MARYLAND ENVIRONMENTAL SERVICE

BOARD OF DIRECTORS

RESOLUTION NO 95-09-2R

A RESOLUTION AUTHORIZING

the procurement, execution and delivery by the Maryland Environmental Service (the "Service") of a Loan Agreement (the "Loan Agreement") in an aggregate principal amount not to exceed $80,000 00 for the purpose of financing the design, construction, repair, and improvement, of a stormwater management pond located in the Shores of Calvert, Dunkirk, Calvert County, Maryland, and administration of such activities, (collectively, the "Project"), providing for the Loan Agreement to be an obligation of the Service payable from revenues received from charges assessed by the Service against real property located in the Shores of Calvert Stormwater Management Service District (the "Service District") and such other revenues as may be received by the Service in connection with the Service District, authorizing the Director to amend, execute and deliver the Loan Agreement, and providing generally for other matters necessary to the procurement, execution and delivery of the Loan Agreement

RECITALS

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 through 3-130 of the Natural Resources Article of the Annotated Code of Maryland (1989 Replacement Volume, 1994 Cumulative Supplement) as amended to date (the "Act"), including (among others) the powers (i) to borrow money and issue bonds or notes for the purpose of paying all or any part of the cost of any one or more projects or for any other purpose of the Service, and to provide for the security of such bonds or notes and the rights of the holders thereof, (ii) to establish service districts for the provision of services, facilities or property used or useful or having present capacity for future use in connection with the collection or treatment of stormwater, and (iii) to enter into contracts with the Federal or any State government, or any unit, instrumentality or subdivision thereof, or with any municipality or person within or without the State of Maryland, providing for or relating to the furnishing of services to the facilities of any project of the Service

Shores of Calvert is an unincorporated community located near Dunkirk, Calvert County, Maryland The Service has been requested

by the Shores of Calvert Civic Association ("SCCA") and the Calvert County Commissioners to assist the SCCA in providing the design, construction, repair and improvements to a stormwater management dam owned by the SCCA The Department of Natural Resources has determined that the dam is in danger of failing and requires significant repairs After discussions with the SCCA regarding financing options to fund the repairs, the parties have agreed that the Service should initiate the process to establish a stormwater management service district The Service is authorized to create such service districts and service regions pursuant to Section 3-106 of the Act

In accordance with the Act, the Service has designated the boundaries of the Shores of Calvert Stormwater Management Service Region (the "Service Region") to be the same as the boundaries of the subdivision as shown on the subdivision plats for the Shores of Calvert subdivision that are on file in the land records of Calvert County, Maryland The Service has also designated the boundaries of the Service District to be the same as the service Region

Pursuant to Section 3-106(d) of the Act, the Service has drafted a five-year plan for the Service Region and Service District ("the Five-Year Plan") On September 5, 1995, the Service conducted a public information hearing in Calvert County on the proposed five-year plan A copy of the Five-Year Plan is attached to this Resolution The Calvert County Commissioners have approved the Five-Year Plan

The services to be provided by Service in the Service Region and the Service District will be limited to the Project The Service will not provide water supply, wastewater treatment or solid waste disposal services within the Service Region or Service District, except as may be directly or indirectly related to the Project

The Service intends to finance the initial costs of the Project be entering into the Loan Agreement with the Calvert Bank and Trust Company (the "Lender") In accordance with the Loan Agreement, the Service will make semi-annual loan repayments ("Loan Repayments") to the Lender for a term of three (3) years Such Loan Repayments will consist of principal and interest on amounts loaned to the Service pursuant to the Loan Agreement The Service intends to recoup the costs of establishing the Service District, providing the Project, recovering amounts necessary to make Loan Repayments, and administering the Service District, by charging each of the lots and parcels of land in the Service District The Service District will terminate upon full repayment of such costs For the calendar year beginning October 1, 1995, the Service will charge each lot and parcel of land in the Service District an amount that is estimated to not exceed $230 per year (the "Estimated Annual Charge") Upon receipt of the first invoice from the Service, lot owners may prepay the total assessed amount by

paying an amount not to exceed $606 to the Service (the "Estimated Total Charge")

The Service considers the procurement, execution, and delivery of the Loan Agreement, to be in furtherance of the public purposes of the Act and the Service

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE, that

1 Capitalized terms used and not defined herein shall have the meanings set forth in the title and the Recitals to this Resolution

2 The procurement, execution and delivery of the Loan Agreement in a principal amount not to exceed $80,000 00, shall be, and hereby is, authorized and directed pursuant to the provisions of the Act to finance the design, construction, repair and improvement of the Project, as provided in Act

3 The Loan Agreement will be executed with and delivered to the Lender on the terms and conditions set forth in the commitment letter dated September 6, 1995, as amended by a letter from the Lender dated September 21, 1995, (collectively, the "Commitment Letter") both of which are presented to this meeting as attachments to this Resolution The Loan Agreement shall be executed by the Director substantially in accordance with the Commitment Letter presented to this meeting with such changes, omissions, insertions and revisions as shall be deemed desirable by the Director, provided, however, that except as otherwise provided in this resolution, such changes, omissions, insertions and revisions shall not alter the substance of the transaction authorized and approved by this resolution

