

INDUSTRIAL DEVELOPMENT AUTHORITY OF CARROLL COUNTY

ARTICLES OF INCORPORATION

FIRST: We, Roger L. Mann, J. Norman Graham and Louis B. Scharon, whose post office address is 225 North Center Street, Westminster, Maryland, 21157, being at least twenty-one (21) years of age, and being and constituting the Board of County Commissioners of Carroll County, a body corporate and politic of the State of Maryland, are hereby forming an industrial development authority pursuant to Sections 266A-1 through 266A-3 of Article 41 of the Annotated Code of Maryland, as amended from time to time, and Resolution No. 25-80 adopted by the Board of County Commissioners of Carroll County on Oct. 16, 1980, to be a political subdivision of the State of Maryland and a body politic and corporate.

SECOND: The name of the industrial development authority which is hereinafter called the "Authority" is

INDUSTRIAL DEVELOPMENT AUTHORITY OF CARROLL COUNTY

THIRD: The number of directors of the Authority shall be five (5) voting members, which number may not be increased or decreased. The names and addresses of the original voting directors, who shall act upon their appointment by the Board of County Commissioners of Carroll County until their successors shall be duly appointed, and whose terms of office shall be as follows:

<i>NAME</i>	<i><u>ADDRESS</u></i>	<i>TERM</i>
<i>Robert R. Bowman</i>	<i>3715 Arters Mill Road Westminster, Maryland 21157</i>	<i>one year</i>
<i>Kenneth L. Bohn</i>	<i>740 Washington Road Westminster, Maryland 21157</i>	<i>two years</i>
<i>John D. Myers, Jr.</i>	<i>460 Old Bachman's Valley Road Westminster, Maryland 21157</i>	<i>three years</i>
<i>John C. Schaeffer</i>	<i>316 Hilltop Drive Westminster, Maryland 21157</i>	<i>four years</i>
<i>G. Melvin Mills, Jr.</i>	<i>1503 Chris Lane Westminster, Maryland 21157</i>	<i>five years</i>

Upon the expiration of the term of office of each voting director of the Authority, a successor (who may be the director whose term is then expiring) shall be appointed by the Board of County Commissioners of Carroll County from nominations submitted by the President of the Board of County Commissioners of Carroll County. The term of office of each such successor shall be five (5) years.

The Authority may have non-voting ex officio members appointed from officers or employees of Carroll County. Such non-voting ex officio members shall be appointed by the Board of County Commissioners of Carroll County from nominations submitted by the President of the Board of County Commissioners and may serve as any officer of the Authority except Chairman.

FOURTH: The principal office of the Corporation shall be 225 North Center Street, Westminster, Maryland, 21157. The resident agent of the Corporation is George A. Grier whose post office address is 225 North Center Street, Westminster, Maryland, 21157. Said resident agent is a citizen of the State of Maryland and actually resides therein.

FIFTH: The Authority is not empowered or authorized to issue any capital stock and is being organized as a not-for-profit corporation.

SIXTH: The purposes for which the Authority is formed are as follows:

(1) To transact business as an industrial development authority as prescribed and permitted by Sections 266A-1 through 266A-3, inclusive, of Article 41 of the Annotated Code of Maryland (1978 Replacement Volume and 1979 Cumulative Supplement), as amended from time to time. The Authority shall have all powers of County Commissioners of Carroll County enumerated in Sections 266A through 266H-1 and Section 266-I(a) through (c) of Article 41 of the Annotated Code of Maryland (1978 Replacement Volume and 1979 Cumulative Supplement), as amended from time to time, and all other powers and purposes incidental thereto or necessary or appropriate for the performance thereof, including but not limited to the following:

(a) To secure new industries for Carroll County, Maryland, by purchasing, erecting, leasing, mortgaging, selling, renovating, repairing and improving land and buildings, or any interest therein, suitable for industrial purposes, in order to promote the growth and expansion of the industries established in Carroll County, Maryland; to assist in the establishment of new industries in Carroll County, Maryland; in general, to work for the development of more industrial employment opportunities and payrolls; to acquire and hold the necessary property, both real and personal, of every kind and description, to be used in

furthering the purposes of the Authority, and for the doing of all acts incidental to the accomplishment of said purposes; and to cooperate with any other organizations who are now or in the future might be properly engaged in the industrial development of Carroll County, Maryland.

(b) To organize and operate for the promotion of the general welfare and common good of the citizens of Carroll County, Maryland.

(c) To enter into partnerships, joint ventures, and other business associations for any lawful purpose.

