INTERNATIONAL MUNICIPAL LAWYERS ASSOCIATION



Work Session: V

Title: CITY COUNTY COOPERATION

by

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Cooperative Agreements
Partnerships Between City and County

Edgar A. Baker, Jr.
County Attorney, Wicomico County, Maryland

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Cooperative Agreements, Memorandums of Understanding, Inter-Local Agreements are some titles assigned to contracts between local governments. To a large extent, these agreements are intended to provide those for whom we work, the citizens, various benefits such as increased efficiency, economies of scale, access to expertise and hopefully lower taxes. Despite the benefits of these agreements, the focus of this presentation is not on the legal issues surrounding Cooperative Agreements. Those issues are almost identical to the issues that contract lawyers draft and governments execute every day. The principles underlying these agreements are well established including capacity, offer, acceptance, and mutual consideration, etc. For those interested in the specific legal issues which may arise in the formation or enforcement of these cooperative agreements are referred to McQuillen, Chapter 3A, Intergovernmental Relations, Part II, Cooperation.

This presentation is focused on the day to day operations, possible pitfalls, and benefits that can occur under Cooperative Agreements.

To fully understand my comments it is important to know the context and the character of the parties involved: Wicomico County, Maryland and the City of Salisbury.

Wicomico County is located in the center of the Eastern Shore of Maryland, between the Chesapeake Bay and the Atlantic Ocean, and has a population of approximately 92,000 people. A rural community, the County is comprised of over 88,000 acres of farm land and is the largest producer of agricultural products in the State of Maryland. Wicomico County also claims the Salisbury-Ocean City: Wicomico Regional Airport, the second largest airport in the State of Maryland. In addition, it is the home of Perdue Farms', one of the largest companies in the United State poultry market, corporate headquarters. Businesses in diversified industries are served by a labor force in excess of 120,000 people within a thirty mile radius of the City of Salisbury.

Since 1967 the County has been a Charter County with the authority to adopt its own laws and was governed by a seven-member council exercising both executive and legislative powers. In December of 2006 the County changed to a

form of government with a strong executive exercising the executive functions and the same council now holding only legislative authority.

Salisbury, the county seat of Wicomico County, was founded in 1732, incorporated in 1854, and is the largest city on the Eastern Shore of Maryland. It is located at the head of the Wicomico River, the navigable waterway that leads to the Chesapeake Bay. The City has two growing institutions of higher learning – Salisbury University and Wor-Wic Community College. The 2000 Census credited Salisbury with a population of approximately 24,000, a median travel time to work of 19 minutes, and a median family income of $35, 500.

Having worked with Wicomico County for the last 28 years as Assistant County Attorney and as County Attorney, I have been able to see first hand what it is like when Counties and Cities come together. In recent years, to avoid foreseeable conflicts it was decided that entering into written Cooperative Agreements would be in the best interest of all parties. Written agreements would be the backbone of stability for the City and County interactions.

Today the County and various municipalities have a wide variety of agreements addressing their respective interests in the areas of Planning and Zoning, Human Resources, Management of Information Systems, and common ownership of a Government Office Building. The County also enjoys cooperative arrangements with a number of municipalities in the area of Code Enforcement.

Day to Day Operations

1. Planning and Zoning.

The Wicomico County Department of Planning, Zoning and Community Development is very unusual. In many respects, the City and County are sharing a joint department which oversees the issues of land use and zoning for both governments. The department is staffed by County employees and directed by a county department head. This department is organized internally by assigning individual employees to tasks or areas solely for one government. For example one county employee is regularly assigned to represent and assist the City of Salisbury's Board of Zoning Appeals. One employee is assigned to handle subdivision requests within the City, and another employee is assigned subdivisions with the County. No contractual or other written agreement exists between the governments. The City merely pays a sum of $150,000.00 a year to the County. The money is allocated to the Planning and Zoning Department's budget as earned revenue and can be used in accordance with the County approved budget for the department. Not only does the Planning and Zoning Department provide staff for the City of Salisbury's work, but they also have a close working relationship with other municipalities for whom they provide assistance on occasion.

Even more unique than the Department is the approach taken to the establishment of a Planning Commission. The City and County share a defacto joint Planning Commission. The City of Salisbury is authorized under Article 66B of the Annotated Code of Maryland to have a Planning and Zoning Commission to address planning and land use regulations within its jurisdiction. Wicomico County is also authorized to have a commission to deal with similar issues under Article 25 A, Section 5, Subparagraph X. While separate legislation has authorized both parties to establish their own commissions, since 1943 the County and City have cooperated and shared a commission. A review of the applicable laws would lead one to conclude that two separate Commissions applying separate regulations, existed. However, in the interest of efficiency and better planning there is only one Planning Commission. In both jurisdictions the laws provide for a seven member Planning Commission, however, by mutual agreement the City appoints three individuals to the "joint commission" and those three members are cross appointed by the County. Then the County appoints three and the City cross appoints those members. Both the City and County then agree on the appointment of the Chair of the Planning Commission. Of course, "both" Planning Commissions are supported by the County Department of Planning, Zoning and Community Development.

Fortunately for the County Attorney, in recent years, the Planning Commission has divided its agenda into two sections; one addressing County issues and the other City issues. Thus I am only required to attend that portion of the meetings dedicated to County issues.

Potential Pitfalls:

a. Conflicts under new state policies requiring Municipal Growth Element in Comprehensive Plan and requirement that County provide comments.

b. Increasing number of annexations

2. Human Resources.

Human Resources is a another area where the County and City share common tasks such as recruitment, employee development, and policy development. The arrangement for Human Resources, however, is different then that of the Planning and Zoning Department. Lacking the historical relationship present in the Planning Commission, when the City sought assistance in the area of human resources, a contractual agreement (MOU) was negotiated and executed.. Rather than paying the County for services rendered in a lump sum, the City was charged at a set hourly rate for the work completed by County Employees.

Reflecting the difference in formalities, the HR Department's internal organization was also different. Employees were not assigned to either City or County work but rather were assigned to tasks. This type of organization within the department was possible because the rules governing City and County HR are very similar, allowing the employees to become familiar with both the regulations of the City and those of the County with respect to their particular task.

When the County accepted the task of providing HR services for the City, two additional employees were brought in to handle the increased work load. Initially, it was believed that hiring two more employees would allow for the same quality of work that the County had always provided. However, after a brief period, the County realized that maintaining the level of service was impossible. The amount of work that the HR Department now had did not allow for a high quality work product. Requests would come in and go out in the same day with little time for the detailed analysis desired. While thorough planning had been done prior to the execution of the Memorandum of Understanding it was quickly realized that the agreement had some flaws.

Potential Pitfalls:

None, relationship has been severed.

3. Management of Information Systems

In 1998 the County elected to establish a MIS department and invited the City to join in the selection process of the director. The intent from the beginning was to have one Department providing services to both the city and county governments. As in the examples of the Planning and Zoning Department and the Human Resources Department, the MIS department is totally staffed by county employees. A contract was negotiated with the city which became responsible for payment for services based on actual hours worked. The hourly rate is based on the burdened labor rate for the MIS staff and increases as the staff receives annual pay raises. Again, as in the case of the previous examples, the staff is not dedicated to city versus County tasks. Instead they are assigned by the type of task required. For example if the issue is network support, a network engineer is assigned and if the request involves repair to a PC, a network tech provides the labor.

The respective governments have enjoyed several benefits as a result of this combined Department. The city has received access to a broad and diverse technical skill set while paying only for actual hours worked. Under this arrangement the city has access to four highly qualified personnel without the overhead of maintaining a full department. The city spends the equivalent of one person's salary per year yet receives the support of the entire department. In addition the city receives prompt service as a result of the close proximity of the

technical staff. The County, as well as city benefit by sharing the network to interconnect facilities. As a result both bodies have a high-speed wide area network which has cost a fraction of what it would have if each entity had built the network on their own.

There have been drawbacks or minor conflicts. While the County is reimbursed for every hour the staff spends working on city tasks, it incurs indirect losses. The expenditure of staff resources on the daily tasks and routine efforts involved in keeping the city's systems operational, up-to-date and secure reduces the County's potential for greater progress and technology. Within the County Government all technology purchases required concurrence by the Department to insure compatibility with current and planned technologies and support capabilities. The Department does not have the same authority with respect to the cities technology purchases. In practice the city's acquisitions are frequently made regardless of the impact on the network or ability of current staff to provide support. Finally each government, on occasion, complains the other is requiring too much time from the department's staff.

4. Government Office Building

Not only does Wicomico County share departments and commissions with the City they also share the local Government Office Building. In the early 1970's the County recognized the advantages of centrally locating their agencies and departments under one umbrella. Before that time, the Health Department, Fire Marshall, Board of Elections, and many other offices were scattered throughout the County. It was decided that the best location for the County building would be the downtown area of the City of Salisbury. The County acquired several downtown parcels and then completed the acquisition of sufficient land by purchasing a City parking lot via a "friendly" condemnation proceeding.

After securing sufficient land the County erected the office building in 1975, and in 1981 entered into a Lease Agreement with the City. This agreement executed in 1981 was made effective retroactively to 1976 and required "rental payments" in the amount of $100,000.00 a year from the City. At the conclusion of 20 years the City would become a co-owner of the building. During the lease period and thereafter the City was to pay 50% of the expenses of operation and capital expenditures. The County was entitled to occupy 51% of the buildings capacity. However, over the course of time, the City has come to occupy the greater percentage of the building. On occasion the City has refused to relinquish building areas for the County's use. During the last two to three years several disputes have arisen in regards to needed maintenance of the building. As a result the City and County are currently negotiating a Management Agreement which will provide a mechanism for the resolution of disputes.

Other Agreements

The County provides a number of services to the various municipalities upon request and without the formality of written agreements. These include providing the services of the County's Code Enforcement Office for nuisance violations, its Department of Public Works for subdivision and stormwater management reviews, forest management, and road maintenance or sweeping. The County does these without charge to the municipalities. Although many of these services are for fee services, in most events the fee does not fully offset the County's cost.

