

**Mayor and Council of Federalsburg  
Monday, June 6, 2022  
Public Hearing and Business Meeting @ 6:00 P.M.**

This Meeting is being held at the Mayor and Council Meeting Room located at 118 North Main Street. Citizens who wish to participate by video shall follow directions listed below:

**Join Zoom Meeting**

**<https://us02web.zoom.us/j/89431505773?pwd=VFpacIFVVXJ5SlhvRjZTeTJFZ2RzQT09>**

**Meeting ID: 894 3150 5773**

**Passcode: TOFBusi**

\*\*\*\*\*

**Agenda**

- I. Call to Order**
- II. Public Hearing on a Proposed Real Property Tax Increase**
- III. Public Hearing on ORDINANCE NO. 2022-2- AN ORDINANCE OF THE MAYOR AND COUNCIL OF FEDERALSBURG ADOPTING A GENERAL BUDGET AND ENTERPRISE BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2022 AND ENDING JUNE 30, 2023, AND ESTABLISHING A TAX RATE OF \$.88 PER \$100 OF ASSESSED REAL PROPERTY VALUE AND A TAX RATE OF \$1.65 PER \$100 ON ALL COMMERCIAL OR BUSINESS PERSONAL PROPERTY AND ALL RAILROAD AND UTILITY PROPERTY; ESTABLISHING AND ADOPTING THE SAME SERVICE AND ADMINSTRATIVE FEE FOR SEMI-ANNUAL BILLINGS AS ADOPTED BY CAROLINE COUNTY; ESTABLISHING A QUARTERLY WASTE COLLECTION FEE IN THE AMOUNT OF \$40.65 PER QUARTER FOR COMMERCIAL PROPERTIES WHICH RECEIVE WASTE COLLECTION SERVICES AND FOR ALL RESIDENTIAL PROPERTIES LOCATED WITHIN THE CORPORATE TOWN BOUNDARIES; AND ESTABLISHING A \$10.00 PER ITEM CHARGE FOR EXTRA WASTE COLLECTION ITEMS**

- IV. Welcome and Pledge of Allegiance**
- V. Public Comment**
- VI. Action on Proposed Real Property Tax Increase**
- VII. Action on Ordinance 2022-2**
- VIII. AMI Water Meter System Upgrade – Selection of Qualified Firm**
- IX. Request for Text Amendment – Introduction and Recommendation from Planning and Zoning Commission**
- X. Engineering Services Task Order for Scoping and Cost Estimating Repairs and Improvements to 115-117 North Main Street Building**
- XI. Request for Funding Support from American Rescue Plan Act\State and Local Fiscal Recovery Funds – Federalsburg Activity Center**
- XII. Proposals for Purchase of Water Tower Cell Lease**
- XIII. Mayor & Council Action Items**
  - \* Councilmember Windsor**
  - \* Councilmember Sewell**
  - \* Councilmember Phillips**
  - \* Councilmember Willoughby**
  - \* Mayor Abner**
- XIV. Executive Session – Legal Advice**
- XV. Adjournment**

**NOTES:**

**THE MEETINGS ARE BEING RECORDED, PLEASE TURN OFF ALL CELLULAR DEVICES AND PAGERS DURING THE MEETING, PLEASE REMAIN QUIET, UNLESS ADDRESSING THE COUNCIL.**

**Please Note:** Pursuant to the Annotated Code of Maryland, State Government Article Section 10-508(a), the Council by majority vote may retire to executive or closed session at any time during the meeting. Should the Council retire to executive or closed session;

the chair will announce the reasons and a report will be issued at a future meeting disclosing the reasons for such session. Meetings are conducted in Open Session unless otherwise indicated. All or part of Mayor and Council meetings can be held in closed session under the authority of the state open meetings law by vote of the Mayor and Council.

### **Rules for Public Comment**

The Mayor and Council invite and welcome comments at public meetings. The Mayor or presiding officer will recognize you. Please introduce yourself at the podium (spelling your last name, for recording purposes) and give the name of your street and block number (e.g., 100 block of Main Street).

Time limits for speaking are indicated on the meeting agenda. While speaking, please maintain a courteous tone and avoid personal attack.

# CERTIFICATE OF PUBLICATION

STATE OF : MARYLAND  
COUNTY OF: Talbot County

This is to certify that the annexed legal advertisement has been published in the publications and insertions listed below. "Constant Yield 2022..." was published in the:

The Star Democrat 05/25/22



James F. Normandin  
President & Publisher

TOWN OF FEDERALSBURG NOTICE  
OF A PROPOSED REAL PROPERTY TAX INCREASE

The Mayor and Council of Federalsburg propose to increase real property taxes.

1. For the tax year beginning July 1, 2022, the estimated real property assessable base will increase by 2.8% from \$156,908,491 to \$161,343,152.
2. If Federalsburg maintains the current tax rate of \$0.8800 per \$100 of assessment, real property tax revenues will increase by 2.8% resulting in \$39,025 of new real property tax revenues.
3. In order to fully offset the effect of increasing assessments, the real property tax rate should be reduced to \$0.8558, the constant yield tax rate.
4. The Town is considering not reducing its real property tax rate enough to fully offset increasing assessments. The Town proposes to adopt a real property tax rate of \$0.8800 per \$100 of assessment. This tax rate is 2.8% higher than the constant yield tax rate and will generate \$39,025 in additional property tax revenues.

A public hearing on the proposed real property tax rate increase will be held at 6:00 P.M., on Monday, June 6, 2022 at the Federalsburg Town Office. The hearing is open to the public, and public testimony is encouraged. The public hearing will be held in person and via Zoom. Instructions for how to access the hearing will be posted at <https://www.townoffederalsburg.org/> prior to the meeting. Persons with questions regarding this hearing may call 410-754-8173 or contact [townmanager@federalsburg.org](mailto:townmanager@federalsburg.org) for further information.

By Authority: Mayor and Council of Federalsburg  
Kimberly Abner, Mayor

**ORDINANCE NO. 2022-2**

**AN ORDINANCE OF THE MAYOR AND COUNCIL OF FEDERALSBURG ADOPTING A GENERAL BUDGET AND ENTERPRISE BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2022 AND ENDING JUNE 30, 2023, AND ESTABLISHING A TAX RATE OF \$.88 PER \$100 OF ASSESSED REAL PROPERTY VALUE AND A TAX RATE OF \$1.65 PER \$100 ON ALL COMMERCIAL OR BUSINESS PERSONAL PROPERTY AND ALL RAILROAD AND UTILITY PROPERTY; ESTABLISHING AND ADOPTING THE SAME SERVICE AND ADMINISTRATIVE FEE FOR SEMI-ANNUAL BILLINGS AS ADOPTED BY CAROLINE COUNTY; ESTABLISHING A QUARTERLY WASTE COLLECTION FEE IN THE AMOUNT OF \$40.65 PER QUARTER FOR COMMERCIAL PROPERTIES WHICH RECEIVE WASTE COLLECTION SERVICES AND FOR ALL RESIDENTIAL PROPERTIES LOCATED WITHIN THE CORPORATE TOWN BOUNDARIES; AND ESTABLISHING A \$10.00 PER ITEM CHARGE FOR EXTRA WASTE COLLECTION ITEMS**

**WHEREAS**, Section C11-1 of the Federalsburg Town Charter requires the Town to establish and operate an annual budget; and

**WHEREAS**, the Town has determined that it is desirable and in the public interest, and consistent with state law, to establish a General Budget, which is set forth in the attached Exhibit "A"; and

**WHEREAS**, the Town has determined that it is desirable and in the public interest, and consistent with state law, to establish an Enterprise Budget for the Town's water and wastewater operations, which is also set forth in the attached Exhibit "B" and

**WHEREAS**, the Town has determined that it is desirable and in the public interest, and consistent with state law to charge a service and administrative fee on semi-annual tax collection billings in the same amount as established by Caroline County, as set forth herein; and

**WHEREAS**, the Town has determined that it is desirable and in the public interest, and consistent with state law, to establish a quarterly waste collection and disposal fee in the amount of \$40.65 per quarter for commercial properties which receive waste collection services, and for all residential properties within the corporate boundaries of the Town; and

**WHEREAS**, the Town has determined that it is desirable and in the public interest, and consistent with state law, to establish a charge for extra waste collected in the amount of \$6.00 per item collected; and

**NOW, THEREFORE**, be it Ordained and Enacted by the Mayor and Council of Federalsburg, Maryland that the following tax rates and fees, revenue and expenditure estimates are adopted for Fiscal Year commencing July 1, 2022:

- Section 1. General Fund
- Section 2. Rate of Taxation on Real Property
- Section 3. Rate of Taxation on Corporation
- Section 4. Service and Administrative Fee
- Section 5. Rate of Taxation on Railroad and Utility Property
- Section 6. Waste Collection Fee

**Section 1. General Fund**

A. That the following amounts shall be hereby appropriated for the expenditures designated for the fiscal year beginning July 1, 2022 and ending June 30, 2023 for the General Fund:

<b>Activity Title</b>	<b>Approved Budget &amp; Appropriation</b>
<b>EXPENDITURES</b>	
General Government	\$ 537,217.00
Public Safety	\$ 1,235,793.00
Public Works	\$ 709,730.00
Recreation & Parks	\$ 23,800.00
Economic Development	\$ 5,450.00
Debt Service	\$ 63,317.00
Miscellaneous	<u>\$ 35,494.00</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 2,610,801.00</u></b>

B. That the following revenues are, in the consideration judgment of the Mayor and Council of Federalsburg a fair appraisal and estimate of the revenues available to finance this budget and these appropriations for the fiscal year beginning July 1, 2022 and ending June 30, 2023.

