

expended shall be applied to the payment of the next principal maturity of the bonds or to the redemption of any part of the bonds which have been made redeemable or to the purchase and cancellation of bonds, ~~unless the County shall adopt a resolution allocating the excess funds to other capital projects~~, as defined and within the limits set forth in this Act.

It is the intent of this Act that the County Commissioners of St. Mary's County be vested with discretion and authority to determine the portion, if any, of the cost of any improvements to the Hospital to be paid from the proceeds of the sale of general obligation bonds authorized pursuant to this Act and that the County Commissioners may provide or require conditions for the loan of the proceeds of the sale of the bonds to the Hospital as the County Commissioners deem necessary or appropriate, including without limitation, provision for the repayment of the loan from rates charged patients by the Hospital. The County may agree that improvements to the Hospital may be financed in whole or in part from the proceeds of the sale of: (i) general obligation bonds issued pursuant to this Act or any other Act for the purposes stated in this Act; (ii) revenue bonds issued pursuant to any authority authorizing the issuance of revenue bonds to finance Hospital facilities; or (iii) any combination of (i) and (ii). The County may agree, in its discretion, that the actual or implied interest of the County in the Hospital or in any receipts or assets of the Hospital may be subordinated to the interests of the holders of any revenue bonds issued to finance improvements to the Hospital.

SECTION 5. AND BE IT FURTHER ENACTED, That the County may enter into agreements with the Hospital pursuant to which the Hospital shall be required to make periodic payments, from the Hospital's revenues or other assets, to the County, at times and in amounts to assure the timely payment of the maturing principal of and interest on the bonds and any expenses incurred by the County related to the bonds. However, the bonds hereby authorized shall constitute, and they shall so recite, an irrevocable pledge of the full faith and credit and unlimited taxing power of the County to the payment of the maturing principal of and interest on the bonds as and when they become payable. In each and every fiscal year that any of the bonds are outstanding, the County shall levy or cause to be levied ad valorem taxes upon all the assessable property within the corporate limits of the County in rate and amount sufficient to provide for or assure the payment, when due, of the principal of and interest on all the bonds maturing 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 if the Hospital revenues or the proceeds from the taxes levied in any fiscal year are inadequate for payment, additional taxes shall be levied in the succeeding fiscal year to make up any such deficiency. The County may apply to the payment of the principal of and interest on any bonds issued hereunder any funds received by it from the State of Maryland, the United States of America, any agency or instrumentality thereof, or from any other source, if such funds are granted for the purpose of assisting the County in financing the costs of the acquisition, construction, improvement, or development of St. Mary's Hospital defined in Section 1 of this Act and, to the extent of any such funds received or receivable in any fiscal year, the taxes that are required to be levied under this Act may be reduced accordingly.