Refunding Bonds will be delivered as soon as practicable, upon due notice and at the expense of the County, at such place as may be agreed upon between the purchaser of the 1986 Refunding Bonds and the County, upon payment of the purchase price for the 1986 Refunding Bonds as set forth in paragraph (a) above, plus accrued interest to the



date of delivery, less the deposit theretofore made. Such payment shall be made in Federal or other immediately available funds.

Section 10. Approval of Official Statement. The distribution of an Official Statement pertaining to the 1986 Refunding Bonds is hereby authorized, the final form of such Official Statement to be approved by the President of the Board of County Commissioners as evidenced by his signature thereon. The Official Statement shall be in substantially the form of the Preliminary Official Statement dated December 4, 1986, with such changes, modifications, additions and deletions as the President of the Board of County Commissioners may approve. The distribution of the Preliminary Official Statement is hereby approved.

Section 11. Escrow Deposit Agreement; Disbursement of Proceeds of 1986 Refunding Bonds; Notice of Refunding; Subscription for Government Obligations. (a) Mercantile-Safe Deposit and Trust Company is hereby appointed as Escrow Deposit Agent (the "Escrow Deposit Agent"). The President of the Board of County Commissioners shall execute on behalf of the County an Escrow Deposit Agreement with the Escrow Deposit Agent in substantially the form attached hereto as Exhibit A (the "Escrow Deposit Agreement"), with such changes, additions or modifications as may be required or deemed appropriate by him to accomplish the purposes of the transaction authorized by this Resolution.

(b) Of the proceeds of the 1986 Refunding Bonds, including accrued interest, the following amount shall, simultaneously with the issuance of the 1986 Refunding Bonds, be paid by the County and shall be disbursed as follows:

(i) To the Trustee to be deposited in an expense account held by the Trustee an amount sufficient to pay legal, administrative and other financing expenses attributable to the issuance of the 1986 Refunding Bonds; any balance of such proceeds not disbursed within six months after the date of delivery of the 1986 Refunding Bonds shall be transferred to the Principal Account of the Debt Service Fund;

(ii) To the Trustee to be deposited in the Interest Account of the Debt Service Fund, an amount equal to accrued interest on the 1986 Refunding Bonds to the date of delivery thereof;

(iii) To the Escrow Deposit Agent an amount sufficient to pay the fees and expenses of the Escrow Deposit Agent in connection with the performance of its duties under the Escrow Deposit Agreement; and

(iv) To the Escrow Deposit Agent, in Federal funds or other immediately available funds, to be used and applied solely in accordance with the terms and conditions of the Escrow Deposit Agreement an amount equal to the balance of the proceeds of the 1986 Refunding Bonds (after having made the deposits required by paragraphs (i), (ii) and (iii)).

(c) Within 30 days after the delivery of and payment for the 1986 Refunding Bonds, the Escrow Deposit Agent shall cause a notice of refunding, substantially in the form attached hereto as Exhibit B, to be published at least once in a newspaper of general circulation in the City of Baltimore, Maryland and in a financial journal or newspaper published or circulating in the City of New York, New York and to be mailed, postage prepaid, to all registered owners of Refunded Bonds at their addresses as they appear on the registration books provided for in the 1983 Resolution.

(d) Joseph P. O'Dell, the Director of Budget and Data Services of the County is hereby authorized to execute and file on behalf of the County a subscription for United States Treasury Obligations - State and Local Government Series. The Authorization granted hereby shall be deemed to include the authorization to amend such subscription and take any action on behalf of the County necessary to purchase such obligations.

Section 12. Transfers of Funds and Accounts. The County hereby directs that, simultaneously with the issuance of the 1986 Refunding Bonds, the Trustee under the 1983 Resolution redeem and convert to cash investments credited to the Interest Account in the Debt Service Fund established and created by the 1983 Resolution, to pay any redemption penalty necessary to effect such redemption and conversion and upon effecting such redemption and conversion to transfer \$628,537.50, representing the interest due on the Refunded Bonds on January 1, 1987, to the Escrow Deposit Agent for deposit in the Escrow Deposit Fund to be used and applied in accordance with the terms and conditions of the Escrow Deposit Agreement. The 1983 Resolution is hereby amended to the extent necessary to permit such transfer. The County hereby finds and determines that such transfer and such amendment do not materially and adversely affect the rights of the holders of the 1983 Bonds.

Section 13. Accountant's Certificate. Prior to the delivery of the 1986 Refunding Bonds, the County shall have received a certificate of a firm of independent certified public accountants, nationally recognized in the field of advance refunding of tax exempt obligations, verifying that the maturing principal amounts of the obligations held in the Escrow Deposit Fund and interest earned thereon, together with



other amounts provided by the County, will be sufficient to redeem on July 1, 1993, at 103% of the principal amount thereof and to pay interest when due on the \$13,170,000 principal amount of Refunded Bonds.

Section 14. Redemption of the Refunded Bonds.  
 Conditional only upon the delivery of and payment for the 1986 Refunding Bonds, the County hereby specifically and irrevocably elects to redeem on July 1, 1993, the \$13,170,000 principal amount of the Refunded Bonds, at the redemption price of 103% of the principal amount thereof, plus interest accrued and unpaid to July 1, 1993, and hereby directs the Trustee under the 1983 Resolution, at least 30 days before July 1, 1993, to cause to be published a notice of redemption substantially in the form attached hereto as Exhibit C at least once in a newspaper of general circulation in the City of Baltimore, Maryland and in a financial journal or newspaper published or circulating in the City of New York, New York and to be mailed, postage prepaid, to all registered owners of Refunded Bonds at their addresses as they appear on the registration books provided for in the 1983 Resolution. Mailing of any such notice of redemption shall not be a condition precedent to redemption and failure so to mail any such notice to any registered owner of Refunded Bonds shall not affect the validity of the proceedings for the redemption of Refunded Bonds. In the event the 1986 Refunding Bonds are not issued and delivered and payment is not received therefor, this Section shall be void and of no force and effect.

Section 15. Amendment to Loan Agreement and Mortgage. The County shall execute an amendment to the Loan Agreement between the County and St. Mary's Hospital of St. Mary's County (the "Institution") dated as of June 29, 1982, as amended by the First Supplemental Loan Agreement dated June 17, 1983, and the Mortgage dated as of June 29, 1982, as amended by the First Supplemental Mortgage dated June 17, 1983, granted by the Institution as security for its obligations under the Loan Agreement in substantially the forms attached hereto as Exhibits D and E, respectively (the Loan Agreement and the Mortgage, together with any amendments or supplements thereto, are hereinafter referred to as the "Loan Agreement" and the "Mortgage", respectively). The President of the Board of County Commissioners is hereby authorized, prior to the execution of such amendments, to make such changes or modifications in such amendments as may be required or deemed appropriate by him in order to accomplish the purposes of the transaction authorized by this Resolution, provided however that such changes or modifications in such amendments shall include only such changes to the Loan Agreement and the Mortgage as shall be necessary to provide for the payment of

the debt service on the 1986 Refunding Bonds and to secure such payments. The execution of such amendments by the President of the Board of County Commissioners shall be conclusive evidence of the due execution of such instruments on behalf of the County.

Section 16. Creation of Funds and Accounts to be Held by the Trustee. The following funds and separate accounts within the funds are hereby created for the 1986 Refunding Bonds and shall be held and maintained for the 1986 Refunding Bonds by the Trustee under this Resolution:

- Debt Service Fund;
  - Interest Account;
  - Principal Account;
- Debt Service Reserve Fund;
- Rebate Fund; and
- Redemption Fund.

The complete designation of each such fund or account shall consist of the words "County Commissioners of St. Mary's County - St. Mary's Hospital of St. Mary's County 1986 Refunding" preceding the name of the fund or account so that the Debt Service Fund shall bear the full designation "County Commissioners of St. Mary's County - St. Mary's Hospital of St. Mary's County 1986 Refunding Debt Service Fund."

Section 17. Bonds Not to be Arbitrage Bonds; Application of Moneys in Rebate Fund. (a) The President of the Board of County Commissioners (the "Section 148 Certifying Official") shall be responsible for the execution and delivery (on the date of issuance of the 1986 Refunding Bonds) of a certificate of the County (the "Section 148 Certificate") which complies with the requirements of Section 148 of the Internal Revenue Code of 1986 ("Section 148") and the applicable regulations thereunder (the "Arbitrage Regulations"), and the Section 148 Certifying Official is hereby authorized and directed to execute the Section 148 Certificate and to deliver the same to counsel rendering an opinion on the validity of the 1986 Refunding Bonds on the date of the issuance of the 1986 Refunding Bonds.

(b) The County shall set forth in the Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the 1986 Refunding Bonds, or of any moneys, securities or other obligations on deposit to the credit of any of the funds created or established by this Resolution or held by the Trustee pursuant to the Loan Agreement or of any other moneys, securities or other obligations which may be deemed to be



proceeds of the 1986 Refunding Bonds pursuant to Section 148 or the Arbitrage Regulations (collectively, the "Bond Proceeds"). The County covenants with each of the holders of any of the 1986 Refunding Bonds that the facts, estimates and circumstances set forth in the Section 148 Certificate will be based on the County's reasonable expectations on the date of issuance of the 1986 Refunding Bonds and will be, to the best of the Section 148 Certifying Official's knowledge, true, correct and complete as of that date.

(c) The County covenants with each of the holders of any of the 1986 Refunding Bonds that it will not make, or (to the extent it exercises control or direction) permit to be made, any use of the Bond Proceeds which would cause the 1986 Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148 and the Arbitrage Regulations.

(d) The County further covenants that it will comply with Section 148 and the Arbitrage Regulations which are applicable to the 1986 Refunding Bonds on the date of issuance of the 1986 Refunding Bonds and which may subsequently lawfully be made applicable to the 1986 Refunding Bonds.

(e) The County will hold and shall invest Bond Proceeds within its control (if such proceeds are invested) in accordance with the expectations of the County set forth in the Section 148 Certificate. The County shall (i) direct the Trustee to transfer amounts on deposit in any fund or account created by this Resolution to the Rebate Fund and (ii) direct the Institution to deposit funds with the Trustee for deposit to the Rebate Fund or otherwise make funds available to the County for the payment of rebates to the United States of America, all in accordance with the expectations of the County set forth in the Section 148 Certificate.

(f) The County shall make timely payment, but only from the sources hereafter described, of any rebate amount (or installment thereof) required to be paid to the United States of America in order to preserve the exclusion from gross income for purposes of federal income taxation of interest on the 1986 Refunding Bonds and shall include with any such payment such other documents, certificates or statements as shall be required to be included therewith under then-applicable law and regulations.

(g) Upon receipt of written notice from the County directing the transfer of amounts on deposit in any fund or account created by this Resolution to the Rebate Fund, the Trustee shall make the transfer referred to therein, any other provision of this Resolution to the contrary notwithstanding.

Amounts on deposit in the Rebate Fund from time to time required to be rebated to the United States of America pursuant to Section 148 shall be made available by the Trustee to the County for the payment of such rebates upon the written direction of the County and shall not be pledged to the payment of the principal or redemption price of or interest on any Bonds.

(h) The Section 148 Certifying Official may execute a certificate or certificates supplementing or amending the Section 148 Certificate, and actions taken by the County subsequent to the execution of such certificate and the filing of the same with the Trustee shall be in accordance with the Section 148 Certificate as amended or supplemented; provided, however, that the County shall execute or file any such certificate only upon delivery to the Trustee of an opinion of Bond Counsel addressed to the County to the effect that actions taken by the County in accordance with the amending or supplementing certificate will not adversely affect the exemption from federal income taxation of interest on the 1986 Refunding Bonds.

Section 18. Deposit and Application of Voluntary Payments. Voluntary payments made by the Institution to the Trustee in accordance with Section 7.01 of the Loan Agreement shall be deposited in the Redemption Fund. Moneys deposited in the Redemption Fund shall be applied by the Trustee for the purchase or redemption of 1986 Refunding Bonds as the County shall direct.

Section 19. Debt Service Fund: Application of Moneys. (a) The Debt Service Fund shall be a fund held by the Trustee in trust and, pending the application of such Fund as provided in this Resolution, shall be subject to a lien and charge in favor of the holders of the 1986 Refunding Bonds and for the further security of such holders until paid out or transferred as herein provided.

