

It is the intent of this Act that the County Commissioners of St. Mary's County be vested with full discretion and authority to determine what portion, if any, of the cost of any improvements to the Hospital be paid from the proceeds of general obligation bonds authorized pursuant to this Act and that the County Commissioners may provide or require such conditions for the loan of the proceeds of such 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 is further expressly authorized to agree that improvements to the Hospital may be financed in whole or in part from the proceeds of: (i) general obligation bonds issued pursuant to this Act or any other act authorizing the issuance of general obligation bonds of the County for such purpose or (ii) revenue bonds issued pursuant to any authority authorizing the issuance of revenue bonds to finance such Hospital facilities, or (iii) any combination of (i) and (ii); in connection with such agreement (without in any way creating any limitation on the discretion of the County Commissioners) the County may further agree, in its discretion, that any interest (actual or implied) 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, all as may be determined in the absolute discretion of the County Commissioners.

SECTION 5. AND BE IT FURTHER ENACTED, That the County may enter into an agreement or 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 such times and in such amounts to assure the timely payment of the maturing principal of and interest on the bonds and any expenses of the County in connection therewith. However, the bonds 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 such fiscal year and, if the Hospital revenues or the proceeds from 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 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 or the Hospital in financing the hospital improvements and, to the extent of any such funds received or receivable in any fiscal year, taxes that might otherwise be required to be levied under this Act may be reduced or need not be levied.

SECTION 6. AND BE IT FURTHER ENACTED, That the County is hereby further authorized and empowered, at any time and from time to time, to issue its bonds in the manner hereinabove described for the purpose of refunding, upon purchase or redemption, any bonds issued hereunder. The validity of any such refunding bonds shall in no way be dependent upon or related to the validity or invalidity of the obligations so