

COPY

RESOLUTION of Dorchester County authorizing the issuance, upon the full faith and credit of the County, of a general obligation installment note in the principal amount of One Hundred Sixty-Five Thousand Dollars (\$165,000) under the authority of Section 16-402(d) of the Education Article of the Annotated Code of Maryland (2001 Replacement Volume and 2002 Supplement), the note to be designated "Dorchester County Chesapeake College Project Note of 2004"; prescribing the form and tenor of the note and the terms and conditions for the issuance and delivery thereof to County Commissioners of Queen Anne's County; providing for the levy and collection of any taxes necessary for the prompt payment of the maturing principal of and interest on the note, and providing that the full faith and credit and taxing power of Dorchester County shall be irrevocably and unconditionally pledged to the payment of such principal and interest and generally relating to the issuance and delivery of the note.

RECITALS

County Commissioners of Queen Anne's County ("Queen Anne's County") has sold a series of its general obligations bonds in the aggregate principal amount of \$13,600,000, designated "Public Facilities Bonds of 2003" (the "Queen Anne's County Bonds") for the public purpose, among others, of financing the construction, furnishing, and equipping of a new Administration Building at Chesapeake College (the "Chesapeake College Project"). Chesapeake College is a regional community college that is supported by Caroline, Dorchester, Kent, Queen Anne's and Talbot Counties.

Section 16-402(d) of the Education Article of the Annotated Code of Maryland (2001 Replacement Volume and 2002 Supplement) authorizes each county governing body to borrow money to purchase land and construct capital improvements for a community college, and Section 16-303(b) of such Education Article provides that each county that supports a regional community college shall bear as its share of any borrowing for the regional community college the amount that results from applying to the total amounts of the borrowing the ratio that the county's population, as determined by the Department of Health and Mental Hygiene, bears to the total population of all the counties that support the regional community college.

The County Council of Dorchester County, acting pursuant to and in accordance with the aforesaid provisions of the Education Article of the Annotated Code of Maryland, has determined to authorize the issuance and delivery to Queen Anne's County of a general obligation note of Dorchester County, Maryland (the "County") in order to evidence and secure the obligation of the County to pay its share of the debt service on that portion of the Queen Anne's County Bonds the proceeds of which will be applied to finance the Chesapeake College Project.

BE IT RESOLVED BY DORCHESTER COUNTY:

FILED

04 FEB 11 PM 12:07

Section 1. Acting pursuant to the authority of Section 16-402(d) of the Education Article of the Annotated Code of Maryland (2001 Replacement Volume and 2002 Supplement), Dorchester County, Maryland (the "County") hereby determines to issue, upon its full faith and credit, a general obligation note (the "Note") in order to evidence and secure the obligation of the County to pay its share of the debt service on that portion of the general obligation of County Commissioners of Queen Anne's County known as "Queen Anne's County Public Facilities Bonds of 2003" (the "Queen Anne's County Bonds") the net proceeds of which will be applied to finance the construction, furnishing and equipping of an Administration Building at Chesapeake College (the "Chesapeake College Project"). Seven Hundred Ten Thousand Dollars (\$710,000) of the proceeds of the Queen Anne's County Bonds will be applied to finance the Chesapeake College Project, and the County's share of that amount, determined in accordance with Section 16-303(b) of the Education Article, is One Hundred Sixty-Five Thousand Dollars (\$165,000).

Section 2. To evidence the indebtedness authorized in Section 1 of this Resolution, the County shall issue, upon its full faith and credit, a general obligation installment note in the principal amount of One Hundred Sixty-Five Thousand Dollars (\$165,000) to be known as the "Dorchester County Chesapeake College Project Note of 2004" (the "Note"). The Note shall be issued in the form of a single, fully registered installment note, without coupons attached, payable to "Queen Anne's County, Maryland." The principal of and interest on the Note shall be paid in installments on the dates and in the amounts shown on Schedule A to the form of the Note hereinafter set forth.

Section 3. The Note is not subject to redemption before January 15, 2013. Beginning on January 15, 2013, the Note is subject to redemption at the option of the County, either as a whole

at any time, or in part on any installment payment date, at the redemption price of one hundred percent of the principal amount of the Note to be redeemed plus accrued interest thereon to the date fixed for redemption.

