

**THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND
AGENDA**

July 9, 2024

10:00 AM Call to Order/Pledge of Allegiance/Moment of Silence

Meeting Announcements - Time Is Allotted At The End Of Each Meeting For The Commissioners To Receive Comments From The Public

Consent Items

- #1 - Regular Session Minutes, June 25, 2024
- #2 - Liquor Minutes, June 25, 2024
- #3 - Closed Session Minutes, June 25, 2024
- #4 - Rock Hall Volunteer Fire Company, Combined Gaming Device, July 7, 2024
- #5 - Kent County Memorial VFW Post 652, Raffle Only, July 15 - November 30, 2024
- #6 - Kent Agricultural Center, Raffle Only, July 20, 2024
- #7 - Jamie Williams, Director, Economic and Tourism Development
 - Letter of Support - FY2025 Rural Maryland Council, Rural Maryland Prosperity Investment Fund Grant – Millington Community Resource Center
- #8 - Dan Mattson, Director, Public Works
 - FY2025 Renewal of Johnson Controls Planned Service Agreement
- #9 - Dan Mattson, Director, Public Works
 - FY2025 Renewal of Janitorial Services Contract
- #10 - Bill Mackey, Director, Planning, Housing and Zoning
 - Maryland Community Development Block Grant Semi-Annual Report for Housing Counseling Grant MD-22-CD-1

Special Class C Licenses

Betterton Volunteer Fire Company, Beer Only, August 2 & 3, 2024

County Attorney

Thomas N. Yeager, County Attorney
Public Hearing Protocols

Public Hearing

Bill Mackey, Director, Planning, Housing, and Zoning
Code Home Rule Bill No. 4-2024 To Rescind and Replace the Official Zoning Map

Appointments

Dan Mattson, Director, Public Works and KCI Engineering
Millington Project Update
Jo Manning, Town Administrator, Town of Millington

Drainage Ditch Contingency Funds

Paul R. Rickert, Area Extension Director - Upper Shore Cluster, University of Maryland
Extension and Nancy Robson of Kent County Master Gardeners
Master Gardner Program

County Attorney

Thomas N. Yeager, County Attorney
Talkie Communications, Inc., Application For Internet Provider Cable Television
Franchise

Departmental Appointments

Patricia Merritt, Chief Finance Officer, Office of Finance
Financial Statements - 3rd Quarter

Human Resources Director

Jim Miller, Director, Human Resources
Human Resources Policies: Employee Medical, Prescription, Dental, & Vision
Insurances and Retiree Medical, Prescription, Dental, & Vision Insurances

County Administrator

William Albright, KRM Development Corporation
Lease Renewal Proposal, Kent County Board of Elections
Maryland Environmental Service
MidShore Regional Landfill

Letters for Signature

Social Services Advisory Board
Thank You For Your Service

Public Comment/Media Review

Procedures For Public Comment

American Rescue Plan Act Funds

American Rescue Plan Act (ARPA) Funds Spend Plan

Contingency Fund

Contingency and Use of Fund Balance Report

For Your Information

Bonnie S. Pearsall, Inspector, Kent Alcohol and Tobacco Enforcement
License Updates
Secretary Paul J. Wiedefeld, Maryland Department of Transportation
Response to Kent County's Transportation Priorities Letter
Jamie L. Williams, Director, Economic and Tourism Development
Letters of Support for Millington Millington Senior Village and Millington Community

Resource Center

Closed Session

Bill Mackey, Director, Planning, Housing, and Zoning

Legal and Potential Litigation

This meeting will be closed under the Annotated Code of Maryland General Provisions Article § 3-305 (b) (7) To consult with counsel to obtain legal advice; and (8) To consult with staff, consultants, or other individuals about pending or potential litigation

Shelley L. Heller, County Administrator and Thomas N. Yeager, County Attorney

Personnel, Legal Advice, and Potential Litigation

The meeting was closed under the Annotated Code of Maryland, General Provisions Article § 3-305 (b) (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; or any other personnel matter that affects one or more specific individuals; (7) To consult with counsel to obtain legal advice; and (8) to consult with staff, consultants, or other individuals about pending or potential litigation.

(Meetings are conducted in Open Session unless otherwise indicated. All or part of County Commissioners' meetings can be held in closed session under the authority of the MD Open Meetings Law by vote of the Commissioners. Breaks are at the call of the President. Please note that times listed for specific items on the agenda are only estimates, and that the order of agenda items may change as time dictates or allows. Meetings are subject to audio and video recordings.)



**#1 - Regular Session Minutes, June 25, 2024
7/9/2024
County Commissioners Meeting**

ATTACHMENTS:

Description



#2 - Liquor Minutes, June 25, 2024
7/9/2024
County Commissioners Meeting

ATTACHMENTS:
Description



**#3 - Closed Session Minutes, June 25, 2024
7/9/2024
County Commissioners Meeting**

ATTACHMENTS:
Description



**#4 - Rock Hall Volunteer Fire Company, Combined Gaming Device,
July 7, 2024
7/9/2024
County Commissioners Meeting**

ATTACHMENTS:

Description

Rock Hall Volunteer Fire Company, Combined Gaming Devices, July 7, 2024 Application

Permit#

25-2024

MULTIPLE GAMING DEVICE AND RAFFLE PERMIT APPLICATION

Pursuant to the provisions of the Annotated Code of Maryland, Criminal Law §§ 13-1701 to 13-1706.

Name of Organization: Rock Hall Vol. Fire Co.

Address of Organization: 21500 Rock Hall Ave., P.O. Bx 577, Rock Hall, MD 21661

Telephone: (410) 639-7888

Is the organization formed or located in Kent County? ☒ Yes ☐ No

Does the organization serve the residents of Kent County? ☒ Yes ☐ No

Is this organization tax exempt under the provisions of the Internal Revenue Code? ☒ Yes ☐ No

Tax Exempt Number: MD 33043309

Person responsible for complying with permit regulations and requirements:

Name: Linda George

Address: 5894 Henry Ave, Rock Hall, MD 21661

E-Mail: lgdagensais@gmail.com

Telephone: (443) 480-0675

Type of permit sought: ☐ Raffle Only ☒ Combined gaming devices used in a single fund-raising event

Location address of fund-raising affair: 21500 Rock Hall Ave.
Rock Hall, MD 21661

Are these premises owned, leased, or regularly occupied by the organization named above? ☒ Yes ☐ NoDate(s) of fund-raising: July 27, 2024 (Gun/Cash Bash)Date and Time of Drawing: July 27th Begin at: 11:00 AM End at: 5:00 PM

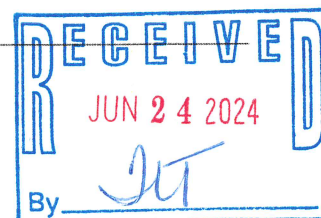
If you are seeking a permit authorizing only a raffle that is not conducted in combination with other gaming activity, please sign below.

If, however, you are seeking to conduct a fund-raiser using more than one gaming activity in a single event, please complete the following page.

Signature of person completing this application: _____

Please Select One:

- ☐ Pick Up
- ☐ Mail Permit (will be mailed to person responsible)



Pursuant to the provisions of the Annotated Code of Maryland, Criminal Law §§ 13-1701 to 13-1706.

Check the gaming devices to be used at this fund-raising event to award merchandise or cash prizes:

☒ Raffles	☐ Chance books	☐ Paddle Wheels
☐ Wheels of fortune	☒ Card games	☐ Lotteries

☐ Other 50/50

Will this fund-raiser be managed and operated only by individuals domiciled in Kent County? ☒ Yes ☐ No

If no, please explain circumstances:

Will alcoholic beverages be served or available for purchase at this fund-raising event? ☒ Yes ☐ No

Is the organization a religious organization? Yes ☒ No

If yes, has it conducted services regularly in Kent County for at least three (3) years? Yes ☐ No

Where are services conducted and how often? _____

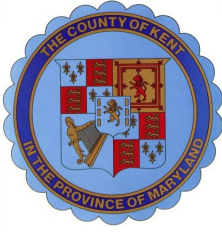
What percentage of funds derived from the multiple gaming devices will be spent or donated to:

_____ % Civic 100 % Charitable _____ % Educational

Name, address and telephone of person completing application:

Linda M George
5894 Henry Ave, Rock Hall, Md 21661
(443) 480-0675

Signature of person completing application: Linda M. George



**#5 - Kent County Memorial VFW Post 652, Raffle Only, July 15 -
November 30, 2024**

7/9/2024

County Commissioners Meeting

ATTACHMENTS:

Description

Kent County Memorial VFW Post 652 Raffle Only, July 15 -November 30, 2024

Permit#

MULTIPLE GAMING DEVICE AND RAFFLE PERMIT APPLICATION

Pursuant to the provisions of the Annotated Code of Maryland, Criminal Law §§ 13-1701 to 13-1706.

Name of Organization: Kent County Memorial VFW Post 652

Address of Organization: 30922 River Road, Millington, MD 21651

Telephone: (443) 480 3654

Is the organization formed or located in Kent County? ☒ Yes ☐ No

Does the organization serve the residents of Kent County? ☒ Yes ☐ No

Is this organization tax exempt under the provisions of the Internal Revenue Code? ☒ Yes ☐ No

Tax Exempt Number: 52-6118753

Person responsible for complying with permit regulations and requirements:

Name: Brian Truitt

Address: 1621 Millington Road, Sudlersville MD 21668

E-Mail: briantruitt@hotmail.com

Telephone: (443) 480 3654

Type of permit sought: ☒ Raffle Only ☐ Combined gaming devices used in a single fund-raising event

Location address of fund-raising affair: 30922 River Road
Millington MD 21651

Are these premises owned, leased, or regularly occupied by the organization named above? ☒ Yes ☐ NoDate(s) of fund-raising: July 15th - November 30, 2024 (Raffle tickets sold)

Date and Time of Drawing: Every Friday Begin at: 8:00 pm End at: 8:00 pm
in December 12/6, 12/13, 12/20, & 12/27 Pick 3 Lottery

If you are seeking a permit authorizing only a raffle that is not conducted in combination with other gaming activity, please sign below.

If, however, you are seeking to conduct a fund-raiser using more than one gaming activity in a single event, please complete the following page.

Signature of person completing this application: Brian Truitt

Please Select One:

☒ Pick Up☐ Mail Permit (will be mailed to person responsible)



**#6 - Kent Agricultural Center, Raffle Only, July 20, 2024
7/9/2024
County Commissioners Meeting**

ATTACHMENTS:

Description

Kent Agricultural Center, Raffle Only, July 9 - July 20, 2024 Application

Permit# 26-2024

MULTIPLE GAMING DEVICE AND RAFFLE PERMIT APPLICATION

Pursuant to the provisions of the Annotated Code of Maryland, Criminal Law §§ 13-1701 to 13-1706.

Name of Organization: Kent Agricultural Center
Address of Organization: 21349 Tolchester Beach Road Chestertown, MD
Telephone: (410) 708-3348 21620
Is the organization formed or located in Kent County? ☒ Yes ☐ No
Does the organization serve the residents of Kent County? ☒ Yes ☐ No
Is this organization tax exempt under the provisions of the Internal Revenue Code? ☒ Yes ☐ No
Tax Exempt Number: ~~020000000000000000~~ 31210605

Person responsible for complying with permit regulations and requirements:

Name: Wesley Troyer
Address: 12176 Browntown Road Kennedyville, MD 21645
E-Mail: W-troyer@yahoo.com
Telephone: (410) 708-3348

Type of permit sought: ☒ Raffle Only ☐ Combined gaming devices used in a single fund-raising event

Location address of fund-raising affair: 21349 Tolchester Beach Road
Chestertown, MD 21620

Are these premises owned, leased, or regularly occupied by the organization named above? ☒ Yes ☐ No

Date(s) of fund-raising: ASAP 7/9/24 7/20/24

Date and Time of Drawing: 7/20/24 @ 7:30 pm Begin at: End at:

If you are seeking a permit authorizing only a raffle that is not conducted in combination with other gaming activity, please sign below.

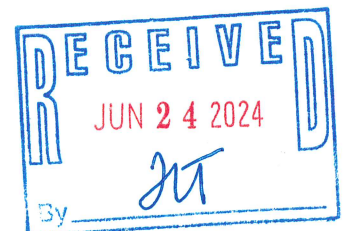
If, however, you are seeking to conduct a fund-raiser using more than one gaming activity in a single event, please complete the following page.

Signature of person completing this application: Wesley Troyer

Please Select One:

☐ Pick Up

☒ Mail Permit (will be mailed to person responsible)





#7 - Jamie Williams, Director, Economic and Tourism Development
7/9/2024
County Commissioners Meeting

Item Summary:

Letter of Support - FY2025 Rural Maryland Council, Rural Maryland Prosperity Investment Fund Grant – Millington Community Resource Center

ATTACHMENTS:

Description

07.09.24 Charlotte Davis, Executive Director, Rural Maryland Council Letter of Support - FY2025 Rural Maryland Council, RMPIF Grant – Millington Community Resource Center

Cover Page



The County Commissioners of Kent County
Ronald H. Fithian, President | Albert H. Nickerson, Member | John F. Price, Member
Shelley L. Heller, County Administrator | Thomas N. Yeager, County Attorney

July 9, 2024

Charlotte Davis, Executive Director
Rural Maryland Council
50 Harry S. Truman Parkway
Annapolis, MD 21401

Re: FY2025 Rural Maryland Council, RMPIF Grant – Millington Community Resource Center
Letter of Support

Dear Ms. Davis:

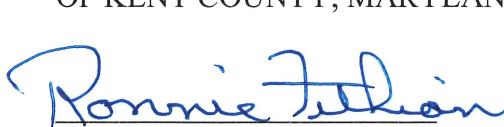
The County Commissioners of Kent County support the grant application for \$100,000 to design the roof replacement and fire suppression system required to transform the old Millington Elementary School into the Millington Community Resource Center.

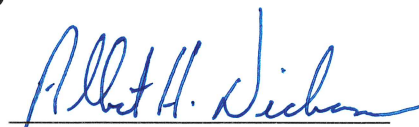
Kent County allocated Rural Maryland Economic Development funds to expand the Millington Wastewater Treatment Facility and improve the infrastructure surrounding the former Millington Elementary School building. This property is near the US Route 301 Corridor, one of only two designated growth areas outside Kent County's municipalities. Despite spanning 8 miles across the County, this important trucking route linking Maryland to Delaware has seen limited development thus far. Recent enhancements to US Route 1 have increased traffic along the 301 corridor, highlighting its growth potential. Millington and the adjacent areas present opportunities for both residential and commercial development. There are plans for three housing developments, each with approximately 300 homes. Additionally, preliminary site plan approval has been granted for two warehouses located along US Route 301, underscoring the growing interest in this area of Kent County.

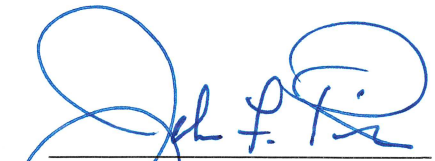
We respectfully urge your careful and favorable consideration in approving this funding request.

Sincerely,

THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND


Ronald H. Fithian, President


Albert H. Nickerson, Member


John F. Price, Member

cc: Jamie Williams, Director of Economic and Tourism Development



Department of Economic and Tourism Development

Letter of Support
Rural Maryland Council – RMPIF Grant Application
Millington Community Resource Center





#8 - Dan Mattson, Director, Public Works
7/9/2024
County Commissioners Meeting

Item Summary:

FY2025 Renewal of Johnson Controls Planned Service Agreement

ATTACHMENTS:

Description

07.09.24 MOU FY2025 Johnson Controls HVAC Services Planned Service Agreement Contract Renewal
No. 3



DEPARTMENT OF PUBLIC WORKS

709 Morgnec Road
Chestertown, MD 21620

410-778-2600

Daniel F. Mattson, P.E., C.F.M., C.D.E., Director

dmattson@kentgov.org

Carrie Klein, Deputy Director

cklein@kentgov.org

Memorandum of Understanding (MOU)

To: Principal Account Representative, Johnson Controls

From: Daniel F. Mattson, P.E., C.F.M., C.M.E., Director of Public Works; Carrie Klein, Deputy Director of Public Works

Date: July 1st, 2024

Re: HVAC Services Contract Renewal for Kent County, MD

The Department of Public Works in Kent County, MD is publishing this Memorandum of Understanding (MOU) for a Renewal of the HVAC Services Contract, originally initiated on July 1st, 2022 between Kent County, MD and Johnson Controls.

This Renewal of Contract is the **third** of up to five (5) renewal options, per the original Proposals #1-1FFQKC8M documents, extending the expiration date by one calendar year from the last, presenting a new contract expiration of **June 30th, 2025**. At that time, both parties may discuss renewal options again and, upon mutual consent, may continue to perform the work that is further outlined in Johnson Controls Proposal documents. Please see Attachment A, dated February 19, 2024, for the proposed unit pricing for the new Contract Term, effective as of Fiscal Year 2025 (July 1st, 2024 through June 30th, 2025).

Both parties hereto represent that they have the authority to enter into this Renewal of Contract; therefore, the individuals executing this Contract are indeed authorized to execute it and bind it to their respective parties.

07/09/24

Date of Execution and Witness

Ronnie Johnson

President of Kent County
Commissioners' Office

Date of Execution and Witness

Principal of Johnson Controls

John M. Blackston
Witness to Attest

Witness to Attest



Attachment A

PLANNED SERVICE CONTINUATION

2/19/2024

County Of Kent Public Works
709 Morgnec Rd
Chestertown MD 21620-3110

KENT COUNTY 2024 - Yr 3 Of 5 - Original Scope



Dear Daniel Mattson,

Thank you for using Johnson Controls to provide the maintenance solution for your facility. We appreciate your business and look forward to continuing as your building technology services partner.

Per the terms of your Planned Service Agreement, we are entering year 3 of 5 Years. The total price for 7/1/2024 to 6/30/2025 is \$242,702.00, to be paid monthly. Invoices will be sent to:

Kent County Public Works
709 Morgnec Road
Chestertown MD 21620

If you require a different requisition or purchase order number on our invoices than we used last year, please provide a copy of that document to us by 5/31/2024.

Again, thank you for your business and we look forward to serving you in the coming year. Please do not hesitate to call if I can assist you in any way.

Sincerely,
Johnson Controls

Todd Nelson
JOHNSON CONTROLS SALISBURY WILMINGTON CB - 0N28
18 Boulden Circle, Ste 24
New Castle DE 19720
Phone: (866)635-1397

BREAKDOWN COST PER BUILDING :

KENT COUNTY 2024-2025 Yr 3 of 5 - COST PER BLDG SITE					
Site	Address	City	State	Monthly Price	Annual Price
KENT CTY COMMUNITY CENTER	KENT COUNTY GOVT	CHESTERTOWN	MD	\$1,134.83	\$13,618.00
KENT COUNTY LYNCH BLDG	11528 LYNCH RD	LYNCH	MD	\$290.75	\$3,489.00
COUNTY OF KENT PUBLIC WORKS	709 MORGNEC RD	CHESTERTOWN	MD	\$2,150.50	\$25,806.00
KENT COUNTY LIBRARY	408 HIGH ST	CHESTERTOWN	MD	\$711.08	\$8,533.00
KENT COUNTY 400 HIGH STREET	400 HIGH ST	CHESTERTOWN	MD	\$4,704.58	\$56,455.00
COUNTY OF KENT DETENTION CENTER	104 VICKERS DR	CHESTERTOWN	MD	\$4,774.42	\$57,293.00
COUNTY OF KENT COURTHOUSE	103 CROSS STREET	CHESTERTOWN	MD	\$6,373.34	\$76,480.00
COUNTY OF KENT COURTHOUSE ANNEX	103 S CROSS ST	CHESTERTOWN	MD	\$85.67	\$1,028.00
				\$20,225.17	\$242,702.00



#9 - Dan Mattson, Director, Public Works
7/9/2024
County Commissioners Meeting

Item Summary:

FY2025 Renewal of Janitorial Services Contract

ATTACHMENTS:

Description

07.09.24 MOU FY2025 Sentral Services, LLC BM#22-02 County Building Janitorial Services Contract
Renewal No. 2



DEPARTMENT OF PUBLIC WORKS

709 Morgnac Road
Chestertown, MD 21620
410-778-2600

Daniel F. Mattson, P.E., C.F.M., C.D.E., Director
dmattson@kentgov.org
Carrie Klein, Deputy Director
cklein@kentgov.org

Memorandum of Understanding (MOU)

To: Gregory R. Tucker, President of Sentral Services, LLC

From: Daniel F. Mattson, P.E., C.F.M., C.M.E., Director of Public Works; Carrie Klein, Deputy Director of Public Works

Date: June 27th, 2024

Re: Janitorial Services Contract Renewal for Kent County, MD

The Department of Public Works in Kent County, MD is publishing this Memorandum of Understanding (MOU) for a Renewal of the Janitorial Services Contract, originally initiated on June 14th, 2022 between Kent County, MD and Sentral Services, LLC.

Last year's Renewal MOU incorrectly stated that it was the Second Renewal, when it was supposed to be the First Renewal of this Contract, based on the original agreement timeline from 2022-2023 (the first renewal year would have been 2023-2024). Therefore, this Renewal of Contract is the **second** of up to four (4) automatic renewal options per the original Request for Proposals # BM 22-02 documents, extending the expiration date by one calendar year from the last, presenting a new contract expiration of **June 30th, 2025**. At that time, both parties may discuss renewal options again and, upon mutual consent, may continue to perform the work that is further outlined in Section C. Scope of Work within the Request for Proposals # BM 22-02 documents. Please see Attachment A, dated April 4, 2024, for the proposed increase for the new Contract Term, effective as of Fiscal Year 2025 (July 1st, 2024 through June 30th, 2025). The new Contract Amount for this Renewal will be \$210,708.00/annually.

Both parties hereto represent that they have the authority to enter into this Renewal of Contract; therefore, the individuals executing this Contract are indeed authorized to execute it and bind it to their respective parties.

07/09/24
Date of Execution and Witness

Ronnie Johnson
President of Kent County
Commissioners' Office

Mark M. Backston
Witness to Attest

07/03/2024
Date of Execution and Witness

[Signature]
Principal of Sentral Services, LLC
Gregory Tucker, President

Christel Pineda
Witness to Attest Christel Pineda



Attachment A

ENGAGED • EMPOWERED • PEOPLE

April 04, 2024

Attn: Jessica L. Conner
Procurement Manager
Kent County Department of Public Works
709 Morgnec Road
Chestertown, MD 21620
Email: jconner@kentgov.org
Copy to: Mike Moulds, Director of Public Works
Email: mmoulds@kentgov.org

Dear Jessica,

We appreciate your continued partnership with Sentral Services. On the following page you will find the renewal addendum outlining updated billable rates effective July 1, 2025, at your locations. Governor Moore enacted the Fair Wage Act of 2023 (MD SB555), which raised the minimum wage in Maryland effective January 1, 2024. The acceleration brought the minimum wage to \$15 an hour, one year ahead of the previously scheduled date of January 1, 2025, per MD HB166.

	2020	2021	2022	2023	2024
Effective date	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024
State of Maryland Minimum Wage	\$ 11.00	\$ 11.75	\$ 12.50	\$13.25	\$ 15.00
% Increase from Previous Year		6.82%	6.38%	6.00%	13.21%

In addition to the increases in wages and benefits, costs in supplies, materials, equipment, and consumables have increased significantly over the past eighteen months. The Consumer Price Index for All Urban Consumers rose 3.7 percent for the 12 months ending September 2023, and we continue to see supply increases from our distributors of 5-15% across the board.

We value our partnership with Kent County, regardless of the above mentioned increases, *our proposed pricing for your FY2025 will remain the same.* We have only updated the pricing sheet to include the two added locations, Kent Family Center and hotDesks which were not part of the original bid. We have enjoyed working with you and your team and will continue to give you the highest possible quality for the fairest possible price. Thank you!

Respectfully,

A handwritten signature in black ink, appearing to read 'Gregory R. Tucker'.

Gregory R. Tucker
President

Job # 00225-01 through 07
CO#2 - Pricing Effective 07/01/2024 through 06/30/2025
STANDARD SEALED BID PRICE SHEET
BID NUMBER BM 22-02

County Commissioners of Kent County, Maryland:

We Sentral Services, LLC hereby submit, for your review, our
Company Legal Name

proposal requested by the RFP. This proposal includes and incorporates all information and specifications, which are contained in the Contract Documents, as described in the RFP, the same as if specifically written herein. A completed, signed, and accepted copy of this Standard Sealed Bid Form shall serve as a valid and binding contract.

TOTAL BID PRICE \$ 210,708.00/Annual

Total Bid Amount in Words: Two hundred and ten thousand, seven hundred and eight dollars, and zero cents.

Pricing Summary

		MONTHLY	ANNUAL
Exhibit A County Government Building	AMOUNT	\$ <u>3,236.46</u>	\$ <u>38,837.52</u>
Job#00225-01: 400 High Street, Chestertown, MD			
Exhibit A County Courthouse/Law Librar	AMOUNT	\$ <u>3,590.40</u>	\$ <u>43,084.80</u>
Job#00225-02: 103 N. Cross Street, Chestertown, MD			
Exhibit A County Public Works Complex	AMOUNT	\$ <u>3,697.50</u>	\$ <u>44,370.00</u>
Job#00225-04: 709 Morgnec Road, Chestertown, MD			
Exhibit A County Library/Hearse House	AMOUNT	\$ <u>2,153.22</u>	\$ <u>25,838.64</u>
Job#00225-03: 408 High Street, Chesterown, MD			
Exhibit A County Community Center	AMOUNT	\$ <u>3,948.42</u>	\$ <u>47,381.04</u>
Job#00225-05: 11041 Worton Road, Worton, MD			

Added Locations

Kent Family Center	AMOUNT	\$ <u>550.00</u>	\$ <u>6,600.00</u>
Job#00225-06: 111 S. Lynchburg St, Suite B			
Crestview Sq. - hotDesks	AMOUNT	\$ <u>383.00</u>	\$ <u>4,596.00</u>
Job#00225-07: 903 Washington Ave#4			

TOTAL		\$ <u>17,559.00</u>	\$ <u>210,708.00</u>
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All Facilities Consumable Products & Supplies with the exception of toilet paper, *Inclusive in pricing above paper towels, dispenser hand soap, and hand disinfectant*



**#10 - Bill Mackey, Director, Planning, Housing and Zoning
7/9/2024
County Commissioners Meeting**

Item Summary:

Maryland Community Development Block Grant Semi-Annual Report for Housing Counseling Grant MD-22-CD-1

ATTACHMENTS:

Description

07.09.24 Maryland Community Development Block Grant Program Semi- Annual Report Housing Counseling

**MARYLAND COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SEMI-ANNUAL REPORT HOUSING COUNSELING**

REPORTING PERIOD

January 1 – June 30, 2024 (Due July 10th)

SECTION I: PROJECT INFORMATION

Grantee: Kent County		Subrecipient: Maryland Rural Development Corporation	
Project Name: Housing Counseling	Grant Number: MD-22-CD-1	Grant Start Date: August 24, 2021	Grant End Date: August 31, 2023 (extended to 2024)
National Objective: Benefit to Low- and Moderate-Income Persons – Limited Clientele		Proposed # of Units: 300	
Is the project on schedule? Yes ☐ No ☒ MRDC has reported that housing counseling services have been in low demand. Initial documentation indicates six households have been served.			
Will you be able to meet the expenditure deadline for this grant? Yes ☒ No ☐ Per discussion with MRDC and DHCD, it's expected that the end of ERAP funding will restart counseling.			
Was a single audit required during this reporting period? Yes ☒ No ☐ Kent County, Maryland is audited annually. The audit for County Fiscal Year 2023 is in the final stages of preparation.			
Did you hold your official second hearing? Yes ☐ No ☒ There have been no payments made by Kent County to date, and per documentation on file, very limited services were provided.			
SPECIAL REMINDER: Please refer to <i>Special Terms and Conditions</i> section in "Exhibit A" and <i>Implementation Schedule</i> in "Exhibit C" of the grant agreement for grant schedule and deadlines			

SECTION II: PROJECT PROGRESS

(please report beneficiaries and attach the beneficiary tracking sheet)

This Maryland CDBG Program grant has been extended to August 31, 2024, in order to allow time for MRDC to be able to provide housing counseling services and bill for the services. FROM PREVIOUS REPORTS: Kent County, MRDC, and Maryland DHCD are in discussions regarding requirements for documentation. The required documentation includes proof of the specific hours that CDBG-funded services were provided (which is usually in the form of daily timesheets showing the CDBG-specific hours worked by funded employees), proof that the CDBG-funded employees that provided the services were paid (which is usually in the form of weekly or bi-weekly employee pay stubs), and proof that 300 persons were served with housing counseling services (which is usually in the form of demographic paperwork that is completed by the persons being served). DHCD and the County met virtually and in person with MRDC on documentation.

SECTION IV: COMPLETE THIS SECTION FOR THE FINAL REPORT

Is this the final report for this Project? Yes ☐ No ☒ If yes, please complete the questions on page 3 of this report.

SECTION V: GRANTEE CONTACT PERSON

Contact Name: William A. Mackey	Title: Director, Kent County Department of Planning, Housing, and Zoning
Phone Number: 410-708-4063	Email Address: wmackey@kentgov.org

SECTION VI: CERTIFICATION OF CHIEF ELECTED OFFICIAL

I certify that the information in this report is accurate and correct:

Signature: 	Title: President of the County Commissioners of Kent County, Maryland	Date: 
---	---	--



**Betterton Volunteer Fire Company, Beer Only, August 2 & 3, 2024
7/9/2024
County Commissioners Meeting**

ATTACHMENTS:

Description

2024 PD-27 Betterton Volunteer Fire Company, Beer Only, August 2 & 3, 2024, Application

2024 PD-27

RECEIVED
JUL 01 2024
By *LFC*

Alcoholic Beverages Law
APPLICATION FOR A SPECIAL CLASS "C" LICENSE

Application is made by the undersigned under the provisions of Article 2B, as amended, title "Alcoholic Beverages", for a Special Class C License.

(Check One): **Beer** ☒ **Beer and Wine** ☐ **Beer, Wine and Liquor** ☐.

We submit and certify to the following information and statements as required by said Article 2B.

1. The club, society or association on behalf of which the license is desired:

Betterton Volunteer Fire Company

Address 2 Howell Point Rd Betterton, MD 21610

Type of Function

Fundraiser

Location of Function

Betterton Beach

2. This function is operated exclusively for a bona fide religious, fraternal, civic, veteran's hospital, or charitable club, society, association, or organization.

3. The applicants are citizens of the United States, not less than twenty-one years of age, and have never been convicted of a felony.

4. The applicants have not had a license for the sale of alcoholic beverages revoked.

5. Have the applicants ever been adjudged guilty of violating the laws for the prevention of gambling in the State of Maryland and/or adjudged guilty of violating the laws governing the sale of alcoholic beverages in the State of Maryland or the United States? NO

Yes or No

6. The applicants will, if granted a license, conform to all laws and regulations relating to the business with respect to which such license is desired.

7. The applicants submit herewith a statement duly executed and acknowledged by the owner of the premises in which the business is to be conducted, assenting to the granting of the license applied for, authorizing the Comptroller, his duly authorized deputies, inspectors and clerks, the Board of License Commissioners (if any) for the aforesaid County, its duly authorized agents and employees, and any peace officer of said county, to inspect and search, without warrant, the premises upon which the business is to be conducted, and any and all parts of the premises where said business is to be conducted, at any and all hours.

8. The license for which this application is made is to be for the following day(s) 8/2-8/3/24
Begin at: 8am End at: 10pm and the applicant tenders herewith the sum of (\$ 5 Per Day) (\$ 10)
in payment for the license.

8/2/24 6:00 PM - 10:00 P.M.

8/3/24 10:00 A.M. - 5:00 P.M.

Please Select One:

☒ **Pick Up**

☐ **Mail Permit (will be mailed to above address)**

*SNB
vic Amanda
Collins*
Amanda Collins 410 708 1800

9. Applicants

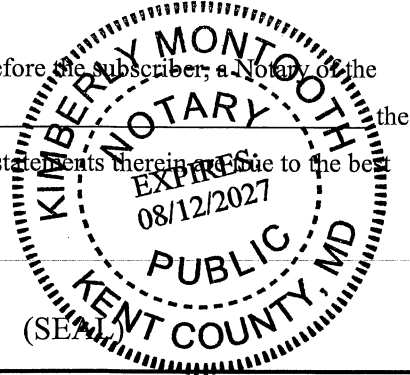
(1) Philip Lott 11615 Still Pond Rd Worton
Name Residence
50 Board Member 410 708 0061
Length of Residence in Kent Co. Committee Title Phone No. (Signature of Applicant)

STATE OF MARYLAND

This certifies, that on the 26th day of June, 2024, before me, the subscriber, a Notary of the State of Maryland, personally appeared Philip Lott the applicant(s) named in the a foregoing application, and made oath in the due form of law that the statements therein are true to the best of (his, their) knowledge and belief.

WITNESS my hand and official seal.

Kim Montooth



(2) Clyde E Morris 26671 Big Woods Rd, Worton
Name Residence
57 Fire Police 443 480 1178
Length of Residence in Kent Co. Committee Title Phone No. (Signature of Applicant)

STATE OF MARYLAND

This certifies, that on the 26th day of June, 2024, before me, the subscriber, a Notary of the State of Maryland, personally appeared Clyde E Morris the applicant(s) named in the a foregoing application, and made oath in the due form of law that the statements therein are true to the best of (his, their) knowledge and belief.

WITNESS my hand and official seal.

Kim Montooth



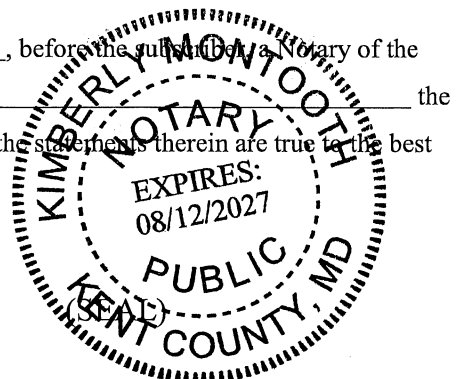
(3) Shaw Jr, Mark 12844 Still Pond Rd Still Pond MD
Name Residence
44 years Member 410 708 1113 24657
Length of Residence in Kent Co. Committee Title Phone No. (Signature of Applicant)

STATE OF MARYLAND

This certifies, that on the 26th day of June, 2024, before me, the subscriber, a Notary of the State of Maryland, personally appeared Mark Shaw Jr. the applicant(s) named in the a foregoing application, and made oath in the due form of law that the statements therein are true to the best of (his, their) knowledge and belief.

WITNESS my hand and official seal.

