

**RETIREE BENEFIT TRUST OF ST. MARY'S COUNTY, MARYLAND**

Effective as of June 24, 2008

RETIREE BENEFIT TRUST OF ST. MARY'S COUNTY, MARYLAND

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RETIREE BENEFIT TRUST OF ST. MARY'S COUNTY, MARYLAND

THIS AGREEMENT AND DECLARATION OF TRUST, made this \_\_\_ day of \_\_\_\_\_, 2008, effective as of June 24, 2008, by and between the St. Mary's County, Maryland (the "Employer") and the Trustees identified in Article I of this Agreement ("Trustees").

RECITALS:

WHEREAS, the Employer provides post-retirement health and welfare coverage for retirees of the Employer who have satisfied certain age, service and other requirements set forth in the St. Mary's County Retiree Health Benefit Plan; and

WHEREAS, the Employer's share of the cost of health and welfare benefit coverage for retirees is currently funded by the Employer on a "pay as you go" basis; and

WHEREAS, the Employer desires to establish a reserve to pay health and welfare benefits for current and future retirees of the Employer; and

WHEREAS, the Employer is a political subdivision of the State of Maryland whose income is exempt from federal income tax pursuant to Section 115(1) of the Internal Revenue Code of 1986, as amended, as long as said income is derived from the exercise of an essential governmental function; and

WHEREAS, pursuant to Article 95, Section 22F of the Annotated Code of Maryland, revenues held as part of an "other postemployment benefits fund" ("OPEB Fund") are not "public funds" subject to the investment restrictions on such funds; and

WHEREAS, pursuant to Article 95, Section 22(b)(2) of the Annotated Code of Maryland, the trustee of an OPEB Fund of any political subdivision may invest, redeem, sell, invest and reinvest monies under their custody or control as provided by the laws by the governing body of the political subdivision; and

WHEREAS, pursuant to Article 95, Section 22(b)(2) of the Annotated Code of Maryland, the trustee of an OPEB Fund of any political subdivision shall comply with fiduciary standards that at least meet the standards set forth in Title 21, subtitle 2 of the State Personnel and Pensions Article of the Annotated Code of Maryland; and

WHEREAS, neither the establishment of this Trust nor the establishment or maintenance of a reserve to pay retiree health benefits shall be construed as creating or evidencing an obligation on the Employer's part to maintain or continue its practice of providing post-retirement health or welfare benefits to retirees; rather, the Employer expressly reserves the right to alter, amend, modify, or terminate its practice of providing health and welfare benefits to retirees and their dependents, as well as the right to require

retirees to make greater contributions to the funding of their health and welfare benefits;  
and

WHEREAS, the Employer intends that contributions to this Trust will qualify as "contributions in relation to the actuarial required contribution" within the meaning of Governmental Accounting Standards Board Statement Number 45 and that this Trust will qualify as a "trust or equivalent arrangement" within the meaning of Governmental Accounting Standards Board Statement Numbers 43 and 45; and

WHEREAS, the Employer intends that the income of this Trust shall be excludible from federal income taxation under Section 115(1) of the Code.

NOW, THEREFORE, in consideration of the mutual promises herein made, the payments to be made hereunder as herein provided, and the covenants, agreements, conditions, benefits and obligations inuring to the benefit of, or to be performed by, the parties hereto, it is hereby covenanted and agreed as follows:

#### ARTICLE I DEFINITIONS

Unless a different meaning is clearly derived by the context, the following words as used in this Trust shall have the following meaning:

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Dependent" shall mean any person defined as such in the Plan.

"Employer" shall mean St. Mary's County, Maryland, a body corporate and politic, duly organized and existing under the laws of the State of Maryland.

"Fund" shall mean the trust estate of the Retiree Benefit Trust of St. Mary's County, Maryland established by this agreement, as amended from time to time, which shall consist of all monies received by the Trustees as contributions made by or on behalf of the Employer; all interest and income from investments or otherwise; and any other property received and held by the Trustees for the uses and purposes set forth in this Trust.