Benefits of Cooperative Agreements

In theory Cooperative Agreements are very valuable tools in the workings of governments. These types of agreements not only have the potential for reducing expenses and overlapping staff, but they also bring stability and accountability. There is also a more efficient usage of employee expertise and a costs savings which results from the reduction of duplicate services,

Problems and Possible Solutions

While there are a benefits which may result from the use of Cooperative Agreements, those benefits are not guaranteed. No matter how well written or detailed the agreements may be, they will not work unless all parties entering into them share a common vision and goal. In entering into a Cooperative Agreement the parties have to accept that they are no longer separate entities, but rather partners working towards a shared goal. When parties have different philosophies that collide, the goals of the agreement will not be reached, and the outcomes will be vastly different from what was expected.

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APPENDIX A

CHAPTER 2.28
PLANNING AND ZONING COMMISSION

Chapter 2.28

1. PLANNING AND ZONING COMMISSION

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Section 2.28.010 Commission created.

A municipal planning and zoning commission is created pursuant to provisions of Article 66B of the Annotated Code of Maryland and all amendments thereto, said Article entitled "Zoning and Planning," and said commission to hereafter be known as the "Salisbury Planning and Zoning Commission." (Prior code § 31-1)

Section 2.28.020 Membership--Term.

The Salisbury planning and zoning commission shall consist of seven members, who shall be appointed by the mayor and confirmed by the council. All members shall serve terms of five years or until a successor is appointed, and all members shall be eligible for reappointment. (Prior code § 31-2)

Section 2.28.030 Powers and duties.

The Salisbury planning and zoning commission shall have all the powers and duties to conduct planning, zoning and other activities as authorized and delegated by the provisions of Article 66B of the Annotated Code of Maryland as amended. (Prior code § 31-3)

Section 2.28.040 Participation in countywide planning program.

The Salisbury planning and zoning commission is authorized, after agreement between the mayor and city council and the Wicomico County Council, to participate in a countywide planning program under the applicable provisions of Article 66B of the Annotated Code of Maryland.* (Prior code § 31-4)

* Editor's Note: On 10-24-72, the Mayor and Council adopted Resolution 162, to establish and participate in the Wicomico County Areawide Planning Organization. Said resolution reads as follows:
"WHEREAS, Charter Counties are empowered by Article 25 of the Annotated Code of Maryland to engage in and carry out comprehensive planning; and
"WHEREAS, legislative bodies of municipalities are empowered by Article 66B of the Annotated Code of Maryland to participate by resolution in a countywide planning program; and
"WHEREAS, The City of Salisbury recognizes the importance of coordinating individual efforts of the city, county and town governments on mutual problems and concerns; and
"WHEREAS, the formation of an Areawide Planning Organization with membership open to all municipalities in Wicomico County will further promote cooperative arrangements and coordination among its members and will study such areawide problems and plans as are common among its members;
"NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the City of Salisbury do hereby establish

and become a member of the Wicomico County Areawide Planning Organization, which membership is recognized to include the county and all such municipalities in the county which by resolution shall become members and that membership shall be composed of representative(s) from the City of Salisbury, from Wicomico County and from each municipality according to bylaws to be adopted by the Organization, except that each representative shall be an elected official of the county or municipality or such other person(s) as the legislative body may designate; and
"BE IT FURTHER RESOLVED, that the Wicomico County Areawide Planning Organization shall consist, in part, of the members of the Salisbury - Wicomico County Planning and Zoning Commission, which members shall serve on both bodies; and
"BE IT FURTHER RESOLVED, that the Wicomico County Areawide Planning Organization is a review and advisory organization and does not replace nor assume any of the authority, duties nor responsibilities of the Salisbury - Wicomico County Planning and Zoning Commission nor of the Planning Commissions of any municipalities in Wicomico County."

Section 2.28.050 Continuation of powers.
The newly established Salisbury planning and zoning commission created by this chapter shall have all the powers granted heretofore to any former planning and zoning commission of the city. (Prior code § 31-5)

Section 2.28.060 Transfer of powers and records.
From and after the creation of the Salisbury planning and zoning commission described in this chapter, all powers and records of the former planning and zoning commission shall be transferred to and become a part of the official files of the newly established Salisbury planning and zoning commission. (Prior code § 31-6)

Section 2.28.070 Provisions of former commission to apply.
All provisions relating in any way to the former Salisbury planning and zoning commission contained in any code or ordinance of the city of Salisbury, Maryland, not inconsistent with Article 66B of the Annotated Code of Maryland, shall apply to the newly established Salisbury planning and zoning commission. (Prior code § 31-7)

APPENDIX B

ORDINANCE #1425

City of Salisbury

MARYLAND

SALISBURY-WICOMICO
FILE COPY
PLANNING

ORDINANCE #1425

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, RE-ESTABLISHING ITS PLANNING AND ZONING COMMISSION TO BE KNOWN AS THE SALISBURY PLANNING AND ZONING COMMISSION, WITH ALL POWERS AND DUTIES AUTHORIZED BY ARTICLE 66B OF THE ANNOTATED CODE OF MARYLAND.

WHEREAS, Article 66B of the Maryland Annotated Code delegates basic planning and land use regulatory powers to all municipal governments once the City Council has adopted an ordinance exercising those powers;

WHEREAS, Article 66B authorizes the City of Salisbury to prepare comprehensive plans, zoning ordinances, historic zoning provisions, subdivision regulations, and to reserve land for future streets, to adopt adequate public facilities ordinances, to establish programs for the transfer of development rights and to enact other planning and regulatory measures; and,

WHEREAS, the City of Salisbury reestablished its Planning & Zoning Commission in accordance with the provisions of Article 66B by Ordinance #1140, adopted on January 27, 1975; and,

WHEREAS, the Council of the City of Salisbury is desirous of continuing its long term commitment to planning and zoning, established in September 1943, within the jurisdiction of the City of Salisbury; and,

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, THAT;

Section 1. A municipal planning and zoning commission is hereby created pursuant to provisions of Article 66B of the Annotated Code of Maryland and all amendments thereto, said Article entitled "Zoning and Planning", and said Commission to hereafter be known as "The Salisbury Planning and Zoning Commission".

Section 2. The Salisbury Planning and Zoning Commission shall consist of seven (7) members, who shall be appointed by the Mayor and confirmed by the Council. All members shall serve terms of five (5) years or until a successor is appointed and all members shall be eligible for reappointment.

Section 3. The Salisbury Planning and Zoning Commission shall have all the powers and duties to conduct planning, zoning and other activities as authorized and delegated by the provisions of Article 66B as amended.

Section 4. The Salisbury Planning and Zoning Commission is hereby authorized, after agreement between the Mayor and City Council and the Wicomico County Council, to participate in a County-wide planning program under the applicable provisions of Article 66B.

Section 5. The newly established Salisbury Planning and Zoning Commission created by this ordinance shall have all the powers granted heretofore to any former Planning and Zoning Commission of the City.

Section 6. From and after the creation of the Salisbury Planning and Zoning Commission described in this ordinance, all powers and records of the former Planning and Zoning Commission shall be transferred to and become a part of the official files of the newly established Salisbury Planning and Zoning Commission.

Section 7. All provisions relating in any way to the former Salisbury Planning and Zoning Commission contained in any code or ordinance of the City of Salisbury, Maryland, not inconsistance with Article 66B of the Annotated Code of Maryland, shall apply to the newly established Salisbury Planning and Zoning Commission.

AND BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, that this Ordinance shall take effect from and after the date of its final passage.

THE ABOVE ORDINANCE was introduced at a meeting of the Council on the 9th day of November, 1987, and having been published as required by law, in the meantime, was finally passed at its meeting on the 23rd day of November, 1987.

Robert A. Powell,
President of the Council

Approved by me this 23rd
day of November, 1987.

W. Paul Martin, Jr.,
Mayor of Salisbury

ATTEST:

Fara L. Tawes
City Clerk

APPENDIX C

CHAPTER 62:
PLANNING AND ZONING COMMISSION

Chapter 62: PLANNING AND ZONING COMMISSION

1. [HISTORY: Adopted by the County Council of Wicomico County 2-13-1989 by Bill No. 1989-2. This bill also repealed former Ch. 62, Planning and Zoning Commission, adopted 3-30-1954 by Ord. No. 6A. Amendments noted where applicable.]

GENERAL REFERENCES
Areawide Planning Organization — See Ch. 64.
Subdivision of land — See Ch. 200.
Zoning — See Ch. 225.

STATUTORY REFERENCES
Planning Commissions generally — See Anno. Code of Md. (1957), Art 66B, § 3.01 et seq.

§ 62-1. Repealer.

The Wicomico County Planning and Zoning Commission created by Ordinance No. 6 on October 25, 1949, be and the same is hereby dissolved.

§ 62-2. Creation.

There is hereby created, effective on March 1, 1954, a Wicomico County Planning and Zoning Commission.

§ 62-3. Authority.

Said Commission shall have such authority as is now or may be hereafter conferred upon it by any federal, state, county or other law, regulation or ordinance.

§ 62-4. Members appointed; Chairman. [Amended 10-17-2006 by Bill No. 2006-11]

The Wicomico County Planning and Zoning Commission shall consist of seven members, one of whom shall be designated as Chairman. All members shall serve terms of five years or until their successors are appointed, and all members shall be eligible for reappointment. All members shall be appointed by the Wicomico County Executive and confirmed by the County Council and may be appointed for staggered terms so that all appointments shall not terminate at the same time.

§ 62-5. Authorization to proceed.

Said Commission is hereby authorized to proceed to organize and function as a Planning and Zoning Commission within the contemplation of the aforesaid law.

§ 62-6. Legal counsel.

The County Attorney for Wicomico County or his duly designated Assistance County Attorney shall serve as legal counsel to the Planning and Zoning Commission.

§ 62-7. Establishment of Department of Planning, Zoning and Community Development.