Kim Montooth



**STATEMENT OF OWNER/ENTITY OF PREMISES REQUIRED IN CONNECTION WITH
ALCOHOLIC BEVERAGES LAWS OF MARYLAND**

I, WE) HEREBY CERTIFY, That (I am, we are) the owner(s) OR (I, We) have been given authorization by the Entity to act on their behalf of the property named with the submission of this application under the Alcoholic Beverages Laws of Maryland and agrees to the issuance of the license. This statement does hereby authorize a warrantless inspection and search of the premises at any time in any part of the building in which the business is to be conducted by the Comptroller, the Commission, the Board of License Commissioners of Kent County and its authorized agents and employees, or a peace officer of the county or municipality where the business is located.

SIGNATURE OF OWNER: _____ PRINT NAME: _____

SIGNATURE OF OWNER: _____ PRINT NAME: _____

NAME OF ENTITY: Kent County Parks and Recreation

AUTHORIZED AGENT SIGNATURE: *Jillyn Coleman* PRINT NAME: Jill Coleman

TITLE OF AUTHORIZED AGENT: Director, Parks and Recreation

**NOTARY
OWNER/ENTITY OF PREMISES**

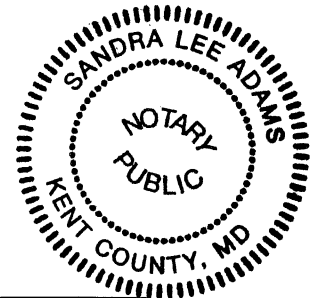
STATE OF MARYLAND, COUNTY OF KENT:

THIS CERTIFIES, That on the 2nd day of July, 2024, before the subscriber, a Notary of the State of Maryland, personally appeared Jillyn Coleman and acknowledged the execution of the foregoing statement to be a true act.

WITNESS my hand and official seal.

(SEAL)

Sandra L Adams





Board of License Commissioners

Ronald H. Fithian, President | Albert H. Nickerson, Member | John F. Price, Member
Shelley L. Heller, County Administrator | Thomas N. Yeager, County Attorney

SPECIAL CLASS "C" (PER DIEM) LICENSE AFFIDAVIT

In applying for this Special Class "C" (Per Diem) License it is important that you realize the responsibility that goes with the issuance of the license. All persons or groups using this license as authorized under Sections 4-1202, 4-1208, 4-1209, 24-503, 24-1301, 24-1307, and 24-1308 of the Alcoholic Beverages Article of the Annotated Code of Maryland are covered by all the laws regarding the sale and consumption of alcoholic beverages. Special care should be taken to be sure the following edicts are adhered to:

1. All persons must be 21 years of age or older to sell, purchase, or consume an alcoholic beverage.
2. All sales and the consumption of alcohol must stop promptly at 2:00 a.m.
3. No intoxicated person shall be served any alcoholic beverages.
4. No unnecessary noise or disturbance that could be a nuisance to the community shall occur.
5. The person(s) responsible for the function must see that order and decorum are kept at all times.
6. The application must be completed by three committee members; one member must be a Kent County resident.
7. License must be prominently displayed at the location where alcohol is being served. Failure to comply with the laws of the State of Maryland may make the responsible person(s) subject to a fine.

This license may be issued to a religious, fraternal, civic, veterans', or charitable organization, association, club, or society; or hospital supporting organization. This license shall not be transferred or reassigned.

Cost of a Special Class "C" Per Diem License: **Beer \$5.00, Beer and Wine \$15.00, and Beer, Wine, and Liquor \$25.00.** Make checks payable to: **The County Commissioners of Kent County**, along with the completed application.

Name of organization, club, etc. Betherton Volunteer Fire Co.

Address 2 Howell Point Road Betherton, MD 21610

Name Jeremy Muntz (Please Print) [Signature] (Signature)

Phone # 410-708-1800 Amanda Date [Signature]

443-480 8961 Jeremy



Thomas N. Yeager, County Attorney
7/9/2024
County Commissioners Meeting

Item Summary:

Public Hearing Protocols

ATTACHMENTS:

Description



Bill Mackey, Director, Planning, Housing, and Zoning
7/9/2024
County Commissioners Meeting

Item Summary:

AN ACT to rescind and replace the Kent County, Maryland Official Zoning Map, in its entirety, which is adopted both as a part of and in reference to Chapter 222, "Unified Development Ordinance," of the Public Local Laws of Kent County, Maryland, also known as the Kent County Land Use Ordinance, to implement the recommendations of the Kent County Planning Commission on proposed revisions to the Official Zoning Map, which are based on the Kent County Planning Commission's review, as part of the 2020–2024 Comprehensive Rezoning and Update process; and including certain non-codified provisions to address scrivener's errors, symbology, graphic legibility, and readability, et al.; instructions to County staff related to revisions requested by the Critical Area Commission for provisions in the 2024 Land Use Ordinance, which directly relate to the Zoning Map; relationships with Buffer Modified Area Maps and FEMA federal floodplain maps; and the effective date related to the required Critical Area Commission review and approval of the zoning map itself, per Md. Code Ann., Natural Resources § 8-1809, as the same may be amended from time to time.

On March 5, 2024, the County Commissioners adopted an updated and revised Land Use Ordinance, which established the text for revised zoning districts for the unincorporated land in Kent County, Maryland.

On April 11, May 2, and June 6, the Kent County Planning Commission reviewed the requests for rezoning of individual parcels, as submitted by property owners and planning staff, and made recommendations, which recommendations have been incorporated by staff into a proposed 2024 Kent County Zoning Map. A letter from the Kent County Planning Commission is attached.

On June 11, 2024, the Board of County Commissioners introduced this CHRB to schedule a Public Hearing.

This item is presented for a Public Hearing.

ATTACHMENTS:

Description

07.09.24 Testimony Log Public Hearing CHR Bill 4-2024

CHR Bill No. 4-2024 To Rescind and Replace the Kent County Official Zoning Map, DRAFT Legislation

Letter from the Kent County Planning Commission

Letter submitted as Public Comment

Email submitted as Public Comment

Letter submitted requesting adjustment to Map Change

TESTIMONY LOG

PUBLIC HEARING

July 9, 2024

CODE HOME RULE BILL 4-2024 To Rescind and Replace the Kent County Official Zoning Map

PLEASE SIGN IF YOU WISH TO SPEAK:

NAME (Please Print)

1. Kevin Kimble

2. Trey Jones

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

16.

17.

THE COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND

**June 11, 2024
Legislative Session Day**

**Legislative Session Day
June 11, 2024**

**CODE HOME RULE
BILL NO. 4-2024**

INTRODUCED BY: Ronald H. Fithian, President of the Board of County Commissioners for Kent County, Maryland.

AN ACT to rescind and replace the Kent County, Maryland Official Zoning Map, in its entirety, which is adopted both as a part of and in reference to Chapter 222, “Unified Development Ordinance,” of the Public Local Laws of Kent County, Maryland, also known as the Kent County Land Use Ordinance, to implement the recommendations of the Kent County Planning Commission on proposed revisions to the Official Zoning Map, which are based on the Kent County Planning Commission’s review, as part of the 2020–2024 Comprehensive Rezoning and Update process; and including certain non-codified provisions to address scrivener’s errors, symbology, graphic legibility, and readability, et al.; instructions to County staff related to revisions requested by the Critical Area Commission for provisions in the 2024 Land Use Ordinance, which directly relate to the Zoning Map; relationships with Buffer Modified Area Maps and FEMA federal floodplain maps; and the effective date related to the required Critical Area Commission review and approval of the zoning map itself, per Md. Code Ann., Natural Resources § 8-1809, as the same may be amended from time to time.

THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND

Ronald H. Fithian, President

INTRODUCED, read first time, June 11, 2024, ordered posted and public hearing scheduled on July 9, 2024, at 10:00 a.m. in the County Commissioners Hearing Room, R. Clayton Mitchell, Jr., Kent County Government Center, 400 High Street, Chestertown, Maryland.

By order of:

Sondra M. Blackiston, Clerk

PUBLIC HEARING

HAVING been posted and notice of time and place of hearing and copies having been made available to the public and the press, a public hearing was held on July 9, 2024. Reported favorably with/without amendments; read a third time and ordered to be considered on July 16, 2024, a legislative session day.

**A BILL ENTITLED CHR 4-2024
TO RESCIND AND REPLACE THE KENT COUNTY OFFICIAL ZONING MAP**

SECTION 1.

NOW, THEREFORE, BE IT ENACTED by the County Commissioners of Kent County, Maryland, that the Official Zoning Map, substantially in the form attached hereto as Exhibit A, is adopted as the Official Zoning Map for Kent County, Maryland, and is adopted both as a part of and in reference to Chapter 222, Unified Development Ordinance, of the Public Local Laws of Kent County, Maryland.

SECTION 2.

BE IT FURTHER ENACTED by the County Commissioners of Kent County, Maryland, that the Director of the Department of Planning, Housing, and Zoning may correct obvious errors, capitalization, spelling, symbols, legends, polygons, headings, and similar items, and may publish the Official Zoning Map online by adding or amending graphics, colors, and citizen aids to improve document readability.

SECTION 3.

BE IT FURTHER ENACTED by the County Commissioners of Kent County that the County planning staff are instructed to prepare an additional Code Home Rule Bill (CHRB) for introduction. This CHRB is in response to the comments received from the Critical Area Commission (CAC) on the 2024 Land Use Ordinance (2024 LUO). The CAC requested that certain provisions be retained and supplemented from the 2003 Land Use Ordinance (2003 LUO). These provisions appear as Article III, Section 6. Establishment of Critical Area Line, §§ 1 -2 in the 2003 LUO, as amended on February 16, 2021. In the 2003 LUO, the provisions are designated for removal by a sunset provision upon adoption of an Official Zoning Map. As a result of the request by the Critical Area Commission, said provisions shall remain in the 2024 LUO. By their retention, said provisions will be immediately effective for any future Critical Area line adjustments by the State of Maryland. To implement retention of the provisions, one provision in the 2024 LUO, which appears as paragraph (C), §3. Establishment of Critical Area Line, Section 1. General Provisions, Article II. Districts shall be deleted. Staff are also instructed to revise the 2024 LUO to include text that (1) references the adoption date of the most recent Critical Area boundary line and (2) requires compliance by the County with Maryland Critical Area Law and COMAR Title 27 for any amendments to the Critical Area Line Map that may be adopted by the County in the future. Such text is required by the comments of the Critical Area Commission per its review of the 2024 LUO.

SECTION 4.

BE IT FURTHER ENACTED by the County Commissioners of Kent County that this Act shall not affect the Buffer Modified Area Maps, which shall remain in full force and effect; Buffer Modified Area Maps may be amended by separate Act, pursuant to provisions in Chapter 222 for such amendments.

SECTION 5.

BE IT FURTHER ENACTED by the County Commissioners of Kent County that this Act shall not affect the Flood Insurance Rate Maps promulgated by FEMA; such will hereby be considered as stand-alone federal maps and not adopted as part of this Act.

SECTION 6.

BE IT FURTHER ENACTED by the County Commissioners of Kent County that this Act shall be adopted on the _____ day of _____, 2024; however, the provisions of this Act shall take effect on the _____ day of _____, 2024, contingent upon review and approval of the Critical Area Commission for the Chesapeake & Atlantic Coastal Bays pursuant to the Md. Code Ann., Natural Resources § 8-1809, as the same may be amended from time to time.

Read Third Time _____

PASSED this _____ day of _____, 2024.

Failed of Passage _____

By order of:

Sondra M. Blackiston, Clerk

THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND

(SEAL)

Ronald H. Fithian, President

Albert H. Nickerson, Member

John F. Price, Member

ORDERED a fair summary thereof or the entire bill shall be published in at least one newspaper of general circulation in the County, not less than three times at weekly intervals within a four-week period.



Planning Commission
Department of Planning, Housing, and Zoning

June 6, 2024

The Honorable Ronald H. Fithian, President
County Commissioners of Kent County
400 High Street
Chestertown, MD 21620

Re: 2024 Comprehensive Rezoning Map

Dear Mr. Fithian:

At its meetings on April 11, May 2, and June 6, 2024, the Kent County Planning Commission reviewed the proposed requests by members of the public and by planning staff regarding changes to the County's Official Zoning Map.

The Planning Commission voted on each change, and a record of all recommendations are in the minutes. Based on the Planning Commission's recommendations, staff then prepared a map with all recommendations included.

On June 6, 2024, the Planning Commission voted unanimously to send a favorable recommendation to the County Commissioners to adopt the Planning Commission proposed Official Zoning Map as presented on June 6, 2024.

Sincerely,

Kent County Planning Commission

F. Joseph Hickman, Chair

c: Shelley L. Heller, County Administrator

May 6, 2024

Dear County Commissioners,

I am requesting a zoning change on 1 of the 2 parcels that I own located at Carroll Clark Rd. in Massey, MD. It is on Map #24, Parcel #2 which is 89 acres.

The property borders MD Rt. 313 and Carroll Clark Rd. It has 2 center pivot irrigation systems that cover 76 of the 89 acres that is in agricultural use, therefore 88 acres are tillable. The property is split on the NW side by a blue lined stream named Edmonds Creek, which is about 1 acre. The current zoning is AZD and it is approximately 31 acres but the remainder of the 58 acres are zoned as Employment Center.

I understand that our direct neighbor, Massey Properties, LLC has also asked for a zoning change to remove the portion of Employment Center to AZD. Therefore, I would like to change our 58 acres of Employment Center to AZD.

I bought the property with intentions to keep it in agriculture and not resort to development. Thank you for your time in this matter.

Sincerely,

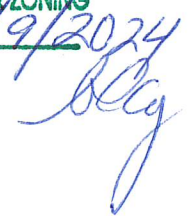


Trey Jones

410-708-3400 (cell)

lot 2

DEPARTMENT OF
PLANNING, HOUSING & ZONING
RECEIVED

5/9/2024


From: [Jamie Rogers](#)
To: [William Mackey](#)
Subject: S & L Farms Zoning District
Date: Monday, May 20, 2024 3:39:47 PM

ATTENTION!

This email originated from an external source. DO NOT CLICK any links or attachments unless you recognize the sender and know the content is safe.

- KCIT Helpdesk

Good afternoon Mr. Mackey,

As per our conversation regarding new zoning designation for S & L Farms, MAP 44, Parcel 313 — I am submitting this letter as clarification.

We are requesting Community Residential .. in lieu of Commercial Residential as stated on our submitted form.

Thank you for your assistance and sorry for any confusion.

Joyce Rogers

Sent from my iPad

July 3, 2024

To: Director Planning, Housing and Zoning
400 High Street
Chestertown, MD 21620

Re: Comprehensive, Rezoning of Kevin Kimble Farm
331 ac. At 348 Flatland Rd. Chestertown, MD 21620
Map 0037. Grid 003B. Parcel 7

The Kent County Planning Commission recommended approval to change zoning from current Agriculture to Community Residential on April 11, 2024.

Upon further thought, I would like to modify the request for the total farm to become 'CR'. It would be most considerate to keep the transition from residential to agriculture on my own land. Thus I have control of cropping, wildflowers or trees on the remaining agricultural land.

The modification will keep agriculture bordering existing agriculture and future residential bordering existing residential and commercial properties.

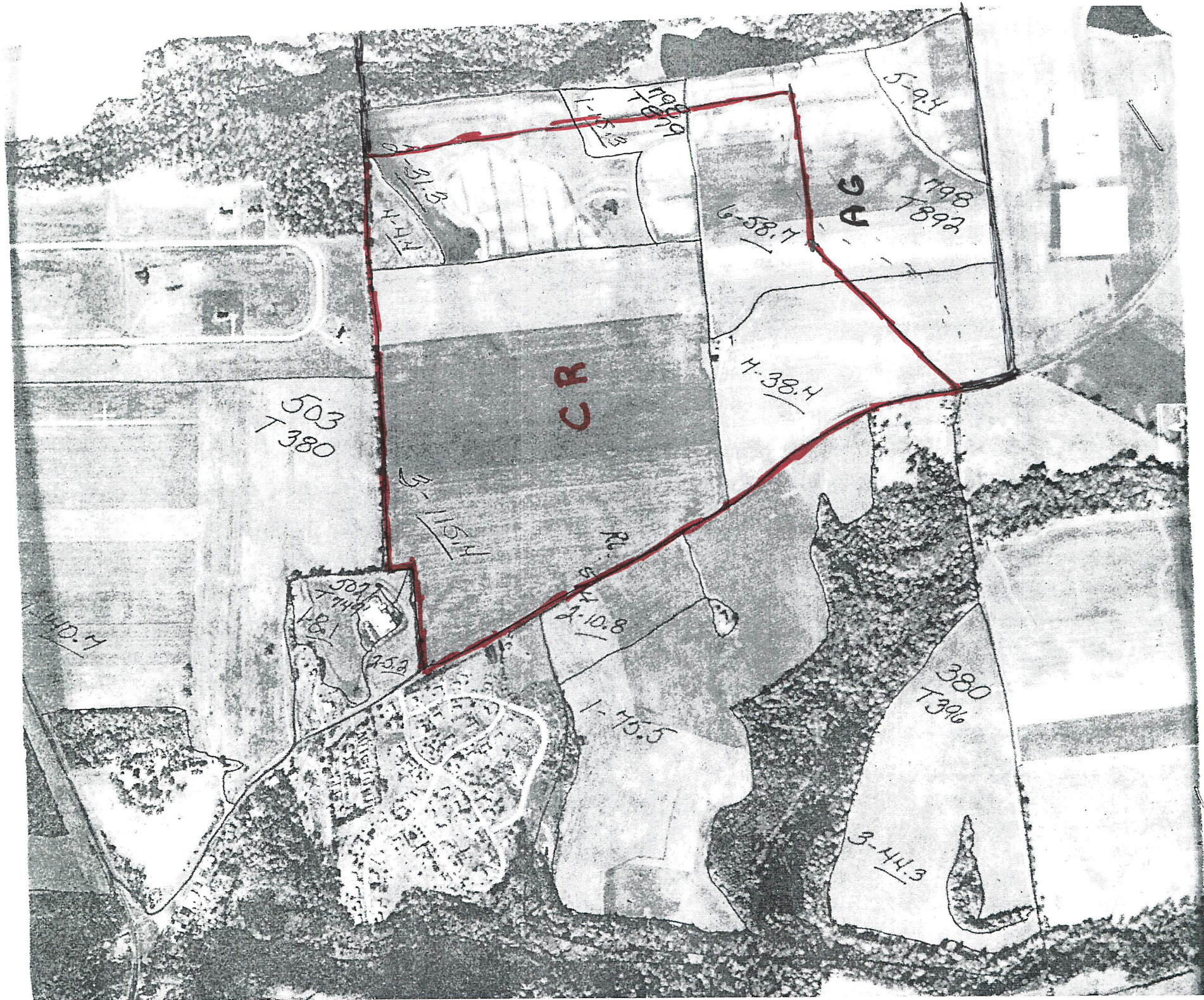
A map is attached outlining future Community Residential and existing Agriculture Zoning Districts on the property.

Sincerely,



Kevin Kimble
348 Flatland Rd.
Chestertown, MD 21620
410/708-1779
kimble.k@gmail.com

DEPARTMENT OF
PLANNING, HOUSING & ZONING
RECEIVED 7/3/24 



503
T 380

CR

AG

5-9.3

198
T 892

6-58.7

4-38.4

4-4.8

1-15.5
1908

5-115.4

2-10.8

1-40.5

380
T 396

3-44.3

502
T 440
181
753



Dan Mattson, Director, Public Works and KCI Engineering
7/9/2024
County Commissioners Meeting

Item Summary:

Millington Project Update

ATTACHMENTS:

Description

07.09.24 KCI Engineers Update Kent County Regional Wastewater Treatment Plan



ISO 9001:2015 CERTIFIED

ENGINEERS • PLANNERS • SCIENTISTS • CONSTRUCTION MANAGERS

614 N. Dupont Highway • Dover, DE 19901 • Phone 302-747-5999

Status Update

Project: Kent County Regional Wastewater Treatment Plan

Date/Time: 7/9/2024 @ 10:00AM

RE: Design/Status Update

Previous Update:

- Conceptual Design Level Complete
- Proposed site layout provided to developer.
- Working on revisions to site/facility layout per developer

Current Status:

- Process Design nearing 60%
- MDE outfall response delayed – expected 7/12/24
- Offsite conveyance survey and alignment complete
- Site Layout Completed with conceptual stormwater
- Coordination with developer for site acquisition
- Possible shift of site to east?
- Initiation of sub-disciplines (Electrical, Structural, Instrumentation, etc)

Next Steps For Design:

- Coordination Meeting week of 7/15
 - Finalize site layout to allow detailed design to proceed
 - Land Planning Process – Subdivision, Access Road, Access Easements
- 90% Design and MDE Submittal – Fall 2024
- Land Use Permitting (including critical areas) to proceed in parallel
- Advertise for Bid – Early 2025* (Pending permitting, funding, legal, etc.)
- 18-24 Month Construction
- New discharge point permitting in parallel? – Pending MDE direction

Parallel Processes for County:

- Rezoning, Subdivision, Land Acquisition
- Funding:
 - ENR Grant
 - Economic Development Grant
 - USDA Grant/Loan?
 - Private Funding/EDU reservation
- Capacity Allocation

RECEIVED

JUL 09 2024

KENT COUNTY
COMMISSIONERS OFFICE

A handwritten signature in blue ink, appearing to be "JMB", is written over the date stamp and the text "KENT COUNTY COMMISSIONERS OFFICE".

Employee-Owned Since 1988



Jo Manning, Town Administrator, Town of Millington
7/9/2024
County Commissioners Meeting

Item Summary:

Drainage Ditch Contingency Funds

ATTACHMENTS:

Description

KC Commission letter - request contingent funding - signed

Town of Millington
Incorporated 1890
P. O. Box 330 - Millington, Maryland 21651
Phone: (410) 928-3880
Website: millingtonmd.us

June 11, 2024

The County Commissioners of
Kent County, Maryland
400 High Street
Chestertown, MD 21620

RE: Request for Contingency Funds
Storm Drain System Inventory & Inspection

Honorable County Commissioners:

On November 20, 1973 the Kent County Commissioners, by resolution, authorized the establishment of the Public Drainage Association (PDA) to maintain a tax ditch located in the northern portion of Town. Over the past 51 years according to the rules governing public tax ditches, an annual meeting has been held to discuss improvements needed, tax rates, property owner complaints and nominate managers.

Each year the PDA struggles with generating enough income through the tax proceeds to cover maintenance expenses. Unfortunately, due to continual increases in maintenance costs and lack of State and Federal funding available to public tax ditches, this drainage system has fallen into dire straits. There are invasive species growing in and along the ditch which hinders drainage; erosion issues; silt build up from run off; muskrat habitats (which are considered an invasive species); and collapsed MDOT storm drain chambers. In addition, over the years contractors and property owners have closed logs of the ditch or built over it.

With the proposed future development along Millington Road, we feel the impact to this drainage system will be greatly increased. The Town of Millington and the PDA managers have agreed the solution is to dissolve the PDA; reclassify this drainage system as a storm water drainage system; and develop an inspection and inventory protocol. We plan to achieve this project in three (3) phases: the first phase would be to inspect and inventory storm water structures; the second phase would be to evaluate the condition and stability and create a preliminary engineering report (PER); and the third phase would be to survey the Town and stormwater structures creating a plan to support the PER.

Funding of this project will be phased in with the phases of the project. We plan to apply to USDA for a SEARCH grant in the amount of \$30,000 towards the cost of Phase 1 (\$45,100); this will leave a deficit of \$15,100. We are asking that the county provide \$7,550 from contingent funds with the balance covered by the Town. We plan to request funding for each

Kevin Hemstock, Mayor
Michelle Holland, Council Mark Linton, Council
Zita Seals, Council Wayne Starkey, Council

Town of Millington
Incorporated 1890
P. O. Box 330 - Millington, Maryland 21651
Phone: (410) 928-3880
Website: millingtonmd.us

phase from USDA, MDE, as well as future developers through the Developer's Rights and Responsibility document during the approval of future site plan development.

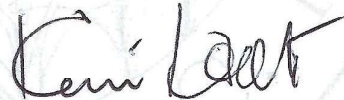
The goal of this project is to remove the additional tax from those properties in the benefited area of this drainage system, repair the drainage system to remove the threat of property erosion, decrease the threat of nuisance flooding, and provide the proper drainage system for future growth both in and around Millington.

Our proposed timeline is:

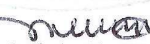
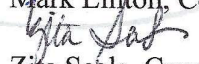
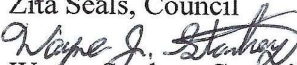
Prepare and solicit bids for Phase 1	July 1 – July 31, 2024
Apply for USDA funding for Phase 1	August 1 - August 31, 2024
Receive approval for USDA funding, submit approval documents to Kent County	September 1 – November 30, 2024
Approve and Sign agreement with approved Engineering firm for Phase 1	December 1 – December 31, 2024
Hold pre-project meeting with approved vendor	January 1 – January 31, 2025
Phase 1	February 1, 2025 – May 31, 2025
Submit final documentation to USDA and Kent County; begin process to request funding for Phase 2 and Phase 3; work with developers to address their stormwater needs and its effects on this drainage system	April 1, 2025 – June 30, 2025

Thank you for consideration in this matter and for your continued support in the future of Millington and its surrounding area.

Sincerely,



Kevin Hemstock, Mayor


Michelle Holland, Council
Mark Linton, Council
Zita Seals, Council
Wayne Starkey, Council

Kevin Hemstock, Mayor
Michelle Holland, Council Mark Linton, Council
Zita Seals, Council Wayne Starkey, Council



**Paul R. Rickert, Area Extension Director - Upper Shore Cluster,
University of Maryland Extension and Nancy Robson of Kent County
Master Gardeners
7/9/2024
County Commissioners Meeting**

Item Summary:

Master Gardener Program

ATTACHMENTS:

Description

UME Kent Co funding history

KCMG Presentation Final

UM Extension - Kent County Office

County Funding History from FY2015-FY2025

Kent Budget Comparison												
Commissioners	A	B	B	B	B	C	C	C	C	D	D	
Fiscal Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2020-2024</u>
Budget Request	\$119,952	\$129,552	\$132,791	\$132,093	\$135,018	\$139,410	\$ 142,458	\$ 129,173	\$ 207,046	\$ 170,936	\$160,081	\$ 804,179
Amended Budget								\$ 144,329				
Budget Granted	\$119,952	\$128,048	\$130,882	\$132,093	\$135,018	\$139,410	\$ 127,294	\$ 144,329	\$ 144,329	\$ 153,151	\$159,900	\$ 708,513
Actual	\$119,382	\$128,048	\$130,882	\$131,522	\$135,018	\$135,014	\$ 122,569	\$ 141,193	\$ 141,498			
Short of funding request	\$ -	\$ 1,504	\$ 1,909	\$ -	\$ -	\$ -	\$ 15,164	\$ (15,156)	\$ 62,717	\$ 17,785	\$ 181	\$ 95,666
State COLA	2%	0%	0%	0%	2% + .5%	3%+1%	2%	1%	3% + 4.5%	2%	3%	
USM Merit	3%	0%	3%	0%	0%	0%	0%	2.50%	2.50%	2.50%	2.50%	
Horticulture Funding						\$ 21,209	\$ 21,421	\$ 21,849	\$ 8,510	\$ 7,450	\$ 7,269	
							8.75% budget reduction from County	TTK position added for Ag	Attempted to add MGC, had	Requested to regain COLA from prior year		
								Program Asst leaves 12/31/21	5 letters of support for the position from MGs	to bring hort position back to needed funding level		



University of Maryland Extension Master Gardener Program in Kent County

Commissioners' Meeting
July 9, 2024

UNIVERSITY OF
MARYLAND
EXTENSION

MASTER
GARDENER 

Master Gardeners/Bay-Wise Certifiers:

- ▶ Are University-trained and certified
- ▶ Work within the University of Maryland Extension
- ▶ Act as bridges between university research and the public on horticulture, botany, soil, water, native plants, climate change readiness and plant health
- ▶ Impact the health of the community through a range of free community projects and education
- ▶ Are **NOT** a garden club

Master Gardener Activities

Education

- ▶ Provide free educational programming
- ▶ Develop free instructional and educational materials
- ▶ Organize or conduct public seminars
 - Pollinators
 - Native plants
 - Growing food
 - Organic gardening
 - Insect and pest control
 - Climate resiliency and ecology

Community Support Services

- ▶ Plant clinics
- ▶ UM Extension Service information booth at local events
- ▶ Advisory and hands-on service to County residents of all demographics
- ▶ Plant and plant disease ID and treatment advice

Community Support Services

- ▶ Provide advice and support for gardens at local schools and libraries

Pollinator

Food

Permaculture

Hydroponic

- ▶ On-site Bay-Wise landscape consultation and certification

Provide recommendations on:

Mitigation or prevention of stormwater run-off
into the Bay and tributaries

Appropriate plantings and placement

Master Gardeners in Kent County

- ▶ University of Maryland Extension Master Gardener Program in Kent County began in 2007
- ▶ 23 Certified Master Gardeners
- ▶ Volunteered 877 hrs in 2023; 342 hrs to date in 2024
- ▶ Provided \$29,369 in services 2023; \$11,967 in 2024*

*Calculations for Value of the Volunteer Hour found at:

file:///C:/Users/ritla/Downloads/is-vovt-report-2024_v2-2.pdf

Past Projects

Education

- School Gardens

Worton Elementary (2007-2017)

KC Middle School (2009-2020)

Produce was donated to the local food pantry

- Outdoor education programs/field trips for KCPS

- Collaborated with Sassafra Environmental Education Center

Aided in Youth Programs

Assisted with community garden; Produce donated to Minary's Dream Alliance and Methodist Church community dinners



Past Projects

Education

- ▶ Programs for KC Public Library
 - Youth Programs
 - Summer Programs
 - Science Night
 - Horticulture Lecture Series
- ▶ Lectures for local gardening and environmental clubs
- ▶ Home and telephone consultations on gardening, landscaping, horticulture, and storm water management for local residents
- ▶ Bi-weekly Plant Clinic booth at the Farmers' Market (April-September)
- ▶ Shore Homesteading Educational Program, Series, 2016, 2017

Past Projects

Special Events

- ▶ Annual Seed Swap
Chestertown Library
Galena Library
- ▶ Tomato Tasting
- ▶ Participation in:
Chestertown Tea Party
Earth Day Festivals
Legacy Day
- ▶ “Food Summit”
Local Agencies discussed:
Food insecurity
Accessing excess produce
Developing collaborations
Strategies for food delivery to where it is needed





UME Kent County Master Gardeners' Current Projects and Activities



Plant Clinics at the Farmers' Market



Weekly, May-October
735 Visitors since
January 2024

Special Events

Events at Kent County Public Libraries

Apple Fest



Pumpkin Fest



Events at Kent County Public Libraries

Seed Swap



Seed Swap & Garden Day

Chestertown Branch Saturday, March 2, 2024 10 AM - Noon Kent County Public Library 408 High Street Chestertown, MD 21620 (410) 778 3636	North County Branch Tuesday, March 12, 2024 11AM - 1 P.M. Kent County Public Library North County Branch 119 N. Main Street, Building E, Suite 3 Galena, MD 21635 (410) 648 5380
--	--

You do not need to bring seeds to receive seeds. Please label any seeds you bring so that other swappers know what they are getting. Seeds are available on a first-come, first-served basis.

Presented in Partnership with



If you need a reasonable accommodation to participate in this event or activity, please contact us at (410) 758-0166 or email Rachel Rhodes at rjrhodes@umde.edu by Friday, February 16, 2024.

University programs, activities, and facilities are available to all without regard to race, color, sex, gender identity or expression, sexual orientation, marital status, age, national origin, political affiliation, physical or mental disability, religion, protected veteran status, genetic information, personal appearance, or any other legally protected class.

Plant Clinics

Biweekly
January to March



Saturday in the Park

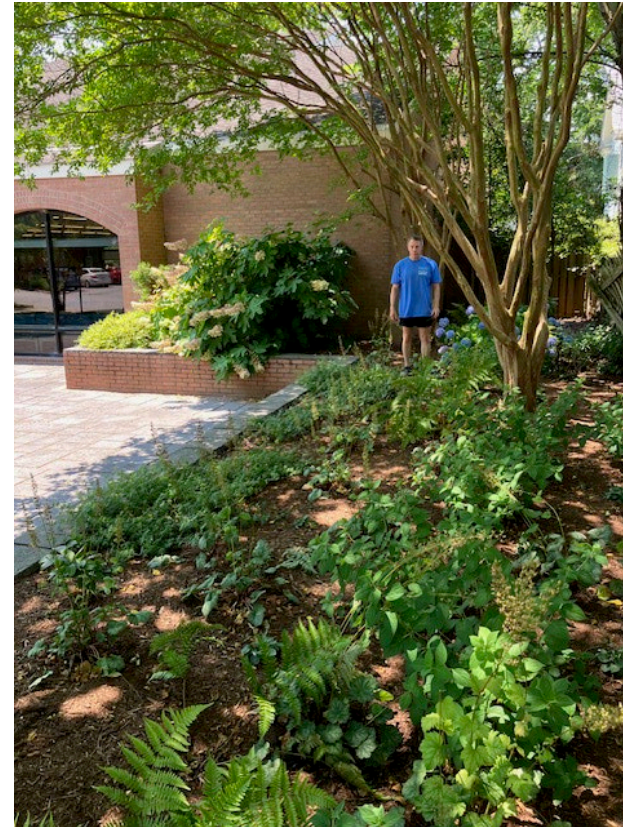


Kent 4H County Fair



Demonstration Gardens

Kent County Public Library Garden



Master Gardeners cleaned out the garden bed, designed and planted a new shade garden and will maintain the garden.

Chestertown Christian Academy



Master Gardener created 4 boxes and 2 inground plots to provide for a pollinator, herb and vegetable garden. The garden will enhance student studies in environmental sciences, agriculture and home economics.