(b) The County assigns, transfers and sets over to the Trustee all of the payments to the County from the Institution with respect to the 1986 Refunding Bonds under the Loan Agreement (excepting only the rights of the County to indemnification by the Institution and to payments to the County for administrative expenses incurred by the County itself) and directs payment to the Trustee of any and all amounts payable to the County by the Institution under the Loan Agreement, except those payments noted which are to be made to the County itself with respect to the 1986 Refunding Bonds. The County hereby reaffirms its assignment pursuant to the 1983 Resolution to the trustee thereunder of payments from the



Institution with respect to the 1983 Bonds. Upon receipt of such payments from the Institution and such other moneys as may be paid to the Trustee by the County for deposit in the Debt Service Fund, the Trustee shall deposit the same in the Debt Service Fund; provided, however, that administrative expenses consisting of the compensation and expenses of the Trustee under the Resolution shall not be paid to the Trustee for deposit in the Debt Service Fund, but shall be paid to the Trustee for retention by the Trustee itself.

(c) So long as any of the 1986 Refunding Bonds are outstanding, the County shall promptly deposit in the Debt Service Fund sufficient amounts to pay the principal of and interest on the 1986 Refunding Bonds as the same become due and payable, if and to the extent that payments received from the Institution and deposited in the Debt Service Fund, together with moneys, if any, received from the Debt Service Reserve Fund pursuant to Section 21 of this Resolution, should be insufficient to pay such principal or interest.

(d) The Trustee shall on each interest payment date (or if such date is not a Business Day, on the next succeeding Business Day) pay or cause to be paid out of the Interest Account in the Debt Service Fund the interest due on the 1986 Refunding Bonds. Interest due shall be paid as provided in Section 5 hereof. The Trustee shall pay out of the Interest Account any amounts required for the payment of accrued interest upon any purchase or redemption of the 1986 Refunding Bonds.

(e) The Trustee shall on July 1 of each of the years 1987 to 2005 (or if such date is not a Business Day, on the next succeeding Business Day), inclusive, pay or cause to be paid out of the Principal Account in the Debt Service Fund the principal amount due on the 1986 Refunding Bonds, upon presentation and surrender of the requisite 1986 Refunding Bonds.

(f) The Trustee shall have no obligation to pay to the County, the Institution, any holder of 1986 Refunding Bonds or any other person interest on amounts held by the Trustee for payment of the principal of or the interest on the 1986 Refunding Bonds between the date on which such principal or interest is payable and the date on which such principal or interest is paid.

Section 20. Redemption Fund: Application of Moneys.  
Moneys in the Redemption Fund shall be applied by the Trustee to the purchase of 1986 Refunding Bonds at a purchase price not exceeding the redemption price applicable on the next interest



payment date on which 1986 Refunding Bonds are redeemable, in such manner as the County may direct. The Trustee shall endeavor to purchase 1986 Refunding Bonds, whether or not such 1986 Refunding Bonds shall then be subject to redemption, at the most advantageous price obtainable with reasonable diligence, but no such purchase shall be made by the Trustee within the period of forty-five (45) days immediately preceding any interest payment date on which 1986 Refunding Bonds are subject to call for redemption under the provisions of this Resolution except from moneys other than the moneys set aside or deposited for the redemption of 1986 Refunding Bonds. If forty-five (45) days prior to any interest payment date on which 1986 Refunding Bonds are subject to redemption, moneys in excess of One Hundred Thousand Dollars (\$100,000) shall then remain in the Redemption Fund (exclusive of amounts set aside for 1986 Refunding Bonds previously purchased or redeemed), the Trustee shall apply such moneys to the redemption of 1986 Refunding Bonds as provided in Section 3(a) hereof, at the lowest redemption price applicable to such redemption.

Upon the receipt of moneys from the County with instructions from the County that such moneys be deposited in the Redemption Fund, the Trustee shall deposit such moneys in the Redemption Fund as instructed.

The Trustee shall have no obligation to pay to the County, the Institution, any holder of the 1986 Refunding Bonds or any other person interest on amounts held by the Trustee in the Redemption Fund for the payment of the redemption price of 1986 Refunding Bonds between the date on which such redemption price is payable and the date on which such redemption price is paid.

Section 21. Debt Service Reserve Fund: Application of Moneys. Upon the receipt of moneys from the County with instructions from the County that such moneys be deposited in the Debt Service Reserve Fund, the Trustee shall deposit such moneys in the Debt Service Reserve Fund as instructed. Moneys in the Debt Service Reserve Fund shall be deposited by the Trustee in the Debt Service Fund if and to the extent that payments received from the Institution and deposited in the Debt Service Fund should be insufficient to pay the principal of and interest on the 1986 Refunding Bonds as the same become due and payable. The County may at any time direct that moneys in the Debt Service Reserve Fund be deposited in the Redemption Fund.

Section 22. Investment of Moneys. (a) Subject to the provisions of Section 17 hereof, moneys in any of the funds and accounts established by Section 16 shall be invested by the



Trustee, as shall be directed by the County upon the advice of the Institution (or, in the absence of such direction, as determined by the Trustee in its discretion), but only as follows:

(i) Moneys in the Debt Service Fund, Rebate Fund and Debt Service Reserve Fund only in Investment Obligations (as hereinafter defined) maturing in such amounts and on such dates as may be necessary to provide moneys to meet the payments from such Funds; and

(ii) Moneys in the Redemption Fund only in Investment Obligations maturing or redeemable at the option of the holder not later than the next succeeding interest payment date on which the 1986 Refunding Bonds are subject to redemption.

(b) "Investment Obligations" means (i) Government Obligations, (ii) Agency Obligations, (iii) negotiable or non-negotiable certificates of deposit issued by banks or trust companies and continuously secured (to the extent not fully insured by the Federal Deposit Insurance Corporation), for the benefit of the County, either (a) by lodging with a bank or trust company, as collateral security, Government Obligations, or with the approval of the Trustee, other marketable securities eligible as security for the deposit of trust funds under applicable regulations of the Comptroller of the Currency of the United States or applicable state law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit or (b) if the furnishing of security as provided in clause (a) of this paragraph is not permitted by applicable law, in such other manner as may then be required or permitted by applicable state or Federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, (iv) Short Term Investment Funds and, (v) repurchase agreements which county commissioner counties are permitted to invest funds in pursuant to Section 22 of Article 95 of the Annotated Code of Maryland (1985 Replacement Volume and 1986 Supplement). "Agency Obligations" means direct obligations (including bonds, notes or participation certificates) of, or obligations the principal of and the interest on which are unconditionally guaranteed by, any agency or instrumentality of the United States of America, including, without limitation, (i) Federal Home Loan Banks, Federal National Mortgage Association, Government National Mortgage Association, the Export-Import Bank of the United States, the Tennessee Valley Authority, the Federal Financing Bank and the Farmers Home Administration and (ii) either on a consolidated or system-wide basis, Federal Land Banks, Federal Intermediate Credit Banks or Banks for Cooperatives. "Short Term Investment Funds" means



those funds maintained by or available to the Trustee and consisting of Investment Obligations described in (i), (ii), (iii) and (v) above.

(c) Interest earned, profits realized and losses suffered by reason of any investment of the Debt Service Fund, the Debt Service Reserve Fund and the Redemption Fund shall be credited or charged, as the case may be, to the fund or account for which such investment shall have been made.

(d) The Trustee may sell or redeem any obligations in which moneys shall have been invested as in this Section provided, to the extent necessary, in its discretion, to provide cash in the respective funds or accounts, to make any payments required to be made therefrom, or to facilitate the transfers of moneys between various funds and accounts as may be required or permitted from time to time pursuant to the provisions of this Section.

(e) In computing the value of the assets of the Interest Account, the Principal Account, the Debt Service Reserve Fund and the Redemption Fund, investments and accrued interest thereon shall be deemed a part thereof. Such investments shall be valued at cost or current market value, whichever is the lower, or at the redemption price thereof, if then redeemable at the option of the holder.

(f) The proceeds from the sale of any instrument shall be paid into the fund or account, as the case may be, for which the sale thereof was made.

(g) Neither the Trustee nor the County shall be liable for any depreciation in the value of any obligations in which moneys of the funds or accounts shall be invested, as aforesaid, or for any loss arising from any investment permitted herein. The investments authorized by this Section shall at all times be subject to the provisions of applicable law, as amended from time to time.

Section 23. Application of Moneys in Certain Funds for Retirement of 1986 Refunding Bonds. Notwithstanding any other provisions of this Resolution, if at any time the amounts held in the Debt Service Fund, the Debt Service Reserve Fund and the Redemption Fund are sufficient to pay the principal or redemption price of all 1986 Refunding Bonds outstanding and the interest accruing on such 1986 Refunding Bonds to the next date on which such 1986 Refunding Bonds are redeemable, or payable, whichever is earlier, the Trustee shall so notify the County. Upon receipt of such notice, the County shall request the Trustee to redeem all such outstanding 1986 Refunding



Bonds. The Trustee shall, upon receipt of such request in writing by the County, proceed to redeem all such 1986 Refunding Bonds in the manner provided for redemption of such 1986 Refunding Bonds by this Resolution.

Section 24. Covenant to Pay Principal and Interest; Pledge of Full Faith and Credit. The full faith and credit and unlimited taxing power of the County are hereby irrevocably pledged to the payment of the maturing principal of and interest on the 1986 Refunding Bonds as and when they become payable. In each and every fiscal year that any of the 1986 Refunding Bonds are outstanding, the County shall levy or cause to be levied ad valorem taxes in rate and amount sufficient to provide for or assure the payment, when due, of the principal of and interest on all the 1986 Refunding Bonds maturing in each such fiscal year as and when such taxes become necessary in order to provide sufficient funds to meet the debt service requirements on the 1986 Refunding Bonds. If the moneys received by the County or by the Trustee from the Institution or the proceeds of the taxes so levied in any such fiscal year prove inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up any deficiency. The County may apply to the payment of the principal of and interest on any of the 1986 Refunding Bonds any funds received by it from the State of Maryland, the United States of America, any agency or instrumentality of either, or from any other source, if such funds are granted for the purpose of assisting the County or the Institution in financing the Project and, to the extent of any such funds received or receivable in any fiscal year, taxes that might otherwise be required to be levied hereunder may be reduced or need not be levied.

Section 25. Appointment of Trustee; Paying Agent; Registrar; Acceptance of Trustee. The First National Bank of Maryland, a national banking association organized and existing under the laws of the United States of America, is hereby appointed Trustee for the 1986 Refunding Bonds. The Trustee shall also be the Paying Agent and Bond Registrar. The Trustee shall signify its acceptance by written notice delivered to the County and upon delivery of such notice shall be deemed to have accepted the trusts and the duties of Trustee. Such written notice shall consist of a counterpart or counterparts of this Resolution bearing the following form of acceptance executed by the Trustee, and such counterparts shall then constitute one and the same trust agreement between the County and the Trustee for the benefit of the holders from time to time of the 1986 Refunding Bonds:

\_\_\_\_\_, Trustee, hereby accepts the trusts under the foregoing St. Mary's Hospital 1986 Refunding Bond Resolution adopted December \_\_, 1986 and the duties and obligations imposed upon the Trustee thereby, intending hereby to create obligations under seal under the laws of the State of Maryland with force and effect as an agreement and indenture of trust."

The Trustee's acceptance of the trusts and the duties of Trustee also shall constitute acceptance of the trusts and duties of Paying Agent and Bond Registrar.

Section 26. Trustee Entitled to Indemnity. The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Resolution, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability. The Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the County shall reimburse the Trustee for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the County shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Resolution and shall be entitled to a preference therefor over any of the 1986 Refunding Bonds; provided, however, that, nothing in the Resolution shall be construed to grant to the Trustee any claim on or right to reimburse from moneys on deposit in the Rebate Fund or the Escrow Deposit Fund created by the Escrow Deposit Agreement.

Section 27. Responsibilities of Trustee. (a) The recitals contained in this Resolution and in the 1986 Refunding Bonds shall be taken as the statements of the County or the Institution (as the case may be) and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Resolution, or of the 1986 Refunding Bonds or in respect



of the security afforded by this Resolution, and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to: (i) the issuance of the 1986 Refunding Bonds for value; (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee or Paying Agent; or (iii) the application of any moneys paid to the County or others in accordance with this Resolution except as to the application of any moneys paid to it in its capacity as Trustee or Paying Agent. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or default.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Resolution, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Resolution.

(c) The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Resolution.

(d) The Trustee shall provide to the Institution a monthly report stating as to each month (i) the obligations in which moneys in the Debt Service Fund, Debt Service Reserve Fund and Redemption Fund are invested and (ii) such other matters as the Trustee and the Institution shall approve, which report shall be in form and substance satisfactory to the Institution and the Trustee. The County shall be furnished with a copy of each such report.

Section 28. Property Held in Trust. All moneys and securities held by the Trustee at any time pursuant to the terms of this Resolution shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of this Resolution.