The total principal amount of the Loan Agreement shall not exceed $80,000 The annual interest rate of any maturity of the Loan Repayments shall not exceed 8 0 percent The Director shall, subject to the limitations set forth in this paragraph, fix the principal amount of the Loan Agreement, the interest rate or rates for the Loan Agreement, and the payment schedule for the Loan Repayments, and the Director shall include such items in the Loan Agreement

4 The form of the Commitment Letter presented to this meeting shall be, and hereby is, approved and the distribution thereof is approved and ratified hereby Such Commitment Letter shall be, and hereby is, directed to be filed among the permanent records of the Service The Director shall be, and hereby is, authorized to prepare, execute and distribute amendments to the Commitment Letter, with such changes, omissions, insertions and revisions to the Commitment Letter as the Director shall deem

desirable, provided, however, that except as otherwise provided in this resolution, such changes, omissions, insertions and revisions shall not alter the substance of the transaction authorized and approved by this Resolution

6 The Director and other officers and employees of the Service shall be, and hereby are, authorized to take such other steps and to execute and deliver such other documents and certificates as the Director shall deem desirable to effect the execution and delivery of the Loan Agreement and the other matters contemplated by this Resolution

7 The execution by the Director of the Service of any document authorized herein to be executed by the Director shall constitute conclusive evidence of approval of such document, and any and all changes thereto from the form presented to the Service herewith, by the Service

8 This Resolution shall take effect immediately upon its adoption

ADOPTED THIS 28TH DAY OF SEPTEMBER, 1995

MARYLAND ENVIRONMENTAL SERVICE

SEAL

James W Peck
Director

Annette Anselmi
Treasurer

Carolyn D Davis
Secretary

ABSENT

Edwin G Richards
Member

Lawrence D Shubnell
Member

William B C Addison, Jr
Member

Daniel F McMullen, III
Member ABSENT

Joseph F Snee, Jr
Member

Attest

Carolyn D Davis, Secretary

CALVERT BANK AND TRUST COMPANY

RECEIVED

SEP 03 1995

September 6 1995

Maryland Environmental Service
c/o Annette Anselmi Treasurer
2011 Commerce Park Drive
Annapolis Maryland 21401

Dear Ms Anselmi

I am pleased to advise you that Calvert Bank and Trust Company has approved your loan request subject to the following terms and conditions

1 **Note of** Maryland Environmental Service

2 **Loan Amount** $80 000 00

3 **Interest Rate** Fixed at eighty percent (80%) of Mercantile Safe Deposit and Trust Company prime rate at the time of settlement (Calvert Bank and Trust Company reserves the right to increase the rate if it is determined that this loan does not have Tax Exempt status)

4 **Term of Loan** Three (3) years

5 **Commitment Fee** None required

6 **Repayment Terms** Interest and principal shall be payable in six (6) semi annual payments with the first payment due six (6) months from the date of the note

7 **Purpose** Funds are provided to design construct and administer improvements to a stormwater management pond owned by Shores of Calvert Civic Association Inc

8 **Collateral** None required

9 **Expiration of Commitment** Ninety (90) days

10 **Other Conditions**

A Prior to closing Calvert Bank must receive certification from an attorney of your choice (subject to Calvert Bank s approval) that the requested loan has Tax Exempt status for Calvert Bank

B Prior to closing Calvert Bank must receive acceptable executed copies of the Service Agreement and Loan Agreement between Maryland Environmental Service and Shores of Calvert Civic Association Inc

C Business financial statements are to be provided to Calvert Bank annually

11 **Cancellation** We reserve the right to terminate this approval letter at any time prior to the settlement of the loan in the event of an adverse change in your business financial status

I am pleased to make this financing available to you and if the foregoing is acceptable please sign the original letter in the space provided and return the same in its entirety to the Bank If the signed original letter is not received by the Bank within fifteen (15) days then the Bank may declare this offer to be null and void

Very truly yours

Mervin E Yoder
Assistant Vice President
Commercial Lending

MEY cmd
Enclosures

The foregoing terms and conditions are hereby agreed to and accepted on this _____ day of _____ 1995

Maryland Environmental Service

BY _____
Annette Anselmi, Treasurer

CALVERT BANK AND TRUST COMPANY

RECEIVED
SEP 25 1995
MD Environmental Service

September 21 1995

Maryland Environmental Service
c/o Annette Anselmi Treasurer
2011 Commerce Park Drive
Annapolis Maryland 21401

Addendum Commitment Letter dated September 6 1995

Dear Ms Anselmi

The following changes have been made to the above referenced commitment letter

3 **Interest Rate** It has been determined that this loan does not have Tax Exempt status for Banking purposes therefore the interest rate will be fixed at eight percent (8 0%) for three (3) years

If the foregoing Addendum is acceptable please sign this letter in the space provided and return the same to the Bank All other terms and conditions of the original letter shall remain unchanged and in effect

Very truly yours

Mervin E Yoder

Mervin E Yoder
Assistant Vice President
Commercial Lending

MEY cmd

The foregoing terms and conditions are hereby agreed to and accepted on this _____day of _____ 1995

Maryland Environmental Service

BY _____
Annette Anselmi Treasurer

P O Box 590 / Prince Frederick Maryland 20678 / (410) 535 3535 / (301) 855 1080 / (410) 269 6206
Affiliate Member Bank of Commerce