Pollinator Garden at Ajax Park



In Development:

- Monarch Way Station
- Evolving Learning Garden



Washington College Campus Garden Apiary

Restoration of the garden will:

- Demonstrate how residential landscaping can provide food for people
- Create a beneficial habitat for bees and other insects
- Show case rainwater management



Eastern Neck Wildlife Refuge



MGs collaborate with:

Friends of the Eastern Neck on:

- ▶ Maintaining plots in the Butterfly Garden
- ▶ Educational programs for adults and children
- ▶ Contribute to their Newsletter

Assist DNR on:

- ▶ Bird counts providing data to the DNR and other agencies

Kent Family Center

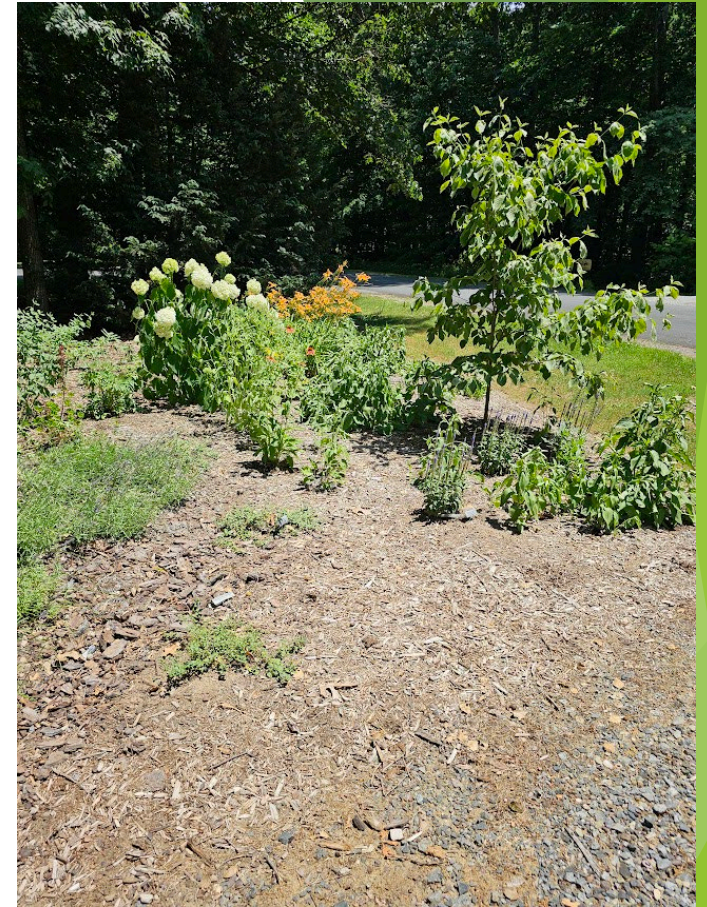


MGs along with SNAP education provide:

- ▶ Assistance with planting and maintaining a small garden
- ▶ Read literature about nature and gardens to children
- ▶ Provide projects as needed to support classroom activities



Bay-Wise Consultations and Certifications



2-4 Certifications are granted each year with 2 having already been given this year.

*Thank-You
for Your
Support of the
Kent County
Master Gardeners!*

UNIVERSITY OF
MARYLAND
EXTENSION

MASTER
GARDENER 



Thomas N. Yeager, County Attorney
7/9/2024
County Commissioners Meeting

Item Summary:

Talkie Communications, Inc., Application For Internet Provider Cable Television Franchise

ATTACHMENTS:

Description

Talkie Communications Inc Application for Kent County IPTV Cable Franchise 06242024

Kent County_Talkie_Franchise Agreement-Talkie Clean Ed 06052024



BRUCE E. BEARD
Admitted in Illinois & Missouri
bbeard@CinnamonMueller.com

1714 Deer Tracks Trail
Suite 230
St. Louis, MO 63131

Direct: 314-394-1535
Main: 314-462-9000
Fax: 314-394-1538

June 24, 2024

Via Email: sheller@kentgov.org, sblackiston@kentgov.org and Federal Express

Ms. Sondra Blackiston, County Clerk
Kent County
400 High Street
Chestertown, MD 21620

Ms. Shelley Heller, County Administrator
Kent County
400 High Street
Chestertown, MD 21620

RE: Talkie Communications, Inc.; Application for IPTV Cable Television Franchise

Dear Ms. Heller:

On behalf of Talkie Communications, Inc. ("Talkie") we are proud to submit this application for an IPTV Cable Franchise ("Franchise") under §76-12 of the Kent County Code. Talkie is a well-known, existing Internet Service Provider ("ISP") that offers high-speed broadband and Voice over-Internet Protocol services over its 100% fiber-optic network in Kent County. Talkie also intends to offer IPTV-based cable service and has negotiated programming agreements, local broadcaster retransmission consent agreements and other necessary agreements for its launch of this IPTV service. By July 1, 2024, Talkie plans to offer this IPTV service in Queen Anne's County and upon Kent County's approval of this franchise application and adoption of the franchise, Talkie looks to shortly thereafter provide its IPTV service in Kent County.

Leading up to the submission of this application, Talkie has worked with your County attorney in negotiating the attached IPTV Cable Franchise, using the incumbent's existing franchise as a base, and is in agreement with its terms. As demonstrated herein, Talkie possesses the necessary legal, financial, and technical qualifications to operate the IPTV Cable System and thus submits this application for approval of its franchise.

Talkie's Legal Qualifications

Talkie is a Maryland corporation in good standing, formed on January 26, 2015, as Sonic Systems, Inc. The name was changed to Talkie Communications, Inc. on

February 15, 2018. Brothers Andre DeMattia and Andrew DeMattia own Talkie. Talkie has registered to provide cable service in Kent County with the Federal Communications Commission and was issued Community Unit ID number MD0487. Talkie has completed negotiations for its IPTV Cable Franchise for Queen Anne's County and the agreed upon franchise is expected to be approved by the County Commissioners at their June 25, 2024, meeting. For purposes of this application, the persons authorized to act on behalf of the applicant are Andre DeMattia and Andrew DeMattia, both located at 99 Talbot Blvd., Chestertown, MD 21620 and Bruce Beard, attorney for Talkie, 1714 Deer Tracks Trail-Suite 230, St. Louis, MO, 63131.

Talkie's Technical/Managerial Qualifications

Talkie has the requisite technical and management skills to operate the IPTV Cable system. Talkie is an established 100% fiber-based Internet service provider in Kent County and throughout the surrounding area. A description of Talkie's operations is attached hereto as Attachment A, which is incorporated herein by this reference. Over the past few years, Talkie has been awarded over \$100 million funds to deploy its fiber-optic network and provide high-speed broadband services to various locations in Maryland and Delaware based on its ability to build, operate and manage its fiber optic network. Talkie has been successfully running its fiber optic network for over 6 years, with a well-seasoned staff, as described in Attachment A, led by brothers Andre and Andrew DeMattia.

Talkie is headquartered in Kent County and has an existing robust 100% fiber-optic network already constructed. At this time, Talkie is merely requesting a franchise to provide IPTV Cable service to give the residents of Kent County a competitive video offering.

Talkie is currently a member of the National Content and Technology cooperative ("NCTC"). By way of background, the NCTC is a non-profit cooperative whose mission is "[h]elping members competitively acquire the video programming and vital technologies needed to offer world-class services that define their communities infrastructure with vision, value and purpose." NCTC has over 700-plus independent communications service provider members that connect one-third of the households and businesses throughout the United States. The majority of Talkie's programming will be obtained through the NCTC. Talkie also uses established communications counsel including Cinnamon Mueller in constructing its channel line-up, assuring content rights are secured, and negotiating with local broadcasters and Philip Macres of the Klein Law Group.

Through the NCTC and by direct negotiations where needed, including with local broadcasters, Talkie is ready to launch with a robust channel line-up of over two hundred channels. As indicated above, Talkie's video service will be IPTV based and provisioned over its existing fiber optic network. The initial rates and channel line-ups are included on Talkie's website and are subject to change based on programming or

retransmission rate increases rate and other cost increases. Talkies website is at <https://talkiefiber.com/StreamingTV.aspx> .

Because the video service is offered over Talkie's existing fiber-optic network in Kent County, the provisions in the code regarding a "proposed system", construction map, estimates of plant mileage and other matters are not applicable to Talkie. As Talkie extends its existing network, it will continue to meet existing permitting requirements. Talkie has supplied a confidential map of its existing service area within Keny County as part of the franchise negotiations. Like the maps that other competitive franchise providers may share with the County, Talkie's map is not for third party distribution as it contains competitively sensitive and confidential information.

Talkie's Financial Qualifications

Talkie has the financial qualifications to offer the IPTV Cable service. As discussed above, Talkie's IPTV service will be provisioned over Talkie's existing fiber-optic network and thus concerns over the cost of building the network, recoupment of those costs and pro-forma projections are unnecessary and inapplicable factors to consider in connection with Talkie's franchise application. Talkie has successfully built, managed, operated and expanded its fiber-to-the home network over the past six years. The sufficiency of Talkie's financial qualifications is also demonstrated by the numerous funding awards Talkie has received for building out its fiber optic network in Maryland and Delaware, including \$4,080,183 in Connect Maryland-Neighborhood Connect Awards for Kent County in fiscal year 2022. Additional relevant information about Talkie and its operations is provided in Attachment A.

With this application, Talkie is also submitting the \$3,000.00 nonrefundable application fee as required by §76-12.H.

If you have any questions or need anything further, please let us know.

Sincerely,



Bruce Beard
Cinnamon Mueller
Attorneys for Talkie Communications, Inc.

CC: Thomas Yeager, Esq
Lacey Cox
Tonya Thomas
Andre DeMattia
Andrew DeMattia
Phil Macres, Esq.

DECLARATION

I, Andrew DeMattia, state as follows:

- 1) I am Co-CEO of Talkie Communications, Inc.
- 2) I have read the application for franchise attached and certify to the truth and accuracy of the information contained in the application, acknowledge the enforceability of the application commitments and certify that the application meets all federal and state law requirements.

This completes my declaration.

Andrew DeMattia

Signature

Andrew DeMattia

Print Name

co cdeo

Title

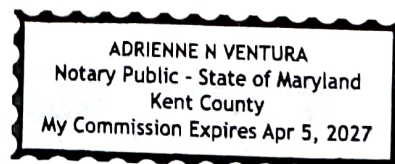
STATE OF MARYLAND)

COUNTY OF KENT)

On this 24th day of JUNE, 2024, before me,
_____, a notary public, personally appeared
_____, personally known to me or provided to me based on
satisfactory evidence, to be the person whose name is subscribed to this instrument, and
acknowledged that he or she or they executed it.

Adrienne N. Ventura Notary Seal
Signature

Notary Public for the State of MARYLAND
My Commission expires: 4/5/2027



ATTACHMENT A



TALKIE'S CORPORATE PROFILE AND NARRATIVE OF EXPERIENCE

Overview

As detailed in the discussion below on Talkie Communications, Inc.'s ("Talkie") Corporate Profile and Narrative of Experience, Talkie is a Maryland, family-owned telecommunications provider that began its operations in 2012¹ and since 2018, has focused on deploying its Fiber-to-the-Home ("FTTH") network and bringing Gigabit-speed broadband services to rural communities. Talkie's predecessor initially started with voice services in 2012 before Talkie expanded into fiber-based broadband Internet services. Talkie is also a Competitive Local Exchange Carrier ("CLEC") in Delaware and Maryland.

In Maryland, Talkie has installed and operates over 3,000 miles of fiber optic facilities that pass over 15,000 households and businesses. Its existing FTTH footprint is within portions of Kent County, Cecil County, Queen Anne's County, Wicomico County, and Worcester County, Maryland and it continues to expand its network in these counties. It is also building its network in Alleghany County and Wicomico County, Maryland along with Kent County and Sussex County, Delaware.

Talkie has an excellent reputation with federal, state and local agencies and governments and they have collectively awarded Talkie over \$100 million to make high-speed broadband services a reality in rural unserved areas of Maryland and Delaware.

Besides fiber-based broadband services, Talkie also offers phone, home security, home automation, and IPTV services in Maryland.

Talkie's Corporate Profile and Narrative of Experience

➤ **Maryland-based company.** Talkie is a Maryland, family-owned telecommunications provider that specializes in deploying its FTTH network and offering up to Gigabit speed, or greater, broadband services to residential and business customers in rural areas. Talkie's corporate office is in Chestertown, Maryland.

➤ **Talkie is a fiber-based broadband services provider.** Talkie provides a 100% fiber-optic FTTH network that utilizes multiple different fiber transport providers and multiple different Internet Service Providers ("ISPs") for redundancy.

➤ **Talkie offers amazing speeds to rural areas that can increase over an expandable network.** Talkie offers speeds ranging from 100/100 Mbps to 10/10 Gig per subscriber with latency under 20 milliseconds. Talkie equipment includes GPON (up to 1 Gig service) and XGS PON (up to 10 Gig), which is software upgradable to XGPON2 (up to 40 Gig). Talkie uses ADTRAN TA 5000 and Juniper routers and switches.

¹ This was through a predecessor entity.

Talkie has partnered with ADTRAN to develop and construct Talkie's network in rural Maryland and Delaware. Talkie's equipment is modular and allows for future expandability.

Talkie's FTTH network is also sustainable and can accommodate ever increasing broadband speeds that are well above 1 Gbps, including 10 Gbps. In deploying its FTTH network, Talkie is also deploying middle mile backhaul facilities so that it may efficiently build out to the remaining unserved locations as more funding opportunities present themselves.

➤ **Talkie maintains a strong and reliable network.** Talkie rigorously maintains its network and has designed redundancy and other measures in its network to ensure continuity and reliability of service, so as to mitigate the impact of disasters or other emergencies on business continuity.

➤ **Federal, state and local agencies and governments look to Talkie and are funding Talkie to make high-speed broadband services a reality in rural unserved areas.** Talkie has recently been awarded over \$100 million to deploy its FTTH network and provide such high-speed broadband services to rural unserved locations in Delaware and Maryland. Below is a list of the awards:

- **\$56,943,300** - On February 14, 2022, the FCC approved Talkie's long-form application and authorized support associated with the FCC's Rural Digital Opportunity Fund ("RDOF") to deploy FTTH to a total of 7,749 locations in the State of Delaware and 31,187 locations in the State of Maryland. This includes \$13,300,968.00 and \$43,642,332 RDOF support over 10 years in Delaware and Maryland, respectively, for a collective total of \$56,943,300.20 to serve 38,936 locations.
- **\$8,736,569** – In 2021, Maryland's Governor Larry Hogan awarded Talkie through the Maryland Office of Statewide Broadband over \$8.7 million in grants to deploy FTTH in various counties in Maryland.
- **\$25,862,535** - In 2022, Maryland's Governor Larry Hogan awarded Talkie through the Maryland Office of Statewide Broadband approximately \$25.9 million in grants to deploy FTTH in various counties in Maryland.
- **\$3,500,000** - In 2022, Worcester County awarded Talkie \$3.5 million in grants to deploy FTTH in various areas of Worcester County, Maryland.
- **\$6,402,632** – In 2023, Maryland's Governor Wes Moore and Lieutenant Governor Aruna Miller awarded Talkie through the Maryland Office of Statewide Broadband approximately \$6.4 million in grants to deploy FTTH in various counties in Maryland.

➤ **Talkie has consistently received Best Internet Provider Awards.** Talkie has been awarded Best Internet Provider in Kent County for 2021, 2022, 2023 and 2024 along with Best Internet Provider for Best of the Chesapeake in 2023.

➤ **Talkie is a growing company that can be relied on with strong financials.** Talkie has been in business since 2012 and is an experienced Internet Service Provider (“ISP”) that has managed the deployment of large FTTH construction projects. As indicated above, Talkie has an established FTTH footprint within portions of Kent County, Cecil County, Queen Anne’s County, Wicomico County, and Worcester County, Maryland and continues to expand its network in these counties. Talkie is also building its network in Alleghany County and Wicomico County, Maryland along with Kent County and Sussex County, Delaware.

In addition, Talkie currently has more than 6,000 customers subscribing to its broadband services in Maryland and expects to have over 7,000 customers by the end of 2024. Talkie also has installed over 3,000 miles of fiber that passes over 15,000 households. Talkie is also a CLEC in Maryland and Delaware with strong financials and an excellent reputation. Talkie has also demonstrated its commitment as a provider and its longevity, as evidenced by the above-discussed awards Talkie has received through the FCC’s RDOF and Maryland Broadband Grant programs.

Talkie further offers phone, home security, and home automation along with two new speed tiers, 2.5/2.5 Gbps and 10/10 Gbps, which are super-fast speeds that other broadband providers generally do not offer currently. As of July 1, 2024, Talkie intends to offer in certain areas IPTV services to residential customers along with managed services and enterprise solutions (such as dedicated circuits, dedicated internet access circuits, static IP addresses) to business customers.

➤ **Talkie is based locally and here to stay.** Talkie also believes that it is part of the community when deploying services. This means Talkie will establish deep roots in the areas where it deploys fiber and offer services.

➤ **Talkie has extensive experience and talent.** Talkie has been deploying its FTTH network and offering its broadband services to communities including unserved rural locations for a number of years. Talkie’s experience includes FTTH deployment projects that have served communities with populations in the low hundreds to larger rural communities that culminate in end users numbering in the thousands.

Talkie has achieved tremendous success through its leadership and extensive pool of talent with experience to make super-fast high-speed broadband services a reality where they deploy their FTTH network.

Talkie is led and owned by two ex-Verizon employees, Andre DeMattia and Andrew DeMattia, Co-CEOs of Talkie, who each have over 24 years of telecommunications experience that includes 16 years of experience at Verizon. They have been jointly and successfully leading all aspects of Talkie's operations and FTTH construction projects, including, among other things, the successful deployment of Talkie's FTTH network and offering its broadband services to unserved rural locations. This has involved their effective management of Talkie's FTTH business from overall network design, project and construction planning, permitting and deployment, to product design and marketing, network management, customer relations, and ongoing operations, including employee and contractor workforce development and oversight. Various federal and state agencies and county governments highly regard their leadership and as noted above, have awarded Talkie millions in broadband funding opportunities associated with the FCC's RDOF and Maryland Office of Statewide Broadband programs.

Anna Gleason, Talkie's Director of Finance, brings more than 17 years of experience in the accounting industry as a CPA, with roles in both public accounting as an auditor and private industry, bringing unique insight into the organizations financial reporting and compliance functions. Her responsibilities include: (a) overseeing Talkie's daily accounting functions, such as managing the accounting, payroll, accounts payable and accounts receivable functions; (b) assessing current accounting operations, offering recommendations for improvement and implementing new processes; (c) working with executive team to guide Talkie's financial decisions based on the budget process, operational cost analysis, as well as financial performance metrics; (d) coordinating and preparing internal and external financial statements, including coordinating activities of external auditors for regulatory and grant compliance.

Scott Ballard, Talkie's Director of Outside Operations, brings more than 30 years of experience managing, installing, repairing, servicing, and maintaining underground utilities. He has been successful in overseeing and managing all of Talkie's OSP FTTH construction projects. His responsibilities include: (a) supervising teams of employees and contractors in deploying over 1,000 miles of FTTH projects; (b) managing the design, engineering, development, and timely completion of FTTH projects across multiple construction crews; (c) ensuring successful and safe project completion by using extensive knowledge of electrical codes, high voltage and secondary electrical installation, repair, and maintenance; (d) supervising the appropriate and timely preparation and completion of miss utility tickets to ensure safe digging and avoid damaging existing underground utilities; (e) implementing white lining with foremen of construction teams to accurately identify utility locations and mark out proposed paths for new construction; (f) coordinating and conducting pre-site surveys to assess and prepare construction sites as well as ensure all necessary safety precautions are taken.

Moreover, all of Talkie's technicians are ex-Verizon FiOS employees or copper technicians. Talkie utilizes the construction crew of its affiliate Talkie Underground and Aerial Networks LLC ("Talkie Underground") along with other contractors to deploy its FTTH network. Talkie also hires local talent and subcontractors in deployment areas to meet the demands of and maintain the new construction projects. Talkie and Talkie

Underground operate out of Talkie's corporate office in Chestertown, Maryland and they collectively have a team of 85+ workers that are primarily based in Kent and Queen Anne's County, Maryland.

➤ **Talkie has the means and resources to get the job done in a cost-effective and safe fashion when expanding.** To reduce construction costs, Talkie has its own construction team that is provided through Talkie Underground and Aerial Networks LLC. Talkie has Vermeer Directional drills and plows, as well as access to significant equipment and resources provided by various outside contractors that are needed to perform FTTH broadband deployment construction projects in a timely, efficient, and safe manner.

➤ **Talkie has sound references.** Talkie has actively partnered, both informally and officially, with a number of county governments within the State of Maryland to expand broadband networks within those counties. A number of Talkie's broadband deployment projects in Maryland have been as official county partnerships via Maryland's Broadband Grant Funding Programs. Talkie has partnered with Kent County, Queen Anne's County, and Worcester County, among others. Contact information for these specific county references regarding Talkie's broadband deployment projects is provided below:

Worcester County

Brian K. Jones
Director, Worcester County Department of Information Technology
410-632-9301
410-632-5610 X1522
bjones@co.worcester.md.us

Kent County

Scott Boone
Information Technology, Kent County Government
410-778-5315
sboone@kentgov.org

Queen Anne's County

Megan DelGaudio
Queen Anne's County Information & Technology
410-758-6607
MDelGaudio@qac.org

More information on Talkie is available at <https://talkiefiber.com/>.

IPTV CABLE FRANCHISE AGREEMENT

BETWEEN

KENT COUNTY

AND

TALKIE COMMUNICATIONS, INC.

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IPTV CABLE FRANCHISE AGREEMENT

This Internet Protocol Television ("IPTV") Cable Franchise Agreement (hereinafter referred to as the "Agreement") is executed as of the ____ day of _____, 2024 by and between the Kent County, Maryland (hereinafter referred to as the "County") and Talkie Communications, Inc. (hereinafter referred to as "Talkie").

WHEREAS, pursuant to Title VI of the Telecommunications Act of 1934, *as amended*, the regulations of the Federal Communications Commission (hereinafter referred to as the "FCC") and Maryland law, the County is authorized to grant and renew franchises to construct, operate and maintain an IPTV Cable System utilizing Public Rights-of-Way and properties within the County's jurisdiction; and

WHEREAS, Talkie desires to obtain an IPTV Franchise to maintain, construct, operate, and maintain its IPTV Cable System over, under and along the aforesaid Public Rights-of-Way for use by the County's residents consistent with federal, state and local law; and

WHEREAS, the aforesaid Public Rights-of-Way used by Talkie are public properties acquired and maintained by the County on behalf of the citizens of the County, and the right to use said rights-of-way is a valuable property right; and

WHEREAS, the County desires to protect and manage the aforesaid rights-of-way, establish standards of Subscriber service, maintain a technologically advanced IPTV Cable System, receive Franchise Fees for Talkie's use of the County's rights-of-ways as provided by federal law, reserve the right to request use of a public, educational and governmental channel, establish certain reporting requirements, obtain certain complimentary services, provide legal protections for the County, and meet the current and future IPTV cable-related needs of its residents; and

WHEREAS, the County has determined that this Agreement and the process for consideration of this Agreement complies with all applicable federal, state and local laws and regulations; and

WHEREAS, the County, after affording the public notice and opportunity for comment, has determined that the public interest would be served by granting Talkie's franchise according to the terms and conditions contained herein;

NOW THEREFORE, in consideration of the mutual promises contained herein and intending to be legally bound hereby, the County and Talkie agree as follows:

SECTION I **DEFINITIONS**

The following terms used in this franchise shall have the following meanings:

- (a) **Affiliated Entity** - Any corporation, partnership or other business entity that owns

or controls, is owned or controlled by, or is under common ownership or control with Talkie.

(b) Basic Service – The IPTV service tier that includes at least the retransmission of local broadcast television signals and any Educational and Governmental ("EG") access channel.

(c) Cable Act - Title VI of the Communications Act of 1934, as amended by the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competitive Act of 1992 and the Telecommunications Act of 1996, as it may, from time to time, be further amended.

(d) Cable Service - The one-way transmission to Subscribers of video programming or other programming service and Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

(c) Cable System - A facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple Subscribers within the County. Such term does not include (1) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (2) a facility that serves Subscribers without using any Public Right-of-Way; (3) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act, except that such facility shall be considered a Cable System (other than for purposes of Section 621 of the Cable Act) to the extent that facility is used in the transmission of video programming directly to Subscribers; (4) an open video system that complies with Section 653 of the Cable Act; or (5) any facilities of any electric utility used solely for operating its electric utility systems.

(f) Channel - Means a time or frequency slot or technical equivalent on the IPTV Cable System, discretely identified and capable of carrying full motion color video and audio, and may include other non-video subcarriers and digital information.

(g) Complaint - Any written (including electronic) or oral communication by a Subscriber expressing dissatisfaction with any aspect of Talkie's business or the operation of its IPTV Cable System.

(h) Communications Act - The federal Communications Act of 1934, as amended, and as it may, from time to time, be further amended.

(i) Drop - The coaxial or fiber optic or other cable that connects a home or building to the IPTV Cable System.

(j) Emergency - A condition that either (1) constitutes a clear and immediate danger to the health, welfare, or safety of the public; or (2) has caused or is likely to cause the IPTV Cable System in the Public Rights-of-Way to be unusable and result in loss of the services provided.

(k) FCC - Federal Communications Commission.

(l) Force Majeure - Acts of God; acts of public enemies, including terrorist attacks; orders of any kind of the government of the United States of America or the State (as defined herein) or any of their departments, agencies, political subdivisions, or officials, or any civil or military authority; insurrections; riots; labor strikes; epidemics; landslides; earthquakes; fires; hurricanes; volcanic activity; storms; floods; washouts; droughts; explosions; unavailability of material or equipment.

(m) Franchise - The right granted by the County to construct, operate and maintain a IPTV Cable System within the corporate limits of the County as embodied in the terms and conditions of this Agreement.

(n) Franchise Fee - The fee that Talkie remits to the County for the use of the County's Public Rights-of-Way consistent with Section 622 of the Cable Act, 47 U.S.C. §542, and Section 6.1 of this Agreement.

(o) Gross Revenues - All revenue received directly or indirectly by Talkie or its Affiliated Entities arising from, attributable to, or in any way derived from the operation of Talkie's IPTV Cable System in the County to provide IPTV Cable Services. Gross Revenues shall include, but are not limited to, the following:

- (1) Basic Service fees;
- (2) fees charged to Subscribers for any IPTV Cable Service tier other than Basic-Service (fees charged to Subscribers for any internet or phone/voice services shall not be included);
- (3) fees charged for premium IPTV Cable Services;
- (4) fees for all digital video tiers;
- (5) fees for video-on-demand;
- (6) fees charged to Subscribers for any optional, per-channel or per-program IPTV Cable Services;
- (7) revenue from the provision of any other IPTV Cable Services;
- (8) charges for installation, additional outlets, relocation, disconnection, reconnection and change-in-service fees for video or audio programming;
- (9) fees for changing any level of IPTV Cable Service programming;
- (10) fees for service calls related to IPTV Cable Services;
- (11) inside wire maintenance fees related to IPTV Cable Services;
- (12) service plan protection fees related to IPTV Cable Services;
- (13) convenience fees related to IPTV Cable Services;
- (14) early termination fees related to IPTV Cable Services;
- (15) fees for Leased Access Channels;
- (16) charges based on the sale or lease of any portion of the IPTV Cable System for IPTV Cable Service;
- (17) rental or sales of any and all equipment used to provide IPTV Cable Services, including converters and remote control devices;
- (18) any and all locally-derived advertising revenues less agency fees;

- (19) revenues or commissions from locally-derived home shopping channels;
- (20) revenue from interactive television services to the extent deemed "Cable Services" under applicable law;
- (21) fees for any and all music services;
- (22) broadcast retransmission fees;
- (23) regional sports programming fees;
- (24) late payment fees for IPTV Cable Services;
- (25) billing and collection fees solely for IPTV Cable Services;
- (26) NSF check charges; and
- (27) Franchise Fees.

Gross Revenues shall not include bad debts, investment income, refunded deposits, or any taxes on services furnished by Talkie and imposed directly upon any Subscriber or user by the County, State, federal or other governmental unit. In the event of any dispute over the classification of revenue, the County and Talkie agree that reference shall be made to industry standards and the assumption that revenue is recognized upon receipt.

- (p) HD - High-definition format.
- (q) IPTV Cable Service- The transmission of Cable Service over Talkie's IPTV Cable System.
- (r) IPTV Cable System – Talkie's Cable System is provided over Talkie's Fiber-to-the-Home ("FTTH") network. Talkie's Cable System is designed and designated to provide video programming aggregated by Talkie over Internet Protocol to the Subscriber's residence or business.
- (s) Leased Access or Commercial Access Channel - Any channel on Talkie's IPTV Cable System designated for use by any entity that is unaffiliated with Talkie consistent with Section 612 of the Cable Act, 47 U.S.C. §532.
- (t) Multiple Dwelling Units or MDUs - Any building, buildings or area occupied by dwelling units, appurtenances thereto, grounds and facilities, which dwelling units are intended or designed to be owned, occupied or leased for occupation, or actually occupied, as individual homes or residences for two (2) or more households.
- (u) Normal Business Hours -Those hours during which most similar businesses in the community are open to serve Subscribers. In all cases, "Normal Business Hours" must include some evening hours at least one night per week and/or some weekend hours.
- (v) Normal Operating Conditions - Business conditions within Talkie's service department which are within the control of Talkie. Those conditions that are not within the control of Talkie include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages and severe or unusual weather conditions.
- (w) Outlet - An interior receptacle that connects a television set to the IPTV Cable System.
- (x) Educational and Governmental (EG) Channel - An access channel that consists of local public, educational and/or governmental programming.

(y) Programming - Any video or audio signal carried over the IPTV Cable System that is generally considered comparable to programming provided by a television broadcast station.

(z) Public Rights-of-Way - The surface of and all rights-of-way and the space above and below any public street, road, highway, freeway, lane, path, public way or place, alley, court, boulevard, parkway, drive or easement now or hereafter held by the County for the purpose of public travel and shall include other similar easements or rights-of way as shall be now held or hereafter held by the County which shall, within their proper use and meaning, entitle Talkie to the use thereof for the purposes of installing poles, wires, IPTV, cable, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and pertinent to the IPTV Cable System.

(aa) Service Interruption - The loss of picture or sound on one or more Channels.

(bb) State - The State of Maryland.

(aa) Subscriber - A person or entity who contracts with Talkie for, and lawfully receives, the video signals and Cable Services distributed by the IPTV Cable System.

SECTION 2

GRANT OF FRANCHISE

2.1 GRANT OF AUTHORITY

Consistent with the Cable Act, the regulations of the FCC and Maryland law, the County hereby grants a non-exclusive and revocable franchise to Talkie. Subject to the terms and conditions contained herein, the County hereby grants to Talkie the right to own, construct, extend, install, operate, maintain, upgrade and rebuild a IPTV Cable System, including such wires, cables, fiber, conductors, ducts, conduits, amplifiers, pedestals, attachments and other equipment as is necessary and appropriate to the operation of the IPTV Cable System in the Public Rights-of-Way, including property over which the County has a sufficient easement or right-of- way, for the purpose of reception, transmission, amplification, origination, distribution or redistribution of video and audio signals to provide Cable Services as permitted by applicable law.

2.2 TERM OF FRANCHISE

The term of this Agreement shall be for a period of ten (10) years commencing on the Effective Date unless the Franchise is terminated prior to the expiration date in accordance with the terms and conditions of this Agreement. For purposes of this Agreement, the term "Effective Date" is sixty (60) days following the full execution of this Agreement by the County and Talkie.

2.3 COMPETITIVE EQUITY

(a) Talkie acknowledges and agrees that the County reserves the right to grant one or more additional franchises to construct, operate, and maintain a Cable System or IPTV Cable System within the County.

(b) The franchise granted to Talkie is non-exclusive; however, if the County grants a subsequent Franchise, whether to a traditional Cable System or an IPTV Cable System, that, when taken as a whole upon consideration of all of its material obligations, is more favorable or less burdensome to the subsequent franchisee than this Agreement is to Talkie, then Talkie may request an amendment to this Agreement to provide Talkie with competitive equity. If the County agrees with Talkie that, when taken as a whole upon consideration of all of its material obligations, the subsequent Franchise is more favorable or less burdensome, then the County and Talkie shall enter into discussions in order to modify this Agreement to the mutual satisfaction of both parties to provide Talkie with such competitive equity.

(c) In the event an application for a new Franchise for Cable Service or IPTV Cable System is submitted to the County proposing to serve Subscribers within the County, then the County shall notify Talkie in writing within thirty (30) calendar days of the submission of the application.

2.4 FRANCHISE SUBJECT TO FEDERAL, STATE AND LOCAL LAWS

This Franchise is subject to and shall be governed by all lawful and applicable provisions of federal, state and local laws and regulations. This Franchise is further subject to all applicable ordinances and resolutions of the County. Without waiving any of its rights, the County agrees that, to the extent any term of this Agreement is inconsistent with the terms of any County cable franchise ordinance existing as of the Effective Date, this Agreement shall control.

SECTION 3 SYSTEM CONSTRUCTION, OPERATION AND MAINTENANCE

3.1 TECHNICAL REQUIREMENT

(a) Talkie has an existing FTTH broadband network constructed in the County as indicated on the maps which may be provided to the County consistent with the terms of Section 3.10 below, which maps are trade secrets proprietary and confidential commercial information and will be held in confidence and not disclosed to third parties by the County consistent with the terms of Section 3.10. Talkie will provide IPTV Cable Service over its existing FTTH broadband network in the County. Talkie's FTTH broadband network is constructed and will be operated using fiber optic cable and active signal origination electronics in a manner that will ensure that the network will be flexible and adaptable to future technological development. The County shall not unreasonably delay or deny the issuance of any permits or authorizations required in connection with the expansion of the IPTV Cable System provided that Talkie has submitted the required information to obtain such permits and has complied with the County's permit rules and regulations. The IPTV Cable System shall meet any and all technical performance standards of the FCC, the National Electrical Safety Code, the National Electric Code and any other applicable federal laws and regulations and the laws, ordinances and construction standards of the State of Maryland and the generally applicable laws, ordinances and construction standards of the County.

(b) Stand-by power at the headend(s) shall be provided in the event of a service interruption. Stand-by power must activate automatically upon the failure of commercial utility power.

3.2 AREA TO BE SERVED

(a) Talkie shall make IPTV Cable Service available to every dwelling occupied by a person requesting IPTV Cable Service consistent with Section 3.2(b) provided that Talkie is able to obtain from the property owners any necessary easements and/or permits consistent with Section 621(a)(2) of the Cable Act. Talkie shall extend the IPTV Cable System into all areas within the County where there is a minimum of twenty-five (25) dwelling units per linear mile of aerial cable and fifty (50) dwelling units per underground mile of cable, calculated from the nearest end of the Talkie's IPTV Cable System (not including Drops), and provided that the dwelling units are not already passed by a wired Cable System, wired IPTV Cable System any other County franchised wired video provider or wired Internet service provider. Talkie shall complete said extensions within three (3) months of written notification to Talkie by the County that an area has met the minimum density standard set forth herein (weather, environmental and/or other Force Majeure conditions permitting). Talkie's obligation hereunder shall be subject to the timely performance of walk-out, make ready and location of all underground utilities.

(b) Any dwelling unit within one hundred twenty-five (125) feet distance from the Talkie IPTV Cable System shall be entitled to a standard installation rate for the Drop. For any dwelling unit further than one hundred twenty-five (125) feet aerial distance from the Talkie IPTV Cable System Talkie shall extend the IPTV Cable Service at a rate not to exceed the actual cost of installation of the Drop.