(d) To purchase, lease and otherwise acquire, hold, mortgage and otherwise dispose of all kinds of property, real, personal and mixed, wherever located.

(e) To do anything permitted by Section 2-103 of the Corporations and Associations Article of the Annotated Code of Maryland, as amended from time to time, so long as the same shall not be prohibited by the terms of Sections 266A through 266-I of Article 41 of the Annotated Code of Maryland, Resolution No. 25-80, or otherwise by these Articles of Incorporation.

(f) To organize and operate a business league by bringing together members of an association of persons having a common business interest in all of the business conditions of Carroll County, Maryland, the purpose of which business league being to promote such common interest and not engage in a regular business of a kind ordinarily carried on for a profit.

(g) To receive funds from County Commissioners of Carroll County, the State of Maryland, any other governmental unit and any non-profit organization.

(h) To charge fees for its services in such manner, upon such basis and at such times as may be determined from time to time by the Board of Directors of the

Authority and to provide such exemptions from fees as are not inconsistent with law.

(i) To employ and pay compensation to such employees and agents, such as attorneys and other consultants and advisers, in positions and pursuant to contracts authorized by the Board of County Commissioners of Carroll County.

(j) To utilize the services of other governmental services of the County Commissioners of Carroll County or the State of Maryland.

(k) To exercise all powers expressly given in these Articles of Incorporation, Sections 266A-1 through 266A-3 of Article 41 of the Annotated Code of Maryland, as amended from time to time, and Resolution No. 25-80, to establish bylaws, and to make all rules and regulations not inconsistent with these Articles of Incorporation, Sections 266A-1 through 266A-3 of Article 41 of the Annotated Code of Maryland, as amended from time to time, or Resolution No. 25-80, as may be deemed expedient for the management of the Authority's affairs.

(l) Subject to the provisions of the Maryland Industrial Development Financing Authority Act, Sections 13-101 through 13-155, inclusive, of the Financial Institutions Article of the Annotated Code of Maryland, as amended from time to time, to participate fully in the provisions of the Maryland Industrial Development Financing Authority Act, but the Authority shall exercise such power solely to carry out the public purposes of the County Commissioners of Carroll County under Sections 266A through 266-I of Article 41 of the Annotated Code of Maryland, as amended from time to time, of Resolution No. 25-80, and of the Maryland Industrial Development Financing Authority under the Maryland Industrial Financing Authority Act.

(2) The foregoing enumeration of the purposes, objects and business of the Corporation is made in furtherance and not in limitation, of the powers conferred upon the Authority by law and is not intended, by the mention of any particular purposes, object or business, in any manner, to limit or restrict the generality of any other purposes, object or business mentioned, or to limit or restrict any of the powers of the Authority except as expressly provided in Paragraphs (3) and (4) of this Article SIXTH. The Authority is formed upon the articles, conditions and provisions herein expressed, and subject in all particulars to the limitations relative to corporations which are contained in the general laws of the State of Maryland.

(3) The Authority shall have no power or authority at any time to authorize the issuance of, or to issue, notes, bond anticipation notes, industrial development bonds, revenue refunding bonds, or revenue bonds unless and until the Board of County Commissioners of Carroll County shall have passed a resolution recommending to the Authority the consideration by the Authority of the authorization of the financing of an industrial building or buildings or port facilities which has been approved by the Board of County Commissioners of Carroll County.

(4) The Authority shall be operated, and its powers exercised, solely to accomplish one or more of the following purposes: to relieve conditions of unemployment; encourage an increase of industry and a balanced economy; assist in the retention of existing industry through the control, reduction, or abatement of pollution of the environment; promote economic development; and promote, by means of the foregoing, the health, welfare and safety of residents of Carroll County, Maryland, and the State of Maryland.

(5) The Authority shall not make any use of any proceeds of its bonds or other obligations, or monies which may be deemed to be proceeds thereof, which would cause such bonds or other obligations to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or the Income Tax Regulations promulgated thereunder.