"Investment Consultant" shall mean the person selected by the Trustees to provide investment advice. The Investment Consultant will be a fiduciary with respect to the Fund.

"Investment Manager" shall mean any investment manager appointed in accordance with Section 4.2 hereof to assist the Trustees in performing their obligations with respect to the investment and reinvestment of all or a portion of the assets of the Fund.

"Participant" shall mean any person who retired from employment with the Employer and satisfies the conditions set forth in the Plan for the receipt of health or welfare benefits after retirement. Anything herein to the contrary notwithstanding, coverage and eligibility for benefits of any Participant shall be subject in all respects to the terms and provisions of the Plan.

"Plan" shall mean the St. Mary's County Retiree Health Benefit Plan.

"Policy" or "Policies" shall mean a policy or policies of insurance to provide benefits under the Plan, including any amendments, riders or endorsements attached to such policy or policies.

"Securities" shall include but are not limited to the following types of investment and interest therein: any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, pre-organization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency or, in general, any interest or instrument commonly known as a "security" or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase any of the foregoing.

"Trust" shall mean the Retiree Benefit Trust of St. Mary's County, Maryland embodied in this Agreement, together with all amendments and supplements thereto.

"Trustees" shall mean the persons currently serving as County Administrator, Chief Financial Officer and Director of Human Resources of the Employer, including individuals in an "acting" capacity, a member of the Board of County Commissioners of St. Mary's County, Maryland, selected by the members of the Board of County Commissioners and a citizen of St. Mary's County, Maryland, appointed by the Board of County Commissioners.

## ARTICLE II PURPOSES OF THE TRUST AND APPLICATION OF FUND

2.1 Acceptance. The Trustees hereby accept the duties imposed upon them by this Agreement and agree to perform said duties in accordance with the terms and conditions of this Agreement. The Trustees shall hold legal title to all property of the Fund and shall have absolute and exclusive power and control over the management and conduct of the business of the Fund.

2.2 Future Trustees. Whenever any change shall occur in the composition of the Trustees, the legal title to the property hereby created by this trust shall pass to those duly appointed Trustees. Each future Trustee appointed in accordance with this Agreement shall be deemed to have accepted the office of trustee and the terms and conditions of this Agreement.

2.3 General Purpose. This Trust is established, and the Fund shall be used, for the purpose of funding the Employer's contributions for such health and welfare benefits as may be specified from time to time under the Plan. All assets of the Trust shall be fully protected from the creditors of the Employer and the Trustees. No part of the net earnings of this Trust shall inure to any individual.

2.4 Specific Purposes.

(a) This Trust may provide funds to pay the Employer's share of the cost of the retiree health and welfare benefits described in the Plan on a current basis, and

(b) This Trust may provide a reserve to accumulate funds to pay the Employer's share of the cost of health and welfare benefits for future retirees.

2.5 Establishment of Fund.

(a) The Employer hereby establishes a Fund consisting of contributions made by or on behalf of the Employer and such earnings, profits, increments and accruals, less benefit payments, premium payments and expenses and losses thereon as may occur from time to time. Contributions to the Trust by Participants are not permitted.

(b) Any assets of the Fund that are not required for fees, expenses or current expenditures as determined by the Trustees shall be invested by the Trustees as provided in Article IV hereof.

2.6 Application of Fund. The Fund shall be used for the following purposes:

(a) To pay or provide for the payment of benefits provided by the Plan either through self-insurance or through payment of premiums on Policies, as determined and directed by the Employer.

(b) To pay or provide for the payment of all reasonable and necessary costs, charges and expenses incurred in the supervision and administration of the affairs of the Trust, including but not limited to the employment of such administrative, actuarial, legal, expert and clerical assistance as the Trustees, in their discretion, find necessary or appropriate in the performance of their duties.

(c) To establish and accumulate, as part of the Fund, reserves as determined by the Employer from time to time to fund the Employer's share of the cost of the Plan.

2.7 Participation in Pooled Trust. The Trustees may participate in a pooled trust or other arrangement pursuant to which the Fund will be invested with funds of other trusts created by other governmental employers for the purpose of funding the other governmental employers' share of the cost of health and welfare benefits for the current or future retirees of such other governmental employers. The Trustees shall ensure that the trustees of any such investment pool shall keep such records as are necessary in order to maintain a separation of the Fund from the funds of trusts maintained by other governmental employers.

### ARTICLE III DUTIES OF THE EMPLOYER

3.1 Employer Contributions. The Employer shall be responsible for the general supervision and administration of all billings, collections and records of Employer contributions in connection with the Plan and for the transmission of the Employer's contributions to the Trustees.

3.2 Termination of Contributions. Subject to the terms of any agreement that may be binding on the Employer, the Employer expressly reserves the right, at any time and for any reason, to discontinue, modify, reduce or terminate the Plan and the benefits to be provided thereunder. Failure by Employer to continue the Plan, or to fund this Trust, shall not give rise to any new or additional liability on its part whatsoever.

3.3 Administrative Responsibilities of Employer.

The Employer shall have the following administrative responsibilities:

(a) To adopt a funding policy for the Trust that is appropriate in light of the Employer's contributions and the Employer's liability for benefits, expenses and other obligations of the Plan. The funding policy may be changed from time to time as determined by the Employer. The Employer may consult with an actuary in determining the funding policy for the Trust. The funding policy shall include the following:

(i) The level of assets of the Fund required in order to provide for: (1) payment of accrued claims for benefits; (2) payment of administrative expenses for the Fund; (3) sufficient working capital; and (4) the establishment and maintenance of reserves for such purposes as are determined by the Employer to be necessary or desirable in keeping with the purposes of the Trust; and

(ii) The portion of the contributions and other income of the Fund which is required to meet the anticipated current expenditures of the Fund.

(b) To arrange for the timely payment of all premiums due to insurers under Policies;

(c) To maintain all necessary records and accounts for the proper administration of this Trust;

(d) To prepare and file all reports, returns and other documents required by law;

(e) To furnish the Trustees with such information and reports as may be required by law or by the terms of this Trust; and

(f) To advise the Trustees regarding the future liquidity needs in order that the Trustees may invest accordingly.

ARTICLE IV  
AUTHORITY OF TRUSTEES  
APPOINTMENT, TERM, RESIGNATION AND REMOVAL

4.1 Investment Authority. Investment authority over the Fund shall be vested in the Trustees. The Trustees shall have and exercise the following powers and authority over the Securities of the Fund:

(a) To purchase, receive, or subscribe for any Securities and to retain in trust such Securities.

(b) To sell for cash or on credit, to grant options, convert, redeem, exchange for other Securities, to enter into standby agreements for future investment, either with or without a standby fee, or otherwise to dispose of any Securities or other property at any time held by it.

(c) To settle, compromise or submit to arbitration any claims, debts, or damages, due or owing to or from the trust, to commence or defend suits or legal proceedings and to represent the trust in all suits or legal proceedings in any court of law or before any other body or tribunal.

(d) To trade in financial options and futures, including index options and options on futures and to execute in connection therewith such account agreements and other agreements in such form and upon such terms as the Investment Manager shall direct.

(e) To exercise all voting rights, tender or exchange rights, any conversion privileges, subscription rights and other rights and powers available in connection with any Securities or other property at anytime held by it; to oppose or to

consent to the reorganization, consolidation, merger, or readjustment of the finances of any corporation or association, or to the sale, mortgage, pledge or lease of the property of any corporation or association any of the Securities which may at any time be held by it and to do any act with reference thereto, including the exercise of options, the making of agreements or subscriptions and the payment of expenses, assessments or subscriptions, which may be deemed necessary or advisable by the Investment Manager in connection therewith, and to hold and retain any Securities or other property which it may so acquire; and to deposit any property with any protective, reorganization or similar committee, and to pay and agree to pay part of the expenses and compensation of any such committee and any assessments levied with respect to property so deposited.