Notice of prepayment shall be given at least thirty (30) days prior to the prepayment date by mailing to the registered owner a notice fixing the prepayment date and the amount to be prepaid.

Section 4. The Note shall be executed in the name of the County and on its behalf by the President of the County Council (the "President"). The corporate seal of the County shall be affixed to the Note, attested by the signature of the County Manager to the County Council. The principal of and interest on the Note shall be paid by the County by check or draft mailed (by depositing such check or draft, correctly addressed and postage prepaid, in the United States mails on or before the payment date) to the registered owner thereof at the address of such owner as it appears on the books kept for the registration of the Note at the office of the County Manager in Cambridge, Maryland. In the event any official whose signature appears on the Note ceases to be an official prior to the delivery of the Note, or shall have become such official after the date of this Resolution, the Note shall, nonetheless, be a valid and legally binding obligation of the County in accordance with its terms.

Section 5. The Note shall be transferable only upon the books kept for that purpose at the office of the County Manager by the registered owner in person or by his duly authorized attorney, upon surrender thereof, together with a written instrument of transfer satisfactory to the Finance Officer, duly executed by such registered owner or duly authorized attorney.

Section 6. Except as provided hereinafter or in a resolution or resolutions of the County adopted prior to the issuance of the Note, the Note shall be issued in substantially the following

registered installment note form. Appropriate variations and insertions shall be made to provide dates, numbers and amounts, and modifications not altering its substance may be made by the President. 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:

\$165,000

R-1

REGISTERED
UNITED STATES OF AMERICA
STATE OF MARYLAND
DORCHESTER COUNTY
Chesapeake College Project Note of 2004

PAYMENTS OF PRINCIPAL OF AND INTEREST ON THIS NOTE ARE MADE BY CHECK OR DRAFT TO THE REGISTERED OWNER AND IT CANNOT BE DETERMINED FROM THE FACE OF THIS NOTE WHETHER ALL OR ANY PART OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE HAS BEEN PAID.

DORCHESTER COUNTY, a body politic and corporate and a political subdivision of the State of Maryland (the "County"), hereby acknowledges itself indebted and for value received promises to pay to QUEEN ANNE'S COUNTY MARYLAND, the registered owner, the principal amount of One Hundred Sixty-Five Thousand Dollars (\$165,000) plus interest on the unpaid principal balance from the date hereof. The principal of and interest on this Note shall be paid in installments on the dates and in the amounts shown on Schedule A hereof.

Both the principal of and interest on this Note will be paid in lawful money of the United State of America, at the time of payment, and will be paid by check or draft mailed (by deposited such check or draft, correctly addressed and postage prepaid, in the United States mails on or before the payment date) to the registered owner hereof at the address as it appears on the books kept for the registration and registration of transfers of notes at the office of the Finance Officer in Cambridge, Maryland.

This Notes is issued pursuant to and in full conformity with the provisions of Section 16-304(d) of the Education Article of the Annotated Code of Maryland (2001 Replacement Volume and 2002 Supplement) and by virtue of due proceedings had and taken by the County Council of Dorchester County.

The County has covenanted to levy upon all real and tangible personal property within its boundaries subject to assessment for unlimited County taxation, ad valorem taxes in rate and amount sufficient in each year in which this Note is outstanding to provide for payment of the principal of and interest on this Note. If the proceeds from the taxes so levied in any fiscal year should be inadequate for such purpose, the County has covenanted to levy additional taxes in the succeeding fiscal year to make up any 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 this Note according to its terms, and the County does hereby covenant and agree to pay punctually the principal of and interest on this Note at the dates and in the manner prescribed herein.

This Note is transferable only upon the books of the County at the office of the Finance Officer 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 satisfactory to the Finance Officer, duly executed by the registered owner or his duly authorized attorney. The County may deem and treat the party in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

This Note is not subject to redemption prior to January 15, 2003. Beginning January 15, 2013, this note is subject to redemption at the option of the County, either as a whole at any time, or in part on any installment payment date, at the redemption price of one hundred percent of the principal amount of this Note to be redeemed plus accrued interest thereon to the date fixed for redemption:


Notice of prepayment shall be given at least thirty (30) days prior to the prepayment date by mailing to the registered owner a notice fixing the prepayment date and the amount to be prepaid.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Maryland to exist, to have happened or to have been performed precedent to or in the issuance of this not; exist, have happened and have been performed, and that the issuance of this note together with all other indebtedness of the County, is within every debt and other limit prescribed by said Constitution or statutes.