SEVENTH: Any director, individually, or any firm of which any director may be a member, or any corporation or association of which any director may be an officer or director or in which any director may be interested as the holder of any amount of its capital stock or otherwise, may be a party to, or be pecuniarily or otherwise interested in, any contract or transaction of the Authority,

and in the absence of fraud no contract or other transaction shall be thereby affected or invalidated; provided, however, that in the event that a director, or any firm of which a director is a member, or any corporation or association of which a director may be an officer or director is so interested, such fact shall be disclosed or shall have been known to the Board of Directors of the Authority or a majority thereof, and any director of the Authority who is also a director or officer of or interested in such other corporation or association, or who, or the firm of which he is a member, is so interested, may be counted in determining the existence of a quorum at the meeting of the Board of Directors of the Authority which shall authorize, ratify, or confirm any such contract or transaction, and may vote thereat to authorize, ratify, or confirm any such contract or transaction, with like force and effect as if he were not such a director or officer of such other corporation or association or not so interested or a member of a firm so interested. This Article SEVENTH is subject to the limitation that any conflict of interest or ethics law applicable to the agencies, departments and elected or appointed officials of the County Commissioners of Carroll County shall control if the provisions of such law conflict with the provisions of this Article SEVENTH.

EIGHTH: The Authority shall provide any indemnification required or permitted by law and by the administrative procedures of the County Commissioners of Carroll County and shall indemnify directors, officers, agents and employees as follows unless otherwise provided in the administrative procedures of the County Commissioners of Carroll County:

(1) The Authority shall indemnify any director or officer of the Authority who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Authority) by reason of the fact that he is or was such director or officer or an employee or agent of the Authority, or is or was serving at the request of the Authority as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner which he reasonably believed to be in

or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

(2) The Authority shall indemnify any director or officer of the Authority who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, or suit by or in the right of the Authority to procure a judgment in its favor by reason of the fact that he is or was such a director or officer or an employee or agent of the Authority, or is or was serving at the request of the Authority as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Authority, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Authority unless and only to the extent that the court in which such action or suit was brought, or any other court having jurisdiction in the premises, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expense which such court shall deem proper.

(3) To the extent that a director or officer of the Authority has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Paragraphs (1) and (2) of this Article EIGHTH or in defense of any claim, issue, or matter therein, he shall be indemnified against expense (including attorneys' fees) actually and reasonably incurred by him in connection therewith, without the necessity for the determination as to the standard of

conduct as provided in Paragraph (4) of this Article EIGHTH.

(4) Any indemnification under Paragraph (1) or (2) of this Article EIGHTH (unless ordered by a court) shall be made by the Authority only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in Paragraph (1) or (2) of this Article EIGHTH. Such determination shall be made (a) by the Board of Directors of the Authority by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding or (b) if such a quorum is not obtainable, or, even if obtainable, if such a quorum of disinterested directors so directs, by independent legal counsel (who may be regular counsel for the Authority) in a written opinion; and any determination so made shall be conclusive.

(5) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Authority in advance of the final disposition of such action, suit or proceedings, as authorized in the particular case, upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Authority as authorized in this ARTICLE EIGHTH.

(6) Agents and employees of the Authority who are not directors or officers of the Authority may be indemnified under the same standards and procedures set forth above, in the discretion of the Board of Directors of the Authority.

(7) Any indemnification pursuant to this Article EIGHTH shall not be deemed exclusive of any other rights to which those indemnified may be entitled and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heir, executors and administrators of such a person.

NINTH: Any net earnings of the Corporation, beyond that necessary for retirement of indebtedness or implementing the public purpose or purposes or program of the County Commissioners of Carroll County, may not inure to the benefit of any person other than the County Commissioners of Carroll County.

TENTH: Subject to the provisions of Sections 266A through 266-I, inclusive of Article 41 of the Annotated Code of Maryland, as amended from time to time and to any limitations imposed by law upon the impairment of

Contracts, the Board of County Commissioners of Carroll County may by legislative act at any time, in its sole discretion, change the structure, organization, programs, or activities of the Authority, or terminate the existence of the Authority. Upon termination of the existence of the Authority, title to all properties shall vest in the County Commissioners of Carroll County, and all obligations and assets of the Authority shall be transferred to the County Commissioners of Carroll County. IN WITNESS WHEREOF, we have signed these Articles of Incorporation on this 16th day of October, 1980, and we acknowledge the same to be our act and deed.

WITNESS:

[Handwritten Signature]
or to add

[Handwritten Signature] (SEAL)
Roger L. Mann

[Handwritten Signature] (SEAL)
J. Norman Graham

[Handwritten Signature] (SEAL)
Louis B. Scharon

STATE OF MARYLAND, COUNTY OF CARROLL, to wit:

I HEREBY CERTIFY that on this 16th day of October 1980, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared ROGER L. MANN, J. NORMAN GRAHAM, and LOUIS B. SCHARON, and severally acknowledged the foregoing Articles of Incorporation to be their Act.

WITNESS my hand and Notarial Seal.

[Handwritten Signature]
Notary Public

My Commission expires 7/1/82