**Source**

**REVENUES:**

Taxes	\$ 2,218,694.00
Licenses & Permits	\$ 20,350.00
Revenue from other Agencies	\$ 47,390.00
Service Charges for Current Services	\$ 0.00
Public Safety	\$ 77,000.00
Sanitation and Waste Removal	\$ 200,120.00
Recreation	\$ 3,170.00
Fines and Forfeitures	\$ 100.00
Miscellaneous	\$ 43,977.00
<b>TOTAL REVENUES</b>	<b><u>\$2,610,801.00</u></b>

**Section 2. Rate of Taxation on Real Estate Property**

That the rate of taxation on real property to be taxed within the boundaries of the Town of Federalsburg, Maryland shall be and hereby is established as:

**Eighty-eight Cents (\$0.88)**

On each one hundred dollars (\$100) of value for the fiscal year beginning July 1, 2022 and ending June 30, 2023.

**Section 3. Rate of Taxation on Business Personal Property, Utility Property & Certifications**

That the rate of taxation for the fiscal year beginning July 1, 2022 and ending June 30, 2023, on any personal property to be taxed by the Town of Federalsburg, Maryland shall be and hereby is established as:

**One Dollar and Sixty-five Cents (\$1.65)**

On each one hundred dollars (\$100.00) of assessed valuation, unless otherwise provided for by the Tax Property Article of the Annotated Code of Maryland.

**Section 4. Service and Administration Fee Collected by Caroline County Treasurers Office**

That the rate of service and administrative fees on semi-annual billings assessed by the Caroline County Tax Office shall be and hereby is established as:

The administrative fee for 2022 taxes collected by Caroline County will be 1% with a \$15,000 cap. Caroline County adopted a .110% service and administrative fee for 2022 – 2023. This is computed at .4% annual interest divided by twelve months times three months, October, November & December, times 1.1.

**Section 5. Rate of Taxation on Railroad and Utility Property**

That the rate of taxation for the fiscal year beginning July 1, 2022 and including June 30, 2023 on any railroad and utility property to be taxed by the Town of Federalsburg, Maryland, shall be and hereby is established as:

**One Dollar and Sixty-five cents (\$1.65)**

On each one hundred dollars (\$100.00) of assessed valuation, unless otherwise provided for by Md. Code Ann., Tax-Property Article § 6-103.

**Section 6. Waste Collection Fee**

That the rate of waste collection and disposal fee within the boundaries of the Town of Federalsburg, Maryland shall not change and hereby is established as:

**Forty Dollars and Sixty-Five Cents (\$40.65) per quarter – Garbage Fee**

**Ten Dollars (\$10.00) per item – Extra Waste Collection Fee**

**Section 7.** In accordance with Section C3-6, of the Federalsburg Town Charter, this Ordinance shall become effective upon passage by the Mayor and Council and recordation in the Minute Books.

	<b>Yea/Nay</b>
Kimberly J. Abner	_____
Scott Phillips	_____
Debra Sewell	_____
Robert Willoughby	_____
Edward H. Windsor	_____



I hereby certify that the above Ordinance was passed by a yea and nay vote of the Council this \_\_\_\_\_ day of June, 2022.

\_\_\_\_\_  
Kimberly J. Abner, Mayor

Delivered by the Mayor and recorded by me in the Minute Books of the Mayor and Council of Federalsburg this \_\_\_\_\_ day of June, 2022.

\_\_\_\_\_  
Kristy L. Marshall, Town Clerk

**Approved as to form:**

\_\_\_\_\_  
Lyndsey J. Ryan, Town Attorney

Date Introduced: \_\_\_\_\_

Date Amendments Introduced: \_\_\_\_\_

Date Passed: \_\_\_\_\_

Effective Date: \_\_\_\_\_

TO: Mayor & Council Members  
FR: Larry DiRe, Town Manager  
DT: June 6, 2022  
RE: Engineering Services Task Order for Scoping and Cost Estimating Repairs and Improvements to 115-117 North Main Street Building

At the April 4, 2022 meeting staff provided the mayor and town council a proposed scope of work and a copy of the December 2018 scope of work and cost estimates to bring the town-owned building at 115-117 N. Main Street up to code and repair certain interior and exterior features. To make the most cost-effective use of the grant funding received from the Maryland Department of Housing and Community Development (DHCD), a revised scope of work including items such as bathrooms conforming to the requirements of the Americans with Disabilities Act and mold remediation is necessary. Current cost estimates are also needed to ensure there is sufficient funding available from the DHCD grant to complete the work.

