

MEMORANDUM OF UNDERSTANDING
BETWEEN
COUNTY COMMISSIONERS OF CAROLINE COUNTY
AND
CAROLINE ECONOMIC DEVELOPMENT CORPORATION
FOR
ECONOMIC DEVELOPMENT AND TOURISM PROMOTION (FY2002)

THIS MEMORANDUM OF UNDERSTANDING (the "MOU") is made and entered into this seventh day of August, 2001 by and between COUNTY COMMISSIONERS OF CAROLINE COUNTY, a body politic and corporate and a political subdivision organized and existing under the Constitution and laws of the State of Maryland (the "County") and CAROLINE ECONOMIC DEVELOPMENT CORPORATION, a Maryland non-profit, non-stock corporation (the "CEDC").

WITNESSETH:

WHEREAS, the County has determined that the interests and welfare of the citizens of Caroline County will be best served at this time by the "privatization" of the County's economic development and tourism promotion efforts; and

WHEREAS, CEDC is a non-profit, non-stock corporation in good standing with the State of Maryland (the "State"), having evolved from the organization formerly known as Choptank Development Corporation; and

WHEREAS, a stated purpose of CEDC is to advance the economic development and prosperity of Caroline County by promoting and encouraging trade and commerce, while mindful of the rural character and quality of life concerns in the "Green Garden County"; and

WHEREAS, the County has appropriated Eighty-Eight Thousand, Eight Hundred Forty-Three Dollars (\$88,843.00) in the fiscal year 2002 to CEDC for the performance of the duties and responsibilities outlined in this MOU consistent with the CEDC's Articles of Incorporation and Bylaws.

NOW, THEREFORE, for and in consideration of the mutual covenants and obligations contained herein, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the County and the CEDC hereby agree as follows:

SECTION 1. Funding

The County has appropriated and will disburse Eighty-Eight Thousand, Eight Hundred Forty-Three Dollars (\$88,843.00) (the "Annual Appropriation") to CEDC throughout the term of this MOU. The County shall distribute the Annual Appropriation to CEDC in the following manner: one-quarter (\$22,210.75) on or about the first day of July, October, January and April, less any expenditure(s) incurred directly by the County on behalf of CEDC.

SECTION 2. Term

The Term of this MOU shall be fiscal year 2002 (commencing on July 1, 2001 and ending on June 30, 2002), unless otherwise sooner terminated by the provisions of this MOU or as otherwise agreed to in writing by the parties.

SECTION 3. Covenants of CEDC

In consideration of this MOU and the funding provided by the County, CEDC agrees to:

A. Conduct economic development and tourism promotion activities, as outlined in Sections 6 and 7 herein, within the following framework:

- (1) With the ultimate purpose and goal of creating more livable communities;
- (2) Fully mindful of the need to preserve and enhance Caroline County's basic rural and agrarian nature (i.e., the "Green Garden County");
- (3) In concert with the goals and objectives of the County, as established from time to time by the County Commissioners and the Caroline County Planning Commission; and
- (4) Respectful of the sentiments of the general public.

B. Develop and implement an annual plan.

C. Develop and submit an annual budget request (operating and capital) in accordance with the County's budget procedures and timetable. Attend appropriate annual County budget hearings and participate in the budget open house.

D. Develop and utilize outcome-based organizational performance evaluations, which shall include impacts on the Caroline County community as a whole.

E. Develop partnerships with the Caroline County Board of Education, Chesapeake College, and regional organizations in identifying and achieving goals.

F. Develop comprehensive economic development and tourism information for the County's website.

G. Arrange for an annual independent audit or review, and provide a copy of such annual audit or review, including any management letter, to the County.

H. Provide copies of meeting minutes and written reports to the County on a regular basis.

J. Meet with the County Commissioners at least quarterly and otherwise as requested.

SECTION 4. Location and Administration

A. Consistent with the CEDC's Bylaws, the principal office of the CEDC shall be located at 317 Carter Avenue (the old Button Factory Building), Suite 107, Denton, Maryland.

B. The CEDC staff shall be available to the public Monday through Friday, at least forty (40) hours per week.

C. The CEDC shall:

(1) Purchase, install and maintain necessary furniture and equipment, including a telephone system.