A. There is hereby created a Department of Planning, Zoning and Community Development for Wicomico County.

B. The Department of Planning, Zoning and Community Development shall be headed by a Director who shall be appointed by the County Executive and confirmed by the County Council. [Amended 10-17-2006 by Bill No. 2006-11]

C. The Department shall have such staff as may be authorized by the County Council. [Amended 10-17-2006 by Bill No. 2006-11]

D. The Department shall serve as planning and zoning advisors to the Planning and Zoning Commission and any other group or body designated by directive of the County Executive or by legislative act of the County Council. [Amended 10-17-2006 by Bill No. 2006-11]

E. The Department shall conduct such activities as may be requested by the Planning and Zoning Commission, the County Executive, or as authorized in any local law or regulation. [Amended 10-17-2006 by Bill No. 2006-11]

F. The Department may perform such duties as are required under the provisions of Article 66B of the Annotated Code of Maryland on behalf of any municipality participating in a countywide planning program.

APPENDIX D

RESOLUTION
APPOINTING MEMBERS TO SERVE
ON
PLANNING AND ZONING COMMISSION

Wicomico County, Maryland
P. O. BOX 870
SALISBURY, MARYLAND 21801-0870

A RESOLUTION OF THE WICOMICO COUNTY COUNCIL APPOINTING SEVEN MEMBERS TO SERVE ON THE WICOMICO COUNTY PLANNING AND ZONING COMMISSION;

WHEREAS, the Wicomico County Council has determined that there is a need for continued citizen involvement in planning and zoning activities as members on the Salisbury and Wicomico County Planning and Zoning Commission; and,

WHEREAS, the Mayor and City Council of Salisbury adopted Ordinance #1425 on November 23, 1987, re-establishing a seven member Planning and Zoning Commission to address planning and zoning matters within the City of Salisbury; and,

WHEREAS, the Wicomico County Council and the Mayor and Council of the City of Salisbury have cooperatively engaged in joint planning activities since 1943;

NOW, THEREFORE, BE IT RESOLVED BY THE WICOMICO COUNTY COUNCIL AS FOLLOWS:

1. The Council hereby appoints the following seven members to serve the staggered terms as specified below on the Wicomico County Planning and Zoning Commission.

Member	Expiration of Term	
Corinne Les Callette - JOINT	December 30, 1988	12/30/93
John M. Morris - COUNTY	December 30, 1989	
S. Norman Holland, Jr. - CITY	December 30, 1990	
R. Laurence Elsey - COUNTY	January 21, 1988	-9/20/91
John M. Broyhill - ~~County~~ City	December 30, 1992	
Donald B. Bounds - COUNTY	December 30, 1990	
Thomas M. Becker - CITY	December 30, 1992	

THE ABOVE RESOLUTION was introduced at a meeting of the Council on the 15th day of December, 1987, and was finally passed at its meeting on the 15th day of December, 1987.

Henry S. Parker,
President of the Council

ATTEST:

Matthew E. Creamer
Administrative Director

APPENDIX E

MEMORANDUM OF UNDERSTANDING
SERVICES AGREEMENT

MEMORANDUM OF UNDERSTANDING
SERVICES AGREEMENT

THIS Memorandum is made and entered into this 1 day of July, 2006 ("Effective Date") by and between Wicomico County, Maryland, a body corporate and politic and the City of Salisbury, Maryland, a municipal corporation.

WHEREAS, the City and County are interested in promoting efficiency in government by seeking to reduce and eliminate, where possible, duplication of local governmental services; and

WHEREAS in order to avoid the unnecessary duplication of services and expense in the creation of a separate Human Resources Department, th ecity is interested in utilizing the services of the County's Human Resource Department to administer Human Resource programs and to provide services to City employees; and

WHEREAS, City desires that the County render certain technical and professional services for the City which are more particularly described in this Memorandum of Understanding and its attachments and County agrees to perform such services according to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the terms and conditions set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agrees as follows:

ARTICLE I - SCOPE OF WORK

1.1 The parties agree that the County shall perform the services outlined in Exhibit A.

1.2 All such work shall be performed in a timely fashion and a professional manner.

1.3 The City agrees to cooperate to the fullest extent possible with the County and all of its agents in rendering such services by providing the information and data that are requested by the County, to the extent that such requests are reasonable.

1.4 The parties acknowledge and agree that from time to time during the term of this Memorandum there may be additional services requested by the City. The specifications of these services will be mutually agreed upon and confirmed via written instrument (i.e. Statement of Work) which is signed by an authorized representative of each party before such services are delivered. The parties acknowledge and agree that such written instrument shall be subject to the terms and conditions of this Memorandum unless specific modifications to this Memorandum are made to the contrary in such Statement of Work. The hourly rates set forth in this Memorandum of Understanding shall apply to all additional or out-of-scope work which may be mutually agreed upon pursuant to this paragraph.

1.5 In the event of an emergency, when City departmental personnel are called to work at times other than their normal work schedule, the Human Resources Department is expected to respond, if called with the Mayor's approval, regardless of time of day. If a call for service by the City results in a premium or overtime rate being paid by the County to the employee, said premium or overtime rate shall be reimbursed by the City.

ARTICLE II - THE CONTRACT PRICE AND COSTS

2.1 For services rendered under this Memorandum, the County shall be compensated based upon the hourly rates, set forth on the attached Exhibit B, plus direct out-of-pocket expenses. The hourly rates shall be designed to reimburse the County for its personnel, supplies, tools, equipment and maintenance costs in rendering this service.

2.2 Billing by the County for fractions of hours will be expressed in no less than fifteen minute increments, using the following schedule:

Services Rendered	Time Billed
0-15 minutes	15 minutes
16-30 minutes	30 minutes
31-45 minutes	45 minutes
46-60 minutes	1 hour

2.3 County shall prepare and deliver to City monthly invoices regarding services performed during each month of the term of this Memorandum. The City will promptly pay such invoices when properly rendered.

ARTICLE III - INDEMNIFICATION AND LIABILITY

3.1 In the course of rendering services pursuant to this Memorandum, officers or employees of the County rendering the service shall be considered agents of the City for tort liability and immunity purposes.

3.2 No County officer or employee shall be liable on account of any act or omission undertaken in good faith while engaged in the rendering service pursuant to this Memorandum. Good faith in this Memorandum shall not include willful misconduct, gross negligence, or recklessness.

3.3 City shall indemnify and save harmless the County from any and all claims, losses, damages or demands that may proximately result to the County for any act or acts of commission or omission on the part of its officers, agents or employees or any of them while they are performing services for City in accordance with this

Memorandum.

3.4 City shall list, as additional insureds under the terms of the City's Public Officials liability coverage, the officers and employees, identified in Exhibit B, while performing services under this Memorandum,.

ARTICLE IV - TERM AND TERMINATION

4.1 This Memorandum shall commence on the Effective Date and continue in full force and effect until June 30, 2006. The term of this Memorandum shall automatically be extended for an additional one (1) year periods, unless either party provides the other written notice of intent to terminate at least three months prior to the end of the current term. In the event no such notice is provided then this Memorandum shall continue upon the same terms and conditions as herein contained with the exception of the hourly rates set forth in Exhibit B, which shall be adjusted to include any salary or benefit increase adopted by the County.

4.2 If either party (the "Defaulting Party") materially defaults in the performance of its obligations under this Memorandum, and if such default is not cured within thirty (30) days after written notice is given to the Defaulting Party specifying the default, then the other party (the "Aggrieved Party") may, by giving written notice to the Defaulting Party, terminate this Memorandum as of the date specified in the notice of termination.

4.3 Each party, insofar as it becomes a Defaulting Party, agrees that, upon receipt of any notice of default, it will immediately commence all reasonable efforts to cure the specified default and to commit the resources necessary at the Defaulting Party's expense, to accomplish such cure as promptly as is reasonably possible.

4.4 Upon termination, the County shall deliver to the City all City Employee records and data in the County's possession. The County shall receive compensation in full for services performed to the date of such termination.

4.5 Upon any termination of this Memorandum, County will assist and comply with City's reasonable directions to cause the orderly transition and migration of the Services to City or a third party contractor to whom City chooses to transfer the Services.

ARTICLE V - OTHER PROVISIONS

5.1 This Memorandum may not be changed or terminated rally, and no change, termination or attempted waiver or any of the provisions hereof shall be binding unless in writing and signed by both parties.

5.2 It is expressly agreed that this Memorandum is made subject to the laws of the State of Maryland, which shall govern in any disputes which may arise hereto.

5.3 This Memorandum shall be executed in two counterparts, each of which shall be considered an original.

5.4 The provisions herein constitute the entire agreement between the parties and supersede all prior agreements, oral or written, and all other communications between the parties.

5.5 Nothing in this Memorandum shall be construed to afford rights or benefits to any party other than the County and the Consultant.

5.6 This Memorandum shall be binding upon the parties, their heirs, successors, administrators and assigns.

IN WITNESS WHEREOF, the parties acknowledge that each has fully read and understood this Memorandum, and, intending to be legally bound thereby, executed this Memorandum on the date first above written.

ATTEST: WICOMICO COUNTY, MARYLAND

DEPARTMENT OF HUMAN RESOURCES

CITY OF SALISBURY, MARYLAND

EXHIBIT A
SCOPE OF WORK

A. The County agrees to provide the following services to the City:

1. Recruitment and Selection
2. Classification and Pay
3. Discipline and Grievance Administration
4. Employee Development
5. Performance Evaluation
6. Unemployment Verification
7. Drug-free Workplace Program
8. Employee Relations
9. Employee Benefits
10. Risk Management and Safety
11. Policy Development
12. Employee Records

B. The services to be rendered under this Memorandum, shall be provided from 8:30 a.m. to 4:30 p.m. daily, Monday through Friday, except for City recognized holidays. City recognized Holidays are as follows: New Years Day; Martin Luther King's Birthday; President's Day; Memorial Day; Good Friday; Independence Day; Labor Day; Veteran's Day; Thanksgiving Day, the day after Thanksgiving Day; and, Christmas Day.

EXHIBIT B

HOURLY RATES

Human Resources Director	$47
Human Resources Manager II	$21
Human Resources Specialist II	$16
Human Resources Specialist II	$22
HR/Payroll Budget Manager	$30
Human Resources Specialist I	$26 – not to exceed hourly rate, currently vacant
Human Resources Specialist I	$26 – not to exceed hourly rate, currently vacant

In addition to hourly rates, in order to cover City's portion of Human Resources Operating Expenses, $3,313 will be billed monthly (110,000* 36.14%).