(f) To invest all or a portion of the Fund in contracts issued by insurance companies, including contracts under which the insurance company holds assets of the Fund in a separate account or commingled separate account managed by the insurance company.

(g) To hold all or part of the Fund uninvested.

(h) To purchase and sell foreign exchange and contracts for foreign exchange.

(i) To invest (i) in any type of interest bearing investments (including, but not limited to savings accounts, money market accounts, certificates of deposit and repurchase agreements) and (ii) in non-interest bearing accounts (including, but not limited to, checking accounts).

(j) To invest in open-end and closed-end investment companies, regardless of the purposes for which such fund or funds were created; and in any partnership, limited or unlimited, joint venture and other forms of joint enterprise created for any lawful purpose.

(k) To invest in the Local Government Investment Pool in accordance with Article 95, Section 22 of the Annotated Code of Maryland.

4.2 Investment Manager Appointment. The Trustees, upon the advice of the Investment Consultant, may appoint one or more Investment Managers pursuant to a written investment management agreement describing the powers and duties of the Investment Manager to direct the investment and reinvestment of all or a portion of the Fund or an Investment Fund.

4.3 Requirements of Investment Manager. The Trustees shall be responsible for ascertaining that while each Investment Manager is acting in that capacity hereunder, the following requirements are satisfied:

(a) The Investment Manager is either (i) registered as an investment adviser under the Investment Advisers Act of 1940, as amended, (ii) a bank as defined in that Act or (iii) an insurance company qualified to perform the services described in (b) below under the laws of more than one state; and

(b) The Investment Manager has the power to manage, acquire or dispose of any assets of the Fund for which it is responsible hereunder.

4.4 Valuation Rules. The Trustees shall determine the fair market value of assets of the Fund based upon valuations provided by the Investment Managers, information and financial publications of general circulation, statistical and valuation services, records of security exchanges, appraisals by qualified persons, transactions and *bona fide* offers in assets of the type in question and other information customarily used in the valuation of property. In the absence of an established securities market, an Investment Manager shall certify, at the request of the Trustees, the value of any Securities or other property held in any Investment Fund managed by such Investment Manager, and such certification shall be regarded as a direction with regard to such valuation. The Trustees shall be entitled to rely conclusively upon such valuation for all purposes under this Agreement.

4.5 Discharge of Trustees' Duties. The Trustees shall discharge their duties with respect to the investment of the Fund in a manner that meets the standards set forth in Title 21, subtitle 2 of the State Personnel and Pensions Article of the Annotated Code of Maryland.

4.6 Appointment of Trustees; Terms. The Trustee who is a member of the Board of County Commissioners of St. Mary's County and the Trustee who is a citizen of St. Mary's County shall be appointed by the Board of County Commissioners. The initial term of these Trustees shall end on December 31, 2010. Subsequent terms of these Trustees shall be for four years. The remaining Trustees shall serve without limit.

4.7 Vacancy Among Trustees. A vacancy in the position of Trustee for any period of time shall not invalidate this Trust. A Trustee appointed after the effective date of this trust shall sign a counterpart to this Agreement to signify acceptance of the position of Trustee.

4.8 Resignation or Removal of Trustees. Any Trustee acting hereunder may resign at any time by giving sixty (60) days' prior written notice to the Employer and the remaining Trustees, which notice may be waived by the Employer and the remaining Trustees. The Employer may remove a Trustee at any time upon sixty (60)

days' prior written notice to the Trustee, which notice may be waived by the Trustee. In case of the resignation or removal of a Master Trustee, the Employer shall appoint a Successor Trustee. Any Successor Trustees shall have the same powers and duties as those conferred upon the Trustees. The removal of a Trustee and the appointment of a new Trustee shall be by a written instrument delivered to the remaining Trustees. A Successor Trustee shall sign a counterpart to this Agreement to signify acceptance of the position of Trustee.