Section 29. Evidence on Which Trustee May Act. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be Bond Counsel, counsel to the County or counsel to the Institution, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith. Whenever the Trustee shall deem it



necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, such matter (unless such other evidence in respect thereof be hereby specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer of the County. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the County to the Trustee shall be sufficiently executed if executed in the name of the County by an Authorized Officer.

Section 30. Compensation. Unless otherwise provided by contract with the Trustee, the County shall pay to the Trustee, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent and Bond Registrar, together with all its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any of the 1986 Refunding Bonds for which such services have been rendered. The County shall indemnify and save the Trustee harmless against any expenses and liabilities which the Trustee may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or default. None of the provisions contained in this Resolution shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it. If the County shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession under the provisions of this Resolution and shall be entitled to a preference therefor over any of the 1986 Refunding Bonds except the Rebate Fund.

Section 31. Permitted Acts. The Trustee and its directors, officers, employees or agents may become the owner of or may in good faith buy, sell, own, hold and deal in 1986 Refunding Bonds and may join in any action which any holder of 1986 Refunding Bonds may be entitled to take as fully and with



the same rights as if it were not the Trustee. The Trustee may act as depository, or in any other capacity with respect to, the County or any committee formed to protect the rights of holders of 1986 Refunding Bonds, whether or not such committee shall represent the holders of a majority in principal amount of the 1986 Refunding Bonds outstanding hereunder.

Section 32. Bond Registrar. (a) The County shall provide an adequate inventory of 1986 Refunding Bond certificates to facilitate transfers. The Trustee covenants that it will maintain 1986 Refunding Bond certificates in safekeeping and will use reasonable care in maintaining such 1986 Refunding Bond in safekeeping, which shall be not less than the care it maintains for debt securities of other governments or corporations for which it serves as registrar, or which it maintains for its own 1986 Refunding Bond.

(b) The Trustee as Bond Registrar will maintain the records of the Bond Register in accordance with the Trustee's general practices and procedures in effect from time to time. The Trustee shall not be obligated to maintain such Bond Register in any form other than those which the trustee has currently available and currently utilizes at the time. The Bond Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

(c) The Trustee will provide the County, at anytime requested by the County, with a copy of the information contained in the Bond Register. The County may also inspect the information in the Security Register at any time the offices of the Trustee are customarily open for business, provided that reasonable time is allowed the Trustee to provide an up-to-date listing or to convert the information into written form. The Trustee will not release or disclose the content of the Bond Register to any person other than to or at the written request of, an authorized officer or employee of the County, except upon receipt of a subpoena or court order. Upon receipt of a subpoena or court order, the Trustee will notify the County so that the County may contest such subpoena or court order.

(d) The Trustee will, at such reasonable intervals as it determines, surrender to the County, 1986 Refunding Bonds certificates (or evidence of the destruction thereof) in lieu of which or in exchange for which other 1986 Refunding Bonds have been issued, or which have been paid.

(e) The County may direct the Trustee in writing to register, authenticate and deliver a new 1986 Refunding Bond in

exchange for a mutilated Security surrendered to the Trustee. The County may direct the Trustee in writing to register, authenticate and deliver a new 1986 Refunding Bond in lieu of a 1986 Refunding Bond with respect to which the County or the Trustee has received written representations from the Holder that the certificates representing such 1986 Refunding Bond has been destroyed, lost, or stolen, without the surrender or production of the original certificate. The County may direct the Trustee in writing to pay on behalf of the County the principal and premium, if any, of a 1986 Refunding Bond with respect to which it has received written representations from the Holder that the certificate representing such 1986 Refunding Bond has been destroyed, lost or stolen, following the stated maturity or redemption date of the 1986 Refunding Bond, without the surrender or production of the original certificate.

The County may direct the Trustee to issue a replacement 1986 Refunding Bond, or to pay the principal and premium, if any, of a 1986 Refunding Bond with respect to which it has received written representations that the certificate representing such 1986 Refunding Bond has been destroyed, lost or stolen, following the stated maturity or redemption date of such 1986 Refunding Bond, only if there is delivered to the County and the Trustee such security or indemnity as they may require to save both the Trustee and the County harmless. On satisfaction of the Trustee and the County, the certificate number on the 1986 Refunding Bond registered will be cancelled with a notation that it has been mutilated, destroyed, lost or stolen and a new 1986 Refunding Bond will be issued of the same series and of like tenor and principal amount bearing a number (according to the Bond Register) not contemporaneously outstanding. The Trustee may charge the Holder the Trustee's fees and expenses in connection with issuing a new 1986 Refunding Bond in lieu of or exchange for a mutilated, destroyed, lost or stolen 1986 Refunding Bond.

(f) The Trustee will, within a reasonable time after receipt of written request from the County, (a) furnish the County information as to the 1986 Refunding Bonds it has paid, 1986 Refunding Bonds it has delivered upon the transfer or exchange of any 1986 Refunding Bonds hereof, and 1986 Refunding Bonds it has delivered in exchange for or in lieu of mutilated, destroyed, lost or stolen Securities and (b) provide debt service account activity statements.

Section 33. Trustee Protected in Relying on Certain Documents. The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with



the terms of this Resolution, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Resolution, or upon the written opinion of any attorney, architect, engineer, insurance consultant, management consultant or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee shall not be under any obligation to see to the recording or filing of this Resolution, or otherwise to the giving to any person of notice of the provisions hereof except as expressly required in connection with the Loan Agreement.

Section 34. Resignation of Trustee. The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days' written notice to the County and publishing notice thereof, specifying the date when such resignation shall take effect, at least once in a newspaper of general circulation in the City of Baltimore, Maryland, and in a financial journal or newspaper published or circulating in the City of New York, New York, the first publication in each newspaper to be made within ten (10) days after the giving of such written notice. Such resignation shall take effect upon the date specified in such notice unless a successor shall have been previously appointed by the County as provided in Section 36, in which event such resignation shall take effect immediately on the appointment of such successor and the acceptance of such appointment by such successor.

Section 35. Removal of Trustee. The Trustee for the 1986 Refunding Bonds, or any successor thereof, may be removed at any time by the holders of a majority in principal amount of the 1986 Refunding Bonds outstanding, excluding any 1986 Refunding Bonds held by or for the account of the County, by an instrument or concurrent instruments in writing signed and acknowledged by such holders of the 1986 Refunding Bonds or by their attorneys-in-fact, duly authorized, and delivered to the County. Facsimile copies of each such instrument providing for any such removal shall be delivered by the County to the Trustee and any successor thereof. The Trustee for the 1986 Refunding Bonds or any successor thereof may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Resolution with respect to the

duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the County pursuant to resolution or of the holders of not less than ten per centum (10%) in aggregate principal amount of the outstanding 1986 Refunding Bonds.

Section 36. Successor Trustee. (a) In case the Trustee, or any successor thereof, shall resign, be removed, be dissolved, become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the position of such Trustee as Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one (1) year after any such vacancy shall have occurred by the holders of a majority in principal amount of the outstanding 1986 Refunding Bonds, excluding any 1986 Refunding Bonds held by or for the account of the County, by an instrument or concurrent instruments in writing signed and acknowledged by such holders of the 1986 Refunding Bonds or their attorneys-in-fact, duly authorized, and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee, the County and the Institution. Until such successor Trustee shall have been appointed by the holders of the 1986 Refunding Bonds, the County shall forthwith appoint a Trustee to act until such appointment is made by the holders of the 1986 Refunding Bonds. Copies of any resolution of the County providing for any such appointment shall be delivered by the County to the Trustee so appointed, the predecessor Trustee and the Institution. The County shall publish notice of any such appointment at least once in a newspaper of general circulation in the City of Baltimore, Maryland, and in a financial journal or newspaper published or circulating in the City of New York, New York, the first publication in each newspaper to be within twenty (20) days after such appointment. Any appointment made by the County shall, immediately and without further act, be superseded and revoked by an appointment subsequently made by holders of the 1986 Refunding Bonds.

(b) If in a proper case no appointment of a successor shall be made within forty-five (45) days after the giving of written notice in accordance with this Section 36 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any holder of 1986 Refunding Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor.



(c) Any successor appointed under the provisions of this Section shall be a bank or trust company or national banking association having (i) its principal office located in the State of Maryland, (ii) an established trust department and (iii) a capital and surplus aggregating at least \$50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms and authorized by law to perform all the duties required by this Resolution.

Section 37. Transfer of Rights and Property to Successor Trustee. Any successor appointed under the provisions of Section 36 shall execute, acknowledge and deliver to its predecessor, and also to the County, an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the County or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor all the rights, immunities, powers and trusts of such Trustee and all the right, title and interest of such Trustee in and to any property held by it hereunder, and shall pay over, assign and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the County be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing shall, on request and so far as may be authorized by law, be executed, acknowledged and delivered by the County.

Section 38. Merger, Conversion or Consolidation of the Trustee. Any company into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which such Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be a bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 36, shall be the successor to such Trustee, without any further act, deed or conveyance.

Section 39. Amendment. Before any 1986 Refunding Bonds are delivered, and thereafter if the rights of holders of the 1986 Refunding Bonds are not materially and adversely affected or if the holders of more than 50% of the 1986 Refunding Bonds then outstanding give their written consent, this Resolution may be amended by the County, but no such amendment may modify the rights or obligations of the Institution without its written consent or those of the Trustee without its written consent.

Section 40. Severability of Invalid Provision. If any one or more of the covenants or agreements provided in this Resolution on the part of the County or the Trustee to be performed should be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall in no way affect the validity of the other provisions of this Resolution or of the 1986 Refunding Bonds.

Section 41. Notices. Any notice or other instrument delivered to the County pursuant to this Resolution shall be in writing and shall be sent by registered or certified mail to it at its offices in Leonardtown, Maryland, or such other address as it shall designate to the Trustee in writing, and any notice or other instrument delivered to the Trustee pursuant to this Resolution shall be in writing and shall be sent by registered or certified mail to it at the principal corporate trust office of the Trustee in Baltimore, Maryland.

Section 42. Section Headings. The section headings have been prepared for convenience only and are not part of this Resolution and shall not be taken as an interpretation of any provision of this Resolution.

Section 43. Intention as to Seal and Contract. It is intended that this Resolution when signed on behalf of the County and the Trustee and duly delivered between them shall constitute a contractual obligation under seal under the laws of the State of Maryland with force and effect as an agreement and indenture of trust.



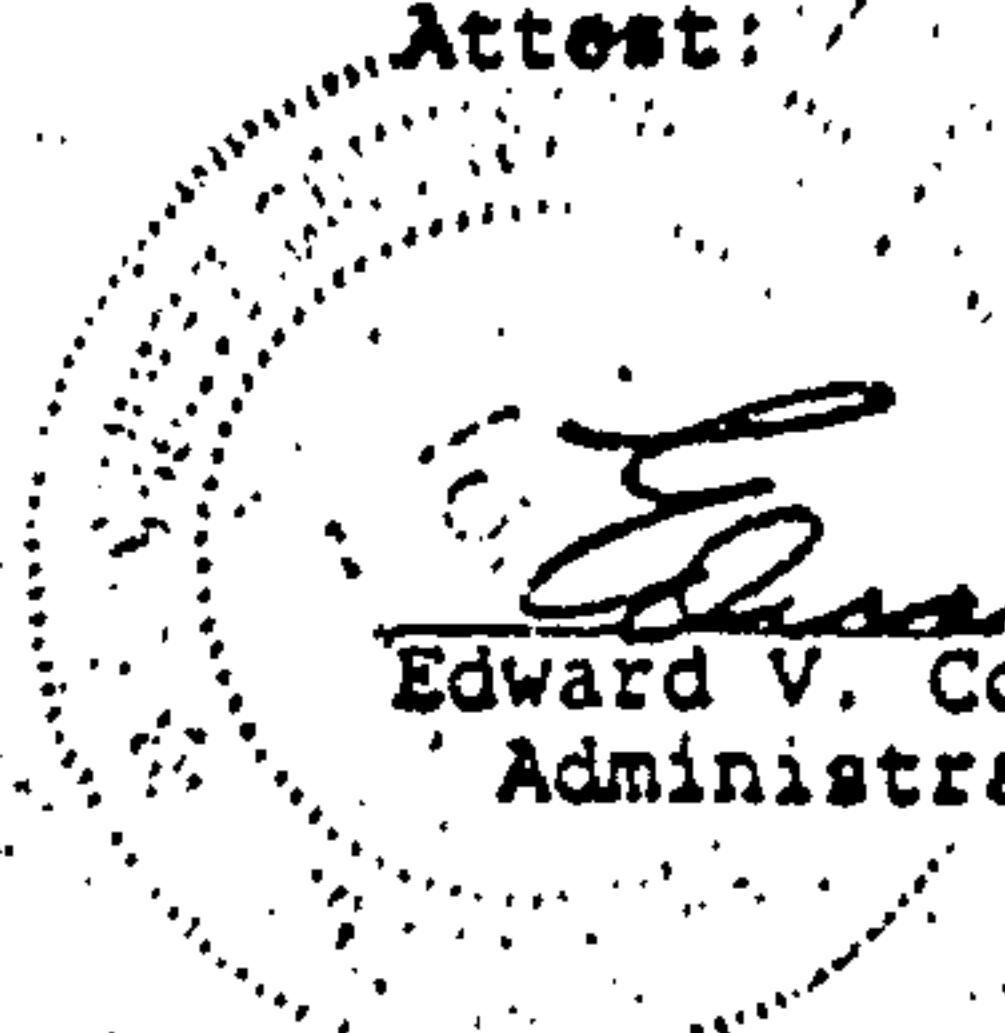
Section 44. Effective Date. This Resolution shall take effect immediately.