APPENDIX F

SALISBURY WICOMICO AREA NETWORK-
NETWORK RESOURCE SHARING AGREEMENT

Salisbury Wicomico Wide Area Network
Network Resource Sharing Agreement

PREFACE:
In keeping with the initiative to improve the cooperative effort among the City of Salisbury, MD, Wicomico County, MD and the Wicomico County Board of Education, (the Collective) for the citizens of Wicomico county this agreement has been formed.

AGREEMENT:
Made as of the ____ day of _____ in the year 2005.

BETWEEN:
City of Salisbury, MD,
Wicomico County, MD
Wicomico County Board of Education, MD

PURPOSE:
Due to the effort of each organizations plan to expand the capabilities and reach of their independent networks and because of the common location and/or close proximity of facilities and infrastructure resources operated by these governmental entities that it is in the best interest of each of these organizations to cooperatively build and share a common data communications infrastructure for the betterment of all. This effort would effectively leverage the public dollars available to each organization and make available common resources for the purpose of improving the operational effectiveness and efficiency of each organizations independent network while minimizing costs.

SCOPE:
The members of the Collective therefore agree to make available limited physical plant assets and various infrastructure resources for the purpose of:

1. Developing and sharing access to one common Community Wide Area Network (C-WAN).
2. Facilitate and support the independent communication efforts of each of the members of the Collective.

The C-WAN would be constructed around the existing wireless base station equipment currently installed by the City of Salisbury on the Marine Rd. tower and Wicomico County on the Naylor Mill Rd tower, along with the planned installation of network resources at the Wicomico County Board of Education tower on Mount Herman Rd and its area schools.

The Wicomico County Board of Education also agrees to allow pre-approved communication equipment to be installed within and on designated area schools to facilitate the implementation of the City of Salisbury/Wicomico County emergency service and communication system.

Any future additional base stations to the CWAN which are to be added to this network shall also be subject to this agreement.

TERMS and CONDITIONS:
The conditions of the agreement are as follows:

1. Connection to any of these base stations is to be accomplished at the expense of the subscribing organization and without cost impact to the base station provider.
2. The administration of all stations shall be managed co-operatively by the Collective members with the understanding that the Wicomico County / City of Salisbury Department of Information Technology, acting as the Network Operations Center shall take lead role.
3. No global changes or modifications to the infrastructure by any member organization which has the potential to interrupt connectivity shall be made without prior notification and approval of all parties.
4. To ensure the integrity of each organization's network, all network traffic from each organization shall be logically isolated and secured from access by other members of the Collective using VLAN technology and network routing built into this equipment.

5. Each organization will work to assure and enforce overall network security and that no member organization will attempt to intentionally breach the security of any of the other member organizations. Any such breach could result in the immediate suspension of that organization's connection until corrective security measures are implemented. Continued security problems could result in network termination and/or ultimate expulsion from the Collective.
6. All maintenance costs for the base station equipment shall be shared proportionally by the number of subscribing organizations utilizing that base station.
7. In the event that a resource limit is reached at a base station;
    a. The bandwidth requirement for the organization owning that base station shall take priority over the new addition.
    b. If capacity increase or coverage expansion is required, the cost of such expansion shall be borne by the organization requesting the addition.
8. Any future additions of other organizations to this network must be unanimously approved by the City of Salisbury, Wicomico County, MD, and the Wicomico County Board of Education.
9. This agreement may be amended by unanimous approval of all acting members at the time of proposed amendment.

TERMINATION:

1. Should any member organization wish to terminate their involvement in this agreement in such a way that it would have no adverse effect to any of the remaining

organizations then that party must provide a minimum of 4 weeks advance notice of any such plans to each of the remaining members of the Collective.

2. Should any member organization wish to terminate their involvement in this agreement in such a way that it would have an adverse effect to any of the remaining organizations then that party must provide a minimum of 6 months advance notice of any such plans to each of the remaining members of the Collective.
3. Pursuant to the terms of the termination section of this agreement parties terminating their participation in this agreement shall forfeit their access to the network and relinquish all rights and/or privileges conferred upon them by this agreement.

SIGNED

_____ _____

City of Salisbury, MD Wicomico County, MD

_____

Wicomico County, MD Board of Education

APPENDIX G

MANAGEMENT AGREEMENT

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT entered into as of the day of 2007, by and between WICOMICO COUNTY, MARYLAND, a body politic and corporate of the State of Maryland, (hereinafter referred to as "County") and the CITY OF SALISBURY, a municipal corporation of the State of Maryland (hereinafter referred to as "City").

WITNESSETH:

WHEREAS, the County and City are the owners of property located at 125 North Division Street, Salisbury, Maryland, which is known as the Government Office Building (hereinafter referred to as "GOB"); and

WHEREAS, County and City desire to enter into a management agreement which will define various aspects of management of the GOB and payment of corresponding costs.

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

ARTICLE ONE
Definitions

For the purposes of this Agreement, the following defined terms shall have the meanings ascribed thereto:

1.01 "Agreement": This Management Agreement.

1.02 "Budget": The budget for the operation and management of the GOB

1.03 "Improvements": Any improvements now and hereafter erected to the GOB

ARTICLE TWO
Employment of Facilities Manager

2.01 County and City hereby authorizes the County to employ a facilities manager.

ARTICLE THREE
Budget

3.01 Facilities Manager shall develop a proposed budget for the operating expenses and capital expenditures related to the property on or before February 1, of each year, which shall be submitted to the County for approval with a copy to the City Administrator for comment. The proposed operating budget shall

3.02 The City and County shall each pay a portion of the actual operating and capital expenditures each year. The portion to be paid by each shall be equal to the proportion of the Door space of the non-joint use portion of the building occupied by each.

3.03 County agrees to maintain, in the Offices of the County, a comprehensive system ofoffice records, books and accounts relating to the income, expenses and operations of the GOB. Both City and County shall have access to such office records, books and accounts, and to all vouchers, files and other material relating to the GOB. Records, books, accounts may be inspected during normal business hours.

ARTICLE FOUR
Legal Compliance

4.01 City and County shall take such actions as may be necessary to comply with any and all lawful orders or requirements affecting the property by any federal and state having jurisdiction.

ARTICLE FIVE
Maintenance and Repair

5.01 All unanticipated expenditures for maintenance and repair of the GOB shall be jointly approved by the City Administrator and the County Director of Administration except for emergency expenditures as enumerated in Section 5.03.

5.02 If the City and County are unable to agree on maintenance and repair, then the dispute shall be submitted to the Mayor and County Executive for resolution. If the Mayor and County Executive are unable to resolve the dispute, then it shall be submitted to one (1) qualified arbitrator agreed upon by the City Administrator and County Director of Administration, and the arbitrator's decision shall be final on each issue.

5.03 In the event of an emergency, which will require an unanticipated expenditure, the Facilities Manager shall attempt to notify the County Administrator and the City Administrator, or their designees, before initiating the repair. In the event that the County Administrator or City Administrator, or designees are not immediately available, the repairs necessary to preserve, prevent, and operate the facilities and/or its occupants will not be delayed.

ARTICLE SIX
CAPITAL EXPENDITURES

6.01 The City and County, acting through their respective administrators, shall discuss and agree on capital expenditures for the GOB.

6.02 If the City and County are unable to agree on capital expenditures, then the dispute shall be submitted to the Mayor and County Executive for resolution. If the Mayor and County Executive are unable to resolve the dispute, then it shall be submitted to one (1) qualified arbitrator agreed upon by the City Administrator and County Director of Administration, and the arbitrator's decision shall be final on

each issue.

ARTICLE SEVEN
Insurance

7.01 County shall maintain the following types of insurance in the GOB with City named as insured:

(a) Public Liability Insurance in a comprehensive general liability form in an amount not less than two million dollars ($2,000,000) annual aggregate and one million dollars ($1,000,000) each occurrence;

(b) Fire and extended coverage in an amount not less than eighty percent (80%) ofthe replacement cost of the GOB, exclusive of land and excavation cost;

(c) Boiler Insurance;

(d) Such other insurance as may be required by law or deemed desirable by County and City should be obtained at the respective expense of the City and County to cover the interest of said parties, including, but not limited to personal property, worker's compensation insurance and burglary and theft insurance;

(e) County and City shall promptly investigate all accidents, damages and other casualty to the GOB or any claims of injury, to property or person, arising out of or related to the ownership, operation and maintenance of the GOB;

(f) Cost of insurance shall be included in the operating budget.

ARTICLE EIGHT
Term

8.01 The term of this Agreement shall commence on July first of each year and remain in effect for a period of one (1) year with automatic annual extension. The term ofthis Agreement shall be subject to review upon notice by January first prior to the end of the fiscal year. Ifeither party desires to vacate the building or any part thereof, notice will be given to the other party ninety days prior to their action.

ARTICLE NINE
NOTICE

9.01 Any notices required or authorized by this Agreement shall be delivered in writing by United States mail or personal service to:

City of Salisbury
City Administrator
125 North Division Street

Salisbury, Maryland 21801

Wicomico County
Director of Administration
P.O. Box 370,
125 North Division Street
Salisbury, Maryland 21803-0370

ARTICLE TEN
Miscellaneous

10.01 Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only upon instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to beeffectiveandvalid under Maryland law, but if any provision of this Agreement shall be prohibited by or be invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions ofthe Agreement.

10.02 This Agreement, and other documents executed in connection with the GOB, constitutes and expresses the entire Agreement of the parties hereto and no agreements, warranties, representation or covenants not herein expressed shall be binding upon the parties.

10.03 This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one and the same instrument.

10.04 The captions appearing before Sections and Articles in this Agreement have been inserted solely for the purposes of convenience and ready reference. They do not purport to, and shall not be deemed to, define, limit, or extend the scope or intent of the Sections or Articles to which they appertain.

10.05 The provisions of this Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto, and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year first above written.

ATTEST:

WICOMICO COUNTY, MARYLAND

_____

_____

By: Richard M. Pollitt, Jr.
Wicomico County Executive

ATTEST:

CITY OF SALISBURY, MARYLAND

By: Barry P. Tilghman
Mayor of Salisbury

APPENDIX H

1982 AGREEMENT

THIS AGREEMEMT, Made this 30TH day of April, 1982, between Wicomico County, Maryland, a municipal corporation, of the State of Maryland, (hereinafter called the Landlord), and The City of Salisbury, a municipal corporation of the State of Maryland, (hereinafter called the Tenant),

WHEREAS, the Landlord and Tenant, have previously entered into an oral lease and option for the hereinafter described premises, and

WHEREAS, The Landlord and Tenant now deem it desirable to reduce their oral agreement to writing.