## ARTICLE V LIABILITY OF TRUSTEES

### 5.1 Limitation of Liability.

(a) The Trustees shall not be responsible in any way for the administration of the Plan, for its validity or effect, or the qualification of this Trust under Section 115(1) of the Code.

(b) The Trustees shall not be responsible for the adequacy of the actuarial assumptions and methods or for any insufficiency of the Fund attributable to the funding policy for the Trust.

(c) The Trustees shall have no liability for the acts or omissions of any Investment Manager.

(d) The Trustees shall be under no duty to question, and shall not incur any liability on account of following any direction of the Employer.

(e) The Trustees shall be under no duty to review the investment guidelines, objectives and restrictions established by the Employer or to make suggestions to the Employer in connection therewith.

(f) The Trustees shall not be liable for errors of judgment in the performance of their duties hereunder, nor for any act or omission to act, performed or omitted by them, in the execution of the trusts created hereunder.

(g) Every act done, power exercised or obligation assumed by the Trustees, pursuant to the provisions of this Agreement, or in carrying out the trusts herein contained, shall be held to be done, exercised or assumed by them as Trustees and not as individuals, and every person or corporation contracting with the Trustees, shall look only to the Fund and property of the Fund for payment under such contract, or for the payment of any debt, mortgage, judgment or decree or the payment of any money that may otherwise become due or payable on account of the trusts herein provided for,

and any other obligation arising out of this Agreement in whole or in part, and the Trustees shall not be personally liable therefor.

(h) A Trustee shall be liable in connection with the performance of his duties hereunder for his own willful misconduct or gross negligence.

## 5.2 Indemnification.

(a) The Fund shall indemnify and defend: (i) each Trustee and the estate, executor, administrator, personal representatives, heirs, legatees and devisees of any such person against all judgments including interest, fines, amounts paid or agreed upon in settlement, reasonable costs and expenses including attorneys' fees and any other liability that may be incurred as a result of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, prosecuted or threatened to be prosecuted, for or on account of any act performed or omitted or obligation entered into, if done or omitted in good faith without intent to defraud and within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interest of, and in connection with, the administration, management, conduct or affairs of the Fund, and, with respect to any criminal actions or proceedings, in addition, had no reasonable cause to believe that his or its conduct was unlawful. Provided, however, that if any such claim, action, suit, or proceeding is compromised or settled, it must be done with the prior and express approval of the Trustees or such other persons as may be authorized to make determinations with respect to indemnification pursuant to sub-paragraph (d) of this Section.

(b) Such indemnification shall not depend upon whether or not such person is a Trustee at the time such claim, action, suit or proceeding is begun, prosecuted or threatened.

(c) The right of indemnification hereunder shall not be exclusive of other rights such person may have as a matter of law or otherwise.

(d) In each instance in which a question of indemnification hereunder arises, determination in the first instance of the right to indemnification hereunder, and of the time, manner and amount of payment thereof, shall be made by a majority vote of Trustees provided, however, that no Trustee seeking indemnification hereunder as a result of the same occurrence shall participate in the determination. In the event that a majority of the Trustees are seeking indemnification hereunder as a result of the same occurrence, such determination in the first instance shall be made by independent legal counsel retained by the Fund for the purpose of making the determination. Nothing in this paragraph is intended to make an adverse determination finally binding upon the person seeking indemnity under this Section, or to preclude any such person from appealing an adverse determination against him, or from instituting legal proceedings to enforce a right of indemnification under this Section.

(e) The indemnification provided for in this Section shall be deemed to be an expense of the Fund.

(f) The indemnification provided by this Section shall be secondary to any benefits to which the person may be entitled to receive from any applicable insurance policy providing directors and officers, errors and omissions or other applicable insurance coverage which has been procured by the Fund or for which the Fund paid the required premium. The indemnification provided by this Section shall be primary over any indemnification provided by a Trustee at his or its own expense.