(c) The County has the right to require Talkie to place wires and/or equipment underground, provided that the County imposes such requirement on all similarly situated entities, including but not limited to telephone and other telecommunications and communications companies with facilities in the area. All installations of wires and/or equipment by Talkie shall be underground in those areas of the County where the wires and/or equipment of similarly situated entities (i.e. telephone and electric utilities) are underground; provided, however, that such underground locations are capable of accommodating Talkie's facilities without technical degradation of the IPTV Cable System's signal quality. Talkie shall not be required to construct, operate, or maintain underground any ground-mounted appurtenances such as Subscriber taps, line extenders, system passive devices, amplifiers, power supplies, or pedestals, provided that placing facilities underground does not preclude the use of ground-mounted appurtenances.

3.3 IPTV CABLE SYSTEM SPECIFICATIONS

(a) The parties understand and agree that Talkie has designed, constructed and shall maintain an IPTV Cable System that has been built for digital television standards with addressable technology capable of making available video channels received for digital and/or analog transmission and shall allocate a sufficient portion of said bandwidth to deliver two-way IPTV Cable Services.

(b) Talkie reserves the right to alter, adjust, modify, rebuild, upgrade, redesign, or otherwise reconfigure the IPTV Cable System at any time during the term of the Agreement, provided that no alteration, adjustment, modification, rebuild, upgrade, redesign or other reconfiguration of the IPTV Cable System shall have the effect of reducing the technical capabilities of the IPTV Cable System as set forth in Section 3.1.

3.4 SYSTEM TESTS

(a) Talkie shall conduct proof of performance and other system tests as set forth below. Talkie shall retain written reports of the results of any tests required by the FCC, and such reports shall be submitted to the County within thirty (30) days of a written request from the County; provided, however, that Talkie shall not be required to submit such reports more than one (1) time in any calendar year.

(b) Talkie shall perform the following tests on its IPTV Cable System:

(1) All tests required by the FCC; and

(2) All other tests reasonably necessary to determine compliance with technical standards adopted by the FCC at any time during the term of this Agreement or in response to Subscriber complaints.

(c) If requested by reasonably prior written notice by the County, tests may be witnessed by its representatives.

3.5 EMERGENCY ALERT SYSTEM

Talkie shall comply with the Emergency Alert System requirements of the FCC.

3.6 RATE DISCRIMINATION

All Talkie residential Subscriber rates and charges shall be published and shall not discriminate among persons in the County under similar circumstances and conditions. Talkie shall establish similar rates and charges for all residential Subscribers receiving similar services, regardless of race, color, religion, age, sex, marital status, income or economic status, national origin, sexual orientation, physical or mental disability, or geographic location within the County. Nothing in this Section shall be construed to prohibit:

(a) The temporary reduction or waiving of rates and charges in conjunction with promotional campaigns; or

(b) The offering of reasonable discounts to senior citizens.

3.7 SERVICES FOR SUBSCRIBERS WITH DISABILITIES

Talkie shall work cooperatively with any services that allow hearing-impaired Subscribers to contact Talkie by telephone.

3.8 SERVICE TO MULTIPLE DWELLING UNITS ("MDUs")

Talkie and the County hereby acknowledge and agree that installation and provision of IPTV Cable Service to MDUs are subject to a separate negotiation between the landlord, owner or governing body of any such MDU and Talkie, which negotiations shall be conducted in accordance with the procedures set forth in the Cable Act, as amended, applicable FCC regulations and the applicable state

law.

3.9 REPAIRS AND RESTORATION

(a) Prior to any work in the Public Rights-of-Way, Talkie shall apply to the County for all applicable required permits and shall not undertake any activities in the Public Rights-of-Way subject to a permit, except for emergency repairs, without receipt of such permit, the issuance of which shall not be unreasonably withheld by the County. In the event Talkie or any agent, including contractors or subcontractors must make emergency repairs, prior to receiving a permit from the County, Talkie must apply for all applicable permits within five (5) business days of such emergency activities.

(b) Whenever Talkie or any of its agents, including any contractor or subcontractor, takes up or disturbs any pavement, sidewalk or other improvement of any public or private property, the same shall be replaced and the surface restored in as good condition as before the disturbance within ten (10) business days of the completion of the disturbance, weather permitting. Upon failure of Talkie to comply within the time specified and the County having notified Talkie in writing of the restoration and repairs required, the County may cause proper restoration and repairs to be made and the expense of such work shall be paid by Talkie upon demand by the County.

(c) Whenever Talkie or any agent, including any contractor or subcontractor, shall install, operate or maintain equipment, cable, or wires, it shall avoid damage and injury to property, including structures, improvements and trees in and along the routes authorized by the County if required for the proper installation, operation and maintenance of such equipment, cable, or wires. Talkie shall promptly repair and restore any public or private property that is damaged as a result of construction, installation, repair or maintenance of the IPTV Cable System within ten (10) business days, Force Majeure conditions and weather permitting.

(d) Talkie's operation, construction, repair and maintenance personnel, including all contractors and subcontractors, shall be trained in the use of all equipment and the safe operation of vehicles. Such personnel shall follow all safety procedures required by all applicable federal, state and local laws and regulations. All areas of the IPTV Cable System shall be inspected in accordance with such applicable federal, state and local laws and regulations so as to prevent hazardous conditions or risks to safety for the public and/or operating and maintenance personnel. Talkie shall install and maintain its wires, cables, fixtures, and other equipment in such a manner as shall not interfere with any installations of the County or any public utility serving the County.

(e) Should a public safety emergency occur as a result of, incident to, or connected with operation, construction, repair, or maintenance activities by Talkie personnel, including all contractors and subcontractors, then such personnel shall immediately contact the applicable public safety emergency dispatcher (e.g. 9-1-1).

(f) Whenever Talkie or any agent, including any contractor or subcontractor, shall disturb any pavement, sidewalk or other public property in order to perform any underground activity, it shall utilize the Maryland One Call System prior to any such disturbance. Talkie shall adhere to any additional undergrounding requirements which the State may establish in the future.

(g) All structures and all lines, equipment and connections in, over, under, and upon

streets, sidewalks, alleys, and public and private ways and places of the County, wherever situated or located, shall at all times be kept and maintained in a safe and suitable condition and in good order and repair in accordance with customary industry standards and practices.

3.10 SERVICE AREA MAPS

Upon written request and within sixty (60) days of such written request, but not more than once annually, Talkie shall provide to the County for its exclusive, non-commercial use and shall maintain at its local offices, a complete set of Talkie service area as-built maps that show the geographical areas that have been built by Talkie to date. Such as-built maps are expressly understood by the County to be Talkie's trade secrets and proprietary and confidential commercial information. The as-built maps shall be provided to the County in KMZ (i.e. Keyhole Markup Language) or GIS (i.e. Geographic Information System) electronic format, provided that the County shall not retain such electronic copies of the as-built maps. The as-built maps shall also designate where the cable wires and other equipment are aerial and where they are underground. Except as required by the Maryland Public Information Act or other applicable law, the County shall not make such maps available to any third parties. The County agrees to give Talkie notice of any request by a third party to view or obtain the maps under the Maryland Public Information Act or other applicable law.

3.11 DISCONNECTION AND RELOCATION

(a) Talkie shall, at no cost to the County, protect, support, temporarily disconnect, relocate in the same street, or other public way and place, or remove from any street or any other public way or place, any of its property as required by the County or its designee by reason of traffic conditions, public safety, street construction, change or establishment of street grade, site distance visibility, the construction of any public improvement or structure.

(b) In requiring Talkie to protect, support, temporarily disconnect, relocate or remove any portion of its property, the County shall treat Talkie the same as, and require no more of Talkie than, any similarly situated entity.

3.12 EMERGENCY REMOVAL OF EQUIPMENT

(a) If, at any time, in case of fire or other disaster in the County, it shall be necessary, in the reasonable judgment of the County or its agent, to cut or move any of the wires, cable or equipment of the IPTV Cable System, the County shall have the right to do so without cost or liability, provided that, wherever possible, the County shall give Talkie notice and the ability to relocate wires, cable or other equipment.

(b) In cutting or moving any of the wires, cable or equipment of the IPTV Cable System pursuant to this Section 3.12 the County shall treat Talkie the same as, and require no more of Talkie than, any other similarly situated entity.

3.13 TREE TRIMMING

(a) Talkie, or its agents, including contractors and subcontractors, shall have the authority to trim trees upon and overhanging the Public Rights-of-Way so as to prevent the branches of such trees from coming in contact with the wires, cables, or other equipment of Talkie. Any such

tree trimming shall only be performed in accordance with applicable laws and regulations.

(b) If Talkie or its agents, including contractors and subcontractors, wish to cut down and remove any tree or trees as may be necessary for the installation and/or maintenance of its equipment, it shall apply to the County for permission, with the exception of Emergency situations as defined in Section 1 (j), and if permission is granted, shall perform such cutting and removal in accordance with the regulations of the County.

3.14 CHANNEL CAPACITY

Talkie shall meet or exceed programming and channel capacity requirements set forth in this Agreement and required by federal and state law and regulations.

3.15 BROADCAST CHANNELS

To the extent required by federal law, Talkie shall provide all Subscribers with Basic Service including, but not limited to, the following: (a) all broadcast television signals carried consistent with the requirements of Section 614 of the Cable Act; (b) the signals of qualified non-commercial educational television signals carried consistent with the requirements of Section 615 of the Cable Act; and (c) any Public, Educational and Governmental Channel consistent with Section 611 of the Cable Act. All such signals shall be delivered to Subscribers consistent with FCC technical specifications.

3.16 SIGNAL SCRAMBLING

Talkie shall at all times comply with FCC regulations regarding scrambling or other encryption of audio and video signals.

3.17 CONTINUITY OF SERVICE

Subscribers shall continue to receive service from Talkie provided their financial and other obligations to Talkie are honored. Subject to Force Majeure provisions in Section 9.1, Talkie shall use commercially reasonable efforts to ensure that all Subscribers receive continuous, uninterrupted service regardless of the circumstances. For the purpose of construction, routine repairing or testing of the IPTV Cable System, Talkie shall use commercially reasonable efforts to interrupt service only during periods of minimum use. When necessary, Service Interruptions of more than twenty-four (24) hours can be anticipated, Talkie shall notify Subscribers in advance of such Service Interruption along with providing Subscribers with a pro-rata credit for the time of such Service Interruption.

3.18 PARENTAL CONTROL CAPABILITY

Talkie shall provide Subscribers with the capability to control the reception of any video and/or audio channel on the IPTV Cable System consistent with Section 641 of the Cable Act.

SECTION 4 **SUBSCRIBER SERVICE STANDARDS**

4.1 OFFICE HOURS AND TELEPHONE AVAILABILITY

(a) Talkie shall provide and maintain a toll-free telephone access line that will be available to Subscribers twenty-four (24) hours a day, seven (7) days a week. Trained representatives shall respond to Subscriber telephone inquiries during Normal Business Hours. After Normal Business Hours, the access line may be answered by a service or an automated response system. Inquiries received after Normal Business Hours must be responded to by a trained company representative on the next business day.

(b) Under Normal Operating Conditions and during Normal Business Hours, telephone answering time by a Subscriber representative, including wait time, shall not exceed thirty (30) seconds after the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety percent (90%) of the time, measured on a quarterly basis. Under Normal Operating Conditions, the Subscriber shall receive a busy signal less than three percent (3%) of the time.

(c) If a historical record of Complaints indicates a clear failure to comply, Talkie may be required to perform surveys to measure compliance with the telephone answering requirements above. If the County determines, after receiving Complaints itself and/or receiving a record of Complaints made to Talkie in accordance with Sections 4.5 and/or 5.7(a), that there is a clear failure to comply with the telephone answering requirements above, the County shall notify Talkie in writing that it must measure its compliance with these requirements for the next ninety (90) days and report to the County with its results.

4.2 INSTALLATIONS AND SERVICE CALLS

(a) Talkie shall maintain a staff of employees sufficient to provide adequate and prompt service to its Subscribers. Talkie shall require that any employee or agent, including any subcontractor, who personally visits any residential dwelling, shall display a photo identification badge. Any vehicle used for installation, operation or maintenance activities by any Talkie employee or agent, including any subcontractor, shall prominently display the Talkie logo.

(b) Standard installations will be performed within seven (7) business days after an order has been placed. "Standard" installations are those installations that are located up to one hundred twenty-five (125) feet from Talkie's IPTV Cable System .

(c) Upon scheduling of appointments with the Subscriber for installations, service calls and other activities, Talkie shall provide the Subscriber with either a specific time or an "appointment window" of a maximum of four (4) hours during Normal Business Hours. Talkie may schedule service calls and installation activities outside of Normal Business Hours at a time that is convenient for the Subscriber.

(d) Talkie may not cancel an appointment with a Subscriber after the close of business on the business day prior to the scheduled appointment. If, at any time, an installer or technician is running late, an attempt to contact the Subscriber must be made prior to the time of the appointment. If the appointment must be rescheduled, it must be done so at a time that is convenient for the Subscriber.

4.3 NOTICES

(a) Talkie shall provide written notice consistent with FCC requirements contained in 47

C.F.R. §1602(b) and applicable FCC order(s) to each Subscriber upon initial subscription, and once per calendar year thereafter to each Subscriber and at any time upon request, regarding each of the following areas:

- (1) Products and services offered;
- (2) Prices and options for programming services and conditions of subscription to programming and other services;
- (3) Channel positions of programming carried on the IPTV Cable System;
- (4) Installation and service maintenance policies;
- (5) Instructions on how to use the IPTV Cable Service and any converters;
- (6) Billing and Subscriber Complaint procedures;
- (7) Talkie's address, telephone number and office hours; and
- (8) A notice of Subscriber privacy rights as required by federal law.

(b) In accordance with applicable law, Talkie shall notify Subscribers and the County in writing of any changes in rates, programming services or channel positions a minimum of thirty (30) days in advance of such changes provided that such change is within the control of Talkie. Talkie shall not be required to provide prior notice to Subscribers of any rate change that is the result of a regulatory fee, Franchise Fee or any other fee, tax, assessment or charge of any kind imposed by any federal agency, the State or the County on the transaction between Talkie and the Subscriber.

(c) Consistent with federal law, Talkie shall maintain a file available to the public containing all written notices provided to Subscribers pursuant to the requirements contained herein by Talkie during the previous twelve (12) months. Such file may be maintained electronically.

4.4 BILLING

(a) Bills shall be clear, concise and understandable. Bills must be fully itemized, with itemizations including all applicable service tiers, equipment charges and any installation or repair charges. Bills shall state the billing period, including an effective due date, the amount of current billing and any relevant credits or past due balances.

(b) Talkie shall not assess late fees for non-payment of a current bill until at least thirty (30) days have elapsed since the mailing of the bill by Talkie.

(c) The County hereby requests that Talkie omit the County's name, address, and telephone number from Subscriber bills as permitted by 47 C.F.R. § 76.952.

4.5 SUBSCRIBER COMPLAINT PROCEDURES

Talkie shall establish clear written procedures for resolving all Subscriber Complaints,

which shall include at least the following:

(a) Talkie shall provide the Subscriber with a written response to a written Complaint within thirty (30) days of its receipt at the local business office. Such response shall include the results of its inquiry into the subject matter of the Complaint, its conclusions based on the inquiry, and its decision in response to the Complaint.

(b) If the County is contacted directly about a Subscriber Complaint, it shall notify Talkie promptly and in writing. When Talkie receives such notification, the time period for Talkie to respond as required by Section 4.5(a) shall commence. If the County notifies Talkie in writing, then Talkie shall respond in writing within the time period specified in Section 4.5(a).

(c) Any Subscriber who, in good faith, disputes all or part of any bill sent by Talkie has the option of withholding the disputed amount, without a late fee or disconnection, until Talkie has investigated the dispute in good faith and has made a determination that the amount is owed provided that:

(1) The Subscriber provides a written Complaint to Talkie in a timely fashion and includes identifying information;

(2) The Subscriber pays all undisputed charges; and

(3) The Subscriber cooperates in determining the appropriateness of the charges in dispute.

(d) Talkie shall maintain Subscriber Complaint records for inspection by the affected Subscriber, which shall contain the date each Complaint is received, the name and address of the affected Subscriber, a description of the Complaint, the date of resolution of the Complaint, and a description of the resolution.

4.6 DISCONNECTION

Talkie may disconnect or terminate a Subscriber's service for cause:

(a) If at least forty-five (45) days have elapsed from the due date of the bill that Subscriber has failed to pay; and

(b) If Talkie has provided at least ten (10) days written notice to the affected Subscriber prior to disconnection, specifying the effective date after which IPTV Cable Services are subject to disconnection; and

(c) If there is no pending written dispute with Talkie regarding the bill; or

(d) If at any time and without notice, Talkie determines in good faith that Subscriber has tampered with or abused Talkie's equipment or service or is engaged in theft of IPTV Cable Service or has otherwise violated Talkie's terms of use for the IPTV Cable Service.

4.7 SERVICE INTERRUPTIONS

In the event that there is a Service Interruption to any Subscriber for twenty four (24) or more consecutive hours, excluding those Service Interruptions which are the result of Force Majeure or not under the control of Talkie and upon receipt of a request of the Subscriber, Talkie shall grant such Subscriber a pro rata credit or rebate, on a daily basis, of that portion of the service charge during the next consecutive billing cycle, or, at its option, apply such credit to any outstanding balance that is currently due.

4.8 PRIVACY

(a) Talkie shall at all times comply with the privacy provisions of Section 631 of the Cable Act regarding personally-identifiable Subscriber information and all other applicable federal and state privacy laws and regulations.

(b) Talkie shall at all times maintain adequate physical, technical and administrative security safeguards to ensure that personally-identifiable Subscriber information is handled and protected strictly in accordance with this policy and all applicable laws and regulations.

(c) Absent a court order or requirement of federal law, or as consistent with Section 631 of the Cable Act, neither Talkie nor its designee shall tap, monitor, arrange for the tapping or monitoring of any cable, line, signal, input device, or Subscriber outlet or receiver for any purpose, without the prior written authorization of the affected Subscriber; provided, however, that Talkie may conduct system-wide or individually addressed "sweeps" or monitoring solely for the purpose of verifying system and signal integrity, checking for illegal taps, controlling return-path transmission, billing for pay services or monitoring channel usage in a manner consistent with the federal law. To the extent permitted under applicable law, Talkie shall report to the affected parties any instances of monitoring or tapping of the IPTV Cable System, or any part thereof, of which it has knowledge, whether or not such activity has been authorized by Talkie. Talkie shall not record or retain any information transmitted between a Subscriber and any third party, except as required for lawful business purposes.

(d) Except as permitted by Section 631 of the Cable Act as amended, neither Talkie nor its designee nor its employees shall make available to any third party, including the County, personally-identifiable Subscriber information concerning the viewing habits or subscription package decisions of any individual Subscriber. If a court authorizes or orders such disclosure, Talkie shall notify the Subscriber prior to disclosure, unless such notification is otherwise prohibited by applicable law or the court. Nothing in this Agreement shall be construed to prevent the sale or availability of "non-personalized" or "aggregate data" which is not personalized data as defined in this Agreement.

(e) Upon a request by a Subscriber, Talkie shall make available for inspection at a reasonable time and place all personally-identifiable Subscriber information that Talkie maintains regarding said Subscriber. Talkie shall ensure that all information related to billing and service requests is accurate and up to date and shall promptly correct any errors upon discovery.

(f) Talkie shall not make its Subscriber list or lists, or any portion thereof, available to any other person or entity, except as permitted by Section 631 of the Cable Act and other applicable law.

SECTION 5
REGULATION BY THE COUNTY

5.1 RIGHT TO INSPECT

(a) The County shall have the option, upon thirty (30) business days' written notice and during Normal Business Hours, to inspect at the notice location for Talkie specified in Section 9.3, all documents, records and other pertinent information maintained by Talkie which relate to the terms of this Agreement.

(b) In addition, Talkie shall maintain for inspection by the public and the County all records required by the FCC and as specified in 47 C.F.R. § 76.305 in the manner specified therein.

5.2 RIGHT TO CONDUCT COMPLIANCE REVIEW

The County or its representatives may conduct a full compliance review, not more than once every three (3) years during the term, with respect to whether Talkie has complied with the material terms and conditions of this Agreement so long as it provides Talkie with thirty (30) days written notice in advance of the commencement of any such review or public hearing. Such notice shall specifically reference the section(s) or subsection(s) of the Agreement that is (are) under review, so that Talkie may organize the necessary records and documents for appropriate review by the County and County agrees to keep such records and documents confidential. Within ninety (90) days of a written request, Talkie shall provide the County with copies of records and documents that are kept in the normal course of business related to the cable compliance review.

5.3 RESERVED AUTHORITY

The County reserves the regulatory authority arising from the Cable Act and any other applicable federal or state laws or regulations. Nothing in this Agreement shall remove, restrict or reduce the County's authority, rights and privileges it now holds, or which hereafter may be conferred upon it, including any right to exercise its police powers in the regulation and control of the use of the Public Rights-of-Way in a non-discriminatory manner.

5.4 POLICE POWERS

Talkie's rights under this Agreement are subject to the police powers of the County to adopt and enforce general laws and regulations necessary for the safety and welfare of the public. Such laws and regulations are separate and distinct from the terms and conditions contained in this Agreement.

5.5 NO LIMITATION ON TAXING OR FEE AUTHORITY

Nothing in this section or in this Agreement shall be construed to limit the authority of the County to impose any tax, fee or assessment of general applicability, to the extent that such assessment is non-discriminatory and in accordance with applicable law. Such taxes, fees or assessments shall be in addition to Franchise Fees.

5.6 PERMITS

Talkie shall apply to the County for all required permits and shall not undertake any activities in the Public Rights-of-Way subject to a permit without receipt of such permit, the issuance of which shall not be unreasonably withheld by the County. Talkie shall not be required to obtain permits for IPTV Cable Service Drops for individual Subscribers or for servicing or installation of pedestals or routine maintenance that does not disturb surface grade or impact vehicular traffic. Talkie shall pay any and all required permit fees.

5.7 REPORTING

In addition to the other reporting requirements contained in this Agreement, Talkie shall provide the following reports to the County:

(a) Subscriber Complaint Reports

Within thirty (30) days of a written request, Talkie shall submit to the County a report showing the number of Complaints, as defined in Section 1 (g), that required a work order and/or service call, originating from the County and received during the previous 12- month reporting period, the dates they were received, summary descriptions of the Complaints, the dates the Complaints were resolved and summary descriptions of the resolutions, subject to Talkie's right to exclude any personally identifiable subscriber information.

(b) Annual Financial Report

Talkie shall submit to the County, no later than thirty (30) days following a written request, but not more than annually, its current financial statement, including a statement of income, balance sheet and a statement of sources and applications of funds which shall be verified by Talkie's Chief Financial Officer in accordance with Generally Accepted Accounting Principles.

(c) Government Reports

Talkie shall provide to the County, upon written request, copies of any and all communications, reports, documents, pleadings and notifications of any kind which Talkie has submitted to any federal, state or local regulatory agencies if such documents relate specifically to Talkie's IPTV Cable System within the County. Talkie shall have the right to claim confidential, privileged or proprietary rights to such documents if such documents have been determined to be confidential, privileged or proprietary in accordance with the terms and conditions regarding confidentiality as set forth in applicable law or this Agreement. Talkie shall provide copies of such documents no later than thirty (30) days after their request.

SECTION 6 COMPENSATION TO THE COUNTY

6.1 FRANCHISE FEES

Talkie shall pay to the County an amount equal to three percent (3%) of the Gross Revenues derived from the operation of its IPTV Cable System to provide IPTV Cable Service in the County.

Talkie shall not deduct or otherwise credit against the Franchise Fee any tax, fee or assessment of general applicability. The County may amend the Franchise Fee upon written notice to Talkie provided that the Franchise Fee may not exceed the maximum percentage permitted by law. A copy of the Resolution or Ordinance authorizing the Franchise Fee rate adjustment by the County shall accompany such written notice. Any change in Talkie's Franchise Fee obligation contained herein shall commence within ninety (90) days from such written notice and shall not result in the adjustment of any previous paid Franchise Fees.

6.2 QUARTERLY PAYMENTS

Franchise Fee payments to the County under this provision shall be computed at the end of each calendar quarter. Such payments shall be made within forty-five (45) days following the end of each calendar quarter. Specifically, payments shall be due and payable on or before May 15 (for the first quarter), August 15 (for the second quarter), November 15 (for the third quarter), and February 15 (for the fourth quarter). In the event that any Franchise Fee payment is not made on or before the date by which it is due, then interest calculated at the then-current prime rate, as published by the Wall Street Journal, shall be added to the amount of Franchise Fee revenue due to the County. The interest rate shall be applied as described from the date such Franchise Fee payment was originally due. No acceptance of any payment shall be construed as an accord that the amount paid is in fact the correct amount, nor shall acceptance of any payment be construed as a release of any claim the County may have for additional sums payable under this Agreement. Upon request and if mutually agreeable, Talkie shall deposit the Franchise Fee payments electronically into an account as designated by the County.

6.3 QUARTERLY REPORTS

Each Franchise Fee payment shall be accompanied by a written report containing an accurate statement of Talkie's Gross Revenues received for IPTV Cable Services for each calendar quarter in connection with the operation of Talkie's IPTV Cable System and showing the basis for the computation of fees. Specifically, the report shall contain line items for sources of revenue received and the amount of revenue received from each source. The report shall be verified by a financial representative of Talkie.

6.4 FRANCHISE FEE REVIEW

(a) No more than once every three (3) years during the term of the Agreement, upon thirty (30) days prior written notice, the County shall have the right to conduct a Franchise Fee review or audit of Talkie's records reasonably related to the sources, amounts and computation of Gross Revenues. Any such review or audit shall occur within thirty-six (36) months from the date the County receives such payment, after which period any such payment shall be considered final. Upon written request, but no more frequently than annually and within thirty (30) days of a written request, Talkie shall provide the County with copies of financial records related to the Franchise Fee review or audit.

(b) In the event of an alleged over or underpayment, the County shall provide Talkie with a written statement indicating the basis for the alleged underpayment. If the franchise fee audit or review reveals that there has been no over- or underpayments, the County shall provide written notice to Talkie indicating that no over- or underpayments were found and that the franchise fee review is closed. Talkie shall have thirty (30) days from the receipt of the statement regarding an alleged

underpayment to provide the County with any written objection to the results of the review or audit, including any substantiating documentation. Based on this exchange of information, the County shall make a final determination of the over or underpayment(s), if any, within thirty (30) days of Talkie's objection and shall provide Talkie with written notice of the determination. If Talkie disputes the County's final determination, it may submit the dispute to a mutually agreed upon mediator within thirty (30) days of receiving the County's written notice of determination. In the event that Talkie fails to submit the matter to mediation or arbitration within the required time period, the County's final determination shall be binding on Talkie. If Talkie submits the matter to mediation and an agreement is not reached, either party may bring an action to have the dispute determined by a court of competent jurisdiction.

(c) Any Franchise Fee payment due to the County as a result of the Franchise Fee review shall be paid to the County by Talkie within sixty (60) days from the date the County notifies Talkie of its final determination, or if the matter is submitted to mediation or litigation, within sixty (60) days from the final disposition of such action. If the audit or Franchise Fee review shows that Franchise Fees have been underpaid, then Talkie shall pay the underpaid amount plus monetary fines of ten percent (10%) of the underpayment. If Franchise Fees have been underpaid by ten percent (10%) or more, then Talkie shall also pay the reasonable cost of the review or audit. If the audit or franchise fee review shows that franchise fees have been overpaid, then Talkie may offset the overpaid amount against future Franchise fee payments until such time as the overpayment has been entirely recouped.

6.5 BUNDLED SERVICES

If IPTV Cable Services subject to the Franchise Fee required under this Section 6.5 are provided to Subscribers in conjunction with non-Cable Services and the total cost of the bundle reflects a discount from the aggregate retail prices of the services contained therein, then the Franchise Fee shall be applied to the retail price of the IPTV Cable Services in the bundle reduced by no more than a proportionate share of the overall discount.

SECTION 7 SERVICES TO THE COMMUNITY

7.1 SERVICES TO COMMUNITY FACILITIES

(a) Beginning three (3) months after the Effective Date and upon written request, Talkie shall provide an IPTV cable service drop and Basic Service with any necessary customer premises equipment to one outlet at each Public Building listed in Exhibit A that is passed by Talkie's IPTV Cable System. It is understood that, in order to receive such IPTV Cable Services as described above, such facilities also need to receive Talkie's minimum Internet Service. In accordance with applicable law, if Talkie intends to charge for the Cable or Internet Services required by this section, in accordance with applicable law, Talkie will provide the County written notice of the commencement and the amount of such charges. The charges shall be consistent with applicable law, which as of the Effective Date is Talkie's marginal cost for such services as per *The City of Eugene, Oregon et al vs Federal Communications Commission*, No. 19-4161, 998 F 3rd 701 (6th Cir. 2021). Charges may include those for services and equipment, if any, at each location, and for Internet service, with charges for Internet service not being greater than the charges for Talkie's Basic residential Internet service and associated equipment. The County shall then notify Talkie whether it wishes the amount due each month to be deducted from Franchise Fee payment or for the County to remit payment directly. The

County may elect in writing not to receive the service, in which case no deduction will be taken from the Franchise Fee and such services shall be terminated. Talkie shall notify the County in writing regarding the amount of the monthly service fee for each account based on the marginal cost. The County shall then notify Talkie, within thirty (30) days of receiving the notice from Talkie, whether it wishes the amount due each month to be invoiced for payment or deducted from the next franchise fee payment. The County may upgrade the level of IPTV cable service received at then current rate card prices for the higher level of service. The County may also elect in writing not to receive the service, in which case it will not be invoiced and no deduction will be taken from the franchise fee.

(b) During the term of the Franchise, the County may change a Public Building location listed in Exhibit A upon 90-days written notice to Talkie, provided that the new location is within 125 feet of Talkie's existing IPTV Cable System t.

(c) For the purposes of this section, the term "school" means an educational institution that receives funding pursuant to Title I of the Elementary and Secondary Education Act of 1965, 20 U.S.C. § 6301 *et seq.*, as amended, and does not include "home schools" or "cyber schools," or any other educational situation that does not meet the specific criteria set forth herein. During the term of this Agreement, new public facilities shall be eligible to receive such complimentary service to the extent that they meet the qualifications as set forth herein above as Permitted Free Locations.

7.2 EDUCATIONAL AND GOVERNMENTAL (EG) CHANNEL

(a) Talkie shall continue to provide as set forth herein, the use of one (1) dedicated Educational and Governmental ("EG") Access Channel in accordance with Section 611 of the Cable Act. Such EG Channel shall be used for community programming related to educational and/or governmental activities. The County shall have complete control over the content, scheduling, administration and all other programming aspects of the EG Channel, and may delegate such functions, or a portion of such functions, to an appropriate designee. However, Talkie may utilize the channel during periods where the channel is not in use by the County. Talkie shall not exercise any editorial control over EG Channel programming. Talkie shall cablecast the activated EG Channel so that it may be received by all Talkie Subscribers in the County. If requested by any neighboring City or County served by Talkie from the same head-end or hub site as that providing service to the County, then the County agrees to cooperate with such City or County in the shared use of the EG channel.

(b) The County and Talkie further agree that all costs incurred by Talkie for supporting such EG Channel, including any and all equipment may be designated as "costs of franchise requirements" or "external costs" as defined by the FCC and Talkie reserves its right to pass these costs through to the Subscribers pursuant to federal law.

(c) Talkie shall provide all the equipment necessary at its IPTV aggregation and origination center to receive the EG channel stream via a VPN or other secure connection from the appropriate URL specified by the County. The stream shall be provided to Talkie in a pre-transcoded DASH or HLS. Talkie shall not be liable for any content programmed on the designated PEG Channel.

(d) The County or its designee shall be responsible for providing any necessary production or playback equipment and shall be responsible for securing and supervising any trained/qualified personnel who conduct the operation of the EG channel. The County and Talkie agree to work cooperatively in implementing the EG channel through such means and in such manner as shall be

mutually satisfactory.

(e) In the event the County or its designee does not program any EG Channel, Talkie may request the use of this channel subject to written approval by the County. If the County approves Talkie's use of an EG Channel and, subsequent to such approval, the County requests the utilization of the EG Channel being programmed by Talkie, Talkie shall relinquish such use no later than sixty (60) days after receipt of written notification from the County that it requires such channel for educational and/or governmental use.

SECTION 8

ENFORCEMENT, INSURANCE AND INDEMINIFICATION

8.1 VIOLATIONS AND OPPORTUNITY TO CURE

(a) If the County has reason to believe that Talkie violated any provision of this Agreement, it shall notify Talkie in writing of the nature of such violation and the section(s) of this Agreement that it believes has been violated and the details relating thereto. If the County does not notify Talkie of any violation of this Agreement, it shall not operate as a waiver of any rights of the County hereunder or pursuant to applicable law.

(b) Talkie shall have thirty (30) days to cure such violation after written notice is received by taking appropriate steps to comply with the terms of this Agreement. If the nature of the violation is such that it cannot be fully cured within thirty (30) days, the period of time in which Talkie must cure the violation shall be extended by the County in writing for such additional time necessary to complete the cure, provided that Talkie shall have promptly commenced to cure and is diligently pursuing its efforts to cure in the reasonable judgment of the County.

(c) If the violation has not been cured within the time allowed under Section 8.1(b) above, then Talkie may request that the County schedule a public hearing to provide Talkie with the opportunity to demonstrate that Talkie continues to make reasonable steps to cure. Alternatively, the County may conduct a public hearing following written notice to Talkie that it intends to impose liquidated damages. If the County determines as a result of such hearing that Talkie has not taken reasonable steps to cure the violation, then the County may deem that Talkie is liable for liquidated damages and/or any other right or remedy and the County's costs in accordance with Section 8.2.

8.2 LIQUIDATED DAMAGES

(a) Because Talkie's failure to comply with provisions of this Agreement will result in injury to the County and because it will be difficult to measure the extent of such injury, the County may assess liquidated damages against Talkie (after affording Talkie due process in accordance with Section 8.1(c) above) in the amount of One Hundred Fifty Dollars (\$150.00) per day for each day the violation continues, provided Talkie has had an opportunity to cure in accordance with Section 8.1(b). Such damages shall not be a substitute for specific performance by Talkie or legal action by the County but shall be in addition to such specific performance or legal action.

(b) The first day for which liquidated damages may be assessed, if there has been no cure after the end of the applicable cure period, shall be the day after the end of the applicable cure period, including any extension of the cure period granted by the County. Liquidated damages may

not be assessed for a time period exceeding one hundred and twenty (120) days per violation. The County may commence revocation proceedings and/or initiate an action in law or equity in a court of competent jurisdiction before, during, or after the assessment of liquidated damages.