ADOPTED this 10<sup>th</sup> day of December, 1986.

(SEAL)

COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY

Attest:



Edward V. Cox  
Edward V. Cox, County  
Administrator

J. Patrick Jarboe, M.D.  
J. Patrick Jarboe, M.D.,  
President

J. Laurence Millison  
J. Laurence Millison, Vice  
President

David F. Sayre  
David F. Sayre, Commissioner

Ford L. Dean  
Ford L. Dean, Commissioner

W. Edward Bailey  
W. Edward Bailey,  
Commissioner

ACCEPTANCE OF DUTIES BY THE TRUSTEE

The First National Bank of Maryland, a national banking association, organized and existing under the laws of United States of America and having its principal office in the City of Baltimore, Maryland, Trustee, hereby accepts the trusts under the foregoing St. Mary's Hospital 1986 Bond Refunding Resolution adopted December 10, 1986 and the duties and obligations imposed on the Trustee thereby, intending hereby to create obligations under seal under the laws of the State of Maryland with force and effect as an agreement and indenture of trust.

THE FIRST NATIONAL BANK  
OF MARYLAND,  
as Trustee

(Seal)

Attest:

By: \_\_\_\_\_  
J. Thorpe Staylor,  
Vice President



STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

On this the \_\_\_\_ day of December, 1986, before me, the undersigned, a Notary Public in and for the State of Maryland, personally appeared J. Thorpe Staylor, who acknowledged himself to be a Vice President of The First National Bank of Maryland, a national banking association, duly organized and existing under the laws of the United States of America and having its principal office in the City of Baltimore, Maryland, and that he, as such officer, being authorized so to do, executed the foregoing Acceptance of Duties by the Trustee for the purposes therein contained, by signing his name thereto as a Vice President of The First National Bank of Maryland, and causing the corporate seal of The First National Bank of Maryland to be affixed thereto and attested by an assistant cashier.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this \_\_\_\_ day of December, 1986.

\_\_\_\_\_  
Notary Public

(SEAL)

My Commission Expires:

ACKNOWLEDGMENT OF HOSPITAL

The undersigned hereby acknowledges receipt of notice of the assignment by County Commissioners of St. Mary's County set forth in Section 19(b) of Resolution No. R-86-\_\_\_, adopted by the Board of County Commissioners of St. Mary's County on December 10, 1986 (the "Resolution") and, intending to be legally bound, hereby agrees with the Trustee therein named (1) that the undersigned shall pay directly to the Trustee all moneys due and to become due from the undersigned with respect to the 1986 Refunding Bonds under the Loan Agreement referred to in the Resolution, (2) that the undersigned shall perform for the benefit of the Trustee all the duties and undertakings of the undersigned under the Loan Agreement referred to in the Resolution, and (3) that the Trustee shall not be obligated by reason of the assignment to perform or be responsible for the performance of any of the duties, undertakings or obligations of the County under the Loan Agreement. The undersigned reaffirms on behalf of the Hospital the Hospital's obligation to pay all moneys due and to become due from the undersigned with respect to the 1983 Bonds under the Loan Agreement referred to in the Resolution.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgement to be duly executed, sealed, and delivered as of the \_\_\_\_\_ day of \_\_\_\_\_, 1986.

ST. MARY'S HOSPITAL  
OF ST. MARY'S COUNTY

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Myron G. Marley, President  
Board of Directors

\_\_\_\_\_  
Viola Gardner,  
Secretary



ACKNOWLEDGMENT OF TRUSTEE UNDER RESOLUTION NO. R-83-12

Maryland National Bank, Trustee under Resolution No. R-83-12, adopted by the Board of County Commissioners of St. Mary's County on June 17, 1983, authorizing the issuance, sale and delivery of its \$17,150,000 St. Mary's Hospital Refunding Bonds of 1983, dated July 1, 1983 (the "1983 Bonds"), hereby acknowledges (i) that it has been directed by County Commissioners of St. Mary's County, to publish a notice of redemption at least thirty (30) days before July 1, 1993 substantially in the form attached as Exhibit C to Resolution No. R-86-\_\_ adopted by the Board of County Commissioners of St. Mary's County on December 10, 1986, authorizing the issuance, sale and delivery of its \$15,835,000 St. Mary's Hospital Refunding Bonds of 1986 at least once in a newspaper of general circulation in the City of Baltimore, Maryland and in a financial journal or newspaper published or circulated in the City of New York, New York and to be mailed, postage prepaid, to all registered owners of Refunded Bonds at their addresses as they appear on the registration books provided for in Resolution No. R-83-12, and hereby agrees to publish and mail such notice in accordance with the direction of the County as set forth in Section 12 of Resolution No. R-83-12 and (ii) that it has been directed by the County to transfer from the Debt Service Fund under the 1983 Resolution to the Escrow Deposit Fund created by the Escrow Deposit Agreement, \$628,537.50, representing the interest due January 1, 1987 on the Refunded Bonds.

IN WITNESS WHEREOF, the undersigned has caused this acknowledgement to be executed, sealed and delivered as of the \_\_\_\_ day of December, 1986.

MARYLAND NATIONAL BANK, as  
Trustee under Resolution  
No. R-83-12

(SEAL)

By: \_\_\_\_\_  
Authorized Officer

Attest:

\_\_\_\_\_

NOTICE OF REDEMPTION  
 COUNTY COMMISSIONERS OF ST. MARY'S COUNTY  
 ST. MARY'S HOSPITAL REFUNDING BONDS OF 1983

Dated July 1, 1983

NOTICE IS HEREBY GIVEN of the election by County Commissioners of St. Mary's County to redeem on July 1, 1993, \$13,170,000 aggregate principal amount of its County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1983, stated to mature and bearing interest as follows:

<u>Maturing July 1</u>	<u>Principal Amount</u>	<u>Coupon Rate</u>
1994	\$ 640,000	8.80%
1995	690,000	9.00
1996	755,000	9.20
1997	825,000	9.30
1998	910,000	9.40
1999	990,000	9.50
2000	1,085,000	9.60
2001	1,185,000	9.70
2002	1,305,000	9.75
2003	1,430,000	9.75
2004	1,565,000	9.75
2005	1,725,000	9.75
2006	65,000	9.75

The above bonds will become due and will be redeemed on July 1, 1993, at the redemption price of 103% of the principal amount thereof, together with interest accrued to July 1, 1993, upon presentation thereof at the principal corporate trust office of Maryland National Bank, Baltimore Maryland. From and after July 1, 1993, interest will cease to accrue on the above bonds called for redemption.

Dated: \_\_\_\_\_, 1993

COUNTY COMMISSIONERS OF ST.  
 MARY'S COUNTY



NOTICE OF REFUNDING

COUNTY COMMISSIONERS OF ST. MARY'S COUNTY

ST. MARY'S HOSPITAL REFUNDING BONDS OF 1983  
MATURING ON OR AFTER JULY 1, 1994

Dated July 1, 1983

NOTICE IS HEREBY GIVEN that there have been deposited in trust with the undersigned Escrow Deposit Agent, proceeds of certain refunding bonds issued by County Commissioners of St. Mary's County (the "County"), which proceeds have been invested in direct obligations of the United States of America, designated United States Treasury Obligations, State and Local Government Series (the "Government Obligations"), for the purpose of refunding \$13,170,000 aggregate principal amount of County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1983, which mature on or after July 1, 1994 (the "Refunded Bonds").

The projected principal and interest payments to be derived from the Government Obligations held in trust by the undersigned Escrow Deposit Agent, pursuant to an Escrow Deposit Agreement, dated as of December 30, 1986, between the County and the undersigned Escrow Deposit Agent, have been calculated to be adequate to pay the principal of and the interest and any redemption premium on the Refunded Bonds as such interest, principal and redemption premium, if any, become due and payable. Such payments to the holders of the Refunded Bonds shall be made at the places, in the manner, in such medium of payment, by Maryland National Bank, as trustee for the Refunded Bonds, and otherwise as provided in the Outstanding Bonds and Resolution No. R-83-12 adopted by the Board of County Commissioners on June 17, 1983 authorizing the issuance of the Refunding Bonds.

MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY  
Escrow Deposit Agent

SECOND SUPPLEMENTAL LOAN AGREEMENT

SECOND SUPPLEMENTAL LOAN AGREEMENT, dated as of December \_\_, 1986, by and between COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, a body politic and corporate and a political subdivision of the State of Maryland (the "County") and ST. MARY'S HOSPITAL OF ST. MARY'S COUNTY, a charitable, non-profit organization organized and existing under the laws of the State of Maryland (the "Institution").

RECITALS

1. Pursuant to Chapter 475 of the Laws of Maryland of 1980, as amended by Chapter 711 of the Laws of Maryland of 1981 (collectively, the "St. Mary's Hospital Bond Enabling Act"), and Resolution No. R-82-7 adopted by the Board of County Commissioners of St. Mary's County on June 15, 1982 (the "1982 Resolution"), the County issued, sold and delivered \$13,915,000 aggregate principal amount of general obligation bonds designated "County Commissioners of St. Mary's County St. Mary's Hospital Bonds of 1982", dated July 1, 1982 (the "1982 Bonds"), the proceeds of which were loaned to, or expended for the benefit of, the Institution pursuant to a Loan Agreement dated as of June 29, 1982 (the "Loan Agreement"), to finance a portion of the cost of acquiring, constructing and equipping a 114-bed replacement hospital facility for the Institution in Leonardtown, Maryland (the "Project"). Under the terms and conditions of the Loan Agreement, the Institution is obligated to provide funds to pay when due the debt service on the 1982 Bonds.

2. Pursuant to the St. Mary's Hospital Bond Enabling Act, Section 24 of Article 31 of the Annotated Code of Maryland (1986 Replacement Volume) (the "Refunding Bond Enabling Act") and Resolution R-83-12 adopted by the County on June 17, 1983 (the "1983 Resolution"), the County issued, sold and delivered \$17,150,000 aggregate principal amount of general obligation bonds designated "County Commissioners of St. Mary's County, St. Mary's Hospital Refunding Bonds of 1983", dated July 1, 1983 (the "1983 Refunding Bonds"), the proceeds of which were used to advance refund all of the 1982 Bonds. In addition, the County and Institution amended the Loan Agreement to provide that the Institution is obligated to provide funds to pay when due the debt service on the 1983 Refunding Bonds. \$16,460,000 of the 1983 Refunding Bond remain outstanding.

3. The County has been advised by Baker, Watts & Co., its financial advisor, that total debt service costs to the County and the Institution with respect to the financing of



the Project will be reduced by approximately \$1,736,308 by the County's issuing refunding bonds in the aggregate principal amount of \$15,835,000 in accordance with the proposal of Alex. Brown & Sons Incorporated referred to below and by applying the proceeds thereof to discharge and satisfy the indebtedness evidenced by the 1983 Refunding Bonds which mature on or after July 1, 1994 (the "Refunded Bonds"). After the 1986 Refunding Bonds are issued, \$3,260,000 principal amount of the 1983 Refunding Bonds will remain outstanding (the "Outstanding Bonds").

4. The St. Mary's Hospital Bond Enabling Act authorizes and empowers the County, at any time and from time to time, to issue bonds for the purpose of refunding any bonds previously issued thereunder. In addition, the Refunding Bond Enabling Act provides that any county may issue bonds for the purpose of refunding any of its bonds then outstanding, including the payment of any redemption premium and any interest accrued or to accrue to the date of redemption, purchase or maturity of the bonds or other obligations. The Refunding Bond Enabling Act further provides that such refunding bonds may be sold on a negotiated basis without solicitation of bids in an amount determined by the issuer, which amount may be in excess of the principal amount of bonds refunded. Under the terms of the Refunding Bond Enabling Act, proceeds of any refunding bonds may be invested in direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States of America or in certificates of deposit or time deposits secured by direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States of America to assure that the principal, interest and redemption premium, if any, on the bonds or other obligations being refunded shall be paid in full on their respective maturity, redemption or interest payment dates.

5. Alex. Brown & Sons Incorporated has offered to purchase \$15,835,000 aggregate principal amount of the County's general obligation refunding bonds designated "County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1986", dated December 1, 1986 (the "1986 Refunding Bonds"), and to pay \$15,621,227.50 therefor plus accrued interest thereon from December 1, 1986 to the date of payment of the purchase price. The County has determined that it is in the public interest to sell the 1986 Refunding Bonds on a negotiated basis without solicitation of bids and that the proposal of Alex. Brown & Sons Incorporated is in the best interest of both the County and the Institution. Accordingly, the County has accepted the proposal of Alex. Brown & Sons Incorporated and will issue the 1986 Refunding Bonds in accordance with the terms of such proposal.

6. The net proceeds of the 1986 Refunding Bonds, together with other funds available to the County, will be deposited in trust with Mercantile-Safe Deposit and Trust Company, as Escrow Deposit Agent, pursuant to an Escrow Deposit Agreement. Under the terms of such Escrow Deposit Agreement, the net proceeds of the 1986 Refunding Bonds will be used to purchase direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America or certificates of deposit or time deposits fully collateralized by direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America in such amounts and maturing at stated fixed prices as to principal and interest at such times so that sufficient moneys will be available from such maturing principal and interest to redeem on July 1, 1993, at the redemption price of 103% of the principal amount thereof and to pay interest when due on the Refunded Bonds.

7. In order to ensure that the amounts payable under the Loan Agreement will be sufficient to pay debt service on the 1986 Refunding Bonds and the Outstanding Bonds, the County and the Institution have determined to enter into this Second Supplemental Loan Agreement.

NOW, THEREFORE, COUNTY COMMISSIONERS OF ST. MARY'S COUNTY and ST. MARY'S HOSPITAL OF ST. MARY'S COUNTY, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

#### ARTICLE I

#### DEFINITIONS

Section 1.01. As used in this Second Supplemental Loan Agreement, unless the context or use clearly indicates another or different meaning or intent, the terms defined in the Loan Agreement dated as of June 29, 1982, between the County and the Institution shall have the same meaning in this Second Supplemental Loan Agreement, except that the following terms shall have the meanings specified:

"Escrow Deposit Agreement" means the Escrow Deposit Agreement with respect to the Refunded Bonds executed by and between the County and Mercantile-Safe Deposit and Trust Company as Escrow Deposit Agent, dated as of December 30, 1986, and any other Escrow Deposit Agreement amendatory thereof or supplementary thereto;



"Outstanding Bonds" means the 1983 Refunding Bonds which mature on or before July 1, 1993;

"Refunded Bonds" means the 1983 Refunding Bonds which mature on or after July 1, 1994;

"Second Supplemental Loan Agreement" means this Second Supplemental Loan Agreement executed by and between the County and the Institution, dated as of December 30, 1986;

"Second Supplemental Mortgage" means the Second Supplemental Mortgage executed by and between the Institution and the County, dated as of December 30, 1986;

"Trustee" shall mean the Trustee for the 1986 Refunding Bonds appointed pursuant to the 1986 Refunding Resolution.

"1983 Refunding Bonds" means the bonds designated "County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1983", dated June 1, 1983, in the aggregate principal amount of \$17,150,000, issued as general obligations of the County to refund the 1982 Bonds;

"1983 Resolution" means Resolution 83-12 adopted by the Board of County Commissioners on June 17, 1983 authorizing the issuance, sale and delivery of the 1983 Refunding Bonds;

"1983 Trustee" means Maryland National Bank, as trustee under the 1983 Resolution and any successor trustee appointed and serving under the 1983 Resolution;

"1986 Refunding Resolution" means Resolution No. 86- of the County authorizing the issuance, sale and delivery of the 1986 Refunding Bonds, adopted by the Board of County Commissioners of St. Mary's County on December 10, 1986, including resolutions amendatory thereof or supplemental thereto; and

"1986 Refunding Bonds" means the bonds designated "County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1986", dated December 1, 1986, in the aggregate principal amount of \$15,835,000, issued as general obligations of the County to refund a portion of the 1983 Refunding Bonds.

ARTICLE II

MODIFICATION OF LOAN AGREEMENT

Section 2.01. Article III of the Loan Agreement is hereby modified and amended by deleting Section 3.06 thereof in its entirety and substituting in lieu thereof the following:

"Section 3.06. Amounts Payable. The Institution covenants to pay to the County an amount equal to the sum of (i) the total interest becoming due on the 1986 Refunding Bonds and the Outstanding Bonds to the respective dates of payment thereof; (ii) the total principal amount of the 1986 Refunding Bonds and the Outstanding Bonds; and (iii) all redemption premiums (if any) payable on the redemption of the 1986 Refunding Bonds prior to stated payment dates, less any amount available for such payments from the funds and accounts established under the 1986 Refunding Resolution. In addition, the Institution covenants to pay to the County its administrative expenditures, which are any and all of those expenditures described in paragraph (e) of this Section.

All such amounts shall be paid to the Trustee, the 1983 Trustee or to the County, as the case may be, in the following manner and at the following times:

(a) The Institution shall pay to the Trustee for deposit in the Interest Account created by the 1986 Refunding Resolution (the "1986 Interest Account") the following amounts at the following times: (i) on or before the first day of January 1, 1987, and on or before the first day of each calendar month thereafter through June 1, 1987, an amount equal to one-sixth of the difference between the interest payable on the 1986 Refunding Bonds on July 1, 1987 and [accrued interest deposited in the interest account on date of closing]; and (ii) on or before the first day of each calendar month thereafter, so long as any of the 1986 Refunding Bonds are outstanding and unpaid, an amount equal to the lesser of (a) one-sixth of the difference between the interest payable on the 1986 Refunding Bonds on the next succeeding date on which an installment of interest on the 1986 Refunding Bonds is due and payable as specified in the 1986 Refunding Resolution and the amount remaining in the 1986 Interest Account after the payment of interest due on the 1986 Refunding Bonds on the date six months preceding the next succeeding date on which an installment of interest on the 1986 Refunding Bonds is due, or (b) the amount which, together with the amount then on deposit in the 1986 Interest Account, will provide an amount sufficient to pay the interest payable on the 1986 Refunding Bonds on the next succeeding date on which an installment of interest on the



1986 Refunding Bonds is due and payable as specified in the 1986 Refunding Resolution; provided, however, that if for any reason the amount on deposit in the Interest Account on any interest payment date is insufficient to make the required payment of interest, the Institution shall forthwith pay any such deficiency.

(b) The Institution shall pay to the Trustee for deposit in the Principal Account created by the 1986 Refunding Resolution (the "1986 Principal Account") the following amounts at the following times: (i) on or before the first day of January 1, 1987 and on or before the first business day of each calendar month through June 1, 1987, an amount at least equal to one-sixth of the total principal payable on the 1986 Refunding Bonds due on July 1, 1987; (ii) on or before the first day of each calendar month thereafter an amount at least equal to one-twelfth of the total amount of principal payable on the 1986 Refunding Bonds on the next succeeding date on which any of the 1986 Refunding Bonds mature and become payable as specified in the 1986 Refunding Resolution, or (iii) the amount which, together with the amount then on deposit in the 1986 Principal Account, will provide an amount sufficient to pay the principal payable on the 1986 Refunding Bonds on the next succeeding date on which any of the 1986 Refunding Bonds mature and become payable as specified in the 1986 Refunding Resolution; provided, however, that if for any reason the amount on deposit in the 1986 Principal Account on any principal payment date is insufficient to make the required payment of principal, the Institution shall forthwith pay any such deficiency.

(c) The Institution shall pay to the 1983 Trustee for deposit in the Interest Account created by the 1983 Resolution (the "1983 Interest Account") on or before the first day of each calendar month, so long as any of the Outstanding Bonds are outstanding and unpaid, an amount equal to the lesser of (i) one-sixth of the difference between the interest payable on the Outstanding Bonds on the next succeeding date on which an installment of interest on the Outstanding Bonds is due and payable as specified in the 1983 Resolution and the amount remaining in the 1983 Interest Account after the payment of interest due on the Outstanding Bonds on the date six months preceding the next succeeding date on which an installment of interest on the Outstanding Bonds is due, or (ii) the amount which, together with the amount then on deposit in the 1983 Interest Account, will provide an amount sufficient to pay the interest payable on the Outstanding Bonds on the next succeeding date on which an installment of interest on the Outstanding Bonds is due and payable as specified in the 1983 Resolution; provided, however, that if for any reason the

amount on deposit in the Interest Account on any interest payment date is insufficient to make the required payment of interest, the Institution shall forthwith pay any such deficiency.

(d) The Institution shall pay to the 1983 Trustee for deposit in the Principal Account created by the 1983 Resolution (the "1983 Principal Account") on or before the first day of each calendar month the amount equal to the lesser of (i) an amount at least equal to one-twelfth of the total amount of principal payable on the Outstanding Bonds on the next succeeding date on which any of the Outstanding Bonds mature and become payable as specified in the 1983 Resolution, or (ii) the amount which, together with the amount then on deposit in the 1983 Principal Account, will provide an amount sufficient to pay the principal payable on the Outstanding Bonds on the next succeeding date on which any of the Outstanding Bonds mature and become payable as specified in the 1983 Resolution; provided, however, that if for any reason the amount on deposit in the 1983 Principal Account on any principal payment date is insufficient to make the required payment of principal, the Institution shall forthwith pay any such deficiency.

(e) The Institution shall pay to the County an amount equal to the sum of the following three (3) items as and when due: (i) any reasonable and necessary expenditure of the County for fees and expenses of auditing, legal fees and expenses, and fees and expenses of the Trustee and the 1983 Trustee and the paying agent or agents and registrar for the 1986 Refunding Bonds or the Outstanding Bonds designated in or pursuant to the 1986 Refunding Resolution or the 1983 Resolution, (ii) any expenses required under Section 2.09 or 2.13 of the Escrow Deposit Agreement and (iii) all other expenditures reasonably and necessarily incurred by the County by reason of its financing of the Project, including (without limitation) any payment made by the County from its own funds with respect to the principal of or interest on the 1986 Refunding Bonds and the Outstanding Bonds, any payment made by the County from its own funds of any rebate amount required to be paid to the United States of America pursuant to the County's arbitrage covenant contained in the 1986 Refunding Resolution and expenses incurred by the County to compel full and punctual performance of all the provisions of the Loan Agreement as amended and supplemented by the Second Supplemental Loan Agreement in accordance with its terms. Any expenditures of the County made pursuant to this paragraph (e) shall be certified by the County to the Institution in writing as soon as practicable and shall be paid or caused to be paid by the Institution in accordance with the provisions of this paragraph (e).



Upon the failure of the Institution to make any payment at the time and in the amount specified in paragraphs (a), (b) or (e), the Trustee shall promptly give notice to the County. Upon the failure of the Institution to make any payment at the time and in the amount specified in paragraphs (c), (d) or (e), the 1983 Trustee shall promptly give notice to the County."

Section 2.02. Article VI of the Loan Agreement is hereby modified and amended by deleting Section 6.01(b) in its entirety and substituting in lieu thereof:

"(b) Failure by the Institution to pay any amount due under paragraph (a), (b), (c), (d) or (e) of Section 3.06 of the Loan Agreement as amended and supplemented by the Second Supplemental Loan Agreement when the same is due and payable and such failure to pay shall continue for a period of five (5) days, or failure by the Institution to pay any other amounts due under the Loan Agreement as amended and supplemented by the Second Supplemental Loan Agreement when the same is due and payable and such failure shall continue for a period of ten (10) days; or"

Section 2.03. Article V of the Loan Agreement is modified and amended by adding the following Section 5.04(d).

(d) The Institution agrees that the above tax covenants and the County's arbitrage covenant contained in the 1986 Refunding Resolution may require the Institution to make deposits from its own funds directly to the Trustee for deposit into the Rebate Fund and that, in any event, the Institution shall make such deposits to the extent that the County, upon advice of Bond Counsel, deems such deposits necessary or desirable in order to comply with the provisions of this Section 5.04. Such direct deposits may be made by means of transfer from any fund or account held by the Trustee under the 1986 Refunding Resolution.

### ARTICLE III

#### MISCELLANEOUS

Section 3.01. The Loan Agreement as amended and supplemented by this Second Supplemental Loan Agreement shall remain in full force and effect until the date on which the principal of (whether at maturity or by redemption prior to maturity) and interest on the 1986 Refunding Bonds, the Outstanding Bonds and any other costs of the County with respect to the financing of the Project shall have been fully

paid or provision for the payment thereof shall have been made as provided by the 1986 Refunding Resolution or the 1983 Resolution, at which time the County shall release and cancel the Loan Agreement as amended and supplemented by this Second Supplemental Loan Agreement.

Section 3.02. Any time the term "Loan Agreement" is used in any provision of the Loan Agreement, it shall be construed to mean the Loan Agreement as amended and supplemented by this Second Supplemental Loan Agreement.

Section 3.03. Any time the term "Bonds" is used in any provision of the Loan Agreement, it shall be construed to mean the 1986 Refunding Bonds and the Outstanding Bonds, except that the Institution's covenants contained in Section 5.04 shall continue to relate to the proceeds of the 1982 Bonds and the 1983 Refunding Bonds as well as to the proceeds of the 1986 Refunding Bonds as long as any bonds of any issue remain outstanding and unpaid.

Section 3.04. Any time the term "Resolution" is used in any provision of the Loan Agreement, it shall be construed to mean the 1986 Refunding Resolution and the 1983 Resolution.

Section 3.05 Any time the term "Mortgage" is used in any provision of the Loan Agreement, it shall be construed to mean the Mortgage as amended and supplemented by the Second Supplemental Mortgage.

Section 3.06. Except as otherwise expressly provided herein, the County and the Institution hereby ratify and confirm the provisions of the Loan Agreement, and all of the terms, covenants, conditions and representations set forth in the Loan Agreement shall continue and remain in full force and effect except as specifically modified or amended by this Second Supplemental Loan Agreement.

Section 3.07. This Second Supplemental Loan Agreement shall be effective immediately upon the issuance of the 1986 Refunding Bonds.

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Loan Agreement to be duly executed, sealed and delivered as of the day and year first written above.

COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY

(SEAL)



LIBER 005 240-130

\_\_\_\_\_  
Joseph P. O'Dell,  
President, Board of  
County Commissioners

ATTEST:

\_\_\_\_\_  
Edward V. Cox  
County Administrator

ST. MARY'S HOSPITAL OF  
ST. MARY'S COUNTY

(SEAL)

By \_\_\_\_\_  
Myron G. Marlay,  
President, Board of  
Directors

ATTEST:

\_\_\_\_\_  
Viola Gardner, Secretary

STATE OF MARYLAND, COUNTY OF ST. MARY'S, TO WIT:

I HEREBY CERTIFY, that on this \_\_\_\_\_ of \_\_\_\_\_, in the year 1986, before the subscriber, a Notary Public in and for said County and State, personally appeared Joseph P. O'Dell, President of the Board of County Commissioners of COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, a body politic and corporate and a political subdivision of the State of Maryland, and on behalf of the said County acknowledged the foregoing Second Supplemental Loan Agreement to be the act and deed of County Commissioners of St. Mary's County.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_ 1986.

\_\_\_\_\_  
Notary public (SEAL)

My commission expires: July 1, 1990

STATE OF MARYLAND, COUNTY OF ST. MARY'S, TO WIT:

I HEREBY CERTIFY, that on this \_\_\_\_\_ of \_\_\_\_\_, in the year 1986, before the subscriber, a Notary Public in and for said County and State, personally appeared Myron G. Marlay, President of the Board of Directors of ST. MARY'S HOSPITAL OF ST. MARY'S COUNTY, a charitable non-profit organization organized and existing under the laws of the State of Maryland, and on behalf of the said hospital acknowledged the foregoing Second Supplemental Loan Agreement to be the act and deed of St. Mary's Hospital of St. Mary's County.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_ 1986.

(SEAL)

\_\_\_\_\_  
Notary public

My commission expires: July 1, 1990

STATE OF MARYLAND, COUNTY OF ST. MARY'S, TO WIT:

I HEREBY CERTIFY, that on this \_\_\_\_\_ of \_\_\_\_\_, in the year 1986, before the subscriber, a Notary Public in and for said County and State, personally appeared Betsy Barley, Secretary of the Board of Directors of ST. MARY'S HOSPITAL OF ST. MARY'S COUNTY, a charitable non-profit organization organized and existing under the laws of the State of Maryland, and on behalf of the said Hospital acknowledged the foregoing Second Supplemental Loan Agreement to be the act and deed of St. Mary's Hospital of St. Mary's County.



IN TESTIMONY WHEREOF, I have hereunto set my hand and  
official seal, this day of 1986.

(SEAL)

\_\_\_\_\_  
Notary public

My commission expires: July 1, 1990.

SECOND SUPPLEMENTAL MORTGAGE

THIS SECOND SUPPLEMENTAL MORTGAGE is made as of this \_\_\_ day of December, 1986, by and between ST. MARY'S HOSPITAL OF ST. MARY'S COUNTY, a charitable, non-profit organization organized and existing under the laws of the State of Maryland (the "Institution"), as mortgagor, and COUNTY COMMISSIONERS OF ST. MARY'S COUNTY, a body politic and corporate and a political subdivision of the State of Maryland (the "County"), as mortgagee.

RECITALS

1. Pursuant to Chapter 475 of the Laws of Maryland of 1980, as amended by Chapter 711 of the Laws of Maryland of 1981 (collectively, the "St. Mary's Hospital Bond Enabling Act"), and Resolution No. R-82-7 adopted by the Board of County Commissioners of St. Mary's County on June 15, 1982 (the "1982 Resolution"), the County issued, sold and delivered \$13,915,000 aggregate principal amount of general obligation bonds designated "County Commissioners of St. Mary's County St. Mary's Hospital Bonds of 1982", dated July 1, 1982 (the "1982 Bonds"), the proceeds of which were loaned to, or expended for the benefit of the Institution pursuant to a Loan Agreement dated as of June 29, 1982 (the "Loan Agreement"), to finance a portion of the cost of acquiring, constructing and equipping a 114-bed replacement hospital facility for the institution in Leonardtown, Maryland (the "Project"). Under the terms and conditions of the Loan Agreement, the Institution is obligated to provide funds to pay when due the debt service on the 1982 Bonds.

2. Pursuant to the St. Mary's Hospital Bond Enabling Act, Section 24 of Article 31 of the Annotated Code of Maryland (1986 Replacement Volume) (the "Refunding Bond Enabling Act") and Resolution R-83-12 adopted by the County on June 17, 1983 (the "1983 Resolution"), the County issued, sold and delivered \$17,150,000 aggregate principal amount of general obligation bonds designated "County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1983", dated July 1, 1983 (the "1983 Refunding Bonds"), the proceeds of which were used to advance refund all of the 1982 Bonds. In addition, the County and Institution amended the Loan Agreement to provide that the Institution is obligated to provide funds to pay when due the debt service on the 1983 Refunding Bonds. \$16,460,000 of the 1983 Refunding Bonds remain outstanding.

3. In consideration of the County's entering into the Loan Agreement and making a loan to, and expenditures for



the benefit of, the Institution of the proceeds of the 1982 Bonds, the Institution entered into a Mortgage dated as of June 29, 1982 (the "Mortgage"), under the terms of which it granted, assigned, conveyed and transferred all right, title and interest of the Institution in and to certain property as set forth in the Mortgage. By the First Supplemental Mortgage, the County and the Institution amended the Mortgage to secure the amounts payable by the Institution under the Loan Agreement, as amended by the First Supplemental Loan Agreement.

4. The County has been advised by Baker, Watts & Co., its financial advisor, that total debt service costs to the County and the Institution with respect to the financing of the Project will be reduced by approximately \$1,736,308 by the County's issuing refunding bonds in the aggregate principal amount of \$15,835,000 in accordance with the proposal of Alex. Brown & Sons Incorporated referred to below and by applying the proceeds thereof to discharge and satisfy the indebtedness evidenced by the 1983 Refunding Bonds which mature on or after July 1, 1994 (the "Refunded Bonds"). After the 1986 Refunding Bonds are issued, \$3,260,000 principal amount of the 1983 Refunding Bonds will remain outstanding (the "Outstanding Bonds").

5. The St. Mary's Hospital Bond Enabling Act authorizes and empowers the County, at any time and from time to time, to issue bonds for the purpose of refunding any bonds previously issued thereunder. In addition, Section 24 of Article 31 of the Annotated Code of Maryland (1986 Replacement Volume) (the "Refunding Bond Enabling Act") provides that any county may issue bonds for the purpose of refunding any of its bonds then outstanding, including the payment of any redemption premium and any interest accrued or to accrue to the date of redemption, including the payment of any redemption premium and any interest accrued or to accrue to the date of redemption, purchase or maturity of the bonds or other obligations. The Refunding Bond Enabling Act further provides that such refunding bonds may be sold on a negotiated basis without solicitation of bids in an amount determined by the issuer, which amount may be in excess of the principal amount of bonds refunded. Under the terms of the Refunding Bond Enabling Act, proceeds of any refunding bonds are to be invested in direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States of America or in certificates of deposit or time deposits secured by direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States of America to assure that the principal, interest and redemption premium, if any, on the bonds, or other obligations being refunded shall be paid in full on their respective maturity, redemption or interest payment dates.

6. Alex. Brown & Sons Incorporated has offered to purchase \$15,835,000 aggregate principal amount of the County's general obligation refunding bonds designated "County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1986", dated December 1, 1986 (the "1986 Refunding Bonds"), and to pay \$15,621,227.50 therefor plus accrued interest thereon from December 1, 1986 to the date of payment of the purchase price. The County has determined that it is in the public interest to sell the 1986 Refunding Bonds on a negotiated basis without solicitation of bids and that the proposal of Alex. Brown & Sons Incorporated is in the best interest of both the County and the Institution. Accordingly, the County has accepted the proposal of Alex. Brown & Sons Incorporated and will issue the 1986 Refunding Bonds in accordance with the terms of such proposal.

7. The net proceeds of the 1986 Refunding Bonds will be deposited in trust with Mercantile-Safe Deposit and Trust Company, as Escrow Deposit Agent, pursuant to an Escrow Deposit Agreement. Under the terms of such Escrow Deposit Agreement, the net proceeds of the 1986 Refunding Bonds will be used to purchase direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America or certificates of deposit or time deposits fully collateralized by direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America in such amounts and maturing at stated fixed prices as to principal and interest at such times so that sufficient moneys will be available from such maturing principal and interest to redeem on July 1, 1993, at the redemption price of 103% of the principal amount thereof and to pay interest when due on the 1983 Refunding Bonds stated to mature on or after July 1, 1994.

8. In order to ensure that the amounts payable under the Loan Agreement will be sufficient to pay debt service on the 1986 Refunding Bonds, the County and the Institution have determined to amend and supplement the Loan Agreement by entering into a Second Supplemental Loan Agreement, which will obligate the Institution to pay as and when due the principal sum of \$19,095,000, being the aggregate principal amount of the 1986 Refunding Bonds, together with all interest and any redemption premium due thereon and the Outstanding Bonds, together with all interest thereon.

9. In order to ensure that the Institution's obligations under the Loan Agreement, as amended, and supplemented by the Second Supplemental Loan Agreement, are



fully secured in accordance with the intentions of the parties thereto, the Institution and the County have agreed to modify the Mortgage by entering into this Second Supplemental Mortgage.

NOW, THEREFORE, in consideration of the County's issuing the 1986 Refunding Bonds in order to refund a portion of the 1983 Refunding Bonds, thereby realizing savings to the Institution in the amounts payable under the Loan Agreement and of other good and valuable consideration, the receipt of which the Institution hereby acknowledges and to secure the due performance of the Institution's obligations, covenants and agreements as set forth in the Loan Agreement, as amended and supplemented by the Second Supplemental Loan Agreement, the parties hereto agree as follows:

1. The principal sum secured by the Mortgage, as amended and supplemented by this Second Supplemental Mortgage, is \$19,095,000 being the aggregate principal amount of the Outstanding Bonds and the County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1986, the entire proceeds of which will be used and applied for the benefit of the Institution in order to realize savings in the amounts payable by the Institution under the Loan Agreement, as amended and supplemented by the Second Supplemental Loan Agreement. The final installment of principal, if not sooner paid, is due and payable on July 1, 2005.

2. Any time the term "Mortgage" is used in any provision of the Mortgage, it shall be construed to mean the Mortgage as amended and supplemented by this Second Supplemental Mortgage.

3. Any time the term "Loan Agreement" is used in any provision of the Mortgage, it shall be construed to mean the Loan Agreement as amended and supplemented by the Second Supplemental Loan Agreement.

4. Any time the term "Bonds" is used in any provision of the Mortgage, it shall be construed to mean County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1986, dated December 1, 1986, in the aggregate principal amount of \$15,835,000 and those County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1983, dated July 1, 1983, which mature on or before July 1, 1993 in the aggregate principal amount of \$3,290,000.

5. Any time the term "Resolution" is used in any provision of the Mortgage, it shall be construed to mean Resolution No. R-86-\_\_ of the Board of County Commissioners of

St. Mary's County, adopted on December 10, 1986, authorizing the issuance, sale and delivery of the 1986 Refunding Bonds, including all resolutions amendatory thereof or supplemental thereto and Resolution 83-12 of the Board of County Commissioners of St. Mary's County, adopted on June 17, 1983, including all resolutions amendatory thereof and supplemental thereto.

6. Except as otherwise expressly provided herein, the Institution and the County hereby ratify and confirm the provisions of the Mortgage, and all of the terms, covenants, conditions, representations and warranties set forth in the Mortgage shall continue and are deemed to be incorporated herein to the same extent as if said terms, covenants, conditions, representations and warranties were set forth in full in this Second Supplemental Mortgage, except as the same may have been specifically modified or amended hereby. This Second Supplemental Mortgage does not extinguish the outstanding indebtedness or discharge or release the Mortgage, the lien thereof or any other security. Nothing herein contained shall be construed as a substitution or novation of the original indebtedness or the Mortgage which shall remain in full force and effect except as modified hereby.

7. This Second Supplemental Mortgage shall be effective immediately upon the issuance and delivery of the 1986 Refunding Bonds.

IN WITNESS WHEREOF, the Institution has caused this Second Supplemental Mortgage to be duly executed on its behalf and its seal to be hereunto affixed.

ST. MARY'S HOSPITAL OF ST. MARY'S  
COUNTY

(SEAL)

Attest:

By: \_\_\_\_\_  
Myron G. Marlay,  
President, Board of Directors

\_\_\_\_\_  
Viola Gardner, Secretary









ESCROW DEPOSIT AGREEMENT

This ESCROW DEPOSIT AGREEMENT, dated as of December 30, 1986, between County Commissioners of St. Mary's County, a body politic and corporate and a political subdivision of the State of Maryland (the "County"); and Mercantile-Safe Deposit and Trust Company, a trust company organized and existing under the laws of the State of Maryland, as Escrow Deposit Agent (the "Escrow Deposit Agent") under this Escrow Deposit Agreement.

RECITALS

The County, pursuant to Chapter 475 of the Laws of Maryland of 1980, as amended by Chapter 711 of the Laws of Maryland of 1982, Section 24 of Article 31 of the Annotated Code of Maryland (1986 Replacement Volume) and Resolution No. R-83-12 adopted by the Board of County Commissioners on June 17, 1983 (the "1983 Resolution"), issued, sold and delivered \$17,150,000 aggregate principal amount of general obligation bonds designated "County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1983," dated July 1, 1983 (the "1983 Refunding Bonds"), to finance a portion of the cost of acquiring, constructing and equipping a 114-bed replacement hospital facility for St. Mary's Hospital of St. Mary's County, a non-profit hospital duly organized and existing under the laws of the State of Maryland (the "Institution") in Leonardtown, Maryland. \$16,460,000 of the 1983 Refunding Bonds remain outstanding.

The County has determined to provide for the payment of a portion of the 1983 Refunding Bonds by depositing with the Escrow Deposit Agent immediately available funds sufficient to purchase direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or certificates of deposit or time deposits fully collateralized by direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States of America in such amounts and maturing at stated fixed prices as to principal and interest at such times so that sufficient moneys will be available from such maturing principal and interest to redeem on July 1, 1993, at the redemption price of 103% of the principal amount thereof and to pay interest when due on the 1983 Refunding Bonds stated to mature on or after July 1, 1994 (the "Refunded Bonds"). The 1983 Refunding Bonds maturing on or before July 1, 1993 (the "Outstanding Bonds") are not being advance refunded and will remain outstanding after the Refunded Bonds are defeased.

To provide funds, together with certain other moneys which are or will become available, to effect such payment and advance refunding of the Refunded Bonds, the County has determined to issue \$15,835,000 aggregate principal amount of refunding bonds designated "County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1986," pursuant to Chapter 475 of the Laws of Maryland of 1980, as amended by Chapter 711 of the Laws of Maryland of 1981, and Section 24 of Article 31 of the Annotated Code of Maryland (1986 Replacement Volume) and Resolution No. R-86-\_\_\_ adopted by the Board of County Commissioners of St. Mary's County on December \_\_\_, 1986 (the "Resolution"). The Resolution also provides for the redemption on July 1, 1993, of the 1983 Refunding Bonds maturing on or after July 1, 1994, and irrevocably instructs the Trustee under the 1983 Resolution to give notice of such redemption and directs the paying agent for the 1983 Refunding Bonds to pay the principal or the redemption price of the 1983 Refunding Bonds, as the case may be, and the interest thereon.

NOW, THEREFORE, the County and the Escrow Deposit Agent, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, do hereby agree as follows:

#### ARTICLE I

##### DEFINITIONS

Section 1.01. Definitions. As used in this Escrow Deposit Agreement, unless a different meaning clearly appears from the context:

"Authorized Obligations" means direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America or certificates of deposit or time deposits fully collateralized by direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America.

"County" means County Commissioners of St. Mary's County, a body politic and corporate and a political subdivision of the State of Maryland, and its successors and assigns.

"Escrow Deposit Agent" means the Escrow Deposit Agent under this Escrow Deposit Agreement.



"Escrow Deposit Agreement" means this Escrow Deposit Agreement dated as of December \_\_, 1986, pertaining to the 1983 Refunding Bonds, executed by and between the County and the Escrow Deposit Agent.

"Escrow Deposit Fund" means the fund so designated which is created and established by this Escrow Deposit Agreement.

"Escrowed Obligations" means Authorized Obligations on deposit from time to time to the credit of the Escrow Deposit Fund.

"Institution" means St. Mary's Hospital of St. Mary's County, a charitable, non-profit organization organized and existing under the laws of the State of Maryland, and its successors and assigns.

"Loan Agreement" means the Loan Agreement dated as of June 29, 1982, by and between the County and the Institution and any other loan agreement amendatory thereof or supplemental thereto, including (without limitation) the Second Supplemental Loan Agreement, dated as of December \_\_, 1986, by and between the County and the Institution.

"Outstanding Bonds" means the 1983 Refunding Bonds which mature on or before July 1, 1993.

"Refunded Bonds" means the 1983 Refunding Bonds which mature on or after July 1, 1994.

"Redemption Fund" means the fund so designated which is created and established by the Resolution.

"Resolution" means Resolution No. R-86-\_\_ adopted by the Board of County Commissioners of St. Mary's County on December \_\_, 1986, including resolutions amendatory thereof or supplemental thereto.

"Trustee" means The First National Bank of Maryland, a national banking association organized and existing under the laws of the United States of America, in its capacity as Trustee under the Resolution, and its successor or successors and any other bank, trust company, national banking association or corporation which may at any time be substituted in its place, serving as Trustee for the 1986 Refunding Bonds pursuant to the Resolution.

"1983 Refunding Bonds" means the bonds designated "County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1983," dated July 1, 1983, issued in the

aggregate principal amount of \$17,150,000 pursuant to the 1983 Resolution.

"1983 Resolution" means Resolution No. R-83-12 adopted by the Board of County Commissioners of St. Mary's County on June 17, 1983, which authorized the issuance of the 1983 Refunding Bonds.

"1983 Trustee" means the trustee at the time serving as trustee under the 1983 Resolution.

"1986 Refunding Bond" or "1986 Refunding Bonds" means the Bonds designated "County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1986", dated December 1, 1986, in the aggregate principal amount of \$15,835,000, issued as general obligations of the County to refund the Refunded Bonds.

## ARTICLE II

### ESCROW FOR REFUNDED BONDS

Section 2.01. Receipt of Resolutions. The Escrow Deposit Agent hereby acknowledges receipt of copies of the 1983 Resolution and the Resolution certified as being true and correct by the County Administrator.

Section 2.02. Establishment of Escrow Deposit Fund. There is hereby created and established with the Escrow Deposit Agent a special and irrevocable Escrow Deposit Fund designated "County Commissioners of St. Mary's County St. Mary's Hospital 1986 Escrow Deposit Fund", to be held in trust by the Escrow Deposit Agent separate and apart from other funds of the County and of the Escrow Deposit Agent.

Section 2.03. Deposit of Funds. The County herewith deposits or has caused the 1983 Trustee to deposit with the Escrow Deposit Agent for deposit in the Escrow Deposit Fund immediately available funds aggregating \$16,178,507.50 to be applied solely as provided in this Escrow Deposit Agreement. The County represents that such funds will be sufficient to purchase Authorized Obligations which will mature in principal amounts at such times and bear interest at a rate or rates so that sufficient moneys will be available from such maturing principal and interest and any cash balance to redeem on July 1, 1993, at the redemption price of 103% of the principal amount thereof and to pay interest when due on the Refunded Bonds. The County further represents that such funds are derived from the net proceeds of the sale of the 1986 Refunding



Bonds, from certain moneys which were previously held by the 1983 Trustee under the 1983 Resolution and from certain other moneys lawfully available to the County therefor.

Section 2.04. Deposit Irrevocable. The deposit of funds in the Escrow Deposit Fund shall constitute an irrevocable deposit of such funds for the equal and ratable benefit of the holders of the Refunded Bonds. The principal of the Escrowed Obligations and interest earned thereon shall be held in escrow and shall be applied, as hereinafter set forth, solely to the payment of the principal and redemption price of and interest on the Refunded Bonds.

Section 2.05. Investment. (a) The Escrow Deposit Agent hereby acknowledges creation and establishment of the Escrow Deposit Fund and acknowledges receipt of the sum described in Section 2.03 of this Escrow Deposit Agreement. The Escrow Deposit Agent shall apply such funds to the purchase of the Authorized Obligations described in Schedule A attached hereto. Except as otherwise expressly provided in this Section 2.05 and in Section 2.13 hereof, the Escrow Deposit Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of Escrowed Obligations held hereunder. Notwithstanding the foregoing, the Escrow Deposit Agent may invest any cash on hand in the Escrow Deposit Fund in Authorized Obligations, provided that such Authorized Obligations shall mature in principal amounts at such time so that sufficient cash will be on hand in the Escrow Deposit Fund as required to make payments in accordance with Section 2.06 hereof.

(b) The County and the Escrow Deposit Agent hereby covenant that no part of the moneys or funds at any time in the Escrow Deposit Fund shall be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause the 1986 Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended and the applicable regulations thereunder.

Section 2.06. Use of Funds and Payment of Refunded Bonds. The Escrow Deposit Agent shall deposit, as received, all maturing principal of and interest on Escrowed Obligations to the credit of the Escrow Deposit Fund. On each interest or principal payment date for the Refunded Bonds, the Escrow Deposit Agent shall pay to the 1983 Trustee, from cash on hand in the Escrow Deposit Fund, a sum sufficient to pay the interest on and any principal or redemption price of the Refunded Bonds payable on such date as set forth in Schedule B attached hereto. On July 1, 1993, the Escrow Deposit Agent shall pay to the 1983 Trustee the interest on the Refunded



Bonds due on such date and the redemption price of all Refunded Bonds. No portion of the moneys and Escrowed Obligations on deposit in the Escrow Deposit Agreement shall be used to pay interest on or principal of the Outstanding Bonds.

Section 2.07. Pledges and Liens. The County hereby assigns and pledges to the Escrow Deposit Agent for the benefit of the holders of the Refunded Bonds, and grants to the Escrow Deposit Agent for the benefit of such holders of the Refunded Bonds a security interest in, the Escrowed Obligations and the interest income thereon. The Escrow Deposit Agent shall have an express first lien on, pledge of and security interest in all funds, Escrowed Obligations and income earned then on deposit in or credited to the Escrow Deposit Fund, until such funds, Escrowed Obligations and income are used and applied in accordance with this Escrow Deposit Agreement, all for the benefit of the holders of the Refunded Bonds.