During the discussion at the prior meeting, there was general consensus that a building trades professional is needed to sufficiently scope and cost the building improvements and repairs. To that end, at the April 18, 2022 meeting staff provided a draft request for proposals to provide qualified construction services to scope and cost improvements to the town-owned building at 115-117 N. Main Street. The town scheduled a prospective bidder open house on May 5, 2022 ahead of the May 20, 2022 submittal deadline. Four contractors attended the open house, however no firms submitted proposals. In the interest of expediting the building's repair and improvements and recognizing the town attempted a public and competitive process, staff is requesting the mayor and town council consider the project as a task order for our consulting engineering firm. Staff is proposing a total of \$8,500 from the DHCD grant funds for this scoping and cost estimating process.

Pending discussion provide direction to staff and assign task to consulting engineer.

TO: Mayor & Council Members  
FR: Larry DiRe, Town Manager  
DT: June 6, 2022  
RE: Advanced Metering Infrastructure (AMI) Water Meter System Upgrade –  
Selection of Qualified Firm.

Since the September 20, 2021 mayor and town council meeting the town has been in the process of soliciting request for qualifications from qualified firms, held interviews with three qualified firms, and requested cost proposals from those firms for Advanced Metering Infrastructure (AMI) Water Meter System Replacement to ensure a competitive and public process as a good procurement practice. From the outset of the process this AMI water meter project was designated as an American Rescue Plan Act\Corona Virus State and Local Fiscal Recovery Fund (ARPA) expenditure in keeping with both the US Department of the Treasury's Interim and Final Rule documents. This project is shown in the proposed fiscal year 2022-2023 budget as a capital project funded through ARPA. At this time staff is recommending that the mayor and council select a qualified firm and move forward with necessary contractual action.

Final cost proposals from the three qualified firms are attached. The full qualification packets, as well as the cost proposal documents, from three firms are posted on the Town website at this link [https://www.townoffederalburg.org/agenda\\_details\\_T48\\_R105.php](https://www.townoffederalburg.org/agenda_details_T48_R105.php)

Pending additional discussion, provide direction to staff for next procedural steps in this process.

TO: Mayor & Council Members  
FR: Larry DiRe, Town Manager  
DT: June 6, 2022  
RE: Request for Text Amendment – Introduction and Recommendation from Planning and Zoning Commission

At their May 26, 2022 monthly meeting, the Planning and Zoning Commissioners received a request from a developer for a proposed text amendment to the town zoning ordinance section 245-114 B. That section addresses the thickness of interior walls separating townhouse units. The eight-inch masonry construction standard conflicts with the current building and residential code standards provided by the International Code Council, which were adopted by the town as the authoritative and governing source for construction and development within town. For context, the zoning ordinance addresses resolving conflicts with the variety of standards and documents adopted by the town:

*§ 245-142. Minimum requirements; most restrictive provisions to prevail in case of conflict. In their interpretation and application, the provisions of this chapter shall be held to be minimum requirements, adopted for the promotion of the public health, safety, morals or general welfare. Wherever the requirements of this chapter are at variance with the requirements of any other lawfully adopted rules, regulations, ordinances, deed restrictions or covenants, the most restrictive or that imposing the higher standards shall govern.*

After discussion with the applicant\developer and review of the current code language, the commissioners voted to recommend the mayor and council amend the section as requested by the applicant\developer. See below for the applicant\developer's suggested text amendment to the zoning ordinance 245-114 B:

- Delete the sentence "In addition, all townhouse units offered for sale individually shall have party wall of at least eight inches of masonry construction extending from the footings to the roof structure" and insert "In addition, all townhouse units offered for sale individually shall have party walls constructed in accord with the International Residential Building Code (IBC) as adopted by the town of Federalsburg, Md."

Staff concurs with the commissioners' recommendation. Pending further discussion provide direction to staff.

ORDINANCE NO. 2022-3

Introduced by: \_\_\_\_\_

**AN ORDINANCE OF THE MAYOR AND COUNCIL OF  
FEDERALSBURG TO AMEND SECTION 245-114 OF THE  
FEDERALSBURG TOWN CODE TO REGULATE THE CONSTRUCTION  
OF TOWNHOUSES**

WHEREAS, in accordance with Md. Code Ann. Local Government Article § 5-202, the Mayor and Council have the authority to adopt ordinances to protect the health, comfort and convenience of the residents of the municipality; and

WHEREAS, Section 245-114 of the Federalsburg Town Code requires townhouse units offered for sale individually to be constructed with party walls of at least eight (8) inches of masonry construction extending from the footings to the roof of the structure; and

WHEREAS, by Ordinance 2021-01, the Mayor and Council adopted the 2021 Edition of the International Residential Code for One and Two-Family Dwellings (“IRC”); and

WHEREAS, the IRC requires each townhouse to be separated by two 1-hour fire-resistance-rated wall assemblies tested in accordance with ASTM E119, UL 263 or Section 703.3 of the International Building Code; and

WHEREAS, the IRC does not require party walls of at least eight (8) inches of masonry construction and the Mayor and Council find it is in the best interest of the Town to construct residential dwelling units in accordance with the IRC; and

WHEREAS, the Mayor and Council have determined that it is desirable in the best interest of the citizens of Federalsburg to amend Chapter 245-114 to require the construction of townhouses comply with the materials and requirements of the International Residential Building Code as adopted by the Town of Federalsburg.

NOW, THEREFORE, BE IT ORDAINED BY the Mayor and Council of Federalsburg: as follows:

**Section 1.** Chapter 245, Article XVI, Section 114 of the Federalsburg Town Code, titled “Two-Family Dwellings and Townhouses”, is hereby amended as follows:

**§ 245-114. Two-Family Dwellings and Townhouses.**

• • • •

B. The dwelling units and individual lots of a two-family dwelling or townhouse may be sold separately if separate utilities systems are provided and if separate lots for all dwelling units in a building are created at the same time and in conformance with Chapter 200, Subdivision Regulations. In addition, all townhouse units offered for sale individually shall have party walls *of at least eight inches of masonry construction extending from the footings to the roof of the*

*structure constructed in accordance with the International Residential Code for One and Two-Family Dwellings as adopted by the Town of Federalsburg.*

**Section 2.** All other provisions of Chapter 245-114 shall remain unchanged.

**Section 3.** This ordinance and the rules, regulations, provisions, requirements, orders and matters established and adopted hereby shall take effect and be in full force and effect twenty (20) days from and after the date of its final passage and adoption.

Yea/Nay

Kimberly M. Abner	_____
Robert Willoughby	_____
Edward H. Windsor	_____
Debra Sewell	_____
Scott Phillips	_____

I hereby certify that the above Ordinance was passed by a yea and nay vote of the Council this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Kimberly M. Abner, Mayor

Delivered by the Mayor and recorded by me in the Minute Books of the Mayor and Council of Federalsburg this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Kristy Marshall, Town Clerk

Approved as to form:

\_\_\_\_\_  
Lyndsey J. Ryan, Town Attorney

Date Introduced: \_\_\_\_\_

Date Amendments Introduced: \_\_\_\_\_

Date Passed: \_\_\_\_\_

Effective Date: \_\_\_\_\_

TO: Mayor & Council Members  
FR: Larry DiRe, Town Manager  
DT: June 6, 2022  
RE: ARPA\CSLFRF drawdown – Request funding support for the Federalsburg Activity Center

The American Rescue Plan Act (ARPA) was signed into law by the president of the United States on March 11, 2021. One of the key provisions of ARPA was support for units of local government impacted by the coronavirus pandemic of 2020 and 2021. The Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) language of ARPA cites the specifics for local units of government receiving funds from their respective states and uses for these funds. All funds must be spent or obligated by December 31, 2024. Funds cannot be used to offset a tax cut, or to pay for employee pension funds. On January 6, 2022 the US Department of the treasury released the Final Rule regulating the use of and accounting for CSLFRF. The Final Rule provided for a standard allowance of up to \$10,000,000 for general government expenditures, which allows for more eligible uses.

The Federalsburg Activity Center (henceforth the Center) is proposed as a facility for the overall well-being and personal improvement of the Federalsburg community. The building and programs are under the management of a not-for-profit organization. To meet this mission, the Center has applied for and received grant funding support, including \$100,000 as a direct reimbursable grant in the Maryland state budget. Funding for support of non-profit organizations is an eligible use of the CSLFRF. Representatives from the Center requested \$50,000 in funding support from the mayor and town council at the May 16, 2022 workshop.

Staff is proposing a drawdown and obligation through September 2022 in the sum of \$50,000 to support the construction repairs and buildout at the Federalsburg Activity Center building. These expenditures must be documented for auditing purposes and shown as either fiscal year budget amendments for the current year or included in the budgeting process for upcoming fiscal years. This expenditure and obligation totals \$50,000, or 1.91% of the town's total allocation. Added to the approved drawdown of \$438,505 for donation to the Federalsburg Volunteer Fire Company, information technology upgrades, donation to cover water and sewer extension for the new Choptank Community Health building, software and information technology upgrades, and replacing property inspection revenue lost due to the pandemic and state of emergency in effect, to date the total proposed and approved drawdowns total \$488,505, or 18.63% of the town's total allocation.

Staff recommends approval of a drawdown and of \$50,000 as expenditure and obligation from the ARPA\CSLFRF to the town treasury for the eligible use expenditure cited above. Pending discussion provide direction to staff.

TO: Mayor & Council Members  
FR: Larry DiRe, Town Manager  
DT: June 6, 2022  
RE: Proposals for Sale of Water Tower Cell Lease

Currently the town receives an annual rent check in the sum of \$15,160.00 from AT&T (attached 2021 receipt) as part of the lease agreement for the cell service antennae on the water tower. While the physical infrastructure has value as assets, the ability to collect rent from cellular service provider(s) has value as well. In recent months the town has received multiple proposals (attached) to purchase the right to serve as landlord for the cellular service equipment on the water, and so collect rent from the cellular service provider. The two proposals are at \$275,000 and \$277,000, a difference of less than .75 of one percent. The proposers' documents include their respective terms. The fiscal year 2022-2023 budget does not show revenue for the annual rent out of recognition that the sale of the lease is a preferred option to the town's long-term financial benefit compared to the modest yearly rent.

Sale of the lease does not involve the loss of ownership, access to, or maintenance of the water tank. There is no transfer of real property involved in the transaction. This process merely conveys the right of another party to extend rental agreements, set and collects rent from those rental agreements.

As has been discussed in the past, sale of the lease agreement would be a one-time infusion of revenue into the town's treasury and should be used to increase fund balance.

Pending discussion provide direction to staff.



8/5/2021 8:48 AM  
Store: 1

Sales Receipt #54425  
Workstation: 1

REPRINTED  
**Federalburg Town Office**  
118 N. Main Street  
21632

Bill To: AT&T Communications  
AT&T Communications  
1010 Pine, 9E-L-01  
St. Louis, MO 63101

Cashier:

Item Name	Qty	Price	Ext Price
Cell Tower Rental Fe	115,165.00		\$15,165.00
			Subtotal: \$15,165.00
Local Sales Tax		0 % Tax:	+ \$0.00
			<b>RECEIPT TOTAL: \$15,165.00</b>

Check: \$15,165.00 24035596

Thank you!



54425



April 14, 2022

## Terms of Agreement

### Lease Information:

Seller/Site Owner: Larry DiRe  
Mailing Address: PO BOX 471  
Federalsburg, MD 21632-0471

Tenant	Current Rent	Escalation Rate	Site Address
AT&T Mobility	\$15,165.00 Annually	12.50 % Per Term	1999 Industrial Park Rd, Federalsburg, MD 21632

**Easement Area and Assignment of Lease:** The Easement Area shall be approximately the leased premises described by the existing cellular lease (the "Lease(s)") and a non-exclusive access and utility easement. The Easement Area will be confirmed by a survey performed during due diligence. Landmark will be assigned the Lease(s) for the duration of the easement.

**Confidentiality:** Site Owner agrees not to disclose any of the terms of this agreement to any unrelated third parties, except for its broker, agent, lawyers, consultants, bookkeepers and tax advisors, without Landmark's prior written consent for the later of one (1) year from the date of this document or the date on which both parties enter into a mutually acceptable easement and purchase and sale agreement.

**Exclusivity:** Until the expiration of this agreement, Site Owner shall not, directly or indirectly, (a) offer the Lease(s) or the Easement Area for sale or assignment to any other person; (b) negotiate, solicit or entertain any offers to sell or assign any interest in the Lease(s) or the Easement Area to any other person; or (c) modify, amend, supplement, extend, renew, terminate or cancel the Lease(s).

The purchase price shall be the gross purchase price from which will be deducted:

- Prorated rent for the remainder of the month/year of closing
- If applicable, the next two months' of rent payments to account for the time it takes the tenant time to recognize Landmark as the new payee (Site Owner shall be entitled to receive and deposit the next two monthly rent checks after closing, provided however, if one or both rent checks are received by Landmark, Landmark will pay to Site Owner the sum of the rental revenue not received by Site Owner for the 2 months following closing once received by Landmark); and
- Transfer taxes.

**Offer Expiration Date:** July 13, 2022

\* Landmark will complete a title search of the property on which the telecom site is located (the "Property") and perform any and all due diligence on the Property, including a survey of the Easement Area and site inspection at its sole cost and expense. Site Owner will provide Landmark with attorney comments to any of Landmark's transaction documents within five (5) days of the receipt of such documents. If there is a mortgage or lien on the Property, Site Owner agrees to use commercially reasonable efforts to obtain a non-disturbance agreement ("NDA") from the lender or lienholder. In the event the NDA cannot be obtained, Landmark may still close the transaction subject to a twenty percent (20%) reduction in the Purchase Price, provided the Property satisfies Landmark's loan-to-value calculation and Site Owner complies with Landmark's additional due diligence requests.

\* Our signatures below acknowledge that these are the business terms upon which this transaction will be completed and authorizes Landmark to proceed with this transaction. Closing is subject to Landmark's receipt and evaluation of the document checklist items, completion of due diligence and final underwriting approval, and a mutually acceptable easement and purchase agreement. Landmark will endeavor to close this transaction within forty-five (45) days of its receipt of Site Owner's signature below or if that is not possible, within five (5) days of the receipt of all due diligence including any necessary NDAs or consents and the expiration or waiver of any right of first refusal (the "ROFR") of any tenant. If Landmark does not close the transaction within ninety (90) days of the date of Site Owner's signature below, this agreement will expire unless extended by mutual written consent.

\* For the purposes of this document, "Landmark" and "Site Owner" shall refer to and mean Landmark Dividend LLC and its affiliates and Site Owner and their respective affiliates, successors and/or assigns.

**Additional Terms:**

- Landmark and Site Owner also agree to share any future rent from carriers 50/50 (50% to Site Owner) who may require additional space outside of the ground lease. In the event an agreement is executed with a carrier for space outside of the ground lease, the parties shall enter into a mutually agreeable amendment to the easement contemplated herein to include such additional space.
- Landmark does not charge any closing costs to Site Owner.

**Purchase Price and Term:** Initial below

1. \_\_\_\_\_ Purchase Price: \$275,000.00  
Term: Perpetual  
Type: Lump Sum

Please sign and date below and return at your earliest convenience

**Approved by:**

\_\_\_\_\_  
Larry DiRe

\_\_\_\_\_  
Landmark Authorized Signatory

Date: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

# Document Checklist

1. I agree to provide my representative with the following information required for closing within 7 days of Site Owner's execution of this agreement:

- Fully Executed copy of cellular lease, including any addenda, amendments, assignments, site plans, construction drawings, notices or exercise letters, any other available tenant correspondence
- Copies of the last two months' rent checks or the last annual check if paid annually
- Proof of Site Owner's existence and authority, as applicable: articles of incorporation, articles of formation, by-laws, operating agreement; partnership agreement; trust agreement; probate documents, death certificate; divorce decree; property management agreement
- Deed
- Current tax bill for Property
- Prior title report or title insurance policy, if available
- Existing environmental reports (for fee purchase only)

2. Attorney Contact Information

Name: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Email: \_\_\_\_\_

3. Representation

Site Owner has not received any verbal or written notice from the Tenant(s) that the site is or will be decommissioned or that the site is or will be subject to a reduction in the rental revenue.

Initial \_\_\_\_\_

4. Mortgage:  Yes  No

Bank: \_\_\_\_\_

Mortgage Amount: \_\_\_\_\_

Lender Contact: \_\_\_\_\_

Lender Phone: \_\_\_\_\_

Lender Email: \_\_\_\_\_

\_\_\_\_\_  
Site Owner Signature

Date: \_\_\_\_\_

June 3, 2022

 Town Of Federalsburg MD ("Landlord")  
 118 N Main St  
 Federalsburg, MD 21632-1003

Re: Letter of Intent to Purchase Interest in Wireless Site ("LOI")

Dear Lawrence DiRe,

In consideration of ten dollars (\$10), the receipt and sufficiency of which is hereby acknowledged, your signature below grants to TowerPoint Acquisitions, LLC and its successors and assigns (including its asset holding company TPA V, LLC) ("TowerPoint") exclusivity to purchase your interest in the Lease(s) ("Lease(s)" as further described in Exhibit A) through an assignment of the Lease and the grant of an underlying telecommunications easement pursuant to the terms herein (the "Transaction"). TowerPoint may close on the Transaction no later than fourteen (14) days after the Closing Contingencies listed in Exhibit A are met. The basic terms of the transaction are as follows:

Summary of Terms	
PURCHASE PRICE	\$277,000.00
LEGAL STRUCTURE	Telecommunications Easement
TERM LENGTH	99 Years
REVENUE SHARING	New Tenant Rent: 60% in favor of Landlord (New Tenant Rent will be generated from tenants collocating on available space across the rooftop outside the existing Lease area.)

- Purchase Price shall be pro-rated at closing based on interim monthly or annual rent payments with TowerPoint retaining from the Purchase Price rent paid by the tenant for any period of time from and after the date of Closing. (Tenants delay rent redirection from the Landlord to TowerPoint by several months while the closing documents are recorded and the redirection is processed. Therefore the Settlement Statement will show a rent credit to TowerPoint in the amount of the two (2) months following closing.)
- Landlord shall only retain rent checks from Tenant for pro-rated periods and during the rent redirection period.
- TowerPoint pays for due diligence costs, the title insurance policy, and standard closing costs. Each party bears its own legal expenses. Landlord pays transfer/stamp or other tax (if any) and recording fees.

From the date you execute this LOI through the date which is thirty (30) days from the date the Closing Contingencies are met, you agree not to directly or indirectly solicit, initiate or participate in any discussions or negotiations with, or encourage or respond to any inquiries or proposals by, any persons, company or group other than TowerPoint concerning your Lease. You agree to promptly notify TowerPoint if any person, company or group seeks to initiate any discussions regarding your Lease. You further agree to work in good faith with TowerPoint to close this Transaction. The terms of this LOI are confidential and may not be disclosed without the prior written consent of TowerPoint, except to professionals engaged to evaluate and conduct the Transaction on your behalf. You acknowledge that TowerPoint has given you no tax or legal advice in evaluating the Transaction.

To the extent the terms of this LOI represent an offer by TowerPoint, the terms herein are subject to change by TowerPoint after June 30, 2022 if this LOI is not mutually executed. TowerPoint reserves the right to change the terms of this LOI following expiration.

 Sincerely,  
 TowerPoint Acquisitions, LLC

 Accepted and Agreed:  
 Town Of Federalsburg MD

---

 Jesse M. Wellner, Chief Executive Officer  
 June 3, 2022

---

 Landlord's Signature

Date

Print Name:

Title:

Exhibit A

Site Location and Lease Terms

Site Location: 1999 Industrial Park Rd, Federalsburg, Maryland 21632

Wireless Tenants	Current Rent	Rent Payment Frequency	Escalation (CPI, % or \$)	Escalation Frequency	Date of Next Escalation
AT&T	\$15,165.00	Annually	12.5%	Term	08/01/2025

Pricing is based on the Lease Terms above and is subject to confirmatory due diligence of the Lease Terms.

Closing Contingencies

1. receipt of the due diligence items listed in Exhibit B;
2. receipt of a title commitment from TitleVest Agency, LLC (a subsidiary of First American Title Insurance Company) as the escrow/closing agent showing title clear of any liens, encumbrances, outstanding taxes which are otherwise due and payable, or other unsatisfied title closing requirements necessary for an insured closing with marketable title;
3. your approval of the Easement Agreement in a mutually agreeable form;
4. proper documentation of the Lease and rents, including your affirmation that you have not received any written or verbal notice of termination, modification or other correspondence from the tenant related to the Lease;
5. compliance with any tenant right of first refusal or consent requirement, if applicable, related to Landlord's assignment of the Lease; and
6. TowerPoint's desktop environmental database search returns a determination of "Low" or "Moderate" risk.

Initial  
Here:



Exhibit B

Required Due Diligence Items

1. Executed Lease including any and all Amendments thereto (as well as any lease commencement letters, notices, or other correspondence regarding the Lease)
2. Proof of Rent Payments under the Lease (minimum of 3 months received in the last 6 months); e.g.: copies of rent checks/stubs and/or direct deposit statements.
3. Landlord Request for Information (RFI): Completed and executed including social security numbers for individuals with 20% or greater ownership positions in the entity which owns the property.
4. Landlord's comments or Landlord's counsel's comments, if any, to the Easement Agreement ("Easement") to be provided under separate cover (to be finalized in a mutually agreeable Easement) or return the Easement with each page initialed showing approval of the form Easement.
5. If an existing mortgage is in place on the property: A Mortgage Statement and Lender contact information for obtaining a non-disturbance agreement from Lender (required only if the property is encumbered by a Mortgage, Deed of Trust, Line of Credit or similar instrument).
6. Legal entity organizational documents (including any Amendments thereto) showing proof of authority, as applicable below, for all entities owning an interest in the Property:

Corporations	LLCs	General Partnership	Ltd. Partnerships	Condo Assoc's	Coop Corp (i.e.: Housing Co-op)	Trust
Articles of Incorporation	Articles of Organization	Certificate of Partnership	Certificate of Limited Partnership	Condominium Declaration	Articles of Incorporation	Trust Agreement
Signed Corporate Bylaws	Signed Operating Agreement	Signed General Partnership Agreement	Signed Limited Partnership Agreement	Signed Condominium Bylaws	Signed Corporate Bylaws	Certificate of Trust

Within 10 days of signing this LOI, I agree to provide to TowerPoint the Required Due Diligence Items listed above to facilitate a timely close under the terms of this LOI.

Initial  
Here:

Submitted by: Joe DeNato, Ph: (678) 987-2693, Email: joe.denato@towerpoint.com