8.3 REVOCATION

(a) In addition to the other rights, powers and remedies retained by the County under this Agreement, the County reserves the separate and distinct right to revoke this Franchise if:

(1) It is demonstrated that Talkie practiced any fraud or deceit upon the County in the operation of its IPTV Cable System or any other activities pursuant to this Agreement;

(2) Talkie repeatedly fails, after notice and opportunity to cure, to maintain signal quality pursuant to the standards provided for by the FCC or the technical requirements set forth in Section 3.1;

(3) Talkie repeatedly violates, after notice and opportunity to cure, one or more of the material terms or conditions of this Agreement;

(b) The foregoing shall not constitute a violation of a material term or condition if the violation occurs without the fault of Talkie or occurs as a result of circumstances beyond its control or by reason of Force Majeure as defined in Section 9.1. Talkie shall not be excused from the performance of any of its obligations under this Franchise by mere economic hardship or by the misfeasance or malfeasance of its directors, officers or employees.

(c) A revocation shall be declared only by a written decision of the County Commissioners after an appropriate public hearing that shall afford Talkie due process and full opportunity to be heard. This shall include the ability to introduce evidence, to question witnesses and to respond to any notice of grounds to terminate in accordance with the standards of a fair hearing applicable to administrative hearings in the State. All notice requirements shall be met by providing Talkie at least thirty (30) days prior written notice (via certified mail-return receipt requested) of any public hearing concerning the proposed revocation of this franchise. Such notice shall state the grounds for revocation. The County, after a public hearing and upon finding the existence of grounds for revocation, may either declare this franchise terminated or excuse such grounds upon a showing by Talkie of mitigating circumstances or good cause for the existence of such grounds. Nothing in this Section shall be deemed to deprive Talkie of any rights of process afforded it under state or federal law, and Talkie does not waive such rights by submitting to the process set forth in this Section. The County shall issue such declaration and finding within thirty (30) days in a written decision which shall be sent via certified or overnight mail to Talkie.

8.4 INSURANCE

(a) Talkie shall obtain and maintain, in full force and effect, at its sole cost and expense, during the Franchise term, the following minimum insurance coverage with an insurance company that is authorized to conduct business in Maryland and which has an A.M. Best rating (or equivalent) no less than A-minus VII in the following amounts:

(1) The amount of such insurance against liability for damage to property shall be

no less than One Million Dollars (\$1,000,000) as to any one (1) occurrence.

(2) The amount of such insurance against liability for injury or death to any person shall be no less than One Million Dollars (\$1,000,000).

(3) The amount of such insurance for excess liability shall be Three Million Dollars (\$3,000,000) in umbrella form.

(4) The amount of such insurance against all claims arising out of the operation of motor vehicles and general tort or contract liability shall be One Million Dollars (\$1,000,000).

(b) The County, its officials and employees, shall be designated as additional insureds under each of the insurance policies required in this Section 8.4.

(c) Talkie shall not cancel any required insurance policy without obtaining alternative insurance in conformance with this Section 8.4. Talkie shall provide the County with at least thirty (30) days prior written notice in the event there is an adverse material change in coverage or the policies are cancelled or not renewed.

(d) Talkie shall deliver to the County Certificates of Insurance showing evidence of the required coverage within thirty (30) days of the Effective Date of the Agreement, on an annual basis.

(e) The limits above may be satisfied with a combination of primary and excess coverage.

8.5 INDEMNIFICATION

Talkie shall indemnify, defend, save and hold harmless the County, its elected and appointed officials, officers, agents and employees acting in their official capacities, from claims for injury, loss, liability, cost or expense arising in whole or in part from, caused by or connected with any act or omission of Talkie, its officers, agents, contractors, subcontractors or employees, arising out of, but not limited to, the construction, installation, upgrade, reconstruction, operation, maintenance or removal of the IPTV Cable System or any other equipment or facilities of Talkie. The County shall give Talkie timely written notice of its obligation to indemnify and defend the County. The obligation to indemnify, defend, save and hold the County harmless shall include, but not be limited to, the obligation to pay judgments, injuries, liabilities, damages, penalties, and reasonable attorneys' fees. If the County determines that it is necessary for it to employ separate counsel, in addition to that provided by Talkie, the cost for such separate counsel shall be the responsibility of the County. Talkie shall not indemnify the County for any claims resulting solely from acts of willful misconduct or negligence on the part of the County.

SECTION 9 **MISCELLANEOUS**

9.1 FORCE MAJEURE

If for any reason of Force Majeure, Talkie is unable in whole or in part to carry out its obligations hereunder, Talkie shall not be deemed in violation of this Agreement during the continuance of such inability.

9.2 REMOVAL OF SYSTEM

(a) Upon lawful termination or revocation of this Agreement, Talkie shall remove its supporting structures, poles, transmissions and distribution systems and other appurtenances from the streets, ways, lanes, alleys, parkways, bridges, highways, and other public and private places in, over, under, or along which they are installed and shall restore the areas to their original condition. If such removal is not completed within six (6) months of such lawful termination or revocation, the County or property owner may deem any property not removed as having been abandoned and the County may remove it at Talkie's cost.

(b) During the term of the Agreement, if Talkie decides to abandon or no longer use all or part of its IPTV Cable System, it shall give the County written notice of its intent at least ninety (90) days prior to the announcement of such decision, which notice shall describe the property and its location. The County shall have the right to either require Talkie to remove the property, remove the property itself and charge Talkie with the costs related thereto, or transfer ownership of the property to the County's designee provided fair market value is paid to Talkie.

(c) Notwithstanding the above, Talkie shall not be required to remove its IPTV Cable System, or to relocate the IPTV Cable System, or to sell the IPTV Cable System, or any portion thereof as a result of revocation, denial of renewal, or any other lawful action to forbid or disallow Talkie from providing IPTV Cable Services, if the IPTV Cable System is actively being used to facilitate any other services not governed by the Cable Act, including without limitation Talkie's Internet services that are provided over Talkie's FTTH broadband Network..

9.3 NOTICES

Every notice or payment to be served upon or made to the County shall be sent to:

Kent County
400 High Street
Chestertown, MD 21620
Attn: County Administrator

With copies to:
Thomas N. Yeager
County Attorney
203 Maple Avenue
Chestertown, MD 21620

The County may specify any change of address in writing to Talkie. Every notice to be served upon Talkie shall be sent to:

Talkie Communications, Inc.
Attn: Andre DeMattia
99 Talbot Blvd.
Chestertown, MD 21620

With copies to:

Cinnamon Mueller
Attn: Bruce Beard
1714 Deer Tracks Trail-Suite 230
St. Louis, MO 63131
:

Talkie may specify any changes of address in writing to the County. Each delivery to Talkie or the County shall be equivalent to direct personal notice, direction or order, and shall be deemed to have been given at the time of receipt.

9.4 EQUAL EMPLOYMENT OPPORTUNITY

Talkie is an equal opportunity employer and shall comply with all applicable federal and state laws and regulations regarding equal opportunity employment.

9.5 CAPTIONS

The captions for sections throughout this Agreement are intended solely to facilitate reading and reference to the sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.

9.6 GOVERNING LAW: VENUE

This Agreement shall be governed and construed by and in accordance with the laws of the State. If suit is brought by a party to this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of Maryland, Kent County, or in the United States District Court for the District of Maryland.

9.7 TRANSEER. ASSIGNMENT OR CHANGE IN CONTROL

(a) Neither Talkie nor its parent nor any Affiliated Entity shall transfer, assign or otherwise encumber, through its own action or by operation of law, its right, title or interest in the IPTV Cable System or in this Agreement without the prior written consent of the County, provided that such consent shall not be unreasonably withheld or delayed.

(b) Neither Talkie nor its parent nor any Affiliated Entity shall change, transfer or assign, through its own action or by operation of law, its control of the IPTV Cable System or of this Agreement without the prior written consent of the County, provided that such consent shall not be unreasonably withheld or delayed.

(c) Neither Talkie nor its parent nor any Affiliated Entity shall sell, convey, transfer, exchange or release more than twenty-five percent (25%) of its equitable ownership in the IPTV Cable System without the prior written consent of the County, provided that such consent shall not be unreasonably withheld or delayed.

(d) No such consent shall be required for (i) a transfer in trust, by mortgage, hypothecation, or by assignment to a financial institution of any rights, title or interest of Talkie in the Franchise or in the IPTV Cable System in order to secure indebtedness; or (ii) a transfer to an entity owned and/or controlled by Talkie.

(e) Talkie shall make written application to the County of any transfer, change in control or assignment as described above and shall provide all information required by FCC Form 394 and any other applicable federal, state, and local statutes and regulations regarding transfer or assignment. The County shall have thirty (30) days from the receipt of FCC Form 394 to notify Talkie of any additional information it needs to make an informed decision on the transfer or assignment. The County shall have one hundred twenty (120) days from the receipt of all required information to take action on the transfer or assignment.

(f) Any consent by the County for any transfer or assignment described above shall not be effective until the proposed transferee or assignee shall have executed a legally binding document stating that it shall be bound by all the terms and conditions contained in this Agreement unless such one hundred twenty (120) days shall have elapsed.

9.8 ENTIRE AGREEMENT

This written instrument contains the entire agreement between the parties, supersedes all prior agreements or proposals whether written or oral except as specifically incorporated herein, and cannot be changed without written amendment approved by both the County and Talkie. This Agreement supersedes all prior cable franchise agreements or cable ordinances, or parts of cable franchise agreements or cable ordinances, that are in conflict with the provisions herein.

9.9 SEVERABILITY

If any section, provision or clause of this Agreement is held by a court of competent jurisdiction to be illegal, invalid or unenforceable, or is pre-empted by federal or state laws or regulations, such section, provision or clause shall be deemed to be severable from the remaining portions of this Agreement and shall not affect the legality, validity or enforceability of the remaining portions of this Agreement.

9.10 NO WAIVER OF RIGHTS

No course of dealing between the County and Talkie, nor any delay on the part of either party in exercising any rights hereunder, shall operate as a waiver of any such rights of such party or acquiescence in the actions of the other party in contravention of such rights, except to the extent expressly waived by such party.

9.11 CHANGE OF LAW

In the event there is a change in a federal or state statute or regulation applicable to the IPTV Cable System or to this Agreement, the County or Talkie may notify the other party of its desire to amend this Agreement in order to comply with the change in statute or regulation. The County and Talkie may amend this Agreement to comply with such change in statute or regulation provided such amendment is approved by the County and Talkie.

9.12 COMPLIANCE WITH LAWS

Talkie shall comply with all federal, state and local laws and regulations.

9.13 THIRD-PARTY BENEFICIARIES

Nothing in this Agreement is or was intended to confer third-party beneficiary status on any person other than the parties to this Agreement to enforce the terms of this Agreement.

9.14 APPLICABILITY OF AGREEMENT

All of the provisions in this Agreement shall bind Talkie, the County and their respective successors and assigns. This Agreement is authorized by Resolution No. _____, dated June __, 2024 of the County Commissioners of Kent County, Maryland.

WITNESS our hands and official seals to this Cable Franchise Agreement.

KENT COUNTY

By: _____

Name: _____.

Title: _____

Date: _____

TALKIE COMMUNICATIONS, INC.

By: _____

Name: _____Andre DeMattia

Title: _____

Date: _____

Exhibit A

SERVICES TO COMMUNITY FACILITIES



Patricia Merritt, Chief Finance Officer, Office of Finance
7/9/2024
County Commissioners Meeting

Item Summary:

Financial Statements - 3rd Quarter

ATTACHMENTS:

Description

Finance Novus Agenda Cover Sheet

Financial Statements - 3rd Quarter

journal entries
cash
credit
payroll
budge
accounts
water & sewer
short term rental
audi
fixed assets
debits
budget adjustments
debt
revenue
cash flow management
financial statements
fund
balance sheet
deeds
Tax Sale
property tax
grant
investments
capital projects
customer
expens
borrowin

Office of

General Fund

Statement of Revenues and Expenditures

As of March 31, 2024

	July - Mar Budget	July - Mar Actual	\$ Fav/Unfav	% Fav/Unfav
<u>Revenues</u>				
Property Tax	33,611,270	33,728,005	116,735	
Income Tax	11,739,100	11,694,130	(44,970)	
Recordation Tax	1,206,030	1,172,439	(33,591)	
Property Transfer Tax	696,546	715,565	19,019	
Other Local Taxes	415,695	352,194	(63,501)	
Service Charges	485,365	560,278	74,913	
Intergovernmental Revenue	1,294,164	1,277,026	(17,138)	
Licenses & Permits	175,608	188,507	12,899	
Fines & Forfeitures	5,238	5,344	106	
Loss/Sale of Fixed Assets	-	64,002	64,002	
Note Proceeds	231,274	231,274	-	
Capital Lease Proceeds	241,276	271,584	30,308	
Other	510,845	990,832	479,987	
Total Revenue	50,612,411	51,251,180	638,769	1%
<u>Expenditures</u>				
Board of Education	14,362,946	14,362,946	-	
Salaries & Benefits	15,779,769	14,578,629	1,201,140	
Operating Expenditures	5,624,248	4,961,234	663,014	
Allocations	4,066,880	4,013,062	53,818	
Debt Service	506,240	465,339	40,901	
Capital Expenditures	795,143	787,999	7,144	
Capital Leases	281,580	319,954	(38,374)	
Transfers to Other Funds	1,653,086	1,131,465	521,621	
Contingency	300,000	112,652	187,348	
Total Expenditures	43,369,892	40,733,280	2,636,612	6%
Excess/(Deficiency) Revenues Over Expenditures	7,242,519	10,517,900	3,275,381	

**General Fund
Explanation of Major Variances
March 31, 2024**

<u>Revenues</u>	<u>Fav/(Unfav)</u>
Other	479,987
Interest Income	
Property Tax	116,735
4% increase over FY23	
Service Charges	74,913
US Bureau of Prisoners, recreation	
stormwater management review	
Loss/Sale of Fixed Assets	64,002
Enterprise vehicles	
Capital Lease Proceeds	30,308
Enterprise vehicles	
Income Tax	(44,970)
4% decrease from FY23	
Other Local Taxes	(63,501)
911 fees	
Other	(18,705)
Property Transfer Tax, Recordation, Intergovernmental	
Licenses & permits, fines & forfeitures	
Total Revenues	<u>638,769</u>

General Fund
Explanation of Major Variances
March 31, 2024

<u>Expenditures</u>	<u>Fav/(Unfav)</u>
Salaries & Benefits	
Full-time - Sheriff's Office, Highways & Streets	636,428
Retirement Plan	292,681
Health	286,893
Election workers salaries and benefits	163,867
Seasonal	128,067
Social Security	62,744
Leave Payout - Sheriff's Office, Emergency Medical Services	(86,979)
Workers Compensation	(99,623)
Overtime - Emergency Medical Services, Detention Center	(186,828)
Other	3,890
	1,201,140
Operating	
Highways & Streets	134,616
Sheriff's Office	117,708
Election Office	79,334
Environmental Operations	60,637
Detention Center	60,290
Emergency Medical Service	39,146
Planning & Zoning	27,755
Information Systems	27,345
Parks	24,639
Circuit Court	22,874
Buildings & Grounds	21,472
Other	47,198
	663,014
Transfers to Other Funds	
Grant Funds - Worton & Millington WWS projects	296,001
WWS Deficit	183,572
Kent Family Center	20,947
Local Management Board	18,371
Other	2,730
	521,621
Contingency	187,348
Allocations	
Volunteer Fire Companies - workers compensation	51,012
Mosquito Control	2,725
Other	81
	53,818
Other - Capital Expenditures, Debt, Capital Leases	9,671
Total Expenditures	<u><u>2,636,612</u></u>

Capital Projects Fund
Statement of Revenues & Expenditures
As of March 31, 2024

	<u>Annual Budget</u>	<u>July - Mar Actual</u>	<u>Balance</u>
<u>Revenues</u>			
Grant Funding			
Bridge K00015 repair/replace	1,002,384	49,243	953,141
Loan Proceeds			
Nicholson wastewater treatment plant upgrade	2,509,702	-	2,509,702
Transfer In - General Fund			
Bridge K00015 repair/replace	250,596	12,311	238,285
Computer / Technology Upgrade	30,000	30,000	-
Regional Detention Center study	32,967	-	32,967
Chestertown Business Park Rt. 213 entrance	450,000	-	450,000
Kent County High School roof	10,660	8,080	2,580
Total Revenue	4,286,309	99,634	4,186,675
<u>Expenses</u>			
Bridge K00015 repair/replace	1,252,980	61,554	1,191,426
Nicholson wastewater treatment plant upgrade	2,509,702	10,827	2,498,875
Regional Detention Center study	32,967	-	32,967
Chestertown Business Park Rt. 213 entrance	450,000	-	450,000
Kent County High School roof	10,660	8,080	2,580
Total Expenditures	4,256,309	80,461	4,175,848
Excess/(Deficiency) Revenues over Expenditures	<u>30,000</u>	<u>19,173</u>	<u>10,827</u>

Water and Wastewater Services
Statement of Revenues and Expenses
As of March 31, 2024

	July - Mar Budget	July - Mar Actual	\$ Fav/(Unfav)	% Fav/(Unfav)
Revenues				
Water Service Charges	547,420	547,479	59	0.0%
Sewer Service Charges	1,337,572	1,341,243	3,671	0.3%
Septage Service Charges	133,728	136,595	2,867	2.1%
Contracted Services	69,718	71,697	1,979	2.8%
Other	93,073	114,061	20,988	22.6%
Total Revenues	2,181,511	2,211,075	29,564	1.4%
Expenses				
Salaries	653,117	593,295	59,822	9.2%
Benefits	401,609	305,316	96,293	24.0%
Contracted Services (salaries & benefits)	36,541	40,314	(3,773)	-10.3%
Operating	1,353,046	1,349,417	3,629	0.3%
Capital	62,495	83,310	(20,815)	0.0%
Interest Expense	211,779	210,959	820	0.4%
Principal Expense	562,368	547,690	14,678	2.6%
Operating Reserves	50,563	47,209	3,355	6.6%
Total Expenses	3,331,518	3,177,510	154,009	4.6%
Transfers				
General Fund	1,150,007	966,435	(183,573)	-16.0%
Total Transfer In/(Out)	1,150,007	966,435	(183,573)	-16.0%
Subsidy %	34.5%	30.4%		

**Water and Wastewater Services
Explanation of Major Variances
As of March 31, 2024**

	<u>Fav/(Unfav)</u>
Revenues	
Water Service Charges	59
Sewer Service Charges	3,671
Septage Service Charges	2,867
Contracted Services	1,979
Other (equipment sales)	20,988
	<u>29,564</u>
Salaries	
Salaries - vacant Division Chief position	59,822
Benefits	
Health deductible	12,720
State Retirement	12,078
Taxes	6,823
Health premiums	61,767
Workmen's Compensation	2,905
	<u>96,293</u>
Contracted Services	
Nicholson	1,325
Galena	(5,098)
	<u>(3,773)</u>
Operating Expenses	
Water & Sewer agreement fees - Rock Hall/Galena FY23 expenses lower than anticipated	12,258
Electric	(6,783)
Auto & Diesel fuel	(11,889)
Other	10,043
	<u>3,629</u>
Capital	
Enterprise vehicle	(20,815)
Principal Expense	
Worton Water Quality loan	5,271
Enterprise	8,640
Other	767
	<u>14,678</u>



Jim Miller, Director, Human Resources
7/9/2024
County Commissioners Meeting

Item Summary:

Human Resources Policies: Employee Medical, Prescription, Dental, & Vision Insurances and Retiree Medical, Prescription, Dental, & Vision Insurances.

ATTACHMENTS:

Description

HR Cover Page

Retiree Health Insurances Powerpoint

Resolution - Retiree Medical, Prescription, Dental, & Vision

Employee_Medical__Prescription__Dental__Vision_Insurance_Policy_(retitled)_(1)

NEW Proposed Retiree Health Insurance Policy



Department of Human Resources

“Providing leadership and support to ensure the successful recruitment, development, and retention of a diverse, effective, and competent workforce to serve the residents of Kent County, MD.”

Kent County Department of Human Resources



1. Coverage – Retirees Prior To July 1, 2023

OVER 65:

- Retirees their spouses will continue to receive reimbursements for the following expenses at the same contribution rates as active employees as of June 30, 2023, for the remainder of their lifetime:
 - Medicare Part B (medical insurance) premiums;
 - Medicare deductible;
 - Supplemental health and prescription premiums;
 - County sponsored dental premiums; and
 - County sponsored vision premiums.

UNDER 65:

- Retirees their spouses, the County shall continue to contribute to the payment of their County-sponsored medical, prescription, dental, and vision insurances and related deductible expenses at the same contribution rates as active employees.

2. Coverage – Retirees on or After July 1, 2023

OVER 65:

- Employees who participated in County sponsored medical, prescription, dental and vision coverage for a minimum of five (5) years immediately prior to retirement, will be eligible to carry their current benefits into retirement.
- The County shall contribute to the payment of the continuation of the following elected expenses. The contribution rate will be the same as active employees, for their remainder of their lifetime:
 - Medicare Part B (medical insurance) premiums;
 - Medicare deductible;
 - Supplemental prescription premiums;
 - County sponsored dental premiums; and
 - County sponsored vision premiums.

NOTE: The County will not contribute to the reimbursement of supplemental medical insurance.

UNDER 65:

- Employees will be eligible to carry their current benefits into retirement.
- The County shall contribute to the payment of medical, prescription, dental, and vision insurances offered through the County, at the same contribution rates as active employees, until they reach the age of 65.

3. Health Reimbursement Arrangement

A Health Reimbursement Account (HRA) will be utilized to reimburse retirees for qualified expenses.

OVER 65:

- Retirees will submit eligible expenses for to the HRA for reimbursement.
- Reimbursements will be processed promptly and by either checks or direct deposit, based upon the retirees' preference.

UNDER 65:

- Reimbursements will continue to be submitted to the Human Resources Department. Reimbursements will be at the same rate as active employees.
- Retirees shall submit their portion of the healthcare expenses to the Human Resources Department.

4. Spousal Coverage – Retires on or After July 1, 2023

Anyone retiring on/after July 1, 2023, may elect spousal coverage if, as adopted by the County Commissioners on October 17, 2017 and effective on November 1, 2017:

- The retiree began employment with the County prior to November 1, 2017; and
- The retiree had spousal coverage for a minimum of five (5) years immediately prior to the retirement date.
- In the event that the spouse meets the requirements in 4A and 4B above, the County shall contribute to the payment of her/his medical, prescription, dental, and vision insurances and deductibles at the same rate as active employees.

In the event that the retiree does not meet the requirements in 4A and 4B above, coverage is limited to the retiree only.

5. Disenrollment of Coverage

- If an employee does not participate in County medical, prescription, dental and vision insurance or waives the coverage prior to retirement, she/he will not be eligible for this retiree health insurance program.
- At the time of retirement if the employee elects to waive participation in the program, she/he is not eligible to enroll in the program at a later date.
- Additionally, if a retiree participates in the program and then elects not to continue coverages they can not re-enroll in the program.



6. Surviving Spouse of a Retiree

- The County will permit the surviving spouse of the retiree to continue her/his health insurance as she/he had when the retiree was still living.
- The coverage would change to “Individual”, and the County will contribute at the same rate as active employees for approved expenses.

7. Re-employment of a Retiree

- If a retiree is re-employed full-time by the County, she/he will be eligible to elect County sponsored medical, prescription, dental and vision coverages.
- The retiree will also be eligible to waive County sponsored medical, prescription, dental and vision coverages and elect to stay in the retirement health insurance plan.
- If the retiree elects to stay in the retiree health insurance plan, her/his original retirement date will be used to determine the appropriate reimbursement.
- Furthermore, if the retiree opts to enroll in the County sponsored plans while re-employed full-time and subsequently leaves County employment the retiree will be eligible to re-enroll in the retiree health insurance plan.

RESOLUTION 2024-09
COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND
AMENDMENTS TO KENT COUNTY EMPLOYEE HANDBOOK

WHEREAS, The County Commissioners of Kent County, Maryland have previously adopted the Kent County Employee Handbook on October 17, 2017; and

WHEREAS, The County Commissioners of Kent County, Maryland have determined that the section of the *Health, Dental, & Vision Insurance* policy that relates to employee and retiree health insurance found on pages 44-45 should be separated into two stand-alone policies to clarify the coverages and cost for employees and retirees; and

WHEREAS, the Human Resources Department of Kent County, Maryland has developed and proposed on this date a new policy and the County Commissioners of Kent County, Maryland have reviewed said policy.

NOW, THEREFORE, Be It Resolved by the County Commissioners of Kent County, Maryland, that the *Health, Dental, & Vision Insurance* policy found on page 44-45 be amended and re-titled as the *Employee Medical, Prescription, Dental, & Vision Insurances* policy. Further, add a new policy, titled *Retiree Health, Prescription, Dental, & Vision Insurances*, be approved and added to the current policy manual beginning on page 44-A, 44-B, and 45.

BE IT FURTHER resolved that the new policy be effective July 1, 2023.

ADOPTED this 9th day of July 2024.

ATTEST

THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND

Sondra M. Blackiston, Clerk

Ronald H. Fithian, President

Albert H. Nickerson, Member

John F. Price, Member

forward” for Daylight Savings Time, and County offices may have been closed at times due to natural disasters or other emergency situations.

Administrative leave can be used only with approval of the County Administrator or his/her designee.

Leave without Pay

(amended 3/21/18, Resolution #2018-02)

Leave without pay may not be used until all applicable leave banks are depleted. Supervisors may authorize short periods of unpaid leave after consideration of the circumstances and needs of the department. Requests for leave without pay may be denied unless the leave is protected by law (such as FMLA).

Employee Assistance Program

The Employee Assistance Program (EAP) is available to all full time and permanent part time employees and their dependents at no charge. It is designed to provide confidential assistance to you for solving issues and problems that may be affecting your work life and/or personal life. It can also help you with resources for financial and legal issues, personal development and training, lifestyle benefits (such as weight lost and retirement/college planning) and more.

The EAP offers a large variety of services through face-to-face counseling, telephonic counseling, and a comprehensive website. Contact the HR department or go to www.theEAP.com for further information regarding this benefit.

Employee Medical, Prescription, Dental, & Vision Insurances

(Revised 07/09/2024)

We offer medical, dental, and vision care benefits to eligible employees and their dependents. Employees may participate in the medical, dental, and vision insurance plans subject to the terms and conditions of the agreement between Kent County and the insurance carriers. You may be enrolled in the insurance plans as long as you are a full time or permanent part time employee, you are actively working, you are on paid leave, or until the end of an approved FMLA leave, whichever occurs later. The County Commissioners shall determine the amount of the premium paid for full time employees and their dependents. For eligible part time employees, the County will pay fifty per cent of the costs paid for full time employees.

If you are enrolled in the medical, dental, and/or vision insurance and move to an employment classification that would make you no longer eligible for coverage, you may be able to continue your benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA). When employees are no longer employed with the County, they are subject to the COBRA legislation. See the Benefits Continuation (COBRA) policy in this handbook for more information.

You will find details of the medical, dental, and vision insurance plans in the Summary Plan Descriptions (SPD). When you become eligible, you will receive your SPD's and rate information prior to the enrollment date. For questions about insurance, contact the HR Department for additional information.

[end of policy]

RETIREE MEDICAL, PRESCRIPTION, DENTAL, & VISION INSURANCES

(Revised 07/09/2024; Resolution 2024-09)

The County Commissioners of Kent County Maryland will contribute to the medical, prescription, dental, and vision insurance plans for retirees with 30 years of accumulated County service in the Maryland State Retirement Pension System (MSRPS) or sworn deputies with 25 years of accumulated County service in the Law Enforcement Officers' Pension System (LEOPS), or correctional officers with 25 years of accumulated County service in the Correctional Officers' Retirement System (CORS).

1. COVERAGE - RETIREES PRIOR TO JULY 1, 2023

A. Retirees at or over the age of 65 and their spouses, the County shall contribute to the payment of the following expenses at the same contribution rates as active employees as of June 30, 2023, for their remainder of their lifetime:

- Medicare Part B (medical insurance) premiums;
- Medicare deductible;
- Supplemental health and prescription premiums;
- County sponsored dental premiums; and
- County sponsored vision premiums.

B. Retirees below the age of 65 and their spouses, the County shall contribute to the payment of their County-sponsored medical, prescription, dental, and vision insurances and related deductible expenses at the same contribution rates as active employees, until such time as they reach the age of 65. At age 65, they will be reimbursed as described in 1A above.

2. COVERAGE – RETIREES ON OR AFTER JULY 1, 2023

A. Employees who participated in County sponsored medical, prescription, dental and vision coverage for a minimum of five (5) years immediately prior to retirement, will be eligible to carry their current benefits into retirement. The County shall contribute to the payment of the continuation of the following elected expenses. The contribution rate will be the same as active employees, for their remainder of their lifetime:

- Medicare Part B (medical insurance) premiums;
- Medicare deductible;
- Supplemental prescription premiums;
- County sponsored dental premiums; and
- County sponsored vision premiums.
-

NOTE: The County will not reimburse supplemental medical insurance premiums.

- B. Retirees below the age of 65, will be eligible to carry their current benefits into retirement. The County shall contribute to the payment of medical, prescription, dental, and vision insurances offered through the County, at the same contribution rates as active employees, until they reach the age of 65. At age 65, they will be reimbursed as described in 2A above.

3. HEALTH REIMBURSEMENT ARRANGEMENT

Effective January 1, 2024, County Commissioners of Kent County Maryland began utilizing the services of a Third-Party Administrator (TPA) to manage Health Reimbursement Arrangements (HRA) for our retirees at/over the age of 65. The HRA will be utilized to reimburse for qualified expenses as detailed below:

- A. Retirees at/over the age of 65 will submit to the TPA documentation of eligible expenses for review and, if appropriate, reimbursement. The TPA will process reimbursements promptly and issue either checks or by direct deposit to the retirees, based upon the retirees' preference.
- B. For the retirees at/over 65, the TPA will be their point-of-contact for questions. Human Resources will be available to the retirees if issues arise.
- C. Reimbursements for retirees below the age of 65 cannot be made through an HRA. These individuals will submit to Kent County Human Resources documentation of deductible expenses for review and, if appropriate, reimbursement. Reimbursements will be at the same rate as active employees. Retirees shall submit their portion of the healthcare expenses to the Human Resources Department.

4. SPOUSAL COVERAGE – RETIREES ON OR AFTER JULY 1, 2023

Anyone retiring on/after July 1, 2023, may elect spousal coverage if, as adopted by the County Commissioners on October 17, 2017 and effective on November 1, 2017:

- A. The retiree began employment with the County prior to November 1, 2017; and
- B. The retiree had spousal coverage for a minimum of five (5) years immediately prior to the retirement date.
- C. In the event that the spouse meets the requirements in 4A and 4B above, the County shall contribute to the payment of her/his medical, prescription, dental, and vision insurances and deductibles at the same rate as active employees.

In the event that the retiree does not meet the requirements in 4A and 4B above, coverage is limited to the retiree only.

5. DISENROLLMENT OF COVERAGE

If an employee does not participate in County medical, prescription, dental and vision insurance or waives the coverage prior to retirement, she/he will not be eligible for this retiree health insurance program. At the time of retirement if the employee elects to waive participation in the program, she/he is not eligible to enroll in the program at a later date. Additionally, if a retiree participates in the program and then elects not to continue coverages, she/he cannot re-enroll in the program.

6. SURVIVING SPOUSE OF A RETIREE

In the event of the death of a retiree, and the spouse was participating in our health insurances, the County will permit the surviving spouse of the retiree to continue her/his health insurance as she/he had when the retiree was still living. However, since the coverage would change to “Individual”, the County will contribute at the same rate as active employees toward the approved expenses.

7. RE-EMPLOYMENT OF A RETIREE

If a retiree is re-employed full-time by the County, she/he will be eligible to elect County sponsored medical, prescription, dental and vision coverages. Additionally, the retiree will also be eligible to waive County sponsored medical, prescription, dental and vision coverages and elect to stay in the retirement health insurance plan. If the retiree elects to stay in the retiree health insurance plan, her/his original retirement date will be used to determine the appropriate reimbursement. Furthermore, if the retiree opts to enroll in the County sponsored plans while re-employed full-time and subsequently leaves County employment the retiree will be eligible to re-enroll in the retiree health insurance plan.

LIFE INSURANCE

Kent County offers a basic life insurance plan for eligible employees through participation in the MSRPS. This benefit is available after one year of eligible membership (you have worked 500 hours in a fiscal year) and is equivalent to one year of the employee’s salary at the time of death, the return of contributions you made to the system, and the interest earned on your contributions.

Eligible employees may also purchase additional life insurance for themselves and dependents through a voluntary program.

Participation in the life insurance plans are subject to the terms and conditions of the agreement between Kent County and its insurance carriers.

Contact HR for further details regarding the life insurance benefits



William Albright, KRM Development Corporation
7/9/2024
County Commissioners Meeting

Item Summary:

Lease Renewal Proposal, Kent County Board of Elections

ATTACHMENTS:

Description

07.09.24 Lease Proposal, KRM Development Corporation, 135 Dixon Drive, Kent County Board of Elections Office



205 Cannon Street; Suite 1
Chestertown, MD 21620
(410) 810 1574 *Phone*
(410) 810 1571 *Fax*

165 Log Canoe Circle, Suite J
Stevensville, MD 21666
(410) 604 2622 *Phone*
(410) 604 2624 *Fax*

www.krm-dev.com

June 21, 2024

Mrs. Shelley Heller, County Administrator
Kent County Board of Elections
c/o Commissioners of Kent County
400 High Street
Chestertown, MD 21620

Dear Mrs. Heller:

We appreciate the opportunity to provide this lease renewal proposal for the Kent County Board of Elections office.

- A. Property: 135 Dixon Drive, Chestertown, MD 21620; approximately 3,000 square feet of a 60,000 total square foot building.
- B. Use: Approximately 3,000 square feet of office space.
- C. Terms: See term options below ~~with improvements~~.
- D. Rent:

Month to month and not to exceed six (6) months:

$(7/15/24-12/31/24) 3,000 \text{ sf} \times \$15.00 \text{ sf/yr} = \$45,000/\text{yr} = \$3,750.00/\text{mo}$

*Monthly Estimated CAM at the date of this proposal is $\$.48 \text{ sf/year} = \$1,440.00/\text{yr} = \$120.00/\text{mo}$

~~E. Advance Rent:~~

~~Tenant shall pay to Landlord upon the execution of a lease the sum of one month's rent.~~

~~F. Security Deposit:~~

~~Tenant shall pay to Landlord upon the execution of a Lease the sum of one month's rent, which shall be refundable under the terms of the Lease. The security deposit shall be subject to adjustment in accordance with the terms of the Lease.~~

G. Obligations of the Landlord and Tenant:

- (a) Maintenance of foundations, structural portion of exterior walls, and roof by the Landlord.
- (b) All other maintenance – Common Area Maintenance (CAM) by Tenant. CAM includes lawn, tree, and shrub care, mulching of landscaping beds, grass cutting, snow removal, and security lighting. Tenant shall pay its proportionate share (based on percentage of space occupied relative to the whole building) of the maintenance and repair expenses for the common areas of the property.

- (c) Real Estate Property Taxes: Base Year Taxes paid by Landlord. Increase over and beyond base year paid by Tenant for its proportionate share of the premises.
- (d) Building Insurance by the Tenant for its proportionate share of the premises. (If property damage is caused by Tenant, it is Tenant's responsibility.)
- (e) Utilities: Tenant shall pay for all utilities (electric, internet, phone, etc.). Tenant shall pay its proportionate share (based on percentage of space occupied relative to the whole building) of the water ~~and propane~~ expenses as determined by Landlord. Square footage charged to follow rent schedule on page one.
- (f) Telephone and Computer: Tenant responsible for the purchase, installation, and maintenance of all telephone and computer lines from main terminal within the facility and to any other locations. Tenant responsible for own telephone and computer systems.
- (g) Security Systems: Tenant responsible for the purchase, installation, and maintenance of any security system within their leased space.
- (h) HVAC (Heating, Ventilation and Air Conditioning): Tenant must provide Landlord with a copy of a yearly service contract for the HVAC system installed at their location.

H. Signs: Tenant shall only place signs upon the property with the Landlord's prior consent.

I. Occupancy Date: N/A.

J. Expiration of Proposal: July 5, 2024.

LANDLORD AND TENANT ACKNOWLEDGE THAT THIS PROPOSAL IS NOT A LEASE OR AN AMENDMENT TO THE LEASE AND THAT IT IS INTENDED AS THE BASIS FOR THE PREPARATION OF A LEASE OR AN AMENDMENT TO THE LEASE BY LANDLORD. THE LEASE OR AMENDMENT TO THE LEASE SHALL BE SUBJECT TO LANDLORD'S AND TENANT'S APPROVAL, AND ONLY A FULLY EXECUTED LEASE OR AMENDMENT TO THE LEASE AGREEMENT SHALL CONSTITUTE A LEASE FOR THE PROPERTY.

I am available for questions or discussions at your convenience. I look forward to hearing from you soon.

Sincerely,



William H Albright
KRM Development Corporation



Maryland Environmental Service 7/9/2024 County Commissioners Meeting

Item Summary:

MidShore Regional Landfill

ATTACHMENTS:

Description

Amended and Restated MOU 07022024 Revision

9.15.92 Waste Disposal Service Agreement MES

DRAFT

AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE MIDSHORE REGIONAL COUNTIES AND THE MARYLAND ENVIRONMENTAL SERVICE FOR SOLID WASTE DISPOSAL

THIS AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING (“This Memorandum”) made this _____ day of _____, 2024, by and between the County Commissioners of Caroline County (“Caroline”), the County Commissioners of Kent County (“Kent”), the County Commissioners of Queen Anne’s County (“Queen Anne’s”), the Talbot County Council (“Talbot”) (the four counties collectively being the “Midshore Counties”) and the Maryland Environmental Service (“MES”).

PURPOSE

The purpose of this Memorandum is to set forth and confirm the parties’ respective obligations for the development, operation and closing by the Maryland Environmental Service of solid waste facilities that, based on current estimates for remaining permitted airspace at the Midshore II landfill, will serve the Midshore Counties through at least the year 2083.

BACKGROUND

Since the early 1980’s MES, Caroline, Queen Anne’s and Talbot have been working together to develop and implement a regional solution to those counties’ solid waste disposal needs. The parties first studied the feasibility of developing a resource recovery facility in the region. After concluding that a resource recovery facility was not practical, the parties then agreed in May, 1986, to move forward with a regional landfill project.

In March, 1988, the three counties and MES executed a contract (“1988 Contract”) whereby MES agreed to develop the regional landfill, including preparing the detailed engineering design of the facility, acquire all necessary federal, State and local permits and approvals, issue bonds to finance the cost of the new landfill, construct and then operate the project. The 1988 Contract obligated the three counties, and not MES, to select a site for the landfill.

Later that year, in July 1988, MES and Caroline, Queen Anne’s and Talbot signed a Memorandum of Understanding (“1988 MOU”) further defining their roles, responsibilities, obligations and direction of the parties in implementing the project. The 1988 MOU defined the project as the Midshore Regional Landfill (“Midshore I”) and designated the site of the landfill to be on a parcel of land adjacent to the Easton Landfill. MES was directed to take the lead in acquiring the site. Caroline and Queen Anne’s were required to establish an inventory of proposed sites in their respective counties for future regional landfills. Those two counties each agreed to acquire an option to purchase at least one of the sites designated in their respective counties. The parties also undertook to determine, by September, 1988, the most suitable method of securing revenues adequate to construct and operate the landfill and make provisions for the payment of debt service, including, but not limited to, MES establishing a solid waste service district pursuant to the MES Act, Title 3, Subtitle 1, Natural Resources Article, Annotated Code of Maryland. (“MES Act”).

Consistent with the 1988 Contract and the 1988 MOU, MES obtained a solid waste disposal permit from the Maryland Department of the Environment in January, 1990. MES also acquired from the Town of Easton the site for Midshore I. As a condition of transferring the property, the Town of Easton required MES to take title to the adjacent Easton Landfill, and to close and monitor the Easton Landfill in accordance with State and federal requirements.

To finance the cost of designing and constructing Midshore I, and closing the Easton Landfill, MES agreed that it would issue indebtedness. In February, 1990, MES issued its \$8,075,000 Revenue Bonds (Mid-Shore Regional Landfill Project), Series 1990, to finance a portion of the construction of Midshore I, and the closure of the Easton Landfill. The parties agreed that MES would not need to establish a MES service district.

Midshore I opened in 1991. In September 1992 Kent entered into a Service Agreement with MES to become the fourth Midshore County participating in the Midshore I project. MES successfully operated Midshore I for twenty years. In conjunction with the development of

additional cells at Midshore I MES issued additional debt. By agreement of MES and the Midshore Counties, Midshore I stopped accepting solid waste on December 31, 2010. MES subsequently constructed a closure cap at Midshore I in accordance with MDE regulations. MES continues to perform post-closure monitoring at Midshore I and the Easton Landfill. Under an agreement with Talbot, MES operates a homeowner drop-off facility and a small transfer station at Midshore I. The waste received at these two facilities is then transferred to Midshore II by MES.

In 2005 MES and the Midshore Counties entered into a Memorandum of Understanding (“2005 MOU”). Pursuant to the 2005 MOU Caroline provided a site adjacent to the Holly Road Landfill for construction of a second Midshore regional landfill (“Midshore II”). MES designed, obtained permits for, and constructed Midshore II, which opened in January, 2011. MES has successfully operated Midshore II since it opened.

In accordance with the 2005 MOU MES also designed and constructed the closure cap and has performed post-closure monitoring and closure cap maintenance at Caroline’s Hobbs Road Landfill. MES was authorized to utilize surplus operating funds from Midshore I, as well as the proceeds of additional debt it issued, for the design and construction of the Hobbs Road Landfill closure cap.

To finance the cost of designing and constructing Midshore II, closing Midshore I, closing the Hobbs Road Landfill and undertaking other Midshore projects, MES has issued a series of revenue bonds. As of April, 2024, MES has outstanding \$ 17,712,000 in debt for Midshore II and the other projects.

Pursuant to Waste Disposal Service Agreements executed by and between each of the Midshore Counties and MES (“Service Agreements”), MES is authorized to charge a tipping fee for each ton of solid waste accepted at Midshore II. If the sum of the tipping fees, plus any other revenues made available to MES are not sufficient to pay the total costs incurred by MES in operating Midshore II, including any debt service, the Service Agreements require the Midshore Counties to pay to MES a supplemental fee to make up the difference. To date, the Midshore Counties have never had to pay a supplemental fee.

The 2005 MOU included a provision that each of the Midshore Counties would host an active solid waste disposal facility for 20 years. The parties have since determined that Midshore II has sufficient solid waste disposal capacity, as measured by permitted air space, to remain open beyond the initial 20-year period. The parties recognize that operating Midshore II for more than

20 years will delay the need for MES to issue additional debt to fund the development of Midshore III, and the closure of Midshore II. By delaying the issuance of additional debt, and fully utilizing the capacity at Midshore II, MES will be able to spread the total costs of operating Midshore II over a longer period, which will benefit all citizens of the Midshore Counties.

The parties also recognize that by continuing to operate Midshore II for a period longer than 20 years Caroline will be impacted. The parties have determined that such impacts can be addressed by MES paying Caroline a Host Fee, as described in this Memorandum.

Each of the Midshore Counties, and MES, acknowledge and agree that the solid waste disposal needs of the Midshore region are best served by development of regional solid waste disposal facilities constructed, financed, and operated by MES.

ARTICLE I

CONFIRMATION OF THE WASTE DISPOSAL SERVICE AGREEMENTS

The Parties hereto expressly confirm that the Service Agreements by and between MES and each of the Midshore Counties are in full force and effect. The Parties further acknowledge that no party to the Service Agreements is in any way in default thereunder. Each Party agrees to continue to diligently perform their respective obligations under the Service Agreements. Nothing in this Memorandum shall be construed to be an amendment to any Service Agreement.

ARTICLE II
OBLIGATIONS OF THE MIDSHORE COUNTIES

Section 2.01. Designation of Solid Waste Disposal Sites

- A. The Parties acknowledge and agree that Talbot has met its obligation to provide a site for a regional solid waste disposal facility.
- B. The Parties acknowledge and agree that Caroline has met its obligations to provide a site for a regional solid waste disposal facility.
- C. The Parties acknowledge that Queen Anne's has acquired a site for a third Midshore regional solid waste disposal facility ("Midshore III"). Queen Anne's has represented that the site has sufficient developable acreage to permit full implementation of the projects described in Section 3.04. Queen Anne's shall take no action, nor shall it suffer any action to be taken, or use to be made, that would cause the site to be damaged or to be changed in any way that would diminish its usefulness as a solid waste disposal facility, or that would significantly increase the cost to develop or operate the site as a solid waste disposal facility. Queen Anne's shall convey the property to MES, or to another entity designated by the Midshore Counties, for reasonable and adequate consideration. Prior to December 31, 2028, Queen Anne's may designate a different site for Midshore III, but only if the site is sufficient to fully implement the projects described in Section 3.04.
- D. Unless otherwise agreed to by the Parties, in writing, within 12 years of the estimated closure date of Midshore III, but, based on current estimates on remaining permitted airspace at Midshore II, no later than December 31, 2050, Kent shall acquire all property rights necessary to develop an appropriate site for a fourth Midshore regional solid waste disposal facility ("Midshore IV"). The site shall have sufficient developable acreage to permit full implementation of the projects described in Section 3.04. Kent shall take no action, nor shall it suffer any action to be taken, or use to be made, that would cause the site to be damaged or to be changed in any way that would diminish its usefulness as a solid waste disposal facility, or that would significantly increase the cost to develop or operate the site as a solid waste disposal facility. Kent shall convey the property to MES, or to

another entity designated by the Midshore Counties, for reasonable and adequate consideration.

Section 2.02. Cooperation

- A. Each Midshore County shall perform such acts, and execute and deliver such other agreements and documents, which may be necessary or reasonably requested by any other Party to give full effect to this Memorandum, or to enable any other Party to perform its obligations hereunder. The Parties acknowledge that they will develop and execute, at future dates, additional agreements further defining their respective obligations. Each Midshore County shall take all such actions as are necessary to amend their land use and zoning laws to allow the sites described in Section 2.01 to be utilized as solid waste disposal facilities in accordance with this Memorandum.
- B. Each Midshore County shall take all such actions as are necessary to amend their respective Solid Waste Plans in a timely manner and in accordance with State law, to bring them into conformance with their respective obligations under this Memorandum.
- C. Unless otherwise excused by a subsequent written agreement, each Midshore County shall cause all municipal solid waste under its direct control to be delivered to one of the Midshore solid waste disposal facilities identified hereunder. Each Midshore County shall pay the standard tipping fee which is in effect at the time the solid waste is delivered. Each Midshore County shall also take such actions as are legally permissible to direct any municipality in a Midshore County to deliver the municipality's municipal solid waste to one of the Midshore solid waste disposal facilities identified in this Memorandum.
- D. No Midshore County will undertake the planning of, or participate in any way in, any other solid waste disposal or management project which may reasonably result in the success or the finances of facilities or projects implemented under this Memorandum being diminished or jeopardized, without first consulting with and obtaining the consent of MES and each of the other Midshore Counties.

- E. The Midshore Counties shall establish a technical advisory group to provide advice to MES on the planning, design, permitting, construction, operation, closure and post-closure monitoring of the solid waste disposal facilities contemplated by this MOU.

ARTICLE III
OBLIGATIONS OF MES

Section 3.01. Current Operations. MES shall continue to provide solid waste disposal services to the Midshore Counties as provided in the Service Agreements, as required by law, and as otherwise agreed by and between the Parties. These services generally include the current operation of Midshore II, and the post-closure monitoring of the Easton Landfill, Midshore I, and the Hobbs Road Landfill.

Section 3.02. Midshore II Road Improvements. MES will arrange for River Road to be repaved between Md. Route 480 and Holly Road, and MES will arrange for Holly Road to be repaved between River Road and the Ackerman Farm borrow site entrance. Repaving will be completed within 1 year of the date of execution of this MOU. All repaving will be made with a minimum of 2 inches of hot mix asphalt. Paving at Holly Road will include a wedge and level course to achieve 2% cross-sectional slopes.

Section 3.03. Closure of Midshore II. MES shall stop accepting solid waste for final disposal at Midshore II once the permitted airspace has been exhausted, which is estimated to be after June 30, 2042. MES shall close and cap Midshore II in accordance with the requirements of the Maryland Department of the Environment. MES shall also perform post-closure monitoring and maintenance of Midshore II for the period of time required by law.

Section 3.04. Future Solid Waste Disposal Facilities.

- A. MES shall plan for, design, obtain permits for, construct, operate, close, and conduct post-closure monitoring and maintenance for Midshore III. MES shall perform its obligations hereunder so that Midshore III shall be capable of accepting municipal solid waste for disposal on or before the date that the permitted airspace at Midshore II has been exhausted. Unless otherwise agreed by the Parties, Midshore III will be designed to meet or exceed current MDE and EPA landfill design requirements, to be capable of accepting all municipal solid waste generated in the Midshore Counties for a minimum period of twenty years from its date of initial operation, based upon US Census

population growth estimates available at the time the design is prepared. MES will not be obligated to design and construct Midshore III to be capable of accepting rubble or demolition debris, except in de minimis quantities.

- B. The Parties will determine at a future date the types of solid waste that will be accepted at Midshore IV. The Parties will also determine at a future date if the solid waste disposal needs of the Midshore Counties will be met by alternative means other than the solid waste disposal facilities contemplated at Midshore IV. Midshore IV shall be designed and constructed so as to be capable of accepting solid waste for at least 20 years.
- C. In performing its obligations under this MOU, MES will meet with and consider the advice of the Midshore technical advisory group designated pursuant to Section 2.02.E. of this MOU.

Section 3.05. Recycling. Each of the solid waste disposal facilities shall be constructed and operated in a manner that allows for the acceptance, storage and transfer of the same types of recyclable materials which MES currently manages at Midshore II. The Parties will periodically review whether other types of recyclable materials may be managed at the solid waste disposal facilities. Unless otherwise modified by the Midshore Counties, the Midshore Regional Recycling Program will continue to have primary responsibility for managing the Midshore Counties' recycling programs.

Section 3.06. Limitation of Liability. The obligations of MES under this Memorandum are limited obligations payable solely from such amounts as may be received by MES in connection with its operation of Midshore II and the provision of solid waste disposal services to the Midshore Counties under the Service Agreements, or this Memorandum. The obligations of MES shall not be payable from the general funds of MES, and the incurrence or non-performance of such obligations shall not constitute or create a legal or equitable pledge of, or lien or encumbrance upon, or claim against, any of the assets or property of MES or upon any of its income, receipts, or revenues, except the amounts described in the immediately preceding sentence.

ARTICLE IV
ACQUISITION OF MIDSHORE III SITE

Section 4.01. Obligation to Convey Midshore III Site. Queen Anne's and MES will negotiate a formal transfer agreement and will do all things reasonably necessary to convey from Queen Anne's to MES good and clear fee simple title to the Midshore III Site no later than December 31, 2036. Queen Anne's shall take no action, nor shall it suffer any action to be taken, or use to be made of the Midshore III Site, which would cause the Midshore III Site to be damaged or to be changed in any way that would diminish its usefulness for the type of solid waste disposal facility contemplated by this Memorandum, or that would significantly increase the cost to develop or operate the site for the type of solid waste disposal facility contemplated by this Memorandum. In particular, but without limitation, Queen Anne's shall not conduct or permit any soil removal activities on the Midshore III Site, nor shall it allow or authorize the storage or disposal of any solid or hazardous waste on the Midshore III Site.

Section 4.02. Consideration for Midshore III Site. In consideration of Queen Anne's providing the Midshore III Site, MES shall manage the operation of a residential drop-off facility located on or near Harper Road, Centreville, Maryland. MES shall only accept residential solid waste and recyclable materials at that facility. The costs of operating the residential drop-off facility and transferring solid waste from that facility to Midshore III shall be included in the costs of operating Midshore III. MES shall not be obligated to operate the residential drop-off facility until Midshore III has opened to accept solid waste.

Section 4.03. Access. Queen Anne's will permit MES, and its employees, agents, and contractors, reasonable access to the Midshore III Site for purposes consistent with MES' obligations under this MOU.

ARTICLE V
FINANCIAL MATTERS

Section 5.01. Project Costs. Costs related to the obligations of MES under the Service Agreements shall continue to be paid in accordance with those Agreements.

Section 5.02. Tipping Fee And Other Fees. In consultation with the Midshore Counties, and in accordance with its obligations under the Service Agreement, MES shall charge a Tipping Fee for solid waste disposal services provided by MES pursuant to the Service Agreements. MES may also collect surcharges and other fees for tires and other materials which require special handling or disposal. All such Tipping Fees, surcharges and other fees shall be deemed Landfill Revenues, as defined in the Service Agreements. Beginning on July 1, 2025, and at the start of each Fiscal Year thereafter while Midshore II remains open to accept solid waste, MES will increase the Tipping Fee for Residential and Commercial Waste by a minimum of 1.4% of the previous year's Tipping Fee ("Annual Tipping Fee Increase"). MES may defer imposing an Annual Tipping Fee Increase if it reasonably determines that Landfill Revenues (as defined in the Service Agreements) will be sufficient to fully cover Total Costs (as defined in the Service Agreements).

Section 5.03. Caroline County Host Fee. From July 1, 2024 through the date Midshore II stops accepting waste, MES will pay Caroline County a Host Fee ("Host Fee") for each ton of Residential and Commercial Waste accepted at Midshore II. From July 1, 2024, through December 31, 2030, the Host Fee will be \$3.00 per ton. From January 1, 2031, through the date Midshore II stops accepting waste, the Host Fee will be \$6.00 per ton. All amounts paid as Host Fees will be deemed to be included in the definition of Total Costs as set forth in the Service Agreements. No Host Fee will be paid for (i) any waste or materials accepted from Caroline County's Holly Road Collection site, or (ii) brush or yard waste. MES will pay the Host Fee to Caroline County quarterly, except that MES will have no obligation to pay any Host Fee until this Memorandum becomes effective as provided in Article VI and Section 7.05.

Section 5.04. Future Solid Waste Disposal Facilities. The Parties will cooperate to develop and implement funding strategies for implementation of the projects to be undertaken pursuant to this Memorandum.

ARTICLE VI

TERM

This Memorandum shall become effective upon the execution and delivery of each counterpart by each of the parties, as described in Section 7.05. Unless terminated sooner by agreement of all the Parties, and based on current estimates for remaining permitted airspace at the Midshore II landfill, this Memorandum shall remain in effect until Midshore IV closes, which the Parties estimate will be on or after December 31, 2083.

ARTICLE VII

GENERAL

Section 7.01. Counties' Contractual Representatives. Each of the Midshore Counties shall designate a person to be their contractual representative, with full authority to give and receive any notice or other communication required by this Memorandum or take any action in regard to the interest of their respective County under this Memorandum.

Section 7.02. General Compliance With Laws. Each Party shall comply with all applicable federal, State and local laws which affect performance hereunder. The Counties acknowledge that MES, as an agency of the State of Maryland, is exempt from the application of local laws, unless expressly directed by the General Assembly of Maryland to comply with such laws.

Section 7.03. Amendments. This Memorandum may be amended from time to time by written agreement, duly authorized and executed by the Parties hereto. Oral statements purporting to amend this Memorandum shall not be binding on the Parties.

Section 7.04. Other Projects. The Midshore Counties and MES acknowledge that as of the effective date of this Memorandum Queen Anne's and Kent continue to be obligated to provide, respectively, sites for Midshore III and Midshore IV. In lieu of designating a site for a solid waste disposal facility, Queen Anne's and Kent may each propose an alternative project for managing or disposing of the Midshore Counties' municipal solid waste. A proposed alternative project may

not be adopted or be implemented until it has been approved by all the Midshore Counties. Unless the Midshore Counties unanimously agree otherwise, MES shall develop, implement and manage any such alternative project. In the event the Midshore Counties determine that they will not utilize MES to implement Midshore III or Midshore IV, or an alternative project, the Midshore Counties shall be obligated to provide for all costs related to the closure, maintenance, post-closure monitoring, or any other costs associated with Midshore I, Midshore II, and any other project contemplated or implemented pursuant to this Memorandum.

Section 7.05. Counterparts. This Memorandum may be executed in separate counterparts by MES and each of the Midshore Counties, each of which shall be deemed an original, and all of which when executed and delivered shall together constitute one and the same agreement. This Memorandum shall not be effective until each Midshore County has executed and delivered its Memorandum.

IN WITNESS WHEREOF, the County Commissioners of _____ County and MES have signed this Memorandum to be effective the day and year first above written.

_____ **COUNTY, MARYLAND**

ATTEST: (COUNTY SEAL)

BY: _____
President

BY: _____
Vice President

BY: _____
Member

MARYLAND ENVIRONMENTAL SERVICE

ATTEST (AGENCY SEAL)

BY: _____

Charles Glass, Ph.D., P.E., Executive Director

WASTE DISPOSAL SERVICE AGREEMENT

by and between

MARYLAND ENVIRONMENTAL SERVICE

and

COUNTY COMMISSIONERS OF KENT COUNTY

Dated as of September 15, 1992

#92-1516B

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WASTE DISPOSAL SERVICE AGREEMENT

THIS WASTE DISPOSAL SERVICE AGREEMENT, is made and entered into as of the fifteenth day of September, 1992 by and between County Commissioners of Kent County (the "County"), a body politic and corporate and a political subdivision of the State of Maryland, and Maryland Environmental Service (the "Service"), an instrumentality of the State of Maryland constituted as a body politic and corporate.

R E C I T A L S

A. The Service issued its \$8,075,000 Revenue Bonds (Mid-Shore Regional Landfill Project) Series 1990, dated February 15, 1990 (the "Series 1990 Bonds") in order to finance the acquisition, design, construction and equipping of a new landfill to be located in Talbot County, Maryland, near the Town of Easton (the "Regional Landfill").

B. In connection with the issuance of the Series 1990 Bonds, County Commissioners of Caroline County, County Commissioners of Queen Anne's County and Talbot County, Maryland (together with the County, the "Mid-Shore Counties") entered into Waste Disposal Service Agreements with the Service for the disposal of solid waste generated within the boundaries of such counties (together with this Agreement, the "Waste Disposal Service Agreements").

C. The Regional Landfill was completed in March, 1991 and has been in continuous operation since then.

D. County Commissioners of Kent County has determined that it is in the best interest of the residents of the County to dispose of County waste at the Regional Landfill by entering into this Agreement.

E. It is anticipated that, in addition to the Series 1990 Bonds, the Service will issue additional Indebtedness (as defined in Section 1.1, "Indebtedness") to provide for construction required to develop the Regional Landfill to its full capacity. It is also contemplated and agreed by the Service and the County that the Service, with the prior written consent of the County, may issue Indebtedness in order to acquire, design, construct and equip Alternative Sites so that the Service can satisfy its waste disposal obligations under this Agreement. The security for the Service's obligation to repay the Indebtedness so issued, and for any Indebtedness that may be issued to provide solid waste disposal services under this Agreement, will include a security interest

in favor of the trustee for Indebtedness in the receipts of the Service under the Waste Disposal Service Agreements, along with such other security as may be provided or arranged for by the Service.

F. The Service has established within its own funds and accounts a Special Purpose Fund (as defined in Section 1.1, the "Special Purpose Fund") for Mid-Shore Counties Waste Disposal Services, and will maintain discrete accounting records of all transactions relating thereto.

G. It is anticipated that the Service will establish, charge, and collect fees from users, at rates and in amounts sufficient to pay the Total Costs (defined herein) of its waste disposal services under the Waste Disposal Service Agreements. The Mid-Shore Counties agree in the Waste Disposal Service Agreements to pay the Supplemental Fee (defined herein) necessary to make up for any shortfall in Landfill Revenues (defined herein) to pay Total Costs.

H. The County desires to enter into the arrangements provided for herein for the disposal by the Service of solid waste generated within the County and delivered hereunder and has determined that it is willing to bear all of the costs incurred by the Service in disposing of waste so delivered.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 Definitions.

The following are definitions of certain terms used in this Agreement.

"Acceptable Waste" means:

(a) household garbage, trash, rubbish, refuse and offal of the kinds now normally collected or disposed of, or caused to be collected or disposed of by the County, including, without limitation,

(i) oversized household items such as beds, mattresses, sofas, refrigerators and washing machines (which items may be delivered separately),

(ii) leaves, twigs, grass and plant cuttings,

(iii) branches, tree logs and wood,

(iv) items of discarded tangible personal property such as bicycles, baby carriages or occasional tires; and

(b) such types of commercial and light industrial waste as are now normally collected or disposed of, or caused to be collected or disposed of, by the County; and

(c) non-burnable construction material or demolition debris.

In no event shall Acceptable Waste include any materials that are Unacceptable Waste. At any time, the County and the Service mutually may agree that any materials initially defined as Unacceptable Waste will be reclassified as Acceptable Waste or any materials initially defined as Acceptable Waste will be reclassified as Unacceptable Waste.

"Agreement" means this Waste Disposal Service Agreement between the Service and the County, as the same may from time to time be amended, modified or supplemented in accordance with the terms hereof.

"Alternative Site" means any sanitary landfill or other solid waste disposal facility of any type, other than the Regional Landfill, owned by, and operated by or under contract with, the Service at which Acceptable Waste is accepted, stored or disposed of by the Service and which may be used by the Service for the purpose of providing solid waste disposal services to the County under this Agreement.

"Applicable Law" means any law, regulation, requirement or order of any federal, state or local agency, court or other governmental body applicable from time to time to the acquisition, design, construction, equipping, financing, ownership, possession or operation of the Regional Landfill or the performance of any obligations under this Agreement or any other agreement entered into in connection therewith.

"Business Day" means any day other than a Saturday, a Sunday or a day on which either State or national banks in Maryland are not open for the conduct of normal banking business.

"Commercial Operations Date" means March 15, 1991.

"Debt Service" means an amount equal to (i) the amount of any principal of and premium, if any, and interest on the Indebtedness or any other financing by or on behalf of the Service to finance costs related to the Regional Landfill or any Alternative Site or the provision of services under this Agreement plus (ii) fees and expenses (including fees and expenses of counsel to the Service) of the Service, the Trustee, and any remarketing agent, letter of credit bank or other credit facility provider, and tender agent, if any, for the Indebtedness and administrative fees and expenses of the Service under the Trust Indenture and any other financing documents relating to the Indebtedness.

"Disposal Site" means any sanitary landfill or other solid waste disposal facility designated by the Service to receive all or a portion of the solid waste required to be disposed of by the Service under this Agreement, including (without limitation) the Regional Landfill and any Alternative Site.

"Easton Landfill" means the property located adjacent to the Regional Landfill consisting of approximately 18.5 acres, and utilized by the Town of Easton as a sanitary landfill, to be closed upon the opening of the Regional Landfill.

"Event of Default" has the respective meanings specified in Sections 8.2 and 8.3.

"Fiscal Year" means the year commencing on July 1 of any calendar year and ending on June 30 of the succeeding calendar year.

"Hauler" means any Person who provides commercial solid waste disposal services and who has received a license or permit from any of the Mid-Shore Counties, or who has otherwise been approved to provide such waste disposal services by the Mid-Shore Counties, and whose name and address has been provided to the Service in writing by any of the Mid-Shore Counties.

"Hazardous Waste" means:

(a) any material or substance the treatment, storage or disposal of which, because of the composition or characteristics of the material or substance, is unlawful to treat, store or dispose of at the Regional Landfill and is considered hazardous material under Applicable Law, including, without limitation, materials that are:

(i) regulated as a toxic or hazardous waste as defined under either Subtitle C of the Solid Waste Disposal Act, 42 U.S.C. §§ 6921-6939a, or Section 6(e) of the Toxic Substances Control Act, 15 U.S.C. §2605(e), as replaced, amended, expanded or supplemented, and any rules or regulations promulgated thereunder, or under the Environment Article of the Annotated Code of Maryland, Title 7, Section 7-101 et seq., as replaced, amended, expanded or supplemented, and any rules or regulations promulgated thereunder, or

(ii) low level nuclear materials, special nuclear materials or nuclear by-product materials, all within the meaning of the Atomic Energy Act of 1954; and

(b) any other materials which any governmental agency or unit having appropriate jurisdiction shall lawfully determine from time to time to be ineligible for disposal through facilities similar to the Regional Landfill because of the harmful, toxic or dangerous composition or characteristics of the material or substance.

"Holiday" means New Year's Day, Independence Day, Thanksgiving Day, and Christmas Day.

"Indebtedness" means any bonds, notes, commercial paper or other obligations issued by the Service for borrowed money relating to the provision of solid waste disposal services under this Agreement.

"Independent Engineer" means the firm of Gershman, Bratton and Brickner, or another engineer or firm of engineers of recognized national standing retained by the Service.

"Independent Public Accountants" means the firm of Touche Ross Co., or another independent public accountant or firm of independent public accountants of recognized national standing retained by the Service.

"Landfill Revenues" means, for any Fiscal Year, the aggregate amount of any revenues, fees and income received by the Service in connection with the operation of the Regional Landfill and the provision of solid waste disposal services to the Mid-Shore Counties under the Waste Disposal Service Agreements, including (without limitation) (a) revenues from tipping fees charged to all users of the Regional Landfill; (b) other operating revenues of the Regional Landfill, including (but not limited to) charges for services or use of property or equipment, proceeds from sale of recyclable materials and revenues from gas, steam, or electricity; and (c) interest earnings on money held by the Service in the Special Purpose Fund, but not including interest earnings on any accounts or reserves created under Section 5.9(b) of this Agreement; provided, however, that Landfill Revenues do not include the Supplemental Fee; and provided further, that Landfill Revenues do not include (x) gifts, grants, bequests, contributions or donations to the Service which constitute non-operating revenue of the Service or (y) any balance in the Special Purpose Fund on the first day of a Fiscal Year carried over from any previous Fiscal Year.

"Mid-Shore Counties" has the meaning given in Recital Clause B.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company or unincorporated organization, or any government unit or agency or political subdivision.

"Proportionate Share" of a Mid-Shore County means, for any Fiscal Year, the fraction the numerator of which is the population of the Mid-Shore County and the denominator of which is the aggregate population of the Mid-Shore Counties. For purposes of determining the Proportionate Share, population figures for the most recent calendar year for which such figures are published in the U.S. Department of Commerce: Bureau of the Census, Current Population Reports, Series P-26 (the "Current Population Report") shall be used. If the Current Population Report is no longer published, another publication or manner of determining population acceptable to the Mid-Shore Counties and the Service shall be used.

Beginning in the Fiscal Year immediately following the Fiscal Year in which a method for determining the amount (in tons) of Acceptable Waste generated in each Mid-Shore County is developed which is acceptable to the Mid-Shore Counties and the Service, the Mid-Shore Counties may agree in writing that Proportionate Share of a Mid-Shore County shall mean for any Fiscal Year, from the date specified in such written agreement, the fraction the numerator of which is the amount of Acceptable Waste generated in the Mid-Shore County in the immediately preceding calendar year and the denominator of which is the aggregate amount of Acceptable Waste generated in the Mid-Shore Counties in the immediately preceding calendar year.

"Receiving Hours" has the meaning specified in Section 2.3.

"Recovered Materials" means glass, paper, metals, plastics, "white goods" or other materials recovered or separated from Acceptable Waste delivered to the Service for disposal.

"Regional Landfill" means the sanitary landfill which the Service anticipates developing on an approximately 137 acre parcel of land located between Barker's Landing Road and North Dover Road immediately east of Dover Neck Road and more particularly described in the Landfill Deed, and which is intended to receive solid waste from the Mid-Shore Counties under the Waste Disposal Service Agreements.

"Rejected Waste" means any waste delivered to the Service that is determined to be Unacceptable Waste by the Service after it is deposited at the Disposal Site.

"Returned Waste" means any waste delivered to the Service that is determined by the Service to be Unacceptable Waste before it is deposited at the Disposal Site.

"Service" means Maryland Environmental Service, an instrumentality of the State of Maryland constituted as a body politic and corporate.

"Special Purpose Fund" means the Mid-Shore Counties Solid Waste Disposal Services Fund established on the books of the Service for the purpose of maintaining discrete financial accounting records of transactions undertaken pursuant to this Agreement and described in Section 5.9.

"Supplemental Fee" means the fee payable by the Mid-Shore Counties to the Service for solid waste disposal services under the Waste Disposal Service Agreements and described in Section 5.4.

"Tipping Fee" means the per ton fee payable for solid waste disposal services pursuant to this Agreement.

"Ton" means a "short ton" of two thousand (2,000) pounds.

"Total Costs" means, with regard to any Fiscal Year, all costs or expenses of the Service, or amounts payable by the Service, in connection with the ownership or operation of the Regional Landfill or any Alternative Site, or the performance by the Service of its obligations under this Agreement, including (without limitation) the sum of:

(a) an amount for the cost of facilities, which shall be equal to Debt Service for the Fiscal Year; provided, however, that if in any Fiscal Year more than a total of 80,000 tons of waste is accepted at the Regional Landfill or other Disposal Sites, then the Total Costs for such Fiscal Year shall be increased by an amount determined by the Service to be equal to the aggregate principal amount of Indebtedness outstanding times a fraction the numerator of which is the number of tons of waste so accepted in excess of 80,000 and the denominator of which is the estimated total remaining number of tons of waste which the Regional Landfill is capable of holding; and

(b) an amount equal to the aggregate costs of operation, maintenance, repair, equipping and management of the Regional Landfill and any Alternative Sites and the provision of waste disposal services under the Waste Disposal Service Agreements for the Fiscal Year, including (but not limited to) (i) the costs of any services provided under operating contracts, service charges or rentals or tipping fees paid to owners or operators of Disposal Sites, (ii) the costs of disposal of Unacceptable Waste, (iii) the costs of direct labor, supervision, on-site clerical support, fringe benefits, insurance, taxes, materials, supplies, transportation, utilities, tools, equipment, rentals, and lease payments, (iv) the cost of providing and operating monitoring wells with respect to the Easton Landfill the Regional Landfill and any Alternative Sites, (v) the estimated cost of closure of the Regional Landfill and any Alternative Sites and (vi) all indirect costs to the Service for administrative, financial, engineering and other oversight and support services (including fees and expenses of counsel to the Service); and

(c) an amount to provide for general maintenance, compliance monitoring and other costs to be incurred after the Regional Landfill or any Alternative Site has been closed, which amount shall be equal to one dollar multiplied by the aggregate number of tons of waste accepted for disposal at the Regional Landfill or other Disposal Sites pursuant to this Agreement in the Fiscal Year. These amounts shall be held by the Service in a separate fund within the Special Purpose Fund designated the Regional Landfill Closure Fund.

