

of such five year term, at the option of the commission, upon payment of principal and interest to the date of prepayment. Each such mortgage may not extend beyond five years from the date it is entered into. The total amount to be loaned hereunder by the retirement system for the five year period beginning June 1, 1967, and for any succeeding five year period, may not at any time exceed ten (10%) per cent of the combined total assets of the retirement systems, nor may the amount loaned in any one year exceed one-fifth of such total amount. The total amount loaned by any one of the retirement systems may at no time exceed ten (10%) per cent of its assets. Such property may be acquired by purchase or condemnation under the provisions of Article 33A or Article 89B of the Annotated Code of Maryland.

(c) The retirement system mortgagee in any particular instances shall be determined by agreement between the director of highways and the trustees of the particular system. The costs of acquisition including mortgage recordation costs, title searches and court costs, if any, shall be paid by the State Roads Commission. Such agreements shall provide that the director of highways, with the approval of the State Roads Commission, may redeem any mortgage hereunder at any time prior to the letting of a highway improvement contract utilizing the property, and during the effective period of such agreement the director shall redeem the mortgage upon such property whenever such a highway contract is let, or upon the expiration of five years from the mortgage execution date, whichever date is earlier, and these mortgages will include the full faith and credit of the State of Maryland.

(d) The director shall redeem such first mortgages OF the retirement system in compliance with such agreements, and for this purpose is authorized to use any funds available to the Commission, subject only to the prior pledge of such moneys for the retirement of the state highway construction bonds.

(e) Such agreements shall provide that the State Roads Commission shall have the sole and exclusive use and management of such property during the time title is held by said commission and shall have the rights to all rentals and any other income arising from the use of such property. The director of highways shall authorize the payment of all taxes, insurance premiums and costs of maintaining such property while under the control of the State Roads Commission, and shall save the retirement system harmless from any liability whatsoever in connection with management of such property.

(f) Such agreements may contain any other provisions agreed upon by the director of highways and the retirement system which are necessary to carry out the purpose of such agreements as indicated in this section.

(g) The property covered by such agreements may be managed, controlled, used, rented, or leased by the State Roads Commission or may be managed by any person, firm, partnership, association, or corporation under contract with the director of highways or may be operated by the department through its right-of-way division.

SEC. 2. And be it further enacted, That this Act shall take effect June 1, 1967.

Passed over Governor's Veto, June 22, 1967.