NOW, THEREFORE, THIS AGREEMENT OF LEASE AND OPTION, WITNESSETH:

That the Landlord does hereby lease unto the Tenant all the following described property: That portion of the joint government building located on the Easterly side of and binding upon North Division Street, and the Southerly side of and binding upon U.S. 50, currently occupied by the Tenant, and containing a gross area of 22,032 square feet, as more particularly indicated in the four-page Exhibit, attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same unto the said Tenant for and during the term of twenty (20) years, beginning on the first day of March, 1976, and ending on the last day of February, 1996, AT AND FOR THE ANNUAL RENTAL THEREFOR, DURING THE TERM AFORESAID, OF $100,610.00 per year, together with an additional annual payment equal to 46.57 per cent of the annual operating cost, all as more particularly indicated in the four-page Exhibit attached hereto and made a part hereof.

AND at the end of said twenty-year period, the Lease shall terminate, and Landlord does hereby agree to sell unto the Tenant, an undivided one-half (1/2) interest in and to said premises, improvements, equipment, and real property, known as the Joint Government Building, at and for the consideration of One Dollar ($1.00), evidenced by a Wicomico County form deed of good and mercantable fee simple title, free of liens and encumbrances, except as specified herein; but subject however to all applicable restrictions, easements laws, ordinances, regulations,

charges, taxes and assessments, if any, which said Deed shall be prepared at the expense of the tenant.

Nothing in this Agreement is intended to change the percentage of usage, and such usage, even after the aforesaid conveyance, will continue the same; i.e. 46.57% to be used by the City and 53.43% to be used by the County.; however, the City shall, thereafter, pay 50% of the annual operating cost of the premises.

AS WITNESS the due execution hereof, the day and year first before written.

ATTEST:

Wicomico County, Maryland

By Victor H. Laws (SEAL)

The City of Salisbury

By W. Paul Martin (SEAL)

STATE OF MARYLAND, WICOMICO COUNTY, to-wit:

I HEREBY CERTIFY, that on this 27th day of May, 1982, before me, the subscriber, a Notary Public of the State of Maryland, in and for Wicomico County aforesaid, personally appeared W. Paul Martin, Mayor, of The City of Salisbury, and acknowledged the aforegoing Agreement to be the Corporate Act of The City of Salisbury.

AS WITNESS my hand and Notarial Seal.

Kay A. Shaw
Notary Public

STATE OF MARYLAND, WICOMICO COUNTY, to-wit:

I HEREBY CERTIFY, that on this 19th day of May, 1982 before me, the subscriber, a Notary Public of the State of Maryland, in and for Wicomico County, aforesaid, personally appeared Victor H. Laws, President, , of Wicomico County Maryland, and acknowledged the aforegoing Agreement to be the Corporate act of Wicomico County, Maryland.

AS WITNESS my hand and Notarial Seal.

Cheryl A. Curtis
Notary Public

GOVERNMENT OFFICE BUILDING

Construction Documents Phase - Area Analysis

February 16, 1976

Gross Area	
Full Basement	12,152
First Floor	11,864
Second Floor	11,649
Third Floor	11,649
	47,314

Net Assigned Area - 32,777 (69%)
Building Core Area - 14,537 (31%)

Detailed Breakdown

County Departments	
Administrative Director	2,641
*Finance	3,102
Assessments & Taxation	2,416
Public Works	1,750
	9,909

City Departments	
Executive	1,050
**Finance	1,690
Purchasing	875
Public Works	3,079
Bureau of Inspections	1,225
	7,919

County/City Combined Use	
Planning & Zoning	2,100
Council Chambers	1,325
Conference Rooms	563
Central Reproduction	400
Meeting Room 128	700
Kitchen & Private Toilets	69
	5,157

Common Use	
Public Lobby	2,315
Lounge	650
***Custodian/Maintenance	464
Telephone Room	177
Record Storage	1,005
Central Storage	352
Unassigned Surplus Space	4,829
	9,792

*Includes total area of Accts. Machine Room & Storage & one-half of vault area
**Includes one-half of vault area
***Includes Custodian Storage B03, Toilet B08 & Locker Room B11

CITY/SALISBURY - WICOMICO COUNTY
JOINT GOVERNMENT BUILDING

SUMMARY OF LEASE COSTS TO CITY
AS OF MAR 26 1976

	SITUATION I CITY DOES NOT PARTICIPATE IN LARGE SPACE		SITUATION II CITY DOES PARTICIPATE IN LARGE SPACE	
	AREA		AREA	
	15 YEAR LEASE	20 YEAR LEASE	15 YEAR LEASE	20 YEAR LEASE
CITY'S SHARE OF COST OF FUNDING				
PRINCIPAL AND INTEREST	$ 1529250 -	$ 1529200 -	1717700 -	1717700
CARRYING COST - SIMPLE	51911 -	262205 -	59213 -	294[illegible]
TOTAL COST TO CITY	$ 1581161	$ 1791405 -	1776913 -	2012[illegible]
ANNUAL LEASE COST	$ 105411 -	$ 89570 -	118461 -	100[illegible]
TOTAL AREA ASSIGNED TO CITY	19619		22052	
PER SQUARE FOOT COST				
OVER TERM OF LEASE	$ 80.60	$ 91.33	$ 80.61	$ 91
PER YR.	$ 5.37	$ 4.57	$ 5.37	$ [illegible]

CITY SALISBURY - WICOMICO COUNTY
JOINT GOVERNMENT BUILDING

SITUATION II

ASSUMPTION ✓ CITY PARTICIPATES 50/50 WITH COUNTY IN LARGE ST...

	ASSIGNED TO CITY	ASSIGNED TO COUNTY	T...
EXCLUSIVE AREAS	7919 #	9909 #	17
JOINT USE AREAS - 50% EACH	2578	2579	5
	10497	12488	22
	(45.67%)	(54.33%)	(10
CORE AREAS - ALLOCATED ABOVE	6639	7895	14
COMMON USE AREAS - DIVIDED EVENLY	4396	4396	9
	22032	25282	47
ASSIGNED %	46.57%	53.43%	10

final assignment for [illegible]

CCM 3-26-76

20 year lease term

100,610 @ 20 = 2,012,200.00

Payments made by City

FY76 (4 mo)	33,536.67
77	100,610.00
78	100,610.00
79	100,610.00
80	100,610.00
81	100,610.00
Balance @ 6-30-81	1,475,613.33

2 payments FY 82 (6 mo)

25,152.50 @ 2 = 50,305.00

Owed @ 2/19/82 1,425,308.33

Suggest use Term ↓

Considerations

1) City will participate in large storage area 50 % (BASEMEN
2) Annual operating cost for balance of term of lease to be 46.57 % based on sq. footage per C. Hablitzel Report (attach
3) At end of lease, the 2 govts will own ½ of Bldg each govt will share equally in operating expenses.

APPENDIX I

ASSIGNING OBLIGATIONS UNDER THE FOREST CONSERVATION ACT

AGREEMENT
BETWEEN THE TOWN OF _____
AND WICOMICO COUNTY, MARYLAND
ASSIGNING OBLIGATIONS UNDER THE FOREST CONSERVATION ACT

Recitals

WHEREAS, the State of Maryland has required that all local jurisdictions with planning and zoning authority establish their own, or jointly participate in a local forest conservation program; and

WHEREAS, Section 5-1603 (a) (4) of Title 5 of the Natural Resources of the Annotated Code of Maryland authorizes municipalities to assign, with the concurrence of the County, their forest conservation program obligations to the County; and

WHEREAS, on July 7th, 1993, the Wicomico County Council adopted Resolution No. 421, agreeing to undertake a local forest conservation program that would include those municipalities agreeing to participate in the County's forest preservation effort as required by state law.

NOW, THEREFORE, in consideration of the premises, and the covenants and agreements hereinafter set forth, the Commissioners of the Town of , Maryland hereby covenant and agree as follows:

1. The Town, in accordance with Title 5 of the Natural Resources of the Annotated Code of Maryland, Section 5-1603 (a) (4) hereby assigns all of its obligations under the Forest Conservation Subtitle of the Annotated Code of Maryland to Wicomico County, including, but not limited to all of its program administration, preparation, and enforcement requirements.

2. The Town further agrees to abide by the procedures and regulations of Chapter 126 of the Wicomico County Code, adopted by the County pursuant to the County's obligation under the State Forest Conservation Act.

3. The Town further agrees to coordinate its development approval activities for building permits, site plan approval, subdivision plat approval, and any grading and sediment control permits with the requirements of Chapter 126 of the Wicomico County Code.

4. Town covenants and agrees that no final building permit, site plan, subdivision plat, grading or sediment control permit shall be issued or approved until the applicant has demonstrated compliance with the provisions of Chapter 126 and received approval from the Wicomico County Department of Planning, Zoning and Community Development, as may be required for that activity.

5. It is understood and agreed that the County shall have the right and authority to fully enforce said Chapter 126 within the corporate limits of the Town.

6. It is further understood and agreed that any and all fees imposed by the County Council of Wicomico County for the administration of the Wicomico County Forest Conservation Program within the municipal boundaries of town, shall be retained by Wicomico County.

AS WITNESS our hands and Seals the day and year first above written.

WITNESS: TOWN OF

_____ BY:_____

DATE: _____

COUNTY CONCURRENCE

Pursuant to Section 5-1603(a)(4) of the Natural Resources Article of the Annotated Code of Maryland, Wicomico County, Maryland hereby agrees to accept the assignment of the Town's obligation under the State Forest Conservation law upon the terms and conditions hereinabove set forth.

ATTEST: WICOMICO COUNTY, MARYLAND

_____ BY:_____

Matthew E. Creamer, Secretary L. Russell Molnar, President

DATE: _____

STATE CONCURRENCE

Pursuant to Section 5-1603(a)(4) of the Natural Resources Article of the Annotated Code of Maryland, the Department of Natural Resources hereby consents to the assignment of Town's obligations to Wicomico County, Maryland.