"Total Revenues" means, for any Fiscal Year, the sum of Landfill Revenues and the Supplemental Fee.

"Trust Indenture" means any trust indenture, bond resolution or comparable instrument under which Indebtedness is issued by the Service in connection with the financing or refinancing of the Regional Landfill or any Alternative Sites or otherwise in connection with the provision of services under the Waste Disposal Service Agreements, or any modifications thereof or additions thereto, which Indebtedness is, in whole or in part, payable from the revenues credited to the Special Purpose Fund.

"Trustee" means the trustee under the Trust Indenture.

"Unacceptable Waste" means:

(a) Hazardous Waste; and

(b) that portion of solid waste the disposal of which by the Service pursuant to this Agreement (i) may present a substantial endangerment to public health or safety, or (ii) would cause Applicable Law to be violated, or (iii) is likely to materially adversely affect the operation of the Regional Landfill or other Disposal Sites; provided, however, that if such Unacceptable Waste (other than Hazardous Waste) is delivered in quantities and concentrations as determined by the Service and as part of normal collections so as not to have the effect described in clauses (i), (ii) or (iii) above it shall constitute Acceptable Waste unless otherwise directed by State or federal regulatory authorities. The Unacceptable Waste described in this paragraph (b) shall include (without limitation) explosives, pathological and biological waste, radioactive materials, ashes, foundry sand, sewage sludge, cesspool and other human waste, "red bag" or other types of infectious medical waste, human and animal remains, motor vehicles, including such major motor vehicles parts as

automobile transmissions, engines and rear ends, agricultural and farm machinery and equipment, marine vessels and major parts thereof, any other large type of machinery or equipment and liquid wastes.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Regional Landfill, any Alternative Site, the County, the Service or any other Person, having, or which may reasonably be expected to have, a material adverse effect on any of the Project Agreements or on the Regional Landfill or any Alternative Site or the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Regional Landfill or any Alternative Site, if such event or condition is beyond the reasonable control and not the result of willful or negligent action or a lack of reasonable diligence, of the party (the "Non-Performing Party") relying thereon as justification for not performing any obligation or complying with any condition required of such party hereunder.

"Waste Disposal Service Agreements" has the meaning given in Recital Clause B.

ARTICLE II

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE; OPERATING PROCEDURES

SECTION 2.1 Delivery and Acceptance of Waste.

Beginning on August 15, 1991 and throughout the term of this Agreement, but subject to the provisions of this Section 2.1(b) and of Sections 2.11, 2.12 and 2.13 the County shall deliver or cause to be delivered to the Service all Acceptable Waste generated within the County other than Acceptable Waste which is removed from the waste stream for recycling purposes in accordance with the provisions of this Agreement and without cost to the Service, provided, however that so long as the County pays its Proportionate Share of the Supplemental Fee the failure to deliver all such Acceptable Waste to the Service shall not constitute or give rise to a breach of this Agreement or an Event of Default under this Agreement by the County. The Service shall accept all such Acceptable Waste from the County.

All deliveries shall be made to the Regional Landfill unless the Service notifies the County that the Regional Landfill is not capable of accepting deliveries of waste; in which event the Service shall direct that waste be delivered to the Disposal Site designated by the Service. In no event will use by the Service of Disposal Sites other than the Regional Landfill constitute or give rise to a breach of this Agreement or an Event of Default under this Agreement by the Service.

The Service and the County agree that for the first complete Fiscal Year of solid waste disposal services provided under this Agreement, and for any fraction of a year of such services provided prior thereto, the Service may use the solid waste tonnage estimates agreed to by the Service and the County in estimating Total Costs of solid waste disposal services in establishing the Tipping Fee.

SECTION 2.2. Subcontracting.

The Service may subcontract all or a portion of its obligations under this Agreement to any entity which in the judgment of the Service is qualified to operate a particular Disposal Site, but only (i) with the prior written consent of the Mid-Shore Counties, which consent shall not be unreasonably withheld and (ii) upon receipt of a certificate from the Independent Engineer that the proposed subcontractor is qualified to perform the subcontracted obligation; provided,

however, that no such subcontract shall relieve the Service from its obligations under this Agreement. In addition, the Mid-Shore Counties may request that the Service subcontract all or a portion of its obligations under this Agreement. Any such request shall be made in writing and shall state the reasons for such request. The Service may not be required to subcontract any such obligations, and any decision of the Service to subcontract all or a portion of its obligations shall be made in the sole discretion of the Service.

SECTION 2.3. Receiving Hours.

The Service shall keep the Regional Landfill open (or use reasonable efforts to cause any other Disposal Site to be kept open) for the receiving of Acceptable Waste from 7 a.m. until 3:30 p.m. Monday through Friday and from 9 a.m. until 2 p.m. on Saturdays, except Holidays (as defined in Section 1.1, the "Receiving Hours"). The estimate to be given to the County pursuant to Section 5.8 of this Agreement shall be accompanied by a statement indicating the days of the week on which the Service will observe any Holidays during the next calendar year.

SECTION 2.4. Emergency Operation.

In the event that, due to a natural disaster or other emergency condition, there is delivered to the Service Acceptable Waste in quantities substantially in excess of those normally delivered during such season, the Service shall use reasonable efforts to accommodate the additional service demands; provided, however, that the Service's determination as to its methods of operation and its ability to provide all such solid waste disposal services as demanded on a timely basis shall be final. Payment for any such extraordinary operation to accept Acceptable Waste in quantities in excess of usual amounts shall be made as provided in Section 5.2(a). Additional charges for deliveries under this Section 2.4 of Acceptable Waste at hours other than the Receiving Hours shall be payable by the County as provided in Section 5.5.

SECTION 2.5. Additional Hours of Operation.

The Service, at its discretion, may keep the Regional Landfill open until 7 p.m., Monday through Saturday, or such later hours as shall be permitted by the Mid-Shore Counties, and upon the request of the County, may agree to receive Acceptable Waste at hours other than the Receiving Hours to the extent permitted by Applicable Law. The Service shall receive Acceptable Waste at hours other than the Receiving Hours to the extent permitted by Applicable Law if the County shall have given the Service 14 days' prior written notice of the delivery

thereof. Additional charges for operations outside of Receiving Hours pursuant to this Section 2.5 shall be payable by the County as provided in Section 5.5.

SECTION 2.6. Repairs and Maintenance.

Except as otherwise provided herein, the Service shall maintain the Regional Landfill and any Alternative Sites in good condition, including necessary repairs and replacement, consistent with normal and accepted solid waste handling practices. The Service shall maintain the safety of the Regional Landfill and any Alternative Sites at a level consistent with Applicable Law. The Service shall maintain all of the facilities, buildings, grounds, equipment, and systems used to provide solid waste disposal services under this Agreement, in good repair and in a neat and orderly condition to protect them against deterioration and to maintain the aesthetic quality of the Regional Landfill site and any Alternative Sites.

The Service shall require and enforce similar standards with regard to repair, replacement, safety, maintenance, and appearance, in its arrangements with any operators under subcontract.

SECTION 2.7. Access and Security.

The County shall have the right to visit or inspect the Regional Landfill and any Alternative Sites at any reasonable time upon giving the Service reasonable notice. Any such visits shall be conducted in a manner so as to cause minimum interference with solid waste disposal operations. In connection with such visits and inspections, the County and any agent or representative of the County shall comply with all reasonable rules and regulations adopted by the Service. Such rules and regulations may include a requirement that each Person, including any agent or representative of the County, visiting the Regional Landfill or Alternative Site, shall sign a statement (a) assuming the risk of the visit to the facility, (b) stating that such Person shall not, except as may be required by law, intentionally disclose or use any confidential information of the Service other than for the purpose for which it was furnished and that no such information shall be duplicated or disclosed to others or used in whole or part for any other purpose, except that portions of it may be furnished to other Persons who (i) have agreed in writing to restrict the use thereof as herein provided and (ii) have been retained by the County to comment upon or evaluate such information.

SECTION 2.8. Regulatory Requirements.

The Service shall use its best efforts to operate (or cause to be operated) the Regional Landfill and any Alternative Sites in a manner which will not violate any Applicable Law. The Service shall not be deemed to have breached its obligations under the preceding sentence in respect of any period during which it may in good faith be contesting the validity or application of any such law or regulation or be diligently attempting to comply therewith, in each case to the extent that Applicable Law permits continued operation pending resolution of said dispute.

SECTION 2.9. Weighing Records.

The Service shall operate and maintain motor truck scales, calibrated to the accuracy required by Maryland law, to weigh all vehicles delivering solid waste to the Service for disposal or removing Rejected Waste, Recovered Materials or Returned Waste. Each loaded vehicle shall be weighed, indicating gross weight, tare weight, date and time, vehicle identification, and the hauler's identification on a weight record.

The Service shall maintain daily records of the total tonnage of waste delivered to the Service, the tonnage of Acceptable Waste accepted by the Service, and the tonnages of Recovered Materials, Rejected Waste, and Returned Waste, respectively. The Service shall furnish to the County in respect of each month such information as may be reasonably required by the County within ten days after the end of such month. Copies of all weigh tickets will be maintained by the Service for a period of at least two years.

SECTION 2.10. Ownership of Waste.

Nothing in this Agreement shall impose upon the County or the Service title to any waste.

SECTION 2.11. Returned and Rejected Waste; Recovered Materials.

The Service, or its designated agent or contract operator, may separate, remove, and dispose of Recovered Materials. In the event that the County or Haulers shall deliver waste which is determined by the Service to be Unacceptable Waste after it has been delivered and unloaded, the Service shall remove and dispose of such waste, as Rejected Waste, at the County's cost and expense with respect to waste delivered by the County and at the Hauler's cost and expense with respect to waste delivered by the Hauler. In the event

that the County or Haulers shall deliver waste which is determined by the Service to be Unacceptable Waste (or waste which contains Unacceptable Waste if the Service deems it impracticable to separate such Unacceptable Waste or the County or Haulers delivering such waste is unwilling to make such separation) prior to being delivered and unloaded, such waste shall be deemed Returned Waste and the Service may, at its election, (a) refuse to accept such waste, upon which refusal the County or Haulers, as the case may be, shall promptly remove and dispose of all of such waste so refused or (b) remove and dispose of such waste, in either case at the cost and expense of the County with respect to waste delivered by the County and at the cost and expense of the Hauler with respect to waste delivered by the Hauler. Any invoice submitted in respect of costs and expenses to be borne by the County under this Section 2.11 shall be payable by the County within 21 days of the date thereof.

The Service shall maintain cost records with respect to (i) the removal and disposal of Rejected Waste, Recovered Materials and Returned Waste that the Service elects to remove and dispose of under clause (b) of this Section 2.11, and (ii) the cost of correcting damage and cleaning up spillage for which the County is responsible pursuant to Section 2.12, all in accordance with generally accepted accounting principles. Such cost records, to the extent they relate to Rejected Waste, or Returned Waste that the Service elects to remove and dispose of under such clause or such damage or spillage, allocable to the County, shall be made available for inspection by the County at such times during normal business hours as the County may reasonably request.

SECTION 2.12. Manner of Deliveries.

The County shall, and the Service shall cause all Haulers to, provide the Service with the following information about each hauler delivering Acceptable Waste to the Service for the account of the County: name and address; make, body type and motor vehicle registration number of each vehicle used; area of collection; and status as municipal vehicle operator or contract hauler.

The County shall use their best efforts to deliver only Acceptable Waste to the Service and not to bring any vehicle onto a Disposal Site which is carrying refuse which may leak, spill or allow waste to be blown or scattered before unloading, all in accordance with the Service's regulations. The County shall bear the cost of correcting any damage or cleaning up any spillage caused by its employees and shall reimburse the Service on demand for all such costs. The

Service shall require that any Hauler bear the cost of any damage or cleaning up any spillage caused by such Hauler or its employees.

SECTION 2.13. Refusal of Deliveries.

(a) Extent of Refusal Rights

Notwithstanding Section 2.1, the Service may refuse delivery of:

- (i) any waste other than Acceptable Waste;
- (ii) any waste delivered at hours other than Receiving Hours or such other hours as may be established under Section 2.4 or 2.5;
- (iii) any Acceptable Waste which the Service is not obligated to accept under Section 2.1 or 2.13(b); and
- (iv) any waste on any day which, in the judgment of the Service, is beyond the capacity of the Service to handle during Receiving Hours.

(b) Inspection of Delivered Waste

The Service shall have the right but not the obligation to inspect all vehicles delivering waste to a Disposal Site hereunder, and shall have the right to require that the County or any Hauler remove from any such vehicle before it is unloaded, all waste which is not Acceptable Waste. If the Service determines that it is impractical to separate Acceptable Waste from Unacceptable Waste in any vehicle, or the County or any Hauler delivering such waste is unwilling to make such separation, then the Service may reject the entire vehicle, the waste in such vehicle shall constitute Returned Waste, and such waste shall be removed and disposed of as provided in Section 2.11, all at the cost and expense of the County with respect to waste delivered by the County and at the cost and expense of the Hauler with respect to waste delivered by the Hauler.

SECTION 2.14. Deliveries.

Deliveries of Acceptable Waste hereunder shall be substantially in accordance with schedules reasonably determined by the Service after consultation with the Mid-Shore

Counties and incorporated in the rules and regulations adopted by the Service with respect thereto. Such scheduling shall not unreasonably impede the ability of each Mid-Shore County to deliver efficiently normal amounts of Acceptable Waste generated within the County and delivered to the Service. The County shall cooperate with the Service in the development and implementation of such scheduling procedures.

SECTION 2.15. Other Contracts for Waste Delivery.

The County acknowledges and agrees that the Service may accept Acceptable Waste from Haulers or other Persons other than the County; provided, however, that (i) tipping fees are charged and collected from such other Persons in accordance with Section 5.3 and (ii) acceptance of such Acceptable Waste does not impair the ability of the Service to perform its obligations under the first paragraph of Section 2.1(b). Anything in this Agreement to the contrary notwithstanding, the Service shall not accept any waste generated or collected outside of the Mid-Shore Counties (i) without the prior written consent of the Mid-Shore Counties or (ii) unless one or more of the Mid-Shore Counties is in default under a Waste Disposal Service Agreement. Prior to accepting any waste generated or collected outside of the Mid-Shore Counties in connection with a default by any of the Mid-Shore Counties under a Waste Disposal Service Agreement which can be cured, the Service shall provide the Mid-Shore Counties not in default under the Waste Disposal Service Agreements, if any, with notice of such default. Such Mid-Shore Counties shall have the right to cure such default within fifteen days of such notice.

ARTICLE III

RESOURCE RECOVERY

SECTION 3.1. Sale of Recovered Materials.

The Service may separate and sell any Recovered Materials derived from Acceptable Waste disposed of at a Disposal Site.

ARTICLE IV

DOCUMENTS TO BE DELIVERED

SECTION 4.1. Documents to be Delivered.

The Service shall deliver to the County copies of each of the Waste Disposal Service Agreements as soon as practicable after the execution of this Agreement. The Service shall also deliver to the County the proposed form of any Trust Indenture as soon as practicable after the execution and delivery of this Agreement.

ARTICLE V

ESTIMATED TONNAGE, COSTS AND REVENUES; PAYMENTS

SECTION 5.1. Estimated Annual Tonnage, Costs and Revenue.

The initial (non-binding) estimated annual tonnage of Acceptable Waste expected to be generated in the Mid-Shore Counties and delivered to the Service under the Waste Disposal Service Agreements is set forth in Schedule 1 hereto, along with initial (non-binding) estimates of Total Costs and Landfill Revenues.

SECTION 5.2. Tipping Fees.

(a) Tipping Fee for Delivered Waste, Etc.

In addition to the Supplemental Fee provided in Section 5.4, the County shall pay to the Service as provided in Section 5.3 a tipping fee (the "Tipping Fee") for each ton of Acceptable Waste that it delivers to the Service and is accepted for disposal hereunder. The Tipping Fee may be adjusted from time to time as determined in good faith by the Service, upon advice and recommendation of the Mid-Shore Counties, provided, however, that any such advice or recommendation shall not be binding upon the Service or a condition to the fixing or adjustment of Tipping Fees by the Service. In each Fiscal Year the Service shall fix, charge, and collect Tipping Fees which together with other Landfill Revenues plus Supplemental Fees for each such Fiscal Year shall be at least equal to Total Costs for each such Fiscal Year.

(b) Procurement of Waste

The County acknowledges that it is obligated at all times during the term hereof to use its best efforts to deliver or cause to be delivered, from both public and private sources, Acceptable Waste for disposal by the Service; provided, however, that the obligations of the County under this Agreement shall not interfere with the obligations of the County under Applicable Law to recycle solid waste.

(c) Waste Delivered by Private Haulers.

Acceptable Waste delivered by any Hauler or any other Person other than the County shall be disposed of by the Service at a tipping fee which is no less than the Tipping Fee established under Section 5.2(a).

SECTION 5.3. Tipping Fee Payments.

All amounts payable under Sections 5.2(a) or 5.4 with respect to any month shall be invoiced to the County by the Service no earlier than the seventh day of the following month, and shall be paid by the County within 21 days of the date of such invoice.

Amounts charged to any Person other than the County under Section 5.2(c) shall be collected by the Service at the time of delivery or invoiced monthly to such Person in accordance with normal business practices.

SECTION 5.4. Supplemental Fee; Quarterly Estimated Payments; Other Fees and Payments.

(a) Notwithstanding any other provision of this Agreement, the County shall in the Fiscal Year in which the Commercial Operations Date occurs and in each Fiscal Year thereafter pay to the Service its Proportionate Share of the Supplemental Fee. The Supplemental Fee shall be an amount equal to the amount, if any, by which Total Costs exceed Landfill Revenues. The Service and the County have determined that the Tipping Fee and the Supplemental Fee as established and adjusted as provided in this Agreement represent reasonable terms for the payment by the County of the cost of disposing of Acceptable Waste hereunder.

(b) The County's Proportionate Share of the Supplemental Fee shall be payable in four estimated quarterly payments calculated as provided in this paragraph. Beginning with the quarter in which the Commercial Operations Date occurs, the quarterly amount billed to the County for Supplemental Fees shall be computed by multiplying the County's Proportionate Share by an amount equal to:

- (A) the sum of (i) estimated Total Costs for such quarter and (ii) the excess of actual Total Costs over estimated Total Costs for the quarter immediately preceding the quarter in which the invoice is prepared, minus
- (B) Landfill Revenues received in the quarter immediately preceding the quarter in which the invoice is prepared.

If the computation results in a positive number, this shall be the amount of the estimated Supplemental Fee billed to the County for the particular quarter. If the computation

yields zero or a negative number, no Supplemental Fee payment is required for the quarter.

(c) Within thirty (30) days of the date of this Agreement the County shall pay to the Service, in full, the amounts shown on Schedule 2. For any amounts shown on Schedule 2 which are estimates, the County shall pay the actual amounts due within thirty (30) days of receipt of an invoice from the Service specifying the final amounts due. The Service shall credit the amounts received hereunder to the Special Purpose Fund.

SECTION 5.5. Payment for Out-of-Hours Deliveries.

The Service shall establish and make available to the County a schedule of charges for deliveries of Acceptable Waste outside of Receiving Hours pursuant to Section 2.4 or 2.5, which charges shall be in addition to Tipping Fees and any other fees payable under Section 5.2 in respect of such deliveries. Such schedule may be amended from time to time by the Service on at least 30 days' prior notice to the County. Such charges shall reimburse the Service for actual additional costs incurred in accepting deliveries outside of Receiving Hours. The Service shall furnish the County on request reasonably detailed justification for such charges. Any amounts payable by the County hereunder on account of deliveries outside of Receiving Hours may be included in the monthly invoice delivered to the County under Section 5.3 or separately invoiced to the County from time to time, as the Service may elect.

SECTION 5.6. Late Payment.

Any amounts payable hereunder by the County which are not paid when due in accordance with this Agreement shall bear interest at the annual rate of 12%.

SECTION 5.7. No Set-Off, Etc.

The obligation of the County to pay the amounts to be paid by it from time to time hereunder shall not be subject to diminution by reason of any set-off, abatement, counterclaim, existence of a dispute or any other reason, known or unknown, foreseeable or unforeseeable, which might otherwise constitute a legal or equitable defense or discharge of the liabilities of the County hereunder or limit recourse against the County.

If any dispute concerning the payments of amounts by the County in respect of Debt Service is referred to a court of competent jurisdiction for resolution, then the amount in dispute (as well as any undisputed amount) shall be paid by the County when due under this Agreement and before pursuing dispute resolution with respect to such amount. The disputed amount shall be repaid to the County if the dispute is resolved in favor of the County. This Section shall not otherwise affect the rights of the County under Article VIII of this Agreement.

SECTION 5.8. Estimates of Tipping Fee and Supplemental Fees; County Budgeting Obligations.

The Service shall, on or before January 31 of each year, provide the County with the information as to Holidays referred to in Section 2.3, along with a proposed budget of (a) estimated Total Costs for the next Fiscal Year beginning July 1, (b) estimated Landfill Revenues for the next Fiscal Year, (c) estimated total tonnage of Acceptable Waste to be generated within the Mid-Shore Counties and delivered to the Service for disposal in the next Fiscal Year, (d) the Tipping Fee to be charged to the Mid-Shore Counties and Haulers under this Agreement for the next Fiscal Year, and (e) the amount of the County's Proportionate Share of the Supplemental Fee for the next Fiscal Year.

In order to assure the timely payment of amounts required to be paid by the County under this Agreement, the County shall include in its annual budget for such next Fiscal Year an amount or amounts sufficient to meet all of its obligations under this Agreement or take such other appropriate action as may be necessary to ensure the availability of funds sufficient to meet all such obligations. Notwithstanding the preceding sentence, no failure or inability of the County to include in its budget or take appropriate action to assure the availability of amounts sufficient to enable the County to meet all of its obligations under this Agreement shall excuse, limit, impair or extend the time of performance or payment of any of its obligations hereunder, whether or not any estimates of Total Costs, Landfill Revenues, Tipping Fees or the County's Proportionate Share of the Supplemental Fee or other amounts payable hereunder prove to be inaccurate.

SECTION 5.9 Mid-Shore Counties Solid Waste Disposal Service Fund, Reserves, Accounts, and Reports.

The Service shall establish and maintain within its own books and records the Special Purpose Fund as a discrete

fund for the purpose of recording all of the financial transactions relating to the provision of solid waste disposal services to the Mid-Shore Counties under the Waste Disposal Service Agreements. All receipts of moneys owing to or derived from the development and operations of facilities (including, but not limited to, borrowed proceeds, grants or gifts, Landfill Revenues and the Supplemental Fee) shall be credited to the Special Purpose Fund; and all costs of development and operations shall be disbursed from the Special Purpose Fund.

Moneys credited to the account of the Special Purpose Fund may, for the purpose of investing such moneys, be commingled with moneys of other funds and accounts belonging to the Service, provided that any earnings or losses from such commingled assets are credited monthly and on a pro-rata basis to the Special Purpose Fund.

The Service may also establish and maintain such other discrete accounts and reserves as it may in good faith deem necessary (1) to provide security for Indebtedness issued for the purposes of this Agreement; (2) to ensure a regular annual income to pay for maintenance and monitoring of Disposal Sites after close-down of operations; (3) to pay the required costs of any settlements, litigation or awards, or suits for damages attributed to any Disposal Site, or (4) for any other necessary purpose.

The Service shall provide regular reports to the County as to the financial conditions and changes in all funds, accounts and reserves relating to provision of solid waste disposal services under this Agreement.

SECTION 5.10. Audit; Year-end Adjustment.

(a) Audit Scope.

The Service shall provide to the County within 120 days after the last day of each Fiscal Year of the Service, a financial statement of the results of operation of the Special Purpose Fund and any other accounts or reserves established under Section 5.9 of this Agreement, prepared in accordance with generally accepted accounting principles, and audited by the Independent Public Accountants in accordance with generally accepted auditing standards. Such financial statements shall include a statement of the Total Costs and Landfill Revenues for each such Fiscal Year.

(b) Adjustments for Deficiency or Excess of Landfill Revenues.

In the event that Total Costs exceed Landfill Revenues during a Fiscal Year, the County shall within 30 days of receiving written notice thereof from the Service pay the Service as a Supplemental Fee payment its Proportionate Share of the amount of the deficiency. In the event that Landfill Revenues exceed Total Costs during a Fiscal Year, the Service shall within 30 days of receipt of the financial statements provided in Section 5.10(a) pay the County its Proportionate Share of the amount of such excess up to the amount, if any, of the Supplemental Fee which the County had paid the Service during such Fiscal Year, but only to the extent that at such time there are funds available in the Special Purpose Fund which are not obligated or restricted for other purposes and the Service at such time has made all payments on any Indebtedness or with respect to Total Costs then due and payable. Any excess of Landfill Revenues over Total Costs in a Fiscal Year shall not be credited against any Supplemental Fee paid or to be paid in any other Fiscal Year.

ARTICLE VI

COUNTY AND SERVICE REPRESENTATIVES

SECTION 6.1 Regular Meetings

The Director of the Service or his representative shall meet with authorized representatives of the Mid-Shore Counties at least once every three months on a regular basis to review and recommend as to the policies, operations, budgets, and any other matters pertaining to the provision of solid waste disposal services under this Agreement. The Service shall make a good faith effort to implement any recommendation consistent with this Agreement and approved by each of the Mid-Shore Counties. Before submitting to the County the proposed budget provided in Section 5.8, the Service shall submit such proposed budget to the authorized representatives of the Mid-Shore Counties for their review.

ARTICLE VII

INSURANCE

SECTION 7.1. Insurance.

The Service shall obtain and keep in force, during the term of this Agreement, insurance as it deems prudent, to the extent it is available and can be obtained for an amount which is reasonable. The Service may provide any such insurance through a self-insurance program of the Service or of the State of Maryland.

The County recognizes that the Service, as an instrumentality of the State of Maryland, possesses sovereign immunity to the extent it has not been waived by statute. Nothing in this Agreement shall be deemed a waiver of any immunity possessed by the Service which has not been waived by statute.

ARTICLE VIII

DEFAULT AND TERMINATION

SECTION 8.1. Remedies for Default.

In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore, no party shall have the right to terminate this Agreement for cause for any breach unless an Event of Default (as defined in Sections 8.2 and 8.3) on the part of the other party shall have occurred and be continuing.

SECTION 8.2. Events of Default by the Service.

The persistent or repeated failure or refusal by the Service substantially to fulfill any of its material obligations in accordance with this Agreement shall constitute an Event of Default on the part of the Service, unless such failure or refusal shall be excused or justified by Uncontrollable Circumstance or a default by one or more of the Mid-Shore Counties, provided, however, that no such failure or refusal shall constitute an Event of Default unless and until:

(a) all of the Mid-Shore Counties shall have given prior written notice to the Service stating that in their opinion a particular default or defaults (to be described in reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Service and which will, in their opinion, give the Mid-Shore Counties a right to terminate their respective Waste Disposal Service Agreements for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) the Service shall have neither corrected such default nor initiated reasonable steps to correct the same within a reasonable period of time (which shall in any event be not less than 180 days from the date of the notice given pursuant to clause (a) of this Section 8.2), provided that if the Service shall have commenced to take reasonable steps to correct such default within such reasonable period of time, the same shall not constitute an Event of Default for as long as the Service is continuing to take reasonable steps to correct such default.

A material breach shall be deemed to have been corrected for purposes of this Section 8.2, if it has been

alleviated to the degree that its existence no longer makes damages an inadequate remedy.

SECTION 8.3. Events of Default by the County.

Each of the following shall constitute an Event of Default on the part of the County:

(a) The failure on the part of the County to pay any amount required to be paid to the Service under this Agreement when such amount becomes due and payable if the Service has made written demand therefor accompanied by notice that unless such amount is paid within 10 days after such demand the default will constitute an Event of Default, and such amount is not so paid.

(b) The persistent or repeated failure or refusal by the County substantially to fulfill any of its material obligations in accordance with this Agreement other than those described in paragraph (a) of this Section, unless such failure or refusal shall be excused or justified by Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until (i) the Service shall have given prior written notice to the County stating that in its opinion a particular default or defaults (to be described in reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the County and which will, in its opinion, give the Service a right to terminate this Agreement for cause under this Section 8.3(b) unless such default is corrected within a reasonable period of time, and (ii) the County shall have neither corrected such default nor initiated reasonable steps to correct the same within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of the notice given pursuant to clause (i) of this Section 8.3(b)), provided that if the County shall have commenced to take appropriate steps to correct such default within such reasonable period of time, the same shall not constitute an Event of Default for as long as the County is continuing to take reasonable steps to correct such default.

A material breach shall be deemed to have been corrected for purposes of this Section 8.3, if it has been alleviated to the degree that its existence no longer makes damages an inadequate remedy.

SECTION 8.4. Termination on Default.

If any party shall have a right of termination for cause in accordance with the second sentence of Section 8.1, the same may be exercised only by written notice of termination given to the party in default. The proper exercise of such right of termination shall be in addition to and not in substitution for such other remedies, whether damages or otherwise, as the party exercising the right of termination may have.

SECTION 8.5. Survival of Certain Rights and Obligations.

The rights and obligations of the parties under Section 2.7 with respect to the non-disclosure of confidential information and Article XI shall survive any termination of this Agreement. No termination of this Agreement under Section 8.4 or otherwise hereunder shall limit or otherwise affect the respective rights and obligations of either party accrued prior to the date of such termination.

SECTION 8.6. Option to Terminate at any Time.

The County shall have, and is hereby granted, the option to terminate this Agreement at any time (a) by obtaining agreement of the other Mid-Shore Counties as to the termination of this Agreement and upon termination by the other Mid-Shore Counties of the Waste Disposal Service Agreements to which they are parties, (b) by paying to the Service the amount set forth in Section 8.7 hereof, (c) by giving the Service thirty days advance written notice of such termination, and (d) by executing an agreement between the Service, on the one hand, and the Mid-Shore Counties, on the other hand, pursuant to which the Mid-Shore Counties shall purchase and take title to and liability for the Easton Landfill, the Regional Landfill and any Alternative Sites and by recording a deed to effect such title transfer.

SECTION 8.7 Amounts Due Upon Termination of Agreement.

In the event the County exercises its options under Section 8.6 to terminate this Agreement, the County, together with the other Mid-Shore Counties, shall pay to the Service or (as appropriate) to the trustee or trustees for any outstanding Indebtedness:

(a) The greater of (i) the fair market value of the Regional Landfill and any Alternative Sites and (ii) the amounts of money necessary to defease or retire and redeem any

outstanding Indebtedness issued for the purposes of the Regional Landfill and any Alternative Sites, including without limitation all principal amounts, premiums if any, interest to the date of final redemption, legal and trustee expenses, and any such other amounts as may be required by the trustee of such Indebtedness, or by any remarketing agent, bank, credit facility provider, or tender agent, pursuant to the resolution or indenture establishing the Service's obligations as to that Indebtedness, or pursuant to any other financing document with respect thereto;

(b) An amount sufficient, when combined with any moneys held by the Service in the Special Purpose Fund other than moneys in the Regional Landfill Closure Fund or other restricted or obligated moneys, to satisfy all current obligations normally paid from the Special Purpose Fund, including without limitation any amounts owed for salaries, services, materials, supplies, utilities, insurance, installment purchase agreements, or working capital loans;

(c) An amount sufficient to compensate the Service for any of the costs of terminating this Agreement and closing down its direct operations and support activities under this Agreement; and

(d) An amount specified by the Service sufficient to provide for any other obligations relating to this Agreement, the Indebtedness or the Regional Landfill or any Alternative Sites or otherwise incurred by the Service for the purpose of providing solid waste disposal services under this Agreement.

SECTION 8.8 Transfer of Property Upon Termination.

The parties agree that upon the exercise of the option to terminate under Section 8.6 and satisfaction of the requirements under Section 8.7, the Service shall immediately convey to the County and the other Mid-Shore Counties, and the County, as joint tenant with the other Mid-Shore Counties, shall accept, all right, title and interest in the Easton Landfill, the Regional Landfill, any Alternative Sites, all appurtenant real and personal property, and in the remaining assets of the Special Purpose Fund and any other reserves and accounts held by the Service under this Agreement. The County agrees to indemnify and hold harmless the Service for any and all claims asserted against the Service which are based upon acts or omissions which occur subsequent to termination.

ARTICLE IX

TERM

SECTION 9.1. Term.

This Agreement shall enter into effect on the date hereof and, unless sooner terminated in accordance with the terms hereof, shall continue in effect until the twentieth anniversary of the Commercial Operations Date.

ARTICLE X

REPRESENTATIONS AND WARRANTIES

SECTION 10.1. Representations and Warranties of the County.

The County hereby makes the following representations, warranties and agreements to and for the benefit of the Service.

(a) The County is a political subdivision of the State of Maryland and a body politic and corporate, duly organized and validly existing under the constitution and laws of the State of Maryland, with full legal right, power and authority to enter into and perform its obligations under this Agreement.

(b) The County has duly authorized the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by the County and constitutes a legal, valid and binding obligation of the County, enforceable against the County in accordance with its term.

(c) Neither the execution or delivery by the County of this Agreement, nor the performance by the County of its obligations in connection with the transactions contemplated hereby or the fulfillment by the County of the terms or conditions hereof (i) conflicts with, violates or results in a breach of any constitution, law or governmental regulation applicable to the County, (ii) conflicts with, violates or results in a breach of any term or condition of any judgment or decree, or any agreement or instrument, to which the County is a party or by which the County or any of its properties or assets are bound, or constitutes a default thereunder or (iii) will result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the County.

(d) No approval, authorization, order or consent of, or declaration, registration or filing with, any governmental authority is required for the valid execution and delivery of this Agreement by the County, except such as have been duly obtained or made.