(g) (i) Notwithstanding any other provision of this Section to the contrary, a person may seek, and the Fund may pay, advance indemnification prior to the rendering of a final determination of entitlement to indemnification pursuant to the provisions of subparagraph (d) of this Section. Any award of such advance indemnification by the Fund shall be discretionary and subject to the provisions of this Section.

(ii) In each instance where a question of advance indemnification hereunder arises, determination of the right to indemnification and of any conditions or restrictions attached thereto shall be made by a majority vote of a quorum of the Trustees provided, however, that no Trustees seeking indemnification hereunder as a result of the same occurrence shall participate in the determination. In the event that a majority of the Trustees are seeking indemnification as a result of the same occurrence or the number of Trustees eligible to vote does not constitute a quorum, such determination shall be made by independent legal counsel retained by the Fund for the purpose of making the determination.

(iii) Any determination of advance indemnification shall be discretionary and may provide for the time, manner and amounts advanced hereunder and shall include such limitations as may be deemed appropriate in the particular circumstances on rate of payment, the total amount to be advanced and the security, if required, for repayment of such advances.

(iv) Any advance authorized hereunder shall be repaid to the Fund if the person on whose behalf the advance was made is not entitled to indemnification of his costs and expenses under the provisions and in accordance with the standards for indemnification provided in this Section.

5.3 Consultation with Legal Counsel. Any Trustee may consult with legal counsel concerning any question which may arise with reference to this Agreement and his powers and duties hereunder. The advice or opinion of such counsel shall be full and complete protection of the Trustee in respect to any action taken or suffered by the Trustee hereunder in good faith reliance on said advice or opinion.

5.4 Bonds. The Trustees shall require that a fidelity bond be furnished, as an expense of the Fund, as to all persons handling money for or on behalf of the Trustees.

5.5 Insurance. The Trustees may purchase insurance (including fiduciary liability insurance), as an expense of the Fund, covering individual Trustees.

## ARTICLE VI AMENDMENT AND TERMINATION

6.1 Amendment of Trust. This Trust may be amended to any extent, at any time, or from time to time, by the Employer except that no amendments of this Trust shall be permissible which shall divert the Fund as then constituted, in whole or in part, from its purposes as stated in this Trust.

6.2 Notification to Certain Persons. The Employer shall promptly notify the Trustees of any amendments to this Trust.

6.3 Amendment for Tax Purposes. The Employer may approve, on a retroactive or prospective basis, any amendments that may be required to obtain or retain the continued exclusion of Trust income from federal income taxation.

6.4 Amendment or Termination of Plan. Subject to the terms of any agreement that may be binding on the Employer, the Employer reserves the right to modify, reduce, suspend or terminate the Plan with respect to its Participants, any benefit provided thereunder, or its participation therein, in whole or in part at any time, by resolution of its governing body and upon advance written notice to the Trustees.

6.5 Termination of Trust. The Employer reserves the right to terminate this Trust for any reason, at any time, upon written notice to the Trustees. Upon such termination, the assets of the Fund shall be transferred to one or more trust funds provided such trust funds are for the purpose of providing health and welfare benefits consistent with the purposes hereof to the Participants participating under the Plan. In the event the assets of the Fund may not be transferred to one or more trust funds established for the purpose of providing health and welfare benefits consistent with the purposes hereof to the Participants participating under the Plan, the funds shall be transferred to the Employer. In no event will the assets be transferred to an entity that is not a state, a political subdivision of a state or an entity the income of which is excluded from taxation under Section 115(1) of the Code.

## ARTICLE VII MISCELLANEOUS PROVISIONS

7.1 Irrevocability of Contributions. Except as otherwise expressly provided herein, neither the termination of any Plan nor the termination of this Trust, nor any other action or omission, shall cause the Employer to have any right whatsoever with respect to any contribution, or any asset of the Fund, or any other matter or thing whatsoever in connection with the Fund, it being expressly agreed and understood that all contributions made are irrevocable and that none of said contributions may, under any circumstances other than as specifically set forth in this Trust, be returned or used for the benefit of the Employer.