(2) Inform local, State and federal agencies, appropriate organizations and entities, and the general public about the CEDC, its purposes, location, and hours of operation.

(3) Purchase and maintain in effect appropriate insurances.

(4) Act as official custodian of the County's economic development and tourism related documents and files.

SECTION 5. Personnel

The CEDC agrees to:

A. Employ staff as needs dictate and the budget allows.

B. Implement a payroll program and benefits package meeting applicable State and federal reporting requirements.

C. Develop and administer written personnel policies, including hiring, employee leave and grievance policies.

SECTION 6. Economic Development Goals and Objectives

The County and the CEDC mutually agree that the following ongoing projects deserve the full attention of the CEDC throughout the term of this MOU:

A. Button Factory One Maryland Smart Growth Infrastructure Conditional Loan: \$59,000 equipment and \$101,000 fiber optic and technology equipment.

B. Town of Ridgely - One Maryland Industrial Park.

C. Revolving loan fund – administration of existing fund and application for one-to-one match (1:1) from Department of Business and Economic Development (“DBED”).

D. Apply for Conectiv Grant.

E. Other items as mutually agreed upon from time to time.

SECTION 7. Tourism Goals and Objectives

The County and the CEDC mutually agree upon the following components of a basic tourism development program, and the CEDC agrees to enhance the tourism program as time and resources allow:

- A. Prepare and submit the annual County grant application to the Maryland Office of Tourism Development (currently \$20,000) and related grant reports.
- B. Update and distribute the County brochure and Calendar of Events.
- C. Receive and promptly respond to information requests.
- D. Ensure that the portion of the County website pertaining to tourism and promotion is current and enhanced as needed.
- E. Utilize the County logo, with prior approval as appropriate, on tourism materials.
- F. Represent the County at the State level by attending (for example) meetings of the Maryland Association of Destination Marketing Organizations and the Maryland Association of Counties summer conference in Ocean City.
- G. Develop relationships with neighboring destination-marketing organizations (DMOs) and participate in regional partnerships, such as Eastern Shore Heritage, Inc., as appropriate.
- H. Maintain an awareness of product (attractions and events) inventory.
- I. Coordinate advertising partnerships, and advertising design, development and placement.
- J. Assist with travel writer familiarization tours.

SECTION 8. Termination

If CEDC fails to comply with any of the material provisions of this MOU, or materially fails to comply with any duty imposed on CEDC by statute, regulation or bylaw, then within thirty (30) days after delivery of written notice by the County of the non-compliance and indicating the intention of County to terminate the MOU, the County may terminate this MOU.

SECTION 9. Miscellaneous

A. Additional Conditions. CEDC agrees to accept such additional conditions imposed by the County governing the use of funds or performance of services under this MOU as required by federal, State, or local law. Such additional conditions shall not become effective until CEDC has been notified in writing.

B. Authority to Contract. CEDC shall have no authority to enter into any contract or incur any obligation binding upon the County unless specifically authorized in advance and in writing by the County.

C. Conflicts of Interest. The governance and operation of CEDC, as evidenced in its Articles of Incorporation and/or Bylaws, shall embrace a philosophy that all business dealings reflect the highest ethical standards and irreproachable personal integrity. For example, on any matter before the governing body of CEDC or committees of the CEDC, all directors should be obligated to disclose any conflict of interest prior to discussion of any matter so affected. Such director should abstain from voting if such director or the board of CEDC deems a conflict of interest exists.

D. Indemnification. CEDC hereby agrees to indemnify and hold harmless the County from and against any losses, claims, damages, liabilities, costs, judgments, fines, amounts paid on account thereof (whether in settlement or otherwise), expenses, and fees (collectively, a "claim") arising out of, or in any manner pertaining to CEDC's performance of services under this MOU.

IN WITNESS WHEREOF, County Commissioners of Caroline County and Caroline Economic Development Corporation have executed this Memorandum of Understanding on the date first written above.

ATTEST:

COUNTY COMMISSIONERS OF
CAROLINE COUNTY

K. Leigh Sands,
Executive Assistant

John W. Cole
President

Franklin W. Prettyman
Vice President

John S. LeGates
Member

ATTEST:

CAROLINE ECONOMIC
DEVELOPMENT CORPORATION

Name:
Title: