

EXECUTIVE ORDER  
COUNTY EXECUTIVE  
OF  
HOWARD COUNTY, MARYLAND

Executive Order No. 2021-05  
Subject: An Order determining various matters in connection with the sale and issuance of Howard County, Maryland Certificates of Participation (Equipment Program) Refunding, 2021 Series A

WHEREAS, pursuant to Council Bill No. 2-2021 passed by the County Council of Howard County, Maryland (the "County Council") on February 3, 2021 and approved by the County Executive of Howard County, Maryland (the "County Executive") and effective on February 4, 2021 (the "Ordinance"), it was provided that the County Executive shall determine by order matters concerning the advertisement, sale, issuance, delivery and payment of the Certificates (as defined below), including the leases to be refinanced, the date or dates of sale, date or dates of the Certificates, the aggregate principal amount of the Certificates, the interest payment dates of the Certificates, manner of authentication of the Certificates, manner of numbering of the Certificates and selection of a trustee, paying agent and registrar; and

WHEREAS, the net proceeds of the Certificates will be used to (i) refinance all or a portion of certain of the County's outstanding capital leases (the "Refunded Leases") (including paying the redemption premium, if any, and the interest accrued and to accrue to the applicable maturity or redemption dates), and (ii) pay the costs of issuing the Certificates; and

WHEREAS, the County Executive has determined to prescribe such terms of the Certificates by this Order.

NOW, THEREFORE, BE IT ORDERED AND DETERMINED:

Section 1. Pursuant to the authority of the Ordinance, there is hereby authorized and directed the execution, sale, issuance and delivery of one or more series of certificates designated "Howard County, Maryland Certificates of Participation (Equipment Program) Refunding, 2021 Series A", as such designation may be modified in order to distinguish each series of such certificates, (collectively, the "Certificates"), in the aggregate principal amount not to exceed \$25,000,000, subject to the provisions of this Order.

Section 2. The Certificates shall be issued under and secured by a Trust Agreement between the County and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), as may be amended and supplemented from time to time (the "Trust Agreement"), substantially in the form attached hereto as Exhibit A, with such further amendments, omissions, insertions, or



variations deemed necessary or appropriate by the County Executive or the Chief Administrative Officer of the County (including any County officer serving in such capacity on an acting basis, the "Chief Administrative Officer"). The Certificates shall also be issued pursuant to a Conditional Purchase Agreement, substantially in the form attached hereto to the Ordinance, with such further amendments, omissions, insertions, or variations deemed necessary or appropriate by the County Executive or the Chief Administrative Officer. Payment due from the County under the Conditional Purchase Agreement and debt service payments due for the Certificates shall be subject to annual appropriation by the County Council.

Section 3. The Certificates shall be dated such date, shall bear interest, shall mature, shall have such redemption provisions (including, without limitation, mandatory sinking fund redemption, extraordinary optional redemption and special mandatory redemption provisions) and shall have such other terms and provisions as are set forth in the Trust Agreement. The Certificates shall be dated the date of their initial delivery and shall be issuable in registered form in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof. The Certificates will initially be issued in book-entry only form without physical distribution of certificates to the public. The Depository Trust Company ("DTC") will act as the securities depository for the Certificates and the Certificates will be registered in the name of Cede & Co. as nominee for DTC. The Certificates, when first issued, may be numbered from No. R-1 upward in the order of their maturities or in some other manner which conforms to standard bond registration practices and is acceptable to DTC and the Director of Finance. Registration books (the "Certificate Register") for the Certificates shall be maintained by the Trustee, which shall also act as paying agent for the Certificates (the "Certificate Registrar and Paying Agent"). The Director of Finance from time to time may designate another bank or other financial institution to serve as Certificate Registrar and Paying Agent upon thirty (30) days' prior written notice to the registered owners of the Certificates.

So long as Cede & Co. is the registered owner of the Certificates, as nominee of DTC, the Certificate Registrar and Paying Agent will send all payments of principal of and premium, if any, and interest on and notices to Cede & Co., and consider Cede & Co. as registered owner for all other purposes under the Ordinance. Principal payments shall be made to Cede & Co. by check, draft or wire transfer at its address as it appears on the Certificate Register on the respective payment or redemption dates. Interest shall be paid to Cede & Co. by check, draft or wire transfer at its address as it appears on the Certificate Register, such interest being payable semi-annually on February 15 and August 15 in each year (commencing August 15, 2021), accruing from the most recent date to which interest has been paid or, if no interest has been paid, from the date of initial delivery of the Certificates.

The Certificates shall contain similar provisions to and be in substantially the forms set forth in Appendix A to the Trust Agreement attached hereto as Exhibits A, with such variations as are necessary or appropriate to reflect the provisions with respect to book-entry bonds set forth herein as long as the Certificates are in book-entry form. Certificates issued substantially in accordance with such forms, with appropriate insertions as indicated shall be deemed to constitute special limited obligation certificates of the County, subject each year to appropriation by the County Council.



Section 4. The net proceeds of the Certificates, including any premium received therefor, will be used to refinance all or a portion of the Refunded Leases set forth in Exhibit B attached hereto and pay the costs of issuing the Certificates, and as otherwise permitted under the Ordinance. The refinancing of the Refunded Leases meets a public purpose of restructuring the debt of such Refunded Leases in order to realize savings to the County in the aggregate cost of debt service. The Director of Finance is hereby authorized to finally determine the amount of the Refunded Leases to be redeemed with the proceeds of the Certificates in accordance with the provisions of this Order.

Section 5. The Certificates shall mature on August 15 in installments as serial or term certificates, commencing on August 15, 2021 and shall bear interest at the rates set forth in the bids selected by the Director of Finance in accordance with Section 8 of this Order. The final maturity for the Certificates shall not be later than August 15, 2029.

Section 6. The Certificates are not subject to optional redemption prior to their respective maturities.

Section 7. The Certificates shall be sold at a public sale on February 24, 2021, in accordance with the Official Notice of Sale relating to the Certificates substantially in the form set forth in Appendix B attached to the Preliminary Official Statement relating to the Certificates (the "Preliminary Official Statement") and Exhibit C attached hereto, with such changes, modifications and amendments as the Director of Finance determines is necessary and appropriate to effect the sale of the Certificates and such Preliminary Official Statement is hereby ratified and approved. The distribution of the Preliminary Official Statement is hereby ratified and the execution and delivery of a final official statement (the "Official Statement") regarding the issuance and sale of the Certificates is hereby authorized. The Chief Administrative Officer and the Director of Finance are hereby authorized and directed to prepare, execute, issue and distribute the Official Statement in connection with the sale of the Certificates.

Section 8. The Director of Finance of the County is hereby authorized to award the Certificates to a purchaser whose proposal is determined by the Director of Finance, to be legally acceptable as to both form and substance with the advice of the bond counsel of the County, to be the most favorable proposal received for the purchase of the Certificates upon recommendation of the financial advisor of the County, and to be in accordance with the Ordinance and this Order.

Section 9. The aggregate principal amount of the Certificates authorized pursuant to this Order may be adjusted within the parameters set forth in the Official Notice of Sale relating to the Certificates as approved by the Director of Finance.

Section 10. The publication of a summary notice of sale of the Certificates at least twice in one or more daily or weekly newspapers having general circulation in the County, the first such publication which was at least ten (10) days prior to the date of sale, is hereby ratified and approved.



Section 11. In connection with the Certificates, the County shall enter into a continuing disclosure agreement pursuant to which the County shall provide certain information and notices to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB. Such continuing disclosure agreement shall be substantially in the form attached as Appendix C to the Preliminary Official Statement. The Director of Finance of the County is hereby authorized to execute and deliver such continuing disclosure agreement in connection with the issuance of the Certificates.

Section 12. The County shall comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to the Certificates, including, without limitation, compliance with any provisions of the Code regarding the timing of the expenditure of the proceeds of such Certificates, the use of such proceeds, the restriction of investment yields, the filing of information with the IRS and the rebate of certain earnings resulting from the investment of the proceeds of the Certificates. The County shall make such use of the proceeds of the Certificates, regulate the investment of the proceeds thereof and take such other and further actions as may be required to maintain the exclusion from gross income for federal income tax purposes of interest on the Certificates.

Section 13. There may be deducted from the gross proceeds received from the sale of the Certificates the cost of advertising, printing and legal fees and expenses relating to such sale as may be determined by the Director of Finance. There may also be deducted from the gross proceeds of the sale of the Certificates any other incidental expenses relating thereto and the reimbursement of the general tax receipts of the County for any monies previously expended therefrom for the projects more specifically described in this Order.

Section 14. The Chief Administrative Officer of the County is hereby authorized and directed to take such actions required or permitted to be taken by the County Executive pursuant to the Ordinance in connection with the sale and issuance of the Certificates.

[Remainder of this page left blank intentionally]





This Order shall take effect this 23<sup>rd</sup> day of February, 2021.

[SEAL]



ATTEST:

DocuSigned by:  
Lonnie R. Robbins  
5CD75AC2B756483  
Lonnie R. Robbins  
Chief Administrative Officer  
Howard County, Maryland

HOWARD COUNTY, MARYLAND

DocuSigned by:  
Calvin Ball  
By: 74320B674DEE4DF...  
Calvin Ball  
County Executive  
Howard County, Maryland

[Signature page to Executive Order]



Exhibit A

**FORM OF TRUST AGREEMENT**

[See Attached]



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*Draft Dated February 3, 2021*

HOWARD COUNTY, MARYLAND

and

MANUFACTURERS AND TRADERS TRUST COMPANY,  
as Trustee

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CERTIFICATE OF PARTICIPATION  
TRUST AGREEMENT

Dated as of March \_\_, 2021

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\$ \_\_\_\_\_  
HOWARD COUNTY, MARYLAND  
CERTIFICATES OF PARTICIPATION  
(Equipment Program)  
Refunding, 2021 Series A

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CERTIFICATE OF PARTICIPATION  
TRUST AGREEMENT

THIS CERTIFICATE OF PARTICIPATION TRUST AGREEMENT (this "Trust Agreement") dated as of March \_\_, 2021 and effective from the time of execution and delivery hereof between the parties, is by and between HOWARD COUNTY, MARYLAND, a body politic and corporate and a political subdivision of the State of Maryland (the "County"), and MANUFACTURERS AND TRADERS TRUST COMPANY, a trust company organized under the laws of the State of New York, as trustee hereunder (the "Trustee") and the Trustee, acting as seller under the Purchase Agreement (defined below).

R E C I T A L S

A. The County has financed the acquisition of certain equipment for use in its governmental programs (the "Equipment"), as defined in and under the terms of the Conditional Purchase Agreement dated as of the date hereof (the "Purchase Agreement") by and between the County, acting as purchaser, and the Trustee, acting as seller ("Seller").

B. Under the Purchase Agreement, the County is obligated to make periodic payments (the "Purchase Installments") to Seller for the possession and use of the Equipment and the purchase of Seller's right, title and interest in the Equipment.

C. Seller acknowledges that its rights as Seller under the Purchase Agreement, including its right to receive the Purchase Installments, are for the benefit of the persons and entities who acquire an interest therein (as more specifically defined below, the "Certificate Holders"), each of whose interest therein will be represented by a Certificate of Participation in the form attached hereto as Exhibit A (the "Certificates").

D. The County has agreed to assign its rights in and to the Equipment and under the Purchase Agreement to the Trustee, to make direct payment of the Purchase Installments to the Trustee and to pay certain expenses of the Trustee.

E. The Trustee has agreed to execute and deliver the Certificates, to act on behalf of the Certificate Holders pursuant to the terms of this Trust Agreement and to undertake such other responsibilities as are assigned to the Trustee pursuant to this Trust Agreement. The Trustee has agreed to act as Seller under the Purchase Agreement and to undertake and perform the responsibilities of Seller under the Purchase Agreement.

GRANTING CLAUSES

NOW, THEREFORE, this Trust Agreement witnesseth that, in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Certificates by the Certificate Holders, and for the purpose of fixing and declaring the terms and conditions under which the Certificates are to be issued, authenticated and delivered, and in order to declare the terms of the trusts herein contained:

- (1) the County and the Trustee have duly executed this Trust Agreement; and
- (2) the County and Seller, in order to provide for the payment of the Certificates and the interest with respect thereto according to their tenor, purport and effect, and the performance and observance by the County and Seller, respectively, of all the covenants expressed or implied in the Certificates, this Trust Agreement and the Purchase Agreement, do, pursuant and subject to the provisions of this Trust Agreement, hereby grant, bargain, sell, release, convey, transfer and assign unto the Trustee for the benefit of the Certificate Holders and its and their successors and assigns, unconditionally and absolutely, all rights, title and interest of the County and Seller, respectively, under the Purchase Agreement and all right, title and interest of the County and Seller, now or hereafter acquired, in and to the following:
  - (a) the right to receive Revenues, as defined herein;
  - (b) the proceeds of the Certificates and all amounts on deposit from time to time in the funds and accounts established by this Trust Agreement; and
  - (c) all moneys and securities from time to time held by the Trustee under the terms of this Trust Agreement and any additional property that may from time to time, by delivery or by writing of any kind, be subjected to the lien hereof by the Seller or by anyone on its behalf, subject only to the provisions of this Trust Agreement and the Purchase Agreement.

TO HAVE AND TO HOLD the trust estate granted in these Granting Clauses (the "Trust Estate"), whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever for the equal and ratable benefit of the registered owners from time to time of all the Certificates executed and delivered hereunder and outstanding, without any priority of any one Certificate over any other, upon the terms and trusts herein set forth;

PROVIDED, HOWEVER, that if the County shall well and truly pay, or cause to be paid, the Purchase Installments in accordance with the Purchase Agreement and other amounts required to be paid or expended thereunder according to the true intent and meaning of the Purchase Agreement and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Trust Agreement to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, upon the final payment thereof, this Trust Agreement and the rights hereby granted shall cease, terminate and be void; otherwise this Trust Agreement is to be and remain in full force and effect.

The Certificates issued and secured hereunder shall be issued, authenticated and delivered and all the property, rights and interest pledged pursuant to the Granting Clauses are to be dealt with and disposed of pursuant to the provisions set forth herein, and the County and the Trustee hereby agree as follows:

## ARTICLE I

### DEFINITIONS

1.01. Recitals and Definitions in Other Agreements. All defined terms in the Purchase Agreement shall have the meanings prescribed therein when used in this Trust Agreement, unless otherwise defined herein or unless the context requires otherwise.

1.02. Further Definitions. The following terms shall have the meanings indicated below for all purposes of this Trust Agreement, unless the context clearly requires otherwise.

“Acquisition Costs” means all costs paid or to be paid to acquire or refinance the acquisition of the Equipment in accordance with the Purchase Agreement.

“Additional Certificates” means certificates of participation that may be issued under Section 7.10 hereof.

“Business Day” means a day other than a Saturday, Sunday, legal holiday or day on which banking institutions are authorized or required by law to be closed in the State of Maryland, the State of New York or in the state in which the designated office of the Trustee is located.

“Certificate Fund” means the fund so designated that is established under the provisions of this Trust Agreement for the purpose of accepting and disbursing to the Certificate Holders moneys received by the Trustee from the County for the payment of principal, premium, if any, and interest on the Certificates.

“Certificate Holder” or “Holder” means the person or entity in whose name a certificate is registered on the Certificate register maintained by the Trustee pursuant to Section 7.04 hereof.

“Certificates” means the certificates of participation executed and delivered under Section 2.01, together with any Additional Certificates.

“County Representative” means the County Executive, the Chief Administrative Officer, or the Director of Finance of the County and any other person authorized by the County to act on its behalf under or with respect to the Purchase Agreement and this Trust Agreement by written certificate executed by the Director of Finance of the County and delivered to the Trustee.

“Equipment” means the equipment described in Exhibit A to the Purchase Agreement and to be refinanced pursuant to the Purchase Agreement.

“Equipment Fund” means the fund so designated that is established under the provisions of this Trust Agreement.

“Net Proceeds” means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including reasonable attorney’s fees) incurred in the collection of such claim or award.

“Outstanding” when used with reference to the Certificates and as of any particular date, means all Certificates theretofore authenticated and delivered except: (a) any Certificate cancelled by the Trustee (or delivered to the Trustee for cancellation) at or before such date, (b) any Certificate in lieu of or in substitution for which another Certificate shall have been delivered pursuant to this Trust Agreement and (c) any Certificate that is deemed to have been paid pursuant to Section 12.01 of this Trust Agreement.

“Participant” is defined in Section 7.11 of this Trust Agreement.

“Payment Date” means February 15 and August 15 of each year commencing August 15, 2021.

“Purchase Agreement” means the Conditional Purchase Agreement dated as of the date hereof between the County, as purchaser, and Seller pursuant to which the County is refinancing the acquisition of the Equipment.

“Qualified Investments” is defined in Section 4.04 of this Trust Agreement.

“Revenues” means (i) all payments to be made by the County to the Trustee pursuant to the Purchase Agreement, (ii) the proceeds of the Certificates and all amounts from time to time on deposit in the funds and accounts established by this Trust Agreement and (iii) all other revenues derived from the Purchase Agreement or from the exercise of remedies hereunder, including (without limitation) moneys attributable to the sale, leasing or other disposition of the Equipment by or on behalf of the Trustee.

“Securities Depository” is defined in Section 7.11 of this Trust Agreement.

“Seller” means Manufacturers and Traders Trust Company, as trustee under this Trust Agreement, in its capacity as Seller under the Purchase Agreement, and its successors and assigns.

“Trust Agreement” means this Certificate of Participation Trust Agreement, as amended, modified and supplemented from time to time.

“Trustee” means Manufacturers and Traders Trust Company, a trust company organized under the laws of the State of New York, and its successors as trustee hereunder.

1.03. Rules of Construction. Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

## ARTICLE II

### AUTHORITY TO AUTHENTICATE AND DELIVER CERTIFICATES; DECLARATION OF TRUST; USE OF PROCEEDS

2.01. Authority to Authenticate and Deliver Certificates. The Trustee is hereby authorized to act as registrar for the Certificates and in such capacity to authenticate and deliver the Certificates in the manner set forth herein and, subject to the terms of this Trust Agreement, to exercise the rights of Seller under the Purchase Agreement and the rights of the Trustee under this Trust Agreement.

Upon receipt of a written request from the County and subject to the provisions of Section 7.10 hereof with respect to Additional Certificates, the Trustee shall issue, authenticate and deliver such Additional Certificates in the form attached hereto as Exhibit A to the persons or entities designated by the County.

2.02. Declaration of Trust. The Trustee hereby declares that it will hold all of the assets and property received by it under the terms of this Trust Agreement and the Purchase Agreement (except compensation, indemnification or other amounts due directly to the Trustee hereunder or thereunder) upon the terms of the trusts hereinafter set forth as trustee and fiduciary for and on behalf of the Certificate Holders.

2.03. Use of Proceeds. (a) The proceeds from the sale of the Certificates designated "Refunding 2021 Series A" shall be deposited in the Equipment Fund.

(b) The proceeds of the sale of any Additional Certificates will be deposited as provided in the supplemental trust agreement providing for the issuance of such Additional Certificates.

## ARTICLE III

### ASSIGNMENT

3.01. Assignment. For value received, receipt of which is hereby acknowledged, Seller hereby sells, assigns and delivers unto the Trustee, its successors and assigns all of its rights in and benefits of the Purchase Agreement, together with all amendments, agreements, documents and writings relating thereto, including without limitation, insurance certificates and maintenance agreements, and with all payments of principal, premium, if any, interest and Purchase Installment amounts payable from and after the date hereof under or pursuant to the Purchase Agreement, all to the extent not already vested in Trustee pursuant to the Granting Clauses hereunder.

3.02. Warranties and Covenants of the County. The County hereby represents, warrants and covenants to and with the Trustee that:

(a) The County is a public body corporate and politic and a political subdivision duly organized and existing under the Constitution and laws of the State of Maryland and

is authorized under the Constitution and laws of the State of Maryland to enter into this Trust Agreement and the transactions contemplated hereby and to perform all of its obligations hereunder.

(b) The County has been duly authorized to execute and deliver this Trust Agreement and further represents and covenants that all requirements have been met, actions have been taken and procedures have been followed in order to ensure the validity and enforceability of this Trust Agreement.

(c) The County has full power, authority and legal right to enter into and perform its obligations under this Trust Agreement and the Purchase Agreement, and the execution, delivery and performance of this Trust Agreement and the Purchase Agreement, and the transactions contemplated herein and therein will not violate any judgment, order, law or regulation applicable to the County or result in any breach of, or constitute a default under any indenture, mortgage, deed of trust, bond, loan or credit agreement or other instrument to which the County is a party or by which it is bound.

(d) There are no actions, suits or proceedings pending or, to the knowledge of the County, threatened against, or affecting, the County in any court or before any governmental commission, board or authority which, if adversely determined, will have a material adverse effect on the authority or ability of the County to perform its obligations hereunder or which question the legality, validity or enforceability hereof. If any such actions are threatened or initiated against the County, the County shall promptly notify the Trustee.

(e) The County has not granted any security interest in, nor assigned or transferred nor allowed any claim against the County to become a lien or encumbrance upon, the County's interest in the Purchase Agreement or the Equipment except as specifically set forth in the Purchase Agreement or this Trust Agreement or as provided herein. The security interests in the Equipment granted under the Equipment leases to be refinanced with the proceeds of the Certificates have been assigned to Seller.

(f) The Purchase Agreement delivered to the Trustee herewith is an identical copy of the original thereof and constitutes the entire writing, obligation and agreement between the County and the Seller respecting the Equipment, the possession and purchase thereof and the payment therefor by the County.

3.03. Further Assurances. The County and the Seller, from time to time at the request of the Trustee, shall execute and deliver such further acknowledgments, agreements and instruments of assignment, transfer and assurance, and do all such further acts and things as may be necessary, desirable or appropriate in the reasonable opinion of the Trustee to give effect to the provisions hereof and to confirm more precisely the rights, titles and interests hereby assigned and transferred to the Trustee.

3.04. No Waiver, Rights Cumulative. Any delay on the part of the Trustee in exercising any power, privilege or right hereunder or under any other instrument assigned by the County or the Seller to the Trustee in connection herewith shall not operate as a waiver thereof and no single or partial exercise of any power, privilege or right shall

preclude other or further exercise hereof or the exercise of any other power, privilege or right. The express waiver by the Trustee of any default by the County shall not constitute a waiver of any subsequent default, but shall be restricted to the default so waived. All waivers by the Trustee must be in writing to be effective. All rights, remedies and powers of the Trustee hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies and powers given hereunder, or in or by any other instrument or any other law now existing or hereafter enacted.

#### ARTICLE IV

#### FUNDS AND ACCOUNTS

4.01. Funds and Accounts Held in Trust. The moneys held by the Trustee under this Trust Agreement are irrevocably held in trust for the purposes herein specified, and such moneys shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of Seller, the County, the Trustee or any Certificate Holder.

4.02. Establishment and Application of Equipment Fund. There is hereby established in trust a special fund designated the "Equipment Fund," which shall be held by the Trustee for the benefit of the Certificate Holders and which shall be kept separate and apart from all other funds and moneys held by the Trustee. The Trustee shall administer the Equipment Fund as provided in this Article.

(a) Moneys on deposit in the Equipment Fund shall be paid by the Trustee for the costs of issuance of the Certificates upon receipt from the County of a duly executed Requisition Form in substantially the form attached hereto as Exhibit B. Payment shall be made directly to the person(s) specified in such form.

(b) Moneys on deposit in the Equipment Fund shall be paid by the Trustee to pay the cost of refinancing the Equipment pursuant to the respective Equipment leases therefor upon receipt from the County of a duly executed Requisition Form in substantially the form attached hereto as Exhibit B. Upon receipt of such Requisition Form, the Trustee shall make payment either directly to the payee named therein, or, if the County certifies that it has already made such payment, to the County as reimbursement.

(c) Upon the earlier of (i) three years from the date of initial authentication and delivery of the Certificates and (ii) the payment of all of the Acquisition Costs, the Trustee shall transfer any moneys remaining in the Equipment Fund to the Certificate Fund upon the written direction of the County.

(d) The proceeds of the sale of the Certificates, including any premium paid for such Certificates in excess of the face amount thereof, together with investment earnings on such proceeds and premium, may be transferred upon the direction of the County from time to time from the Equipment Fund to the Certificate Fund for the purpose of paying the maturing principal of and interest on the Certificates as they become due.



4.03. Establishment and Application of Certificate Fund. There is hereby established in trust a special fund designated the "Certificate Fund," which shall be held by the Trustee for the benefit of the Certificate Holders and which shall be kept separate and apart from all other funds and moneys held by the Trustee. The Trustee shall administer the Certificate Fund as provided in this Article.

(a) Except as provided for the deposit of proceeds in Section 2.03 hereof, the Trustee shall deposit Revenues immediately upon their receipt by the Trustee, including (without limitation) amounts received by the Trustee pursuant to the Purchase Agreement, as follows.

FIRST: to the Certificate Fund, the amount, if any, necessary to make the amount on deposit therein equal to the principal amount or redemption price of and interest to accrue on the Certificates until the earlier of (i) the immediately succeeding Payment Date and (ii) any redemption date fixed in accordance with Article V hereof; and

SECOND: to the Trustee, the accrued fees and expenses of the Trustee as set forth in Section 8.03 hereof invoiced and remaining unpaid for a period of 30 days.

After making the payments required by items FIRST through SECOND above, the Trustee shall deposit any balance of Revenues (other than proceeds deposited in accordance with Section 2.03 hereof) held by the Trustee in the Certificate Fund.

(b) Notwithstanding subsection (a) hereof, upon receipt of any late payment of a Purchase Installment, the Trustee shall deposit such Purchase Installment as follows:

FIRST: to the Certificate Fund, an amount equal to the amount of principal and interest, if any, theretofore due to Certificate Holders and unpaid;

SECOND: to the Trustee, the accrued and unpaid fees and expenses of the Trustee as set forth in Section 8.03 hereof; and

THIRD: to the Certificate Fund, the amount, if any, necessary to make the amount on deposit therein equal to the principal amount or redemption price of and interest to accrue on the Certificates until the earlier of (i) the immediately succeeding Payment Date and (ii) any redemption date fixed in accordance with Article V hereof.

After making the payments required by items FIRST through THIRD above, the Trustee shall deposit any balance of such Purchase Installment in the Certificate Fund.

(c) On each Payment Date and redemption date fixed in accordance with Article V hereof, the Trustee shall pay or cause to be paid out of the Certificate Fund the interest and the principal or redemption price due on the Certificates on such date.

(d) If on any Payment Date or redemption date fixed in accordance with this Trust Agreement the amount of all payments due and payable on such date with respect to all of the Certificates exceeds the amount on deposit in the Certificate Fund, the Trustee shall apply the moneys on deposit in the Certificate Fund first to the payment of all interest, including interest past due, if any, with respect to all Certificates, and second to the payment of that portion of the unpaid principal balance of each Certificate that is then due or past due on a pro rata basis.

4.04. Investments Authorized. Moneys held by the Trustee under the Trust Agreement shall be invested upon written order of a County Representative by the Trustee in Qualified Investments. Such investments shall be registered in the name of the Trustee or any authorized nominee of the Trustee and held by the Trustee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by the Trust Agreement. Such investments and reinvestments shall be made giving full consideration for the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment.

“Qualified Investments” means (a) direct obligations of the United States of America and securities the timely payment of the principal of and interest on which are unconditionally guaranteed by the United States of America (“Government Obligations”); (b) receipts, certificates or other similar documents evidencing ownership of future principal or interest payments due on Government Obligations which are held in a custody or trust account in safe-keeping on behalf of the holders of said receipts or certificates by a bank which is a member of the Federal Deposit Insurance Corporation (“FDIC”) and which has combined capital, surplus and undivided profits of not less than \$25 million; (c) obligations of the Export-Import Bank of the United States of America, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Federal National Mortgage Association, the Government National Mortgage Corporation, the Federal Financing Bank, the Small Business Administration, the Washington Metropolitan Area Transit Authority or the General Services Administration; (d) direct obligations of any state of the United States of America, or any subdivision or agency thereof, to the payment of which the full faith and credit of the state is pledged, rated in the highest rating category of either Moody’s Investors Service (“Moody’s”) or S&P Global Ratings (“S&P”), or any obligation unconditionally guaranteed by any of the foregoing; (e) deposits of any commercial bank or savings and loan association which is a member of FDIC and has combined capital, surplus and undivided profits of not less than \$3 million, provided that (i) such deposits are fully insured by FDIC; or (ii) to the extent not so insured, are secured by Government Obligations and (A) the securities are held by (1) the Trustee, (2) a Federal Reserve Bank, or (3) a bank which is a member of FDIC and which has combined capital, surplus and undivided profits of not less than \$25 million; and (B) the securities have a fair market value at least equal to 116% of the amount of the deposit, with the additional requirement that the Trustee liquidate the securities if any deficiency in the required percentage is not restored within two (2) business days of a monthly valuation; (f) investments in a money-market or other fund rated AAAM or AAAM-G by S&P, the investments of which fund are exclusively in obligations or securities described in clause (a), (b) or (c) above; and (g) repurchase agreements collateralized by Government Obligations or securities described in clause (a) above with (i) a registered broker/dealer subject to the jurisdiction of the

Securities Investors Protection Corporation, or (ii) any bank which is a member of FDIC and which has combined capital, surplus and undivided profits of not less than \$50 million, provided that (A) the securities are held by the Trustee or a third party which is (1) a Federal Reserve Bank, or (2) a bank which is a member of FDIC and which has capital, surplus and undivided profits of not less than \$25 million and the Trustee shall have received written confirmation from said third party that it holds said securities; (B) a perfected first security interest under the Uniform Commercial Code or the book entry procedures described in 31 C.F.R. 306.1 or 31 C.F.R. 350.0 *et seq.* in such securities is created for the benefit of the Trustee; and (C) the percentage of the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least (1) 100%, if the financial institution has an uninsured, unsecured and unguaranteed obligation rated Prime-1 or A3 or better by Moody's and A-1 or A or better by S&P, or (2) 116%, if the financial institution does not carry the ratings specified in (1) above, with the additional requirement that the repurchase agreement will have a term to maturity of thirty (30) days or less, or that the Trustee will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation.

For the purpose of determining the amount on deposit in any fund or account created by the Trust Agreement, all Qualified Investments credited to such fund or account shall be valued at the greater of market value and amortized cost (exclusive of accrued interest after the first interest payments following purchase). The Trustee may sell at the best price obtainable, or present for redemption, any Qualified Investment so purchased by the Trustee, whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Qualified Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

Interest earned, profits realized or losses suffered by reason of the investment of any fund or account created by the Trust Agreement shall be deposited in the fund or account for which such investment shall have been made.

4.05. No-Arbitrage Covenants. The County covenants that it will not make, or (to the extent it exercises control or direction) permit to be made, any use of the proceeds of the Certificates, or of any moneys, securities or other obligations that may be deemed to be proceeds of the Certificates (collectively, "Certificate Proceeds") within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or any successor to such section in effect on the date of issuance of any Certificates ("Section 148"), and the regulations issued or proposed thereunder (the "arbitrage regulations") that would cause any Certificates to be "arbitrage bonds" within the meaning of Section 148 and the arbitrage regulations. To the extent that provisions of Section 148 and the arbitrage regulations apply only to a portion of the Certificates, it is intended that the covenants of the County contained in this Section be construed so as only to require compliance with Section 148 and the arbitrage regulations to the extent of such applicability.

The Trustee shall hold and invest Certificate Proceeds in accordance with the Tax and No-Arbitrage Certificate executed by the County on the date of initial authentication

and delivery of the Certificates and instructions of the County delivered pursuant to Section 4.04 hereof. If the County is of the opinion, upon receipt of advice of Bond Counsel, that it is necessary to restrict or limit the yield on the investment of any Certificate Proceeds in order to prevent the Certificates from being "arbitrage bonds" within the meaning of Section 148 and the arbitrage regulations, the County shall take such action, to the extent the County is authorized to take such action, as is necessary to restrict or limit the yield on such investment in accordance with such opinion. Upon the receipt of advice of Bond Counsel, the County may take such action as is necessary to remove or modify a restriction or limitation on the yield on the investment of any Certificate Proceeds that was formerly deemed necessary. Neither the County nor the Trustee shall incur any liability in connection with any action as contemplated herein so long as each acts in good faith.

## ARTICLE V

### REDEMPTION OF THE CERTIFICATES

5.01. Special Mandatory Redemption of Certificates at Par. The Outstanding Certificates are subject to mandatory redemption as soon as practicable after such moneys are available therefor in whole or in part at any time at par plus accrued interest to the date fixed for redemption from amounts deposited in the Principal Account of the Certificate Fund from amounts, if any, deposited by the County with the Trustee after the County's election to not apply all or a portion of the Net Proceeds of insurance or condemnation received by the County to replace, repair, rebuild, restore or modify the Equipment after the damage, destruction or condemnation of the Equipment or a portion thereof.

5.02. Selection of Certificates to be Redeemed. If Certificates are to be redeemed pursuant to this Article, the Trustee is hereby authorized and directed to apply moneys received from the County for such purpose to the payment of the principal of the Certificates then Outstanding together with accrued interest to the date fixed for redemption and any applicable premium. If fewer than all of the outstanding Certificates are to be called for redemption, the Trustee shall redeem the Certificates in the order of maturity directed by the County and by lot in such manner as the Trustee shall determine within any maturity; provided, however, that the portion of any Certificate to be redeemed shall be in the principal amount of \$5,000 or any integral multiple thereof and, in selecting Certificates for redemption, the Trustee shall treat each Certificate as representing that number of Certificates that is obtained by dividing the principal amount of such Certificate by \$5,000. Upon the giving of notice of redemption as hereinafter provided, and sufficient moneys having been delivered to the Trustee, interest on the Certificates to be redeemed shall no longer accrue on and after the date fixed for redemption. All Certificates which have been redeemed shall not be reissued but shall be cancelled and destroyed by the Trustee. Notice having been given, as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the Certificate Fund, the Certificates to be redeemed shall become due and payable on such date fixed for redemption and interest on such Certificates shall cease to accrue on and after such date.

5.03. Notice of Redemption. When redemption is authorized or required pursuant to this Article, the Trustee shall cause notice of the call for redemption to be given as set forth herein. Such notice shall specify the Certificates to be redeemed, whether in whole or in part, and if in part, the part to be redeemed, the date for redemption and the place or places where amounts due upon such redemption will be payable. Such notice shall further state that on such date there shall become due and payable upon each Certificate to be redeemed the principal amount thereof, together with interest accrued to the date fixed for redemption, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such notice, by first class mail postage prepaid, not less than thirty (30) days and not more than sixty (60) days before the date fixed for redemption to the Certificate Holders whose Certificates are to be redeemed at their addresses shown on the registration books maintained by the Trustee. The failure by the Trustee to mail a notice of redemption, or any defect therein, with respect to any particular Certificate shall not affect the validity of the redemption of the Certificates.

## ARTICLE VI

### ACCEPTANCE OF FIDUCIARY DUTIES UNDER AGREEMENT

6.01. Trustee as Seller and Fiduciary. (a) The Trustee hereby declares, acknowledges and covenants to and with the Certificate Holders that it is acting as Seller with respect to the exercise of such rights under the Purchase Agreement in the capacity of a trustee and fiduciary for and on behalf of the Certificate Holders. The Trustee hereby agrees to exercise any rights it may have hereunder in accordance with its responsibilities as trustee and fiduciary for the Certificate Holders, including, without limiting the generality of the foregoing, the exercise of any remedies on default granted to the Seller under the Purchase Agreement.

(b) If the Trustee shall have actual knowledge of an Event of Default (as set forth in Section 11.01 hereof), and unless the Trustee shall have knowledge that such Event of Default shall have been remedied, the Trustee shall give prompt written notice of such Event of Default to all Certificate Holders at their addresses set forth upon the registry books kept by the Trustee. The Trustee shall take such action (or refrain from taking action) with respect to any such Event of Default as the Trustee shall be instructed in writing by the Holders of not less than a majority in aggregate principal amount of the Certificates then outstanding. If the Trustee shall not have received written instructions from the Certificate Holders, within sixty (60) days after the date Trustee gave written Notice of the Event of Default the Trustee, subject to instructions received at any time from the Holders of not less than a majority in aggregate principal amount of the Certificates then Outstanding, may take such action, or refrain from taking such action, as shall be deemed appropriate by the Trustee, but, except as provided in Section 11.02, shall be under no duty to take or refrain from taking any action with respect to such Event of Default as it shall deem advisable in the best interests of the Certificate Holders.

6.02. Non-Presentation of Certificates. If any Certificate is not presented for payment when the principal thereof becomes due at maturity or upon prior redemption, and if moneys sufficient to pay such Certificate shall have been made available to the Trustee for the benefit of the Certificate Holder thereof, it shall be the duty of the Trustee to hold

such moneys for a period of 30 days after the due date of such principal, without liability to any person for interest thereon, for the benefit of such Certificate Holder, who shall thereafter be restricted exclusively to such moneys for any claim of whatever nature on its part under this Trust Agreement or on, or with respect to, such Certificate. After 31 days from the due date of such principal, the Trustee shall remit such moneys to the County.

ARTICLE VII

CERTIFICATES OF PARTICIPATION

7.01. Form of Certificates. The Certificates initially issued hereunder shall be designated “Howard County, Maryland Certificates of Participation (Equipment Program) Refunding 2021 Series A” and shall be issued in the aggregate principal amount of \$ \_\_\_\_\_. Such Certificates shall be substantially in the form set forth in Exhibit A hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Trust Agreement. Such Certificates shall mature on August 15 in the years, in the respective principal amounts (subject in each case to the redemption provisions set forth in Article V herein), and bear interest at the rates (calculated on the basis of twelve 30-day months) set forth below from the later of the date hereof and the date to which interest has been paid, which interest is payable on August 15, 2021, and semi-annually thereafter on February 15 and August 15 of each year until payment of the principal thereof.

<u>Certificates Maturing</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
<u>August 15</u>		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		

Certificates shall be issued in fully registered form without coupons in the denomination of \$5,000 each or any integral multiple thereof, and shall be numbered from “R-1,” upward in the order of their authentication. All Certificates designated “Refunding, 2021 Series A” shall be dated as of their date of issuance.

The principal or redemption price of any Certificate is payable in legal tender for the payment of public and private debts upon presentation and surrender of such Certificate at the designated corporate trust office of the Trustee. Interest on the Certificates is payable in legal tender for the payment of public and private debts and will be paid to the registered Certificate Holders by check mailed to the registered Certificate Holders as their names and addresses appear in the registration books maintained by the Trustee as of [(i) the fifteenth calendar day immediately preceding each Payment Date or (ii) in the case of the payment of any defaulted interest, the tenth (10<sup>th</sup>) day before such payment]; provided that,

at the request of a Holder of Certificates in the aggregate principal amount of at least \$100,000, such payments may be made by wire transfer to an account located in the United States of America in accordance with written instructions filed by such Holder with the Trustee.

If the payment of interest on or principal of the Certificates or the date fixed for redemption of any Certificates shall be due on a day other than a Business Day, then such payment of interest on or principal of or the redemption price of the Certificates shall be made on the next succeeding Business Day with the same force and effect as if made on the originally scheduled date, and no interest shall accrue for the period after such date.

Section 7.02. Conditions Precedent to Delivery of Certificates Designated “Refunding, 2021 Series A.” The Trustee shall authenticate and deliver the Certificates designated “Refunding, 2021 Series A” pursuant to Section 7.08, but only upon receipt by the Trustee on or prior to the date of initial delivery of such Certificates of the amount of money necessary for the purchase of such Certificates and each of the following:

- (a) a written order, executed by a County Representative, directing the authentication and delivery of such Certificates, describing the Certificates to be authenticated and delivered, designating the person or persons to whom the Certificates are to be delivered and stating the purchase price of the Certificates;
- (b) a fully executed counterpart of this Trust Agreement;
- (c) a fully executed counterpart of the Purchase Agreement; and
- (d) an opinion of Bond Counsel (who may rely upon the opinion of other Counsel, who may be, without limitation, counsel to the County or the Trustee, as to the matters set forth in clause (ii) of this paragraph) to the effect that (i) upon the authentication and delivery thereof as provided herein, the Certificates have been duly authorized, authenticated and delivered as set forth herein, are validly issued and represent proportional interests in the Purchase Installments (as defined in the Purchase Agreement); and (ii) this Trust Agreement and the Purchase Agreement have been duly authorized, executed and delivered between the parties thereto and constitute valid and binding obligations of such parties.

7.03. Legends. The Certificates may contain or have endorsed thereon such provisions, specifications and descriptive words or references not inconsistent with the provisions of this Trust Agreement as may be necessary or desirable to comply with custom or otherwise.

7.04. Transfer of Certificates. The Trustee, as registrar for the Certificates, shall maintain a register of all Certificate Holders and transfers of Certificates. Each Certificate shall be transferable only upon the books of the Trustee by the registered Certificate Holder thereof in person or by his or her attorney duly authorized in writing, upon surrender thereof at the principal corporate trust office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Holder or his or her duly authorized attorney and the payment of a charge sufficient to reimburse the Trustee for any

tax, fee or other governmental charge required to be paid with respect to such transfer. Upon the transfer of any such Certificate, the Trustee shall issue in the name of the transferee a new fully registered Certificate or Certificates of the same aggregate principal amount and maturity as the surrendered Certificate.

The Trustee shall not be required to make any such exchange or transfer of Certificates during the fifteen (15) days preceding a Payment Date on such certificates or, in the case of any proposed redemption of Certificates, during the fifteen (15) days preceding the date of the mailing of notice of such redemption or, with respect to any particular Certificate, after such Certificate has been called for redemption.

The Trustee may deem and treat the person in whose name any Certificate shall be registered upon the books of the Trustee as the absolute owner of such Certificate, whether or not such Certificate shall be overdue, for the purpose of receiving payment of or on account of the principal or redemption price, if any, of and interest on such Certificate and for all other purposes and all such payments so made to any such registered Holder or upon his or her order shall be valid and effective to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and the Trustee shall not be affected by any notice to the contrary.

7.05. Certificates Mutilated, Destroyed, Stolen or Lost. In case any Certificate shall become mutilated or be destroyed, stolen or lost, the Trustee shall execute, authenticate and deliver a new Certificate of like interest rate, maturity, principal amount and other terms as the Certificate so mutilated, destroyed, stolen or lost, either (i) in exchange and substitution for such mutilated Certificate, upon surrender and cancellation of such mutilated Certificate, or (ii) in lieu of and substitution for the Certificate destroyed, stolen or lost, upon filing with the Trustee of evidence satisfactory to the Trustee that such Certificate has been destroyed, stolen or lost and proof of ownership thereof and upon furnishing the Trustee with such security or indemnity as may be required by the Trustee to save it harmless from all risks, however remote. The person requesting the authentication and delivery of a new Certificate pursuant to this Section shall comply with such other reasonable regulations as the Trustee may prescribe and pay such expenses as the Trustee may incur in connection therewith. All Certificates so surrendered to the Trustee shall be cancelled by it.

7.06. Temporary Certificates. Until definitive Certificates are prepared, the Trustee may execute and deliver, in lieu of definitive Certificates, but subject to the same provisions, limitations and conditions as the definitive Certificates, except as to the denomination thereof and as to exchangeability, one or more temporary Certificates, substantially of the tenor of the definitive Certificates in lieu of which such temporary Certificates are issued, in denominations of at least \$5,000, and with such omissions, insertions and variations as may be appropriate to temporary Certificates. Upon surrender of such temporary Certificates for exchange and cancellation, the Trustee shall prepare and execute and, without charge to the holder thereof (any such changes to be at the expense of the Purchaser), deliver in exchange therefor, at the office of the Trustee, definitive Certificates of the same aggregate principal amount and maturity as the temporary Certificates surrendered. Until so exchanged, the temporary Certificates shall in all



respects be entitled to the same benefits and security as definitive Certificates issued pursuant to and secured by this Trust Agreement.

All temporary Certificates surrendered in exchange for a definitive Certificate or Certificates shall be forthwith cancelled by the Trustee.

7.07. Limited Obligation. Each Certificate shall constitute evidence of an undivided interest in the Trust Estate, payable solely from the Revenues, when and if the same are received by the Trustee, which amounts are hereby specifically pledged to such purposes in the manner and to the extent provided herein.

7.08. Authentication of Certificates. The Certificates shall be authenticated by the Trustee by the manual signature of an authorized officer of the Trustee. In case any officer whose signature appears on any Certificate shall cease to be such officer before the authentication or delivery of such Certificate, such Certificate shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such execution, authentication or delivery.

7.09. Paying Agent. The Trustee shall serve as paying agent for the Certificates and from time to time may designate one or more different or additional paying agents for the Certificates, each of which shall be a commercial bank or trust company organized under the laws of any state of the United States of America or a national banking association, having capital stock and surplus aggregating at least \$50,000,000 authorized by law to perform all the duties of paying agent.

7.10. Issuance of Additional Certificates. So long as the Purchase Agreement is in effect and no Event of Default shall have occurred and be continuing thereunder or hereunder, one or more series of Additional Certificates on a parity with the Certificates may be issued for the purpose of providing additional funds necessary for the completion of the refinancing of the Equipment. Each series of Additional Certificates shall be issued in such principal amount, mature on such dates, bear interest at such rates and have such provisions for redemption and other terms and conditions not inconsistent with this Trust Agreement as shall be specified in a supplemental trust agreement authorizing such Additional Certificates.

Prior to the issuance of each series of Additional Certificates and the execution and delivery of a supplemental trust agreement in connection therewith, the County and Seller, or its assignee, shall enter into an amendment to the Purchase Agreement which shall provide among other things that, with the consent of the County, the Purchase Price and the Purchase Installments shall be increased and computed so as to amortize in full the principal of and interest on such Additional Certificates and any other costs in connection therewith.

Each series of Additional Certificates shall be executed in the form and manner set forth in this Trust Agreement, shall be deposited with the Trustee and thereupon shall be authenticated by the Trustee. Upon payment of the proceeds of sale of such series of Additional Certificates, including the interest, if any, accrued on such series of Additional Certificates to the date of delivery, such Additional Certificates shall be delivered by the

Trustee to or upon the order of the purchasers thereof, but only upon receipt by the Trustee of:

(a) a written request from a County Representative to issue such series of Additional Certificates;

(b) a certified copy of the proceedings of the County authorizing the issuance of such Additional Certificates, providing the terms thereof and providing for the sale thereof to the purchaser or purchasers thereof and further authorizing the execution and delivery of the supplement to or modification or amendment of the Purchase Agreement and this Trust Agreement required to provide for such Additional Certificates thereunder and hereunder;

(c) a request and authorization to the Trustee on behalf of the County to authenticate and deliver such Additional Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a sum specified in such request and authorization, plus any accrued interest on such Additional Certificates to the date of such delivery, the proceeds of such payment to be deposited as provided in such supplemental trust agreement;

(d) a written opinion of a law firm having a national reputation in the field of municipal law whose legal opinions are generally accepted by purchasers of municipal bonds, which may rely on the opinion of other counsel and which may be, without limitation, counsel to the Trustee or the County as to the matters set forth in clause (ii) below, to the effect that (i) the issuance of such Additional Certificates has been duly authorized, (ii) such supplemental trust agreement and such amendments to the Purchase Agreement have been duly authorized, executed and delivered between the parties thereto and constitute valid and binding obligations of such parties and (iii) the issuance of such Additional Certificates will not adversely affect the tax-exempt status for Federal income tax purposes of interest paid on any Certificates outstanding and as to such other matters as may reasonably be requested by the Trustee; and

(e) a written report of each national rating agency then maintaining a rating on Outstanding Certificates (if any such rating is then maintained) that the rating to be assigned to such Additional Certificates is not lower than the rating then maintained by such rating agency on the Certificates.

Subject to the provisions of the supplemental trust agreement under which Additional Certificates are issued, Additional Certificates:

(1) shall be dated, shall bear interest at such rate or rates, shall be payable and shall mature by their terms at such time or times as may be determined by the County;

(2) shall be payable as to principal, redemption premium, if applicable, and interest at such place or places as the County may determine in any coin or

currency of the United States of America which, at the time of payment, shall be legal tender for the payment of public and private debts;

(3) shall have such particular designations added to their title as the County may determine and shall be in such form and denominations as may be determined by the County;

(4) may be limited as to the maximum principal amount thereof which may be authenticated by the Trustee and delivered or which may be at any time Outstanding, and an appropriate insertion in respect of such limitation may, but need not, be made in the Additional Certificates;

(5) may contain provisions for the redemption thereof at such redemption price or prices, at such time or times, upon such notice, in such manner and upon such other terms and conditions, not inconsistent with the provisions of this Trust Agreement, as may be determined by the County and permitted by applicable law;

(6) may have mandatory redemption provisions requiring payments for sinking fund installments in such amounts, at such time or times, in such manner and upon such terms and conditions, not inconsistent with the provisions of this Trust Agreement, as may be determined by the County;

(7) may contain such provisions with respect to acceleration of maturity on the happening of specified events, not contrary to the provisions of this Trust Agreement; and

(8) may contain such other additional terms and conditions, not contrary to the provisions of this Trust Agreement, as may be determined by the County.

7.11 Book-Entry System. The provisions of this Section shall apply to the Certificates of each series so long as such Certificates shall be maintained under the book-entry system with The Depository Trust Company or any other securities depository for the Certificates appointed pursuant to this Section, or their successors (a "Securities Depository"), any other provisions of this Trust Agreement to the contrary notwithstanding.

(a) The principal of and interest on the Certificates shall be payable to the Securities Depository, or registered assigns, as the registered owner of the Certificates, on each date on which the principal of or interest on the Certificates becomes due. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the County and the Trustee in writing. Without notice to or the consent of the beneficial owners of the Certificates, the County and the Securities Depository may agree in writing to make payments in a manner different from that set out herein. In such event, the County shall give the Trustee notice thereof, and the Trustee shall make payments with respect to the Certificates in the manner specified in such notice as if set forth herein. Neither the County nor the Trustee shall have any obligation with respect to the transfer or crediting of the appropriate payments to any participant of any

Securities Depository (a "Participant") or the beneficial owners of the Certificates or their nominees.

(b) In the event that part but not all of any outstanding Certificate is to be retired (by redemption, by acceleration or otherwise), the Securities Depository, in its discretion (i) may request the Trustee to authenticate and deliver a new Certificate in accordance with Section 7.04 upon presentation and surrender of such Certificate to the Trustee or (ii) shall make appropriate notation on the Certificate indicating the date and amount of each principal payment, provided that payment of the final principal amount of any Certificate shall be made only upon presentation and surrender of such Certificate to the Trustee.

(c) So long as the Securities Depository or its nominee is the registered owner of the Certificates, the County and the Trustee will recognize the Securities Depository or its nominee, respectively, as the Holder of all of the Certificates for all purposes, including (without limitation) the payment of the principal of and interest on the Certificates, the giving of notices and any consent or direction required or permitted to be given to, or on behalf of, the Holders of the Certificates under this Trust Agreement.

(d) The County, at the written direction of the County, at any time may replace any Securities Depository as the depository for the Certificates with another qualified securities depository or discontinue the maintenance of the Certificates under a book-entry system upon 30 days' notice to the Securities Depository (or such fewer number of days as shall be acceptable to such Securities Depository). A copy of any such notice shall be delivered promptly to the Trustee.

(e) If the County discontinues the maintenance of the Certificates under the book-entry system, the County will issue Certificates directly to the Participants or, to the extent requested by any Participant, to the beneficial owners of Certificates as further described in this Section. The County shall make provisions to notify Participants and the beneficial owners of the Certificates, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by the County in its discretion, that it will issue Certificates directly to the Participants or, to the extent requested by any Participant, to beneficial owners of Certificates as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the Securities Depository).

In the event that Certificates are to be issued to Participants or to beneficial owners of the Certificates, the County shall promptly have prepared Certificates in certificated form registered in the names of the Participants as shown on the records of the Securities Depository provided to the Trustee or, to the extent requested by any Participant, in the names of the beneficial owners of Certificates shown on the records of such Participant provided to the Trustee, as of the date set forth in the notice delivered in accordance with this paragraph.

(f) If the County replaces any Securities Depository as the depository for the Certificates with another qualified Securities Depository, the County will issue to

the replacement Securities Depository Certificates registered in the name of such replacement Securities Depository or its nominee.

(g) The Securities Depository and the Participants and the beneficial owners of the Certificates, by their acceptance of the Certificates, agree that the County and the Trustee shall have no liability for the failure of any Securities Depository to perform its obligations to any Participant or any beneficial owner of any Certificates, nor shall the County or the Trustee be liable for the failure of any Participant or other nominee of any beneficial owner of any Certificates to perform any obligation that such Participant or other nominee may incur to any beneficial owner of the Certificates.

## ARTICLE VIII

### CONCERNING THE TRUSTEE

8.01. Acceptance of Trusts and Performance of Duties. The Trustee accepts and agrees to execute the trusts imposed upon it by this Trust Agreement, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Trust Agreement, to all of which the parties hereto and the respective Certificate Holders agree.

The Trustee shall not be answerable or accountable under any circumstances except for its own willful misconduct or negligence, and, in all events, without limiting the generality of the foregoing:

(a) The Trustee shall not be liable for any error of judgment made in good faith by an employee or agent of the Trustee;

(b) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Certificate Holders or the County pursuant to the express provisions hereof;

(c) No provision hereof shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers hereunder, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it;

(d) The Trustee shall not be individually liable for any payments to be made under any of the Certificates, this Trust Agreement or the Purchase Agreement except from the funds and accounts established by the Trust Agreement; and

(e) The Trustee shall, prior to any Event of Default and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement, and no implied covenants or duties shall be read into this Trust Agreement against the Trustee. The Trustee shall, during the existence of any Event of Default which has not been cured, exercise such of the rights and powers vested in it by this Trust Agreement and use the same degree of care and skill in

their exercise as a prudent person would exercise or use under the circumstances in the conduct of their own affairs.

Whether or not expressly so provided, every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

8.02. Trustee Entitled to Indemnity; Trustee May Act Without Indemnity; Reimbursement of Trustee. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Trust Agreement, the Purchase Agreement or the Certificates, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified by the Certificate Holders to its satisfaction for any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability. The Trustee, nevertheless, may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as Trustee, without indemnity, and in such case, the Trustee may reimburse itself from the Revenues after making provision for the payment of the principal or redemption price of or the interest on Certificates as provided in Section 4.03 hereof.