Section 2.08. Redemption; No Acceleration of Maturity. The County represents that it has irrevocably elected to redeem on July 1, 1993, at the redemption price of 103 $\frac{1}{2}$  of the principal amount thereof plus interest accrued and unpaid to July 1, 1993, the Refunded Bonds, and has directed the Trustee under the 1983 Resolution at least thirty (30) days before July 1, 1993, (i) to publish a notice of redemption substantially in the form set forth in Exhibit A to this Escrow Deposit Agreement at least once in a newspaper of general circulation in the City of Baltimore, Maryland, and in a financial journal or newspaper published in the City of New York, New York, and (ii) to mail such notice of redemption, postage prepaid, to all registered owners of Refunded Bonds to be redeemed at their addresses as they appear on the registration books provided for in the 1983 Resolution. Mailing of any such notice of redemption shall not be a condition precedent to redemption, and failure so to mail any such notice to any registered owner of Refunded Bonds shall not affect the validity of the proceedings for the redemption of Refunded Bonds. Maryland National Bank as the 1983 Trustee has agreed to make the foregoing publications and mailings as directed, the cost of which publications and mailings to be paid by the Escrow Deposit Agent pursuant to Section 2.13 hereof. The County covenants that it will not accelerate the maturity of, or purchase or exercise any option to redeem before maturity, the Refunded Bonds, except as provided above in this Section 2.08.

Section 2.09. Fees and Expenses of Escrow Deposit Agent. The aggregate amount of the fees and expenses of the Escrow Deposit Agent in connection with the performance of its duties under this Escrow Deposit Agreement including paying agent and cremation fees relating to the Refunded Bonds and the cost of



the publications and mailings described in Section 2.12 hereof relating to the notice of refunding of the 1983 Refunded Bonds in the amount of \$\_\_\_\_\_ has been paid to the Escrow Deposit Agent pursuant to Section 11 of the Resolution. The cost of the publications and mailings described in Sections 2.08 hereof relating to the redemption of the Refunded Bonds has not been paid to the Escrow Deposit Agent, but prior to the incurrence of such cost, shall be paid by the Institution as an amount payable under Section 3.06(c)(1) of the Loan Agreement. If for any reason the Institution fails to pay such cost upon request of the Escrow Deposit Agent, the County shall forthwith pay such cost so as to insure that the publications and mailings described in Section 2.08 hereof are timely made. Except for the cost of the publications and mailings described in Section 2.08 hereof relating to the redemption of the Refunded Bonds, no other fees and expenses of the Escrow Deposit Agent are anticipated. However, if the Escrow Deposit Agent incurs any unusual or extraordinary expenses, or undertakes any unusual or extraordinary services, not anticipated at the time of the execution and delivery of this Escrow Deposit Agreement, the Escrow Deposit Agent may request payment of its reasonable fees and expenses in connection therewith from the Institution as an amount payable under Section 3.06(c)(1) of the Loan Agreement and the County shall have no liability therefor except to pay the same from any payments received therefor under the Loan Agreement. The Escrow Deposit Agent shall have no lien whatsoever upon any of the moneys in the Escrow Deposit Fund for the payment of its fees and expenses.

Section 2.10. Liability and Duties of Escrow Deposit Agent.

(a) The Escrow Deposit Agent and its respective successors, assigns, agents and servants, absent negligence or willful misconduct, shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Escrow Deposit Agreement, the establishment of the Escrow Deposit Fund, the acceptance of the moneys deposited therein, the purchase of Escrowed Obligations, the retention of Escrowed Obligations or the proceeds thereof, or any payment, transfer or other application of moneys or securities by the Escrow Deposit Agent in accordance with the provisions of this Escrow Deposit Agreement.

(b) This Escrow Deposit Agreement sets forth exclusively the duties of the Escrow Deposit Agent with respect to any and all matters pertinent hereto and no implied duties or obligations shall be read into this Escrow Deposit Agreement against the Escrow Deposit Agent. The Escrow Deposit Agent may act in reliance upon any instrument or signature believed by it to be genuine and may assume that any person purporting to give

any writing, notice, advice or direction in connection with the provisions hereof has been duly authorized to do so.

Section 2.11. Term; Disposition of Surplus Funds. This Escrow Deposit Agreement shall become effective upon its execution and delivery and shall terminate when all the Refunded Bonds and interest due thereon have been paid and discharged. Upon such termination and after payment of any unpaid fees and expenses of the 1983 Trustee or the Escrow Deposit Agent, any remaining moneys and Escrowed Obligations shall be paid and delivered by the Escrow Deposit Agent to the Trustee for deposit in the Redemption Fund and application as provided in Section 18 of the Resolution pertaining to voluntary payments made by the Institution in accordance with Section 7.01 of the Loan Agreement.

Section 2.12. Notice of Refunding. Within 30 days after the delivery of and payment for the Refunded Bonds, the Escrow Deposit Agent shall cause a notice of refunding, substantially in the form set forth in Exhibit B to this Escrow Deposit Agreement (i) to be published at least once in a newspaper of general circulation in the City of Baltimore, Maryland, and in a financial journal or newspaper published or circulating in the City of New York, New York and (ii) to be mailed, postage prepaid, to all registered owners of Refunded Bonds at their addresses as they appear on the registration books provided for in the 1983 Resolution. The cost of such publications and mailings shall be paid by the Escrow Deposit Agent pursuant to Section 2.09 hereof.

Section 2.13. Costs of Notices; Establishment of Special Account. There is hereby created and established with the Escrow Deposit Agent a special account within the Escrow Deposit Fund for the sole and exclusive purpose of paying all costs and expenses related to the publications and mailings described in Sections 2.08 and 2.12 hereof. The County shall cause the Trustee to deposit \$\_\_\_\_\_ in such special account for such purposes pursuant to Section 11 of the Resolution. Moneys on deposit in the special account established hereby shall be invested exclusively in Authorized Obligations which shall mature in principal amounts at such time so that sufficient cash will be available to pay the costs of the publications and mailings required by Sections 2.08 and 2.12 as and when such costs are incurred. If, for any reason, there are insufficient moneys in the special account established hereby to pay such costs as and when incurred, such costs or any unpaid portion thereof shall be paid by the Institution as an amount payable under Section 3.06(c)(i) of the Loan Agreement. If, for any reason, the Institution fails to make such payments upon the request of the Escrow Deposit Agent, the



County shall forthwith pay such costs so as to insure that the publications and mailings required by Sections 2.08 and 2.12 hereof are timely made.

ARTICLE III

MISCELLANEOUS

Section 3.01. Entire Agreement. This Escrow Deposit Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 3.02. Section and Paragraph Headings. The County and the Escrow Deposit Agent agree that the Section and paragraph headings have been prepared for convenience only and are not part of this Escrow Deposit Agreement and shall not be taken as an interpretation of any provision of this Escrow Deposit Agreement.

Section 3.03. Severability. If any clause, provision or Section of this Escrow Deposit Agreement is held illegal or invalid by any court, the invalidity of such clause, provision or Section shall not affect any of the remaining clauses, provisions or Sections hereof, and this Escrow Deposit Agreement shall be construed and enforced as if such illegal or invalid clause, provision or Section had not been contained herein. In case any agreement or obligation contained in this Escrow Deposit Agreement is held to be in violation of law, then such agreement or obligation shall be determined to be the agreement or obligation of the County or the Escrow Deposit Agent, as the case may be, only to the full extent permitted by law.

Section 3.04. Maryland Law. This Escrow Deposit Agreement is executed and delivered with the intent that the laws of the State of Maryland shall govern.

Section 3.05. Escrow Deposit Agreement Constitutes Security Agreement. It is intended by the parties hereto that this Escrow Deposit Agreement shall constitute and be a security agreement under the laws of the State of Maryland.

LIBER 005 2nd 509

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Deposit Agreement to be duly executed, sealed and delivered as of the day and year first written above.

COUNTY COMMISSIONERS OF  
ST. MARY'S COUNTY

(SEAL)

By: Joseph P. O'Dell, President  
Board of County  
Commissioners

Attest:

Edward V. Cox, County  
Administrator

MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY, as  
Escrow Deposit Agent

(SEAL)

By: Authorized Officer

Attest:



STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this \_\_\_\_ day of \_\_\_\_\_ in the year 1986, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared Joseph P. O'Dell, who acknowledged himself to be the President of the Board of County Commissioners of County Commissioners of St. Mary's County, a body politic and corporate and political subdivision of the State of Maryland, and on behalf of the said County acknowledges the foregoing Escrow Deposit Agreement to be the act and deed of County Commissioners of St. Mary's County.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: July 1, 1990

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this \_\_\_\_ day of \_\_\_\_\_ in the year 1986, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared \_\_\_\_\_, who acknowledged himself to be a \_\_\_\_\_ of Mercantile-Safe Deposit and Trust Company, a trust company duly organized and existing under the laws of the State of Maryland and having its principal office in the City of Baltimore, Maryland, and on behalf of the said Bank acknowledges the foregoing Escrow Deposit Agreement to be the act and deed of Mercantile-Safe Deposit and Trust Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: July 1, 1990

SCHEDULE A  
ESCROWED OBLIGATIONS

<u>Date</u>	<u>Principal Maturing</u>	<u>Coupon Rate</u>	<u>Type of Investment (1)</u>	<u>Total Interest on Payment Date (2)</u>
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- 
- (1) All investments are in U.S. Treasury obligations.
  - (2) Reflects the total interest earned on all outstanding Escrowed Obligations.



SCHEDULE B  
DEBT SERVICE ON REFUNDED BONDS

<u>Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
January 1, 1987		\$ 628,537	\$ 628,537
July 1, 1987		628,537	628,537
January 1, 1988		628,537	628,537
July 1, 1988		628,537	628,537
January 1, 1989		628,536	628,537
July 1, 1989		628,536	628,537
January 1, 1990		628,536	628,537
July 1, 1990		628,536	628,537
January 1, 1991		628,536	628,537
July 1, 1991		628,536	628,537
January 1, 1992		628,536	628,537
July 1, 1992		628,536	628,537
January 1, 1993		628,536	628,537
July 1, 1993	\$13,565,000*	628,536	14,193,638

\*Includes a redemption premium of \$395,000.

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## NOTICE OF REDEMPTION

COUNTY COMMISSIONERS OF ST. MARY'S COUNTY  
ST. MARY'S HOSPITAL REFUNDING BONDS OF 1983

Dated July 1, 1983

NOTICE IS HEREBY GIVEN of the election by County Commissioners of St. Mary's County to redeem on July 1, 1993, \$13,170,000 aggregate principal amount of its County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1983, stated to mature and bearing interest as follows:

<u>Maturing July 1</u>	<u>Principal Amount</u>	<u>Coupon Rate</u>
1994	\$ 640,000	8.80%
1995	690,000	9.00
1996	755,000	9.20
1997	825,000	9.30
1998	910,000	9.40
1999	990,000	9.50
2000	1,085,000	9.60
2001	1,185,000	9.70
2002	1,305,000	9.75
2003	1,430,000	9.75
2004	1,565,000	9.75
2005	1,725,000	9.75
2006	65,000	9.75

The above bonds will become due and will be redeemed on July 1, 1993, at the redemption price of 103% of the principal amount thereof, together with interest accrued to July 1, 1993, upon presentation thereof at the principal corporate trust office of Maryland National Bank, Baltimore Maryland. From and after July 1, 1993, interest will cease to accrue on the above bonds called for redemption.

Dated: \_\_\_\_\_, 1993

COUNTY COMMISSIONERS OF ST.  
MARY'S COUNTY



NOTICE OF REFUNDING  
COUNTY COMMISSIONERS OF ST. MARY'S COUNTY  
ST. MARY'S HOSPITAL REFUNDING BONDS OF 1983  
MATURING ON OR AFTER JULY 1, 1994  
Dated July 1, 1983

NOTICE IS HEREBY GIVEN that there have been deposited in trust with the undersigned Escrow Deposit Agent, proceeds of certain refunding bonds issued by County Commissioners of St. Mary's County (the "County"), which proceeds have been invested in direct obligations of the United States of America, designated United States Treasury Obligations, State and Local Government Series (the "Government Obligations"), for the purpose of refunding \$13,170,000 aggregate principal amount of County Commissioners of St. Mary's County St. Mary's Hospital Refunding Bonds of 1983, which mature on or after July 1, 1994 (the "Refunded Bonds").

The projected principal and interest payments to be derived from the Government Obligations held in trust by the undersigned Escrow Deposit Agent, pursuant to an Escrow Deposit Agreement, dated as of December 30, 1986, between the County and the undersigned Escrow Deposit Agent, have been calculated to be adequate to pay the principal of and the interest and any redemption premium on the Refunded Bonds as such interest, payable. Such payments to the holders of the Refunded Bonds shall be made at the places, in the manner, in such medium of payment, by Maryland National Bank, as trustee for the Refunded Bonds, and otherwise as provided in the Outstanding Bonds and Resolution No. R-83-12 adopted by the Board of County Commissioners on June 17, 1983 authorizing the issuance of the Refunding Bonds.

MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY  
Escrow Deposit Agent

7300-11/03/83  
7000-0

Let'd to: Judy Landram  
Office of the Co. Administrator

DEC 15 1986

MARY R. BELL, CLERK