ATTEST: MARYLAND DEPARTMENT OF NATURAL RESOURCES

_____ BY:_____

Authorized Representative

DATE: _____

APPENDIX J

ASSIGNING NUISANCE OLBIGATIONS

AGREEMENT
BETWEEN THE TOWN OF _____
AND WICOMICO COUNTY, MARYLAND
ASSIGNING NUISANCE OBLIGATIONS

Recitals

WHEREAS, the Commissioners of the Town of _____ believe that significant problems exist within the town relating to nuisances, including, but not limited to, abandoned and untagged vehicles; and

WHEREAS, the complexity of local nuisance enforcement implementation can be eased by the assignment of such enforcement to the County; and

WHEREAS, on June 30, 1990, the Wicomico County Council adopted Bill 1990-12, adopting a County-wide nuisance program and policy;

WHEREAS, the County has offered to enforce the provisions of its nuisance code within the boundaries of the Town to identify and mitigate those situations which can threaten public health and safety, if the Town adopts the appropriate chapter of the County Code; and

WHEREAS, the Town has adopted Chapter 174 of the Wicomico County Code, as amended from time to time, by ordinance number 2002-___.

NOW, THEREFORE, in consideration of the premises, and the covenants and agreements hereinafter set forth, the Commissioners of the Town of , Maryland hereby covenant and agree as follows:

1. The Town, hereby assigns its obligations to assure compliance with the nuisance provisions of Chapter 174 of the Wicomico County Code including, but not limited to, notice requirements, enforcement and abatement of abandoned vehicles.

2. The Town further agrees to abide by the procedures and regulations of Chapter 174 of the Wicomico County Code.

3. It is understood and agreed that the County shall have the right and authority to fully enforce said Chapter 174 within the corporate limits of the Town.

4. It is further understood and agreed that any and all fees imposed by the County Council of Wicomico County for the administration of the Wicomico County Nuisance Code within the municipal boundaries of the town, shall be retained by Wicomico County.

AS WITNESS our hands and Seals the day and year first above written.

WITNESS: TOWN OF

_____ BY:_____

DATE: _____

COUNTY CONCURRENCE

Wicomico County, Maryland hereby agrees to accept the assignment of the Town's obligation under the Chesapeake Bay Critical Area Protection Program upon the terms and conditions hereinabove set forth.

ATTEST: WICOMICO COUNTY, MARYLAND

_____ BY:_____

Theodore E. Shea, II, Secretary L. Russell Molnar, President

DATE: _____

APPENDIX K

ASSIGNING STORMWATER MANAGEMENT OBLIGATIONS

AGREEMENT
BETWEEN THE CITY OF FRUITLAND
AND WICOMICO COUNTY, MARYLAND
ASSIGNING STORMWATER MANAGEMENT OBLIGATIONS

Recitals

WHEREAS, the State of Maryland has required that all local jurisdictions with planning and zoning authority establish their own stormwater management program under the Environment Article of the Annotated Code of Maryland, Title 4, Subtitle 2, which shall be consistent with the Code of Maryland Regulations (COMAR) 26.17.02; and

WHEREAS, the complexity of local stormwater management implementation varies depending upon the extent and nature of local development; and

WHEREAS, on June 26th, 2001, the Wicomico County Council adopted Chapter 196, entitled "Stormwater Management" establishing a stormwater management program in compliance with state law; and

WHEREAS, the Town has reviewed Chapter 196 as adopted by the County and believes it is satisfactory to protect the lives and property of it's municipal residents, and

WHEREAS, on [Date] the Town has adopted Chapter 196 of the Wicomico County Code, as amended from time to time, by Ordinance [Designation].

NOW, THEREFORE, in consideration of the premises, and the covenants and agreements hereinafter set forth, the Commissioners of the City of Fruitland, Maryland hereby covenant and agree as follows:

1. The Town, hereby assigns its obligations to administer the stormwater management program under Title 4, Subtitle 2 of the Environment Article of the Annotated Code of Maryland to Wicomico County, including, but not limited to, the review and approval of stormwater management waivers, variances, plans and supporting documents, and the inspection of stormwater management facilities including maintenance and inspection reports.

2. The Town further agrees to abide by the procedures and regulations of Chapter 196 of the Wicomico County Code, adopted by the County pursuant to the requirements of the Environmental Article of the Annotated Code of Maryland.

3. The Town further agrees to coordinate its development approval activities, including the collection of a performance bond, building permits, site plan approval, subdivision plat approval, and any grading and sediment control permits with the Wicomico County Department of Public Works.

4. The Town further agrees to coordinate with the County to obtain all necessary deeds of easement, maintenance and inspection agreements.

5. Town covenants and agrees that no building permit, site plan, subdivision plat, grading or sediment control permit shall be issued or approved until the applicant has complied with the provisions of Chapter 196 and received approval from the Wicomico County Department of Public Works, as may be required for the proposed activity.

6. It is understood and agreed that the County shall have the right and authority to fully enforce said Chapter 196 within the corporate limits of the Town.

7. It is further understood and agreed that any and all fees established by the County Council of Wicomico County for the administration of the Wicomico County Stormwater Management Program within the municipal boundaries of the town, shall be retained by Wicomico County.

AS WITNESS our hands and Seals the day and year first above written.

WITNESS: CITY OF FRUITLAND

_____ BY:_____

DATE: _____

COUNTY CONCURRENCE

Wicomico County, Maryland hereby agrees to accept the assignment of the Town's obligation under the State Stormwater Management law upon the terms and conditions hereinabove set forth.

ATTEST: WICOMICO COUNTY, MARYLAND

_____ BY:_____

Theodore E. Shea, II, Secretary Anthony Sarbanes, President

DATE: _____

STATE CONCURRENCE

Pursuant to Article 4, Subtitle 2 of the Environment Title of the Annotated Code of Maryland and COMAR §§ 26.17.02.03, the Department of the Environment hereby consents to the assignment of Town's obligations to Wicomico County, Maryland.

ATTEST:

MARYLAND DEPARTMENT OF THE ENVIRONMENT, WATER MANAGEMENT ADMINISTRATION

_____

BY:_____
Authorized Representative

DATE: _____

APPENDIX L

BASIC WATER AND SEWER SERVICE AGREEMENT

BASIC WATER AND SEWER SERVICE AGREEMENT

By and Between

WICOMICO COUNTY, MARYLAND
WICOMICO COUNTY URBAN SERVICES COMMISSION
and
THE CITY OF FRUITLAND

THIS AGREEMENT, made this 18 day of December, 2001, by and between WICOMICO COUNTY, MARYLAND ("County"), a body politic and corporate of the State of Maryland, WICOMICO COUNTY URBAN SERVICES COMMISSION ("Commission"), an agency or instrumentality of Wicomico County, Maryland and THE CITY OF FRUITLAND ("City"), a municipal corporation of the State of Maryland;

WHEREAS, pursuant to the Smart Growth initiative adopted by the State of Maryland, the City and County desire to reduce urban sprawl and to promote the concentration of future development at urban and suburban densities within appropriate growth areas; and

WHEREAS, County desires to have water and sewer utility services generally available throughout the suburban county areas hereinafter identified and defined as the "service area" to meet the public health needs of its citizens and to encourage such growth in the appropriate areas; and

WHEREAS, the Comprehensive Plan for the Salisbury-Wicomico Region recommended that sewer and water services be made available throughout such service area and the City has an existing Water Treatment Plant and an existing Waste Water Treatment Plant, with associated collector systems, lift stations and pump stations, which have been in use for a number of years and the City has advertised for bids and has received the same for the upgrade and expansion of its Waste Water Treatment Plant, and has begun construction of the said upgrade and expansion of its wastewater treatment plant; and

WHEREAS, the City is in the process of planning to upgrade its Water Treatment Plant and recondition and upgrade its wells as well as putting in a new well to service its citizens; and

WHEREAS, the City has the administrative personnel and experienced utility operating staff to render such services, and desires to render such services throughout said service areas, in cooperation with the County and the Commission;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, that in consideration of the premise and of the mutual covenants and agreements hereinafter expressed and of the sum of One Dollar ($1.00) paid by each party hereto unto the other, and other good and valuable considerations, receipt whereof is hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

1. Definitions of Terms:

"Contiguous" - shall mean the sharing of a boundary; adjoining two neighboring areas of land which touch, and shall not include property whose sole connection is via a state or county road or street.

"Cost" or "actual cost" of rendering water and sewer services — Used in this context "cost" or "actual

cost" shall mean the expenses incurred, accrued or attributable by the City to the provision of water and sewer services when applying Generally Accepted Accounting Principles and including therein operational expense, materials, equipment, repair, salaries, (including the burden thereon of various taxes, assessments and benefits), bonuses, use and depreciation, testing, office overhead and office materials and supplies, meter reading and billing, monitoring, chemicals, disposal fees (sludge and related matter), required and desirable educational courses and programs, travel expense associated with operation, and licensure of the plant and staff, a twenty (20) percent allocation for upgrade, overhaul or replacement of the systems associated herewith and any fines, levies or assessments (however designated) imposed or exacted by MDE, EPA, MOSHA, OSHA, and/or any similar entity with jurisdiction.

"New Capacity" or "New Waste Water Treatment Capacity" That amount of wastewater treatment capacity the City intends to construct over and above the current capacity of the said plant expressed in the approximate number of gallons that may be processed per day under appropriate licensing and administrative orders.

"Service Area" - is hereby defined as the area lying as shown and designated as the service area for the City of Fruitland in the Wicomico County Comprehensive Water and Sewer Plan adopted by the County and approved by the Maryland Department of Environment, except those portions thereof embraced within (a)the corporate limits of the City, as in effect at the date of this Agreement or as hereinafter validly extended pursuant to Maryland law within the service areas, and (b) the corporate limits of any other municipality now or hereafter formed under Maryland law; it being understood, that the parties hereto will seek to avoid, if possible, any and all piecemeal exclusions, of portion(s) of the service area(s) if same would affect the unified operation of the City's utility system(s). No amendment of said plan which purports to change said defined service areas shall be binding on any party hereto without the express advance written consent of such party.