IN WITNESS WHEREOF, this Note has been executed by the manual signature of the President of the County Council and the corporate seal of the County has been affixed hereto, attested by the manual signature of the County Manager, all as of the 3rd day of February, 2004.

(SEAL)
ATTEST:

DORCHESTER COUNTY



County Manager

By: 

President, County Council

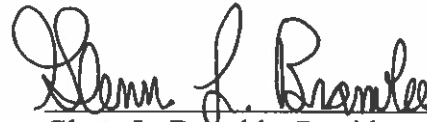
SCHEDULE A to
Chesapeake College Project Note of 2004

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
15-Jan-04	\$8,796	\$3,321	\$12,117
15-Jul-04	\$0	\$3,167	\$3,167
15-Jan-05	\$5,096	\$3,167	\$8,263
15-Jul-05	\$0	\$3,078	\$3,078
15-Jan-06	\$5,399	\$3,078	\$8,477
15-Jul-06	\$0	\$2,983	\$2,983
15-Jan-07	\$5,642	\$2,983	\$8,625
15-Jul-07	\$0	\$2,885	\$2,885
15-Jan-08	\$5,945	\$2,885	\$8,830
15-Jul-08	\$0	\$2,781	\$2,781
15-Jan-09	\$6,188	\$2,781	\$8,968
15-Jul-09	\$0	\$2,665	\$2,665
15-Jan-10	\$6,551	\$2,665	\$9,216
15-Jul-10	\$0	\$2,534	\$2,534
15-Jan-11	\$6,855	\$2,534	\$9,388
15-Jul-11	\$0	\$2,396	\$2,396
15-Jan-12	\$7,219	\$2,396	\$9,615
15-Jul-12	\$0	\$2,252	\$2,252
15-Jan-13	\$7,583	\$2,252	\$9,835
15-Jul-13	\$0	\$2,100	\$2,100
15-Jan-14	\$7,947	\$2,100	\$10,047
15-Jul-14	\$0	\$1,942	\$1,942
15-Jan-15	\$8,311	\$1,942	\$10,252
15-Jul-15	\$0	\$1,775	\$1,775
15-Jan-16	\$8,735	\$1,775	\$10,511
15-Jul-16	\$0	\$1,601	\$1,601
15-Jan-17	\$9,160	\$1,601	\$10,761
15-Jul-17	\$0	\$1,417	\$1,417
15-Jan-18	\$9,645	\$1,417	\$11,063
15-Jul-18	\$0	\$1,220	\$1,220
15-Jan-19	\$10,131	\$1,220	\$11,350
15-Jul-19	\$0	\$1,004	\$1,004
15-Jan-20	\$10,616	\$1,004	\$11,620
15-Jul-20	\$0	\$779	\$779
15-Jan-21	\$11,162	\$779	\$11,941
15-Jul-21	\$0	\$535	\$535
15-Jan-22	\$11,708	\$535	\$12,242
15-Jul-22	\$0	\$277	\$277
15-Jan-23	\$12,314	\$277	\$12,591
TOTAL	\$165,000	\$78,101	\$243,101

Section 7. The County shall levy or cause to be levied upon all real and tangible personal property within its boundaries subject to assessment for unlimited County taxation ad valorem taxes in rate and amount sufficient in each and every fiscal year in which the Note is outstanding to provide for the prompt payment, when due, of the principal of and interest on the Note in each such fiscal year; and, if the proceeds from the taxes so levied in any fiscal year should be 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 and unconditionally pledged to the prompt payment of the principal of and interest on the Note as and when they become due and payable and to the levy and collection of the taxes hereinabove described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements on the Note. The County hereby covenants and agrees with the registered owner or owners of the Note to levy and collect the taxes hereinabove described and to take any further action that may be appropriate from time to time during the period that the Note remains 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 Note 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 Note is 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 8. This Resolution shall be effective upon its adoption.

DORCHESTER COUNTY COUNCIL


Glenn L. Bramble, President

[SEAL]

ATTEST:

David Yockey, Vice President


Secretary to the County Council


Effie M. Elzey, Council Member


Thomas A. Flowers, Council Member

ADOPTED:

William V. Nichols, Council Member

February 3, 2004
Date

FILED

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