7.2 Return of Erroneous Contributions. Notwithstanding anything to the contrary herein, upon the Employer's request, a contribution which was made by a mistake of fact may be returned to the Employer by the Trustees within one year after the payment of the contribution. Any portion of the contribution returned pursuant to this Section 7.2 shall be adjusted to reflect its proportionate share of losses of the Fund, but shall not be adjusted to reflect any earnings or gains.

7.3 Reliance. Each of the parties hereto shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, statement or other document which it reasonably believed to be genuine and to have been signed by the proper party or parties or by a person or persons authorized to act on their behalf.

7.4 Liability Limited. The Trustees and any elected officials, officers, directors, agents or employees of the Employer shall have no liability or responsibility with respect to this Trust, except as expressly provided herein.

7.5 Benefits Limited to Fund or Policies. The Employer does not assume as a contractual obligation the continuance of the Plan or the payment of contributions to the Trust. No person shall have any right, privilege or option to receive any cash or other consideration from the Fund in lieu of benefits covered under the Plan.

7.6 Severability. In the event that any provision of this Trust shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions. The provision or provisions held illegal or invalid shall be fully severable, and the Trust shall be construed and enforced as if said illegal or invalid provisions had never been inserted therein or herein.

7.7 Headings and Subheadings. The headings and subheadings in this Trust are inserted for the convenience of reference only and are to be ignored in any construction of the provisions thereof.

7.8 Gender and Number. Wherever applicable, the feminine or masculine pronoun as used herein shall also include the masculine or feminine, as the case may be, and the singular the plural, and vice versa.

7.9 Construction and Governing Law.

(a) This Agreement shall be construed, enforced and administered and the validity thereof determined in accordance with the Code and the laws of the State of Maryland. If any provision of this Agreement is held to violate the Code or Maryland law, or to be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise affect the Trust.

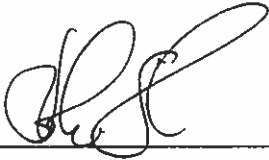
(b) The headings and subheadings in this Agreement are inserted for convenience of reference only and are not to be considered in the construction of any provision of this Agreement.

(c) In resolving any conflict among provisions of this Agreement and in resolving any other uncertainty as to the meaning or intention of any provision of this Agreement, the interpretation that (i) causes the Trust to be exempt from tax as a governmental instrumentality under Section 115(1) of the Code, or (ii) causes the Trust to comply with all applicable requirements of the Code and the laws of the State of Maryland, shall prevail over any different interpretation.


IN WITNESS WHEREOF, the undersigned do hereby set their hands and seals as of the date first above written.

ATTEST:

ST. MARY'S COUNTY, MARYLAND



John Savich, County Administrator

By:   
Francis Jack Russell, President  
Board of County Commissioners for  
St. Mary's County

WITNESS:


TRUSTEES



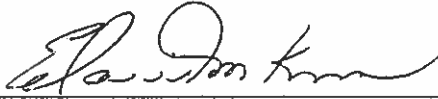
Donna Gebicke



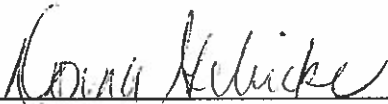
John Savich, County Administrator



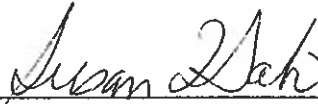
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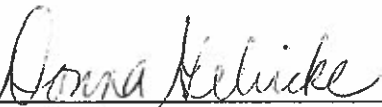
Elaine Kramer, Chief Financial Officer



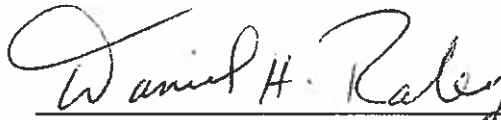
Donna Gebicke



Sue Sabo, Director, Human Resources



Donna Gebicke



Daniel H. Raley, Commissioner Board of  
County Commissioners for St. Mary's County

Donna Gebicke

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,Citizen of St. Mary's County