"Urban Service District" — That portion(s) of the Service Area which has been designated, by the Wicomico County Urban Services Commission pursuant to the Agreement, for water and sewer services.

"The Wicomico County Urban Services Commission" — An agency or instrumentality of Wicomico County, Maryland as established by Chapter 97 of the Wicomico County Code.

2. The City currently owns and operates water and wastewater treatment facilities located in the City limits and desires and intends to upgrade its existing wastewater treatment plant, which has a permitted treatment capacity of 500,000 gallons per day, to a permitted capacity of 800,000 gallons per day. The City operates said wastewater treatment plant under standards established by a Consent Order of February 23, 1995 as amended January 6, 1998, and which is currently under negotiation between the City and MDE. The City has pending an application to renew its NPDES Permit No. 89-DP-1223. The City agrees to reserve treatment capacity in the amount of 200,000 gallons per day of the initial new wastewater treatment capacity and the equivalent water capacity for allocation by the Commission among Urban Service Districts covered by this Agreement.

3. The design of the proposed upgrade of the wastewater treatment facilities to 800,000 gallons per day capacity shall be sufficient to permit the facility to operate within the EPA and MDE, TMDL allocations. Said design shall be sufficient to reduce nitrogen loading to a level not to exceed 8 mg/liter in the Lower Wicomico River watershed.

4. In the event that an upgrade of the wastewater facilities is required, other than as necessary to reach the initial levels specified in paragraph 3, during the term of this Agreement, the cost of such upgrade shall be shared on a pro rata basis by the County and the City. An upgrade shall be deemed required if directed by a state or federal agency in order to comply with then existing standards or requirements of such agency or applicable statutes. The County's pro rata share shall be determined by dividing the sum of the outstanding balances, as of the effective date of this Agreement, of the City's existing $1,200,000.00 Water Treatment Plant debt and the $500,000.00 Wastewater Treatment Plant debt assumed by the county pursuant to paragraph 5 and 1.1 Million Dollars, by the total cost of the project described in paragraph 3 remaining after any applicable federal and state grants. The resulting quotient shall by multiplied by the total project cost of the upgrade remaining after any applicable federal and state grants, to determine the County's share of the project.

In the event, the parties hereto mutually determine an upgrade or expansion of the wastewater or water facilities is necessary to increase capacity the City and County shall share costs on a pro rata basis according to the allocation of the increased capacity between the parties.

4.1 In the event that an upgrade or expansion of the water tower or well field is required beyond that capacity which is contemplated by the project specified in paragraph 2, during the term of this Agreement, the cost of such upgrade shall be shared on a pro rata basis by the County and the City. The County's pro rata share shall be determined by dividing 200,000 by the total capacity of the City's system and multiplying the resulting quotient by the total project cost.

5. The County agrees, subject to amendment of its Capital Improvements Projects budget and the sale of capital project bonds, to pay the City the sum of $700,000.00 for the Cedar Lane expansion and the sum of $1,100,000.00 for the upgrade of the City's existing Wastewater Treatment Plant to a permitted capacity of 800,000 gallons per day. In addition, the County shall pay to the City, in accordance with their terms, a sum equivalent to the outstanding balance of the City's existing $1,200,000.00 Water Treatment Plant debt and the outstanding balance of the existing $500,000.00 Wastewater Treatment Plant debt.

6. The County shall, upon execution of this agreement, commence procedures necessary to amend the County's Comprehensive Water and Sewer plan to incorporate the expansion of the City's facilities to two (2) mgd.

7. It is further agreed by the parties hereto that in the event that the capacity allocated and reserved for the Commission's use pursuant to paragraph 2 remains unused at a time when the City has a need for said capacity that the County and/or Commission will allow the City to take back said capacity or portions thereof as is necessary and desirable and the City shall reimburse the County or Commission, as appropriate, an amount equal to the County's original cost per mgd. The original cost per mgd shall be determined as follows: The sum of the outstanding balance of the City's existing $1,200,000.00 Water Treatment Plant debt and the outstanding balance of the existing $500,000.00 Wastewater Treatment Plant debt on the effective date of this Agreement plus 1.1 Million Dollars plus cost of debt service incurred for said capacity divided by 200,000 with the resulting quotient multiplied by the number of gallons of daily capacity bought back by the City. Reimbursement by the City shall be made pursuant to a mutually agreeable payment schedule.

8. The County and the Commission, for the term of this Agreement, hereby agrees to consult with the City prior to the provision of either or both water and sewer utility services to any property within the service area or any part thereof. Private sewer and water system(s) shall be permitted in such service area(s) on single lots unless and until public facilities become available thereto; provided that after such public facilities become available thereto, such lots shall be required to connect to and use the public system(s) in accordance with the Commission's standard policy therefor, and in any event with a period of time not to exceed five (5) years.

Private wells for irrigation systems shall continue to be permitted regardless of the availability of public facilities.

9. The City, for the term of this Agreement, hereby agrees that it will render and furnish said water and sewer utility services in any and every portion of the service area as and when directed to serve same by the County and/or the Commission pursuant to a "Notice to Serve" duly given in accordance with the provisions of paragraph 10 hereof. The City hereby undertakes and obligates itself to construct, operate, maintain, and replace all necessary facilities, and all necessary expansions and renewals thereof, required to render the services hereby agreed to be furnished and performed subject to the costs and payment provisions contained herein. If necessary in order to expedite a project,the construction of the necessary facilities may be performed by the Commission or others, provided said construction is completed in accordance with City specifications. The City to the best of its ability shall meet the same standards of service in every such district as within its own corporate limits.

10. The procedure for the commencement of service by the City to one or more portions or all of such service areas shall be governed by the provisions of this paragraph.

(a) Prior to the initiation of any procedure for commencement of service within a service area or any portion(s) thereof, the Commission shall consult with the City to determine priorities as between one or more areas for the establishment of an Urban Services District.

It is further agreed that neither the County nor the Commission shall take any action hereunder which shall have the result of establishing an urban service district for or issuing a "Notice to Serve" any portion of the Service Area which is contiguous, as defined herein, to the municipal boundary of the City, until having first given the City formal written notice of the intent to do so and allowing the City a period of not less than forty-five (45) days to proclaim, by simple majority vote, the City's desire to annex said lands. In the event that City proclaims its desire to so annex, the urban service district shall not be established unless the time necessary to annex shall have passed without the City acting to annex or said annexation shall be rejected by the City prior to the passage of such time. In the event that City acts to annex and such is defeated by the residents/owners of property within the area to be annexed City shall not be obligated hereunder to so serve the area.

(b) All procedures for the commencement of services hereunder, and all powers of designation of area(s) to be served hereunder, shall be as established by the Code of Wicomico County. On receipt of a petition of property owners for service, or by the filing of the Commission's own request for initiation of such service, the Commission immediately will notify the City thereof and thereafter will keep the City advised of all developments with respect thereto.

(c) In the event of any dispute or controversy between the Commission and the City, not relating to usage of capacity, arising in connection with the Commission's proposal to establish a service area pursuant to this Agreement, the parties agree to resolve such dispute or controversy by arbitration as follows: The Commission shall select an arbitrator and shall immediately notify the City; within ten (10) days after receipt of such notice the City shall select an arbitrator and notify the Commission; within ten (10) days after the selection of the second arbitrator, the Commission and the City shall jointly agree on the selection of a third arbitrator. The three arbitrators shall then consider the dispute in accordance with the Maryland Uniform Arbitration Act and their award shall be binding upon the parties hereto.

(d) All necessary engineering services required by the Commission in connection with such procedures

shall be in accordance with City specifications. If a district shall be established as a result of such procedures, then all engineering costs of the City or others shall be part of the project costs for serving such district and same shall be paid and financed entirely by the Commission; if a district shall not be established as a result of said procedures, then the Commission shall pay to the City for its engineering services the City's actual cost thereof plus twenty-five percent for overhead. The Commission shall pay all other expenses in connection with such procedures; if same result in the establishment of a district, then all such costs shall be a part of the project costs; if a district be not established then all such costs shall be borne by the Commission.

(e) The County shall pay the cost of that portion of any major trunk extensions within the City and Service Area necessary to permit the extension of utility services to areas beyond corporate limits. The expense of such trunk extensions shall be recovered by the County from the Commission as districts are formed.

(f)The City shall cooperate in all such procedures to the extent requested by the Commission, and shall render to it all proper assistance so requested.

(g) A district shall be considered as established or duly constituted after any statutory waiting period, notice period, or like period, during which a referendum may be filed with respect to the establishment thereof, shall have expired. Within such service areas or any portion(s) thereof, the establishment of a district shall be signaled by the Commission to the City by the delivery to it of a "Notice to Serve," which shall describe and identify the District established, the date of its establishment, and the service or services to be rendered therein. Immediately upon and after receipt of every such Notice to Serve, the City shall have the duty and obligation hereunder to provide all necessary facilities therein for the rendering of the service(s) specified, and to commence such service therein at the earliest possible time considering the problems of final engineering and planning, financing and construction and City Charter provisions dealing with bidding and enacting ordinances and resolutions.

11. The City shall retain exclusive right to render water and sewer utility service within its corporate limits, and neither the Commission nor the County shall render either service within same; in addition, prior to the establishment of a district or districts by the Commission within the service areas hereinabove defined, the City, with the consent of the Commission, shall have the right to extend its water and sewer mains and serve any property outside its limits and within such service areas. Within any such district, the City also may continue to serve any property which abuts upon a City owned water main or City owned sewer main existing on the date of this Agreement.

12. The Commission agrees that it will use its best efforts to give the City the maximum possible advance notice of the anticipated establishment of any district or districts or of any additional demand to be made upon the City for service pursuant to this Agreement.