(e) There is no action, suit or proceeding, at law or in equity, before or by any court or governmental authority, pending or, to the best of the County's knowledge, threatened, against the County, wherein an unfavorable decision, ruling or finding would materially adversely affect the performance by

the County of its obligations hereunder or in connection with the other transactions contemplated hereby or which, in any way, would adversely affect the validity or enforceability of this Agreement or any agreement or instrument entered into by the County in connection with the transactions contemplated hereby.

(f) It is the intention of the parties hereto that the interest on the Indebtedness issued to finance the Regional Landfill be and remain excludable from gross income for federal tax purposes and the County agrees to take or refrain from taking any and all action necessary to maintain the excludability from gross income for federal tax purposes of the interest on such Indebtedness; provided, however, that the County shall have no obligation under this paragraph to take or refrain from taking any action unless advised in writing by the Service.

SECTION 10.2. Representations and Warranties of the Service.

The Service hereby makes the following representations and warranties to and for the benefit of the County:

(a) The Service is a body politic and corporate and a public instrumentality of the State of Maryland, duly organized and validly existing under the constitution and laws of the State of Maryland, with full legal right, power and authority to enter into and perform its obligations under this Agreement.

(b) The Service has duly authorized the execution and delivery of this Agreement and the Waste Disposal Service Agreements have been duly executed and delivered by the Service and constitute legal, valid and binding obligations of the Service, enforceable against the Service in accordance with their respective terms.

(c) Neither the execution or delivery by the Service of this Agreement, nor the performance by the Service of its obligations in connection with the transactions contemplated by this Agreement, or the fulfillment by the Service of the respective terms or conditions hereof (i) conflicts with, violates or results in a breach of any constitution, law or governmental regulation applicable to the Service, or (ii) conflicts with, violates or results in a breach of any term or condition of any judgment or decree, or any agreement or instrument, to which the Service is a party or by which the Service or any of its properties or assets are bound, or constitutes a default thereunder.

(d) No approval, authorization, order or consent of, or declaration, registration or filing with, any governmental authority is required for the valid execution and delivery of this Agreement by the Service, except such as have been duly obtained or made.

(e) There is no action, suit or proceeding, at law or in equity, before or by any court or governmental authority, pending or, to the best of the Service's knowledge, threatened, against the Service, wherein an unfavorable decision, ruling or finding would materially adversely affect the performance by the Service of its obligations hereunder or in connection with the transactions contemplated hereof, or which, in any way, would adversely affect the validity or enforceability of this Agreement, or any other agreement or instrument entered into by the Service in connection with the transactions contemplated hereby.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. Uncontrollable Circumstance.

Each party hereto shall be excused for its failure to perform in accordance with this Agreement any obligation required to be performed by it hereunder, to the extent that such failure results from an Uncontrollable Circumstance, provided, that in no event shall any Uncontrollable Circumstance excuse (i) the County from making any payment hereunder in accordance with the terms hereof or (ii) the Service from accepting and disposing of waste as provided hereunder. Each party shall seek diligently and in good faith to overcome or remove such Uncontrollable Circumstance, provided, however, that the settlement of strikes, lockouts, and other industrial disturbances or of any legal actions or administrative proceedings shall be entirely in the discretion of the party suffering the same, and it shall be not required to make settlement of strikes, lockouts, and other industrial disturbances or of legal actions or administrative proceedings when such settlement would be unfavorable, in the judgment of the party suffering the strike, labor dispute or other industrial disturbance or legal action or administrative proceedings. A party claiming the benefit of this Section 11.1 shall give prompt notice thereof to the other party.

SECTION 11.2. Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other party hereto, except that the Service may, without the consent of the County, assign its interest and obligations hereunder to a trustee or trustees as collateral for or otherwise in connection with arrangements for the financing or refinancing of all or part of the Regional Landfill or any Alternative Sites or any modifications thereof or additions thereto. In the event of an assignment by the Service under this Section 11.2, the County shall be notified thereof in writing and shall make payments due hereunder to such Person as may be designated by such assignee in such notice or otherwise.

SECTION 11.3. Relationship of the Parties.

No party to this Agreement shall have any responsibility whatsoever with respect to services provided or contractual obligations assumed by the other party and nothing

in this Agreement shall be deemed to constitute either party a partner, agent, or local representative of the other party or to create any fiduciary relationship between the parties.

SECTION 11.4. Notices.

All notices, consents, invoices and other communications required, permitted or otherwise delivered under this Agreement shall (except as permitted under Section 2.1(b)) be in writing and may be telexed, cabled, sent by facsimile, delivered by hand or mailed by first class registered or certified mail, return receipt requested, postage prepaid, and in any case shall be addressed as follows:

If to the County:

County Commissioners of Kent County,
Maryland
Court House
Chestertown, Maryland 21620

If to the Service:

Maryland Environmental Service
2020 Industrial Drive
Annapolis, Maryland 21401
Attention: Director

Changes in the respective addresses to which such notices, consents, invoices or other communications may be directed and may be made from time to time by either party by notice to the other party. Notices and consents given by mail in accordance with this Section 11.4 shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

SECTION 11.5. Entire and Complete Agreement.

This Agreement (including all Schedules to this Agreement) constitutes the entire and complete agreement of the parties with respect to its subject matter and supersedes all prior or contemporaneous understandings, arrangements, commitments and representations, all of which, whether oral or written, are merged into this Agreement. The Schedules to this Agreement are an integral part hereof and must be afforded full force and effect as though incorporated in their entirety in the Articles hereof.

SECTION 11.6. Binding Effect.

This Agreement shall bind and inure to the benefit of the parties to this Agreement and any successor or assignee acquiring an interest hereunder.

SECTION 11.7. Other Documents.

Each party promises and agrees to execute and deliver any instruments and to perform any acts which may be necessary or reasonably requested by the other party in order to give full effect to this Agreement.

SECTION 11.8. Applicable Law.

The law of the State of Maryland shall govern the validity, interpretation, construction and performance of this Agreement.

SECTION 11.9. Headings.

Captions and headings in this Agreement are for ease of reference only and do not constitute a part of this Agreement.

SECTION 11.10. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which when executed and delivered shall together constitute one and the same instrument.

SECTION 11.11. Amendment or Waiver, Etc.

Neither this Agreement nor any provision hereof may be changed, modified, amended or waived except by a written instrument signed by the party against whom enforcement of such change, modification, amendment or waiver is sought.

SECTION 11.12. Waiver of Sovereign Immunity.

The County, to the maximum extent permitted by Applicable Law, hereby irrevocably waives and renounces any and all rights to sovereign immunity (or similar rights and defenses) the County may have under Applicable Law with respect to, and agrees not to raise sovereign immunity (or any similar defense) as a defense to, any claim, suit or proceeding (of whatever nature), based on or arising out of this Agreement, or

the transactions contemplated hereby, or any breach hereof, against the County, asserted or brought by or on behalf of the Service, or any member, officer, director, employee or agent of any thereof.

SECTION 11.13. Conditions Precedent.

The obligations and liabilities of the Service and the County under this Agreement are subject to the satisfaction of each of the following conditions precedent or the waiver thereof (by both parties as to condition (1) and by the Service as to the remaining conditions):

(1) Each of the other Waste Disposal Service Agreements between the other Mid-Shore Counties and the Service shall be in full force and effect.

(2) Each of the other Mid-Shore Counties shall have approved an amendment to their respective Waste Disposal Service Agreements (i) authorizing the County to dispose of Acceptable Waste at the Regional Landfill and (ii) amending the definition of Mid-Shore Counties contained in the Waste Disposal Service Agreements to include the County.

(3) All County and other governmental approvals, permits, licenses and authorizations required in connection with this Agreement and the operation of the Regional Landfill shall have been given or obtained to the satisfaction of the Service and shall be in full force and effect; and

(4) All representations set forth herein shall be true and correct as of such date and no action, suit or proceeding shall have been threatened, announced, or commenced challenging the validity of this or related Waste Disposal Service Agreements or the operation of the Regional Landfill.

SECTION 11.14. Limitation of Liability.

The obligations of the Service under this Agreement are limited obligations payable solely from such amounts as may be received by the Service in connection with its operation of the Regional Landfill and the provision of solid waste disposal services to the Mid-Shore Counties under the Waste Disposal Service Agreements. The obligations of the Service hereunder shall not be payable from the general funds of the Service and the incurrence or non-performance of such obligations shall not constitute or create a legal or equitable pledge of, or lien or encumbrance upon, or claim against, any of the assets or

property of the Service or upon any of its income, receipts or revenues, except the amounts described in the immediately preceding sentence.

The execution and delivery of this Agreement by the County and the Service shall not impose any personal liability on the members, officers, officials, employees or agents of the County or the Service. No recourse shall be had for any claims based on this Agreement against any member, officer, official, employee or other agent of the County and the Service in his individual capacity, all such liability, if any, being expressly waived by the County and the Service by the execution of this Agreement.

SECTION 11.15. Severability.

In the event that any provision of this Agreement shall, for any reason, be determined to be invalid, illegal or unenforceable in any respect, the parties hereto shall negotiate in good faith and agree as to such amendments, modifications or supplements of or to this Agreement or such other appropriate actions as shall, to the maximum extent practicable in light of such determination, implement and give effect to the intentions of the parties as reflected herein, and the other provisions of this Agreement shall, as so amended, modified or supplemented, or otherwise affected by such action, remain in full force and effect.

IN WITNESS WHEREOF, the Service and the County have executed and sealed this Agreement as of September 15, 1992.

[SEAL]

COUNTY COMMISSIONERS OF
KENT COUNTY

Attest:

By: Janice F. Turner

By: Randy B Beck
President of the Board
of County Commissioners

[SEAL]

MARYLAND ENVIRONMENTAL
SERVICE

Attest:

By: Nancy Kookes Balentine

By: George G. Perdikakis
George G. Perdikakis
Director

Schedule 1
to
Waste Disposal Service Agreement

	<u>Kent County Only</u>	<u>Total</u>
A. Initial Estimated Annual Tonnage of Waste	- 18,033	108,380
B. Initial Estimated Total Costs (1)	- 320,464	1,964,834
C. Initial Estimated Landfill Revenues (2)	- 424,243	2,601,120
D. Initial Estimated Recycling Surcharge Revenues (3)	- 45,083	

	(1)	(2)	(3)	
Total	1,964,834	2,601,120	Kent's Tonnage	18,033
Kent's %	16.31%	16.31%	Fee	\$2.50
	-----	-----		-----
Annual	320,464	424,243		45,083

Schedule 2
to
Waste Disposal Service Agreement

Midshore Regional Landfill

Kent County - Other Fees and Payments

Quarterly Advance*	80,330
Entrance Work**	15,000
Int-Liab & DSR Funds	31,776
Transactions Costs**	50,000
Recycling Fee***	34,061
Debt Serv (Mar-Jul '92)	34,246

Total	245,413

* - Aug to Oct 1992

** - estimate

*** Calculation:

Est Tonnage:

Apr-Dec 1991	12,984
Jan-Jun 1992	640

	13,624
Fee per Ton:	2.50
Total	34,061

RESOLUTION

WASTE DISPOSAL SERVICE AGREEMENT

FOR THE PURPOSE OF providing for the execution of and approving the form of Waste Disposal Service Agreement between County Commissioners of Kent County, Maryland (the "County") and Maryland Environmental Service (the "Service") having a term at least as long as the term of any revenue obligations issued by the Service to finance the operation of a sanitary landfill located in Talbot County, Maryland (the "Regional Landfill") pursuant to which agreement the County shall, among other things, agree to deliver solid waste generated within the boundaries of the County to the Regional Landfill or other site designated by the Service and pay the cost associated with disposal of such amounts in accordance with the terms of such Waste Disposal Service Agreement whether or not such amounts are delivered, and generally providing for and determining various matters in connection with the execution and delivery of such Waste Disposal Service Agreement.

RECITALS

Maryland Environmental Service (the "Service") was created by and exists under the Maryland Environmental Service Act, being codified as Sections 3-101 through 3-129, inclusive, of the Natural Resources Article of the Annotated Code of Maryland, as amended (the "Act"), in order to assist with the preservation, improvement, and management of the quality of air, land, and water resources and to promote the health and welfare of the citizens of the State of Maryland.

The Service issued its \$8,075,000 Revenue Bonds (Mid-Shore Regional Landfill Project) Series 1990, dated February 15, 1990 (the "Series 1990 Bonds") in order to finance the acquisition, design, construction and equipping of the Regional Landfill.

In connection with the issuance of the Series 1990 Bonds, County Commissioners of Caroline County, County Commissioners of Queen Anne's County and Talbot County, Maryland (together with County Commissioners of Kent County, the "Mid-Shore Counties") entered into Waste Disposal Service Agreements with the Service for the disposal at the Regional Landfill of solid waste generated within the boundaries of such counties (the "Existing Agreements").

The Regional Landfill was completed in March, 1991 and has been in continuous operation by the Service since then.

The County has determined that it is in the public interest to take advantage of any economies of scale and opportunities for solid waste disposal that may be achieved through a regional solid waste disposal system such as that conducted at the Regional Landfill.

The County has determined that it is in the public interest to make a binding, long-term commitment to the Service for the disposal at the Regional Landfill of solid waste generated within the boundaries of the County.

The County is authorized by the Act to enter into contracts with the Service for the purpose of defraying the Service's costs of acquiring or providing solid waste disposal projects, which costs may include debt service requirements of the Service relating to the project. The Act further provides that the County may approve such contracts by resolution.

Accordingly, the County desires to enter into a Waste Disposal Service Agreement between the Service and the County (the "Waste Disposal Service Agreement") substantially identical in form and substance to the Existing Agreements and which (by way of general description and not limitation) provides for the disposal by the Service of solid waste generated within the boundaries of the County and for payment by the County of the disposal costs therefor, whether or not such solid waste is delivered.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND:

Section 1. The operation of the Regional Landfill and the disposal of solid waste generated within the boundaries of the County, in the manner and upon the terms and conditions described in the Waste Disposal Service Agreement, is in the best interests of the County. The failure to so provide for the operation of the Regional Landfill and the disposal of such solid waste can create serious economic, environmental and public health problems.

It is in the public interest of the County that the Service continue to operate the Regional Landfill and take all actions which the Service, in its discretion, deems to be necessary or appropriate for the execution and delivery of the Waste Disposal Service Agreement with the County, and for the continued operation of the Regional Landfill.

Section 2. The terms, provisions, form, content and substance of the Waste Disposal Service Agreement are hereby approved and adopted. A copy of the Waste Disposal Service Agreement has been presented to the County and shall be placed in the official records of the County and be made available for public inspection. The President of the County Commissioners of Kent County and any other official of the County designated by the President (the "Authorized Officials") are hereby authorized on behalf of the County to execute and deliver, and to cause to be accepted and executed by the other party or parties thereto, the Waste Disposal Service Agreement. The Waste Disposal Service Agreement to be so executed and delivered shall be substantially in the form hereby approved with (i) such changes in form or such changes in content which do not materially adversely affect the interests of the County thereunder as may be approved by the Authorized Officials (including, without limitation, the completion of Schedule 1), the execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Waste Disposal Service Agreement hereby approved, or (ii) with such other changes as may be approved by resolution or resolutions of the County Commissioners. The Authorized Officials are hereby authorized to take all actions necessary or appropriate to execute and deliver and to cause to be executed and accepted by the other party or parties thereto, the Waste Disposal Service Agreement, such actions to include (without limitation) the execution and delivery of all certificates, consents, assignments or other documents or instruments necessary or appropriate to consummate, for and on behalf of the County, the transactions approved by this Resolution. It is recognized that the Regional Landfill is intended to be developed in stages as additional space is needed for the disposal of solid waste, and that the Service will from time to time issue its bonds, notes or other obligations in order to finance the costs of the Regional Landfill as it is so developed. It is further recognized that the County is obligated under the Waste Disposal Service Agreement to pay its Proportionate Share (as defined in the Waste Disposal Service Agreement) of the Total Costs (as defined in the Waste Disposal Service Agreement) of the Service in connection with the performance of its obligations under the Waste Disposal Service Agreement, which Total Costs include (without limitation) costs of providing waste disposal services under the Waste Disposal Service Agreement and debt service payments with respect to such bonds, notes or other obligations (including the Series 1990 Bonds). Any resolution or resolutions adopted pursuant to this Resolution shall be deemed to be of an administrative nature and shall be effective upon adoption.

Section 3. The provisions of this Resolution are severable, and if any provision, sentence, section or part thereof is held illegal, invalid, unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Resolution or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Resolution would have been adopted if such illegal, invalid, unconstitutional or inapplicable provision, sentence, clause, section or part had not been included therein, and as if other person or circumstances to which this Resolution or any part thereof is inapplicable had been specifically exempted therefrom.

Section 4. This Resolution shall take effect from the day of its adoption.

ADOPTED: September 22, 1992

COUNTY COMMISSIONERS OF
KENT COUNTY

ATTEST:

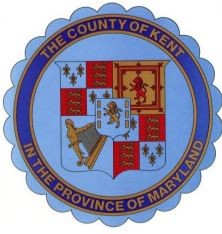
Janice F. Turner

Ray B. Beck
President

[SEAL]

William Sutton
Commissioner

W. Michael Anna
Commissioner



Social Services Advisory Board
7/9/2024
County Commissioners Meeting

Item Summary:

Thank You For Your Service

ATTACHMENTS:

Description



Procedures For Public Comment 7/9/2024 County Commissioners Meeting

ATTACHMENTS:

Description

07.09.24 Public Comments Sign In Sheet

Procedures for Public Comment

**PUBLIC COMMENTS
SIGN IN SHEET
July 9, 2024**

NAME (please print)	ADDRESS	TOPIC

ADDITIONAL SPACES PROVIDED ON BACK SIDE, PLEASE FLIP OVER.



Office of The County Commissioners

Press and Public Comments

Time is allotted at the end of each meeting for the Commissioners to receive comments from the public. Anyone interested in speaking must sign up on the provided Public Comment sign-up sheet located on the table inside the meeting room.

The President of the Board will call the names of the listed individuals when it is time to speak. When making comments, individuals are asked to speak slowly, clearly, and concisely. Precede all comments with your name and address and speak only on the subject under discussion.

Comments in writing are welcomed and should be given to the staff after your presentation. Any person making personal, impertinent, or slanderous remarks, or whose speech or actions become disruptive, will be asked to leave the meeting.

Interested parties may address the Commissioners in writing at any time about any matter of County business. Written statements can be hand-delivered or mailed to:

The County Commissioners of Kent County, Maryland
400 High Street
Chestertown, MD 21620
kentcounty@kentgov.org



American Rescue Plan Act (ARPA) Funds Spend Plan 7/9/2024 County Commissioners Meeting

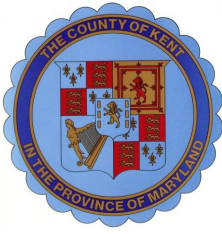
ATTACHMENTS:

Description

6-25-2024 ARPA Fund Commissioner Report

AMERICAN RESCUE PLAN ACT FUND
AS OF COMMISSIONER MEETING MINUTES DATED
6/25/2024

Project	Department	Project Estimate	Date Approved	Amount Approved	Date Completed
Feed the Elderly Year 1	Local Management Board	112,800	08/31/21	112,800	9/30/2022
Feed the Elderly Year 2 and 3	Local Management Board	204,115	03/08/22	204,115	
Clariflocculator Replacement Project	Water & Wastewater Fund	275,000	08/31/21	275,000	6/28/2022
Clariflocculator Replacement Project Change Order #1		2,817	01/11/22	2,817	6/28/2022
Clariflocculator Replacement Project Change Order #2		90,642	01/11/22	90,642	11/23/2022
AV System	Information Technology	71,254	10/26/21	71,254	5/17/2023
IT Software	Information Technology	27,095	10/26/21	27,095	8/10/2022
Neighborhood & Infrastructure Grants	Information Technology	258,402	12/14/21	258,402	12/30/2023
A/V Equipment in EOC	Emergency Operation Center	14,087	02/01/22	14,087	7/26/2023
SCADA Pump Station Monitoring	Water & Wastewater Fund	110,065	02/08/22	110,065	8/2/2023
Millington/RT301 Wastewater Treatment Feasibility Study	Water & Wastewater Fund	57,500	02/08/22	57,500	9/20/2023
Millington/RT301 Wastewater Conveyance System Capacity Study		9,500	09/27/22	9,500	
Tolchester Wastewater-Design Services Influent Screen	Water & Wastewater Fund	52,910	02/08/22	52,910	
Tolchester Wastewater - Bid Services and Const. Management		35,735	09/27/22	35,735	
Tolchester Wastewater Influent Screen Construction		600,914	04/25/23	600,914	
Worton WWTP Influent Lagoon Engineer Design & Bid Services	Water & Wastewater Fund	33,076	03/22/22	33,076	8/10/2023
Worton WWTP Influent Lagoon Engineer Const. Management		43,736	03/08/23	43,736	
Worton WWTP Lagoon Sludge Removal Contract		1,400,725	12/13/22	1,400,725	
Worton WWTP Lagoon Sludge Removal Contract Change Order #1		30,000	06/13/23	30,000	
Worton WWTP Lagoon Sludge Removal Contract Change Order #2		(486,784)	08/08/23	(486,784)	
Kennedyville Pump Station #2 Relocation Design	Water & Wastewater Fund	52,338	09/27/22	52,338	
Kennedyville Pump Station #2 Relocation Const. Management		Deferred			
Kennedyville Pump Station #2 Construction		Deferred			
Worton/Kennedyville GIS Water and Sewer Facilities Mapping	Water & Wastewater Fund	75,770	09/27/22	75,770	9/20/2023
Worton Vehicle Storage Building & site prep/lighting/heat	Water & Wastewater Fund	40,000	10/25/22	40,000	
Worton WWTP Solids Press Replacement Design	Water & Wastewater Fund	64,940	11/28/23	64,940	
Worton WWTP Solids Press Replacement Construction Management		20,000			
Worton WWTP Solids Press Replacement		250,000			
Sewer Jetter Camera Nozzle	Water & Wastewater Fund	14,065	04/02/24	14,065	
Major Repairs and Expenses	Water & Wastewater Fund				
Well redevelopment program		40,000	04/02/24	40,000	
Pump Stations - pump replacement program		28,000	04/02/24	28,000	
Worton Wastewater Treatment Plant - replace electrical wiring		50,000	04/02/24	50,000	
Fairlee Water Treatment Plant - design/replace actuator valve & repair piping		15,000	04/02/24	15,000	
Tolchester Wastewater Treatment Plant - replace control valves		19,000	04/02/24	19,000	
Pump Station SCADA Upgrades - convert remainder of locations		36,675	04/02/24	36,675	
Wesley Chapel Pump Station Wet Well	Water & Wastewater Fund	36,700	06/25/24	36,700	
Total Amount of Funds Committed		<u>\$ 3,686,077</u>		<u>\$ 3,416,077</u>	
Amount of ARPA Funds		3,766,777		3,766,777	
Balance of ARPA Funds Remaining		<u>\$ 80,700</u>		<u>\$ 350,700</u>	



Contingency and Use of Fund Balance Report 7/9/2024 County Commissioners Meeting

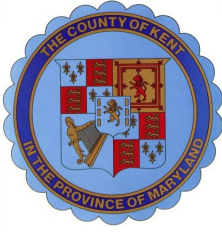
ATTACHMENTS:

Description

6-25-2024 Commissioner Report Contingency

**FY24 CONTINGENCY & USE OF FUND BALANCE
AS OF COMMISSIONERS MEETING MINUTES DATED
June 25, 2024**

[illegible]



Bonnie S. Pearsall, Inspector, Kent Alcohol and Tobacco Enforcement
7/9/2024
County Commissioners Meeting

Item Summary:

License Updates

ATTACHMENTS:

Description

KATE NA Cover

07.09.24 KATE License Update, Hilco Inc., Trading As Brampton Bed and Breakfast Inn, License Upgrade Application

4829 Brampton Bed and Breakfast Inn, 2024-2025 Modified License, Upgraded to Restaurant Class B, Beer, Wine, and Liquor License with Caterer's Privilege

Questions?
Please contact me:

Bonnie S. Pearsall
Office: 410-810-2212
Cell: 443-282-5785
bspearsall@kentgov.org





Kent Alcohol and Tobacco Enforcement

To: Commissioners Fithian, Nickerson, and Price
From: Bonnie S. Pearsall, Inspector, and Sondra M. Blackiston, Clerk/KATE Manager
Date: July 9, 2024
Subject: Hilco, Inc., Trading As Brampton Bed and Breakfast Inn and License Renewals

Memorandum

- David R. Rinehart, President, and Hilari M. Rinehart, Secretary, submitted an application to upgrade Brampton Bed and Breakfast Inn's liquor license (#4829) from a Class B, Country Inn Beer, Wine, and Liquor license with Caterer's Privilege (CP) to a Restaurant Class B, Beer, Wine, and Liquor license with Caterer's Privilege (CP). The Commissioners approved the request to modify the license during the public hearing held on June 11, 2024. A modified license (#4829) was issued to Brampton Bed and Breakfast Inn on June 17, 2024.

This transaction will be recorded in the monthly report of retail license activity required by the Comptroller of Maryland, Field Enforcement Division.

- We have just recently found an establishment that does not have a valid business license. The establishment is aware of this and is working on rectifying the issue. We will continue to monitor the establishment for compliance purposes.
- We have issued all the liquor licenses approved for annual renewals, and all renewal fees have been paid in full. This completes the process for our annual renewal of liquor licenses.



No 4829

STATE OF MARYLAND
ALCOHOLIC BEVERAGE LICENSE
BOARD OF LICENSE COMMISSIONERS OF KENT COUNTY

CLASS A

Beer, Wine, Liquor _____
Beer and Wine _____
Beer _____
Wine _____
Delivery (DEL) _____
BWLT-Tasting
Beer, Wine, Liquor _____
Beer and Wine _____
Beer _____
Wine _____

CLASS B

Beer, Wine, Liquor X _____
Beer and Wine _____
Beer _____
Bed and Breakfast (BWL) _____
Country Inn (BWL) X _____
Upgraded license to a Restaurant Class B Beer, Wine, and Liquor
Brewery (B) Beer, Wine, and Liquor _____
Wine Shop and Lounge (W) _____
Caterer's Privilege (CP) X _____
Corkage Privilege (CKP) _____
Delivery (DEL) _____

CLASS C

Beer, Wine, Liquor _____
Corkage Privilege (CKP) _____

CLASS D

Beer, Wine, Liquor _____
Beer _____
Brewery (B) _____
Delivery (DEL) _____

THEATER VENUE

Beer, Wine, Liquor _____

This is to certify that: David R. Rinehart, President
Hilari M. Rinehart, Secretary

Corporate name: Hilco, Inc.

is licensed by the STATE OF MARYLAND, to keep for sale and sell alcoholic beverages for the class indicated:

T/A: Brampton Bed and Breakfast Inn
Located: 25227 Chestertown Road
Chestertown, MD 21620

This license is issued under Authority of the Alcoholic Beverages Article of the Annotated Code of Maryland.

This license continues in force, unless revoked or suspended, until the last day of the month, **April 2025**

Cost of license: \$1,275.00 Issued the 18 day of April, 20 24 Registration No. 18259049

License upgraded to a Restaurant Class B Beer, Wine, and Liquor License with Caterer's Privilege (CP) Pro-rated amount due for one month = \$175.00 Amount due for 11 months = \$1,925.00 - \$650.00 (previous amount paid) = \$1,275.00 Total Amount Due Paid for Modified License on 6/17/24 IN FULL Modified by LTC

Patricia Menick

Kent County Chief Finance Officer

Revised 11/21

A license holder shall frame the license under glass and display the license conspicuously in the licensed premises.



Secretary Paul J. Wiedefeld, Maryland Department of Transportation
7/9/2024
County Commissioners Meeting

Item Summary:

Response to Kent County's Transportation Priorities Letter

ATTACHMENTS:

Description

06.28.24 Secretary Wiedefeld, MD Dept of Transportation re Kent County Transportation Letter



Wes Moore
Governor
Aruna Miller
Lieutenant Governor
Paul J. Wiedefeld
Secretary

Office of the Secretary

June 25, 2024

The Honorable Ronald H. Fithian
President
Kent County Commissioners
Kent County Government Center
400 High Street
Chestertown MD 21620

Dear President Fithian:

Thank you for your letter outlining Kent County's transportation priorities for the Consolidated Transportation Program (CTP). I appreciate the opportunity to respond.

The information you provided is vital in developing the next CTP. The Maryland Department of Transportation (MDOT) welcomes input from across the State and values your expertise when identifying transportation projects that comprise local and regional priorities.

The MDOT stands ready to work with Marylanders across the State to align our priorities and deliver the transportation projects that best benefit the people that build them and use them. Under Governor Wes Moore's leadership, I am looking to transform the State's transportation network and provide a fair and equitable system for all. Transportation connects our communities and creates opportunities for social and economic mobility. Collaborating with every jurisdiction and all stakeholders will help MDOT deliver transportation projects and services that meet the needs of Maryland's diverse communities.

I also plan to be a strategic partner with the federal government to make the most of the new infrastructure law's formula and discretionary funding. This is especially important given the pressure on the Transportation Trust Fund (TTF) from rising operating costs, significant inflation of capital construction costs, and stagnant revenue growth. Additional federal resources will help advance transportation in Maryland but will not make up all the shortfalls or fill the backlog of maintenance that must be done. To maintain a balanced budget as required by Maryland's Constitution, MDOT has already made appropriate adjustments to its operating and capital budgets. As we move into the coming fiscal year, it will be more important than ever that we prioritize our transportation dollars in the places and projects that will do the most to achieve our State's goals.

RECEIVED

JUN 28 2024

KENT COUNTY
COMMISSIONERS OFFICE

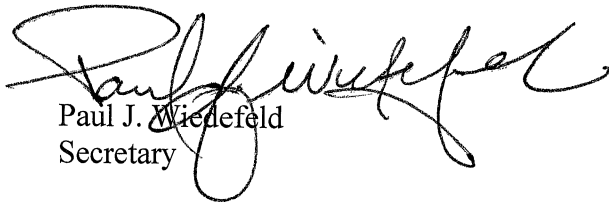
SmB

The Honorable Ronald H. Fithian
Page Two

I welcome your input on how MDOT can best partner with local jurisdictions to deliver transformative results. I commit MDOT to being a department that works in collaboration with the communities we serve and will be transparent and accountable to all residents of Maryland.

Thank you again for your letter. I appreciate hearing from you. If you have any questions or concerns, please contact Mr. Geoff Anderson, MDOT Planning, Programming, and Delivery Chief, at 410-865-1371 or ganderson4@mdot.maryland.gov. Mr. Anderson will be happy to assist you. Of course, you may always contact me directly.

Sincerely,



Paul J. Wiedefeld
Secretary

cc: The Honorable Wes Moore, Governor
The Kent County Delegation
The Honorable Danielle Hornberger, County Executive, Cecil County
The Honorable Albert H. Nickerson, Commissioner, Kent County
The Honorable John F. Price, Commissioner, Kent County
Ms. Shelly L. Heller, County Administrator, Kent County
William A. Mackey, AICP, Director, Department of Planning, Housing, and Zoning
Dan Mattson, P.E., C.F.M., Director of Public Works, Kent County
Mr. Geoff Anderson, Chief, Planning, Programming, and Delivery, MDOT



Jamie L. Williams, Director, Economic and Tourism Development
7/9/2024
County Commissioners Meeting

Item Summary:

Letters of Support for Millington Millington Senior Village and Millington Community Resource Center

ATTACHMENTS:

Description

06.25.24 Millington Senior Village DCT Letter

06.23.24 ETD Support DHCD CL Grant Application



June 25, 2024

Mr. Edward Barnett, Director Rental Lending
Community Development Administration
Maryland Department of Housing and Community Development
7800 Harkins Road
Lanham, MD 20706

Re: Millington Senior Village

Dear Mr. Barnett:

This is to confirm that the Millington Senior Village is in an area defined as rural by DHCD or USDA and located within a one (1) mile radius of a passenger boarding location of a planned bus stop. Delmarva Community Transit, Home Partnerships, Inc, the Town of Millington and Kent County shall identify and submit grant applications for funding for anticipated future transit needs for the Millington Senior Village and other residential and commercial areas within and surrounding the Town of Millington.

If you have any questions, please feel free to contact us at the phone numbers provided below.

Sincerely,

Jamie Williams, CECD, Director
Economic and Tourism Development
410-810-2168

Keith Adkins, Interim President-CEO
Delmarva Community Services, Inc.
410-221-1900 ext. 103

cc: The County Commissioners of Kent County



Department of Economic and Tourism Development

June 23, 2024

Nicholas Mayr
Assistant Director, Statewide Region
Office of Neighborhood Revitalization
MD Department of Housing and Community Development
2 N. Charles Street, Suite 450
Baltimore, MD 21201

Re: FY2025 Maryland Community Legacy Grant Application – Millington Community Resource Center

Dear Mr. Mayr:

The Department of Economic and Tourism Development fully supports the Town of Millington's grant application for \$500,000 to transform the old Millington Elementary School into the Millington Community Resource Center.

The County Commissioners committed Rural Maryland Economic Development funds for the expansion of the Millington Wastewater Treatment Facility and the horizontal infrastructure on the site surrounding the school building. Millington is adjacent to the US Route 301 Corridor. The US Route 301 Corridor is one of only two locations in Kent County that is designated for growth outside the municipalities. Despite spanning 8 miles within the county, this major trucking route linking Maryland to Delaware currently lacks significant development. Recent upgrades to US Route 1 have increased traffic along the 301 corridor, highlighting its growth potential. Millington and surrounding parcels are ripe for residential and commercial development. There are currently three proposals for housing developments of approximately 300 homes each. Preliminary site plan approval was granted for two warehouses located off US Route 301. Demonstrating the interest in this area of Kent County.

We are committed to assisting the Town of Millington with this project through grant applications, grant management, and any necessary administrative support. The County Commissioners recognize the positive impact this project, combined with the Senior Housing Project surrounding the Millington Community Resource Center, will have on Kent County, its residents, and surrounding communities.

Thank you,

Jamie Williams, CECD
Director, Economic and Tourism Development

cc: The County Commissioners of Kent County



Bill Mackey, Director, Planning, Housing, and Zoning
7/9/2024
County Commissioners Meeting

Item Summary:

Legal and Potential Litigation

This meeting will be closed under the Annotated Code of Maryland General Provisions Article § 3-305 (b) (7) To consult with counsel to obtain legal advice; and (8) To consult with staff, consultants, or other individuals about pending or potential litigation

ATTACHMENTS:

Description



**Shelley L. Heller, County Administrator and Thomas N. Yeager, County
Attorney
7/9/2024
County Commissioners Meeting**

Item Summary:

Personnel, Legal Advice, and Potential Litigation

The meeting was closed under the Annotated Code of Maryland, General Provisions Article § 3-305 (b) (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; or any other personnel matter that affects one or more specific individuals; (7) To consult with counsel to obtain legal advice; and (8) to consult with staff, consultants, or other individuals about pending or potential litigation.