13. In the event of the annexation by the City, subsequent to the date of this Agreement, of any portion(s) of the service areas hereinabove defined which are being served hereunder on the date of any such annexation, then it is agreed:

(A) If an entire district of the Commission shall be thus annexed, then the City shall take over and assume any and all of the Commission's properties, obligations and functions with respect thereto and this Agreement, so far as it relates to the area so annexed, shall be canceled and terminated immediately;

(B) If the area so annexed shall be part(s) but less than all of the Commission's district then being served hereunder, then it is the general intent that the City shall take over and assume, on a pro tanto basis, the

Commission's properties, obligations and functions with respect to the area(s) annexed and this Agreement with respect thereto shall be canceled and terminated pro tanto, and equitable and fair adjustment(s) shall be made between all parties concerned by their mutual agreement; and

(C) Failing such mutual agreement within six months following annexation, the dispute shall be submitted to arbitration as provided in paragraph 10 (c) for decision as to fair and proper adjustment(s) between or among the parties.

(D) The City shall reimburse the Commission on a pro tanto basis for any sums paid the City for the costs associated with system improvements or expansion necessitated by the extension of water and sewer utility services to the service area. The City's obligation to reimburse the Commission shall be determined by dividing the original cost of the facilities to be taken over by the City by reason of the annexation by the number of years in the original life expectancy of same and multiplying that result by difference between the original life expectancy of those facilities and the number of years which those facilities have been in use, amortized at no interest over a period of time equal to the remaining life expectancy of said facility.

(E) The County's unused capacity allowance pursuant to paragraph 2 shall be increased by the capacity originally allocated to the area annexed. In the alternative, the City may elect to reimburse the County for said capacity in the same manner and method set forth in paragraph 4

14. The City hereby represents and stipulates that as a cost of the project it shall install meters for all water utility services rendered by it pursuant to this Agreement and to measure its charges for such water service by means of such meters; further, with regard to charges for sewer utility services rendered by it pursuant hereto, the City hereby represents and stipulates that its general intent is to base same upon the said metered water charges, in the event both services are rendered within the district, or if not, by a system of flat rate charges per fixture, or by sewer meters, as the City shall determine to be most convenient and economical for the particular district in question and as in best general conformity with the City's rate structure and system of sewer service charges to its sewer customers within its own corporate limits.

15. The rates to be charged by the City for its utility services rendered pursuant to this Agreement shall be governed by the following provisions:

(a) The rate for utility service shall be one and one-half (1½) times the published in-city rates adopted by the City Council for the same service. It is understood and agreed that the published in-city rates shall be substantially similar to the City's actual cost of rendering such service. The City reserves the right and privilege of establishing a program of discounts or credits for a selected subset of the population of the citizens of the City.

(b) Before the establishment of any district proposed to be served hereunder, the City shall furnish the Commission sufficient information to estimate the front foot assessment for providing the service proposed to be rendered in such district, and thereafter such estimated front footage assessment shall be refined and revised by the Commission, after consultation with the City, for presentation at its public hearing or hearings. If the proposed district thereafter shall be duly established, the said estimated front footage assessment shall be further revised and refined by the Commission, after consultation with the City, to reflect the actual cost of the required infrastructure and associated costs to provide service to such district.

(c) The City shall at all times furnish to the Commission copies of its current rate schedule(s) in effect.

16. The Commission covenants and agrees that from and after the date of establishment of the first district to be served hereunder, it will adopt, with the advice and consent of the City, and thereafter will enforce, standard policies covering at least the following: requirements for initial connections by property owners to the new utility system or systems (in any event, within a period of time not to exceed five (5) years after said new system or systems become available for use); requirements for subsequent connections and additions by property owners; minimum rates and charges to customers of such system or systems; and provisions for inspection by the City on private lands in the area(s) served. For the last mentioned purpose, the Commission may designate as its agent one or more city inspectors designated and nominated by the City for such inspection duties.

17. In general, the parties agree that the City shall render the same services, have the same obligations, and have the same rights, penalties, and privileges, in the district or districts served hereunder as it has inside its own corporate limits. With regard to billing to customers in every district served hereunder, it is agreed that all billing shall be done by the City at its cost but shall be done in the name of the Commission. All payments of such bills shall be made to the City, either directly, or if received by the County and/or Commission, shall be forthwith remitted to the City. In collecting delinquent accounts, it is agreed that same shall be liens on the properties in the district, in the name of the Commission, that collection procedures shall be instituted and followed up promptly by it pursuant to County law, and that all proceeds of such collections less the expense of collection shall be promptly remitted to the City.

18. To defray the general overhead expense of the Commission in connection with this Agreement, the City agrees that it will pay to the County (for division by the County with the Commission or distribution otherwise, as the County shall determine) an amount equal to two percent (2%) of the City's annual gross collections (net of any collection expenses incurred by the City under paragraph 17) from each Uurban Service District served by the City hereunder; provided that such amount shall be subject to review and revisions by mutual agreement of the parties not less frequently than once each five (5) years during the existence of this agreement; such payment shall be made within 30 days after the close of the City's billing year or fiscal year for such district, as such year shall be established from time to time by the City.

19. It is agreed that all construction work required to serve an area hereunder shall be performed in accordance with the City's standards and specifications from time to time in effect governing the installation of transmission and distribution system mains and facilities and all other necessary facilities. All street and road repairs shall be performed, by the City, the contractor and/or the County's Department of Public Works, and the cost of all street and road repairs for the initial installation of a system or systems shall be charged as part of the cost of the project. After completion of the construction project, any such repairs shall be the responsibility of the contractor during any applicable guarantee period, and thereafter shall be borne by the County or City as determined by whether the location of the needed repair is in or out of the City limits. The County and/or the Commission agree that they and each of them will take all action necessary to enforce all reasonable regulations and controls of properties connected to the City's systems within the district served in order to make same conform to the same requirements for control as are then in effect within the City.

20. For the protection of the health of all consumers supplied with water from the Fruitland Metropolitan water system, the County and the Commission agree to guard carefully against all forms of contamination, and if at any time contamination should occur, the area or area affected shall immediately be shut off and isolated and remain so until such conditions shall have been abated and the water declared again safe and fit for human consumption, by the properly constituted governmental health agencies having jurisdiction of the areas affected. It is agreed that any cross-connection between a private water system and the City's public water system shall be considered as contamination of the City's public water system.

21. In the event proper operation of either of the utility systems, or the occurrence of an emergency of any kind, requires the City to discontinue temporarily all or part of its utility service hereunder, no claims for damages for such discontinuance shall be made by the County or the Commission against the City. The City shall likewise be entitled to impose the same restrictions, regulations and controls (including, but not limited to, bans on lawn sprinkling or other non-essential water uses, alternate day use, and other restrictions on water conservation controls) with respect to the Commission's customers as the City imposes on its own in-City customers; and the City shall be entitled to enforce such regulations by discontinuing water service to the Commission in the area or areas involved. The County and the Commission hereby waive any and all claims for damages against the City resulting from any discontinuance of service.

22. No failure or delay in performance by any party shall be deemed to be a breach hereof when such failure or delay is occasioned by or due to any Act of God, strikes, lockouts, wars, terrorism, criminal acts, riots, epidemics, explosions, sabotage, breakage or accident to any element of the system, the binding order of any court or governmental authority, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension.

23. All necessary lands, easements and/or rights-of-way which may be required outside the City's limits in order to permit the City to render the utility services contemplated by this Agreement shall be acquired by the City by purchase or condemnation in the name of the Commission and/or the County. Following such acquisition, the Commission and/or the County shall immediately convey same to the City, which thereafter shall hold same so long as it owns and operates the utility system(s); it being the intention hereof that whichever body owns and operates the public utility system(s) also shall own the land(s), easement(s) and/or right(s) of way necessary therefor. In the event of termination of this Agreement as provided in paragraph 24 hereinafter set forth, the intention expressed in this paragraph shall apply to the body or agency which shall thereafter own and operate said utility system. The County or Commission shall pay all costs of acquisition, including but not limited to, the price paid for the property and/or right-of-way, survey costs, attorney's fees, Court costs and advertising expenses, as part of the project costs for rendering such service hereunder. The City, with the advice and cooperation of the Commission and/or the County, shall conduct all necessary negotiations, suits, and other procedures, for such acquisition. The County agrees to give the City without charge or consideration all necessary easement(s) within its public street bed(s) for all construction and maintenance therein reasonably required by the City hereunder.

24. The initial term of this Agreement shall be for fifty (50) years from its date, and thereafter, this Agreement shall automatically renew itself from year to year in the absence of termination as hereinafter provided. This Agreement may be terminated by any party after the expiration of said fifty (50) year period upon two (2) years' written notice served upon the other parties by registered or certified mail or other legal means of service, or same may be terminated at any time upon the mutual consent of all parties hereto. The right to the use of the capacity allocated to the County pursuant to paragraph 2, as adjusted due to annexations as set forth in paragraph 13 and upgrades as set forth in paragraph 4, shall survive termination.

25. The parties hereto hereby express their general intention and agreement with respect to the following policies:

(a) That for each type of service rendered hereunder the rates within the service areas hereunder shall be as nearly uniform as possible.

(b) That, in general, each district forming part of the service areas hereunder shall pay through its front foot assessment for its transmission and distribution facilities specially or particularly or exclusively benefitting

that district and necessary to serve that district, and also shall pay a service charge calculated as set forth in paragraph 15 hereof.

26. This Agreement shall inure to the benefit of and be binding upon the respective parties hereto, their successors and assigns.

27. This Agreement shall become effective as of January 1, 2002, upon its adoption and execution by the respective parties hereto, and upon the effectiveness of any and all amendatory or enabling legislation and/or procedures or actions which may be necessary or reasonably required to authorize and permit the execution hereof by the respective parties hereto and their performance of these obligations hereunder according to the true intent and meaning hereof. Notwithstanding any other provision hereof, this Agreement shall be and remain in all respects subject to all applicable constitutions, laws and charters, and judicial interpretations thereof, as in effect from time to time; including, without limitation Article 23A of the Maryland Code Annotated relating to the powers and authority of Maryland municipal corporations generally.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first above written.

ATTEST: WICOMICO COUNTY, MARYLAND

_____ BY:_____

Theodore E. Shea, II, Administrative Director — L. Russell Molnar, President of the County Council

ATTEST: THE CITY OF Fruitland

_____ BY:_____

Richard M. Pollitt, Jr., City Clerk — Theodore O. Lokey, Council President

ATTEST: WICOMICO COUNTY URBAN SERVICES COMMISSION

_____ BY:_____

Theodore E. Shea, II, Secretary — L. Russell Molnar, Chairman