8.03. Compensation of Trustee. Unless otherwise provided by contract with the Trustee or unless an Event of Default as defined in Section 11.01 hereof shall occur, the County, as provided in the Purchase Agreement, shall pay to the Trustee, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as paying agent and registrar, together with all of its reasonable out-of-pocket expenses, charges, counsel fees and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, including the exercise of Seller's rights under the Purchase Agreement. The Trustee shall invoice the County for such compensation and expenses. If an Event of Default as defined in Section 11.01 hereof shall occur, the Trustee may deduct from the Revenues received by it, reasonable compensation for all services rendered by it hereunder, including its services as paying agent, together with all its reasonable fees, expenses, charges, counsel fees and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, including the exercise of Seller's rights under the Purchase Agreement. None of the provisions contained in this Trust Agreement shall require the Trustee to expend or risk its own funds in the performance of any of its duties with respect to payments to be made on the Certificates if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it.

8.04. Statement of Trustee. It shall be the duty of the Trustee to file with the County a monthly statement with respect to the month relating to all amounts withdrawn, transferred, disbursed or held by it under provisions of this Trust Agreement, including a statement of investments; provided, however, that with the mutual agreement of the Trustee and the County such statements may cover a longer time period not greater than one year.

8.05. Limitation on Duties. The Trustee shall not have any duty or obligation to manage, control, use, sell or otherwise transfer title to or dispose of or otherwise deal with any part of the assets constituting the Trust Estate, or to otherwise take or refrain from taking any action under or in connection with the Purchase Agreement or the Certificates, except as expressly provided by the terms of the Purchase Agreement and this Trust Agreement or as expressly provided in written instructions from the Holders of not less than a majority in aggregate principal amount of the Certificates Outstanding. Whenever Seller is required to give any consent, approval, permission or otherwise act affirmatively under the terms of the Purchase Agreement, the Trustee at its discretion may give such consent, approval, permission or otherwise act affirmatively as it may deem appropriate.

8.06. Trustee May Deal in Certificates and Take Action as Holder. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own and hold any of the Certificates issued under and secured by this Trust Agreement, and may join in the capacity of a Certificate Holder in any action which any Certificate Holder may be entitled to take with like effect as if it were not the Trustee under this Trust Agreement.

8.07. Limitation of Representations and Warranties. THE TRUSTEE MAKES (i) NO REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING (WITHOUT LIMITATION) AS TO THE TITLE, VALUE, CONDITION, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE OF THE EQUIPMENT OR ANY PORTION THEREOF OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT OR ANY PORTION THEREOF and (ii) no representation or warranty as to the validity, legality or enforceability of this Trust Agreement, the Certificates, the Purchase Agreement or any other agreement, certificate, notice, filing, report or instrument or document given under any of the foregoing agreements or as to the correctness of any statement contained in any thereof, except that the Trustee hereby represents and warrants to each Certificate Holder and the County that this Trust Agreement and the Certificates have been (or at the time of execution and delivery of any such instrument by the Trustee under this Trust Agreement as originally executed, that each instrument will be) duly executed and delivered by one of its officers who is or will be, as the case may be, duly authorized to execute and deliver such instruments on behalf of the Trustee.

8.08. Trustee May Rely On Certificates of Parties. The Trustee shall incur no liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be given or signed by the proper party or parties and the Trustee shall be fully protected for any action taken or omitted to be taken by it in good faith in reliance thereon. The Trustee may for all purposes hereof rely on a certificate, signed by any officer of any corporate Certificate Holder or the County, as the case may be, reasonably believed by the Trustee to have knowledge of the facts or matters set forth therein, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in good faith reliance thereon. In the administration of the trusts hereunder, the Trustee may execute any of the trusts or powers hereof and perform its powers and duties hereunder or thereunder directly or through agents or

attorneys and may consult with counsel, accountants and other skilled persons to be selected and employed by it, and the Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

8.09. Resignation of Trustee. The Trustee may resign and thereby become discharged from the trusts hereby created by notice in writing given to the County and the Holders of the Certificates. Such resignation shall take effect immediately upon, but only upon (i) the appointment of a new Trustee hereunder, (ii) acceptance by the new Trustee of the trusts herein created and the duties of the Trustee hereunder, and (iii) assignment by the Trustee and acceptance and assumption by the new Trustee of all the rights, title and interest, duties and obligations of Seller under the Purchase Agreement. Upon the occurrence of any such resignation, the Trustee, by appropriate documentation, shall transfer all rights title and interest it may have as Trustee under this Trust Agreement and as Seller under the Purchase Agreement to the successor Trustee hereunder.

8.10. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing executed by the Holders of not less than a majority in aggregate principal amount of the Certificates Outstanding or by the County.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Trust Agreement with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the County or the Holders of not less than a majority in aggregate principal amount of the Certificates Outstanding. Upon any such removal of the Trustee, the Trustee, by appropriate documentation, shall transfer all right, title and interest it may have as Trustee under this Trust Agreement and as Seller under the Purchase Agreement to the successor Trustee hereunder. Removal of the Trustee shall take effect immediately upon (i) the appointment of a new Trustee hereunder and (ii) acceptance by the new Trustee of the trusts herein created and the duties of the Trustee hereunder and of Seller under the Purchase Agreement.

8.11. Appointment of Successor Trustee; Qualifications of Trustee. If at any time the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as the Trustee shall be taken over by a governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, the County shall appoint a successor Trustee to fill such vacancy and shall mail notice of any such appointment to the Trustee and the Certificate Holders.

At any time within one year after any such vacancy shall have occurred, the Holders of not less than a majority in aggregate principal amount of the Certificates Outstanding, by an instrument or concurrent instruments in writing, executed by such Certificate Holders and filed with the County may appoint a successor Trustee, which appointment shall supersede any appointment theretofore made by the County. Copies of each such instrument shall be delivered promptly by the County to the predecessor Trustee and the Trustee so appointed by the Certificate Holders.



If no appointment of a successor Trustee shall be made, the Holders of not less than a majority in aggregate principal amount of the Certificates outstanding or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Any successor Trustee appointed under the provisions of this Trust Agreement shall (i) be a commercial bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing and having a combined capital and surplus aggregating not less than \$50,000,000; and (ii) have, in the opinion of the County, substantial prior experience as a trustee for the benefit of municipal bondholders or certificate holders if such a bank or trust company is available and willing to assume the position of successor Trustee upon reasonable and customary terms. If the Trustee has or shall acquire any conflicting interest, it shall, within ninety (90) days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign and thereby become discharged from the trusts hereby created by giving notice as provided in Section 8.09 of this Trust Agreement, such resignation to become effective immediately upon the appointment of a successor Trustee and such successor Trustee's acceptance of such appointment. The Trustee shall be deemed to have a conflicting interest if such interest is a conflicting interest within the meaning of Section 310(b)(1) to (9), inclusive, of the Trust Indenture Act of 1939, as amended.

Any corporation or association into which the Trustee in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidated to which the Trustee in its individual capacity may be sold or otherwise transferred, shall be the Trustee hereunder without further act.

8.12. Vesting of Trusts in Successor Trustee. Each successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Trustee and the County, an instrument in writing accepting such appointment hereunder and the assignment and assumption of Seller's rights, title and interest in and the duties and obligations under the Purchase Agreement, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations of its predecessor. Such predecessor shall, nevertheless, on the written request of its successor or of purchaser, and upon payment of the expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 8.03 hereof, execute, and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder. Every predecessor trustee shall deliver all property and moneys held by it hereunder to its successor. Should any instrument in writing from any party to this Trust Agreement be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor trustee, any such instrument in writing shall, on request, be executed, acknowledged and delivered by any such party hereto.

Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Trust Agreement

and otherwise qualified to act as Trustee hereunder with or into which the bank or trust company acting as Trustee may be merged or consolidated, or to which the assets and business of such bank or trust company may be sold, shall be deemed to be the successor of the Trustee.

8.13. Representations, Covenants and Warranties of Trustee. The Trustee represents, covenants and warrants for the benefit of the County and the Certificate Holders as follows:

(a) The Trustee is possessed of full corporate trust powers, is a duly organized, validly existing national banking association, in good standing under the laws of the United States of America, and with power to enter into this Trust Agreement, is possessed of full corporate power to own and hold real and personal property and has duly authorized the execution and delivery of this Trust Agreement.

(b) The Trustee will not pledge any amounts held in trust hereunder or any other rights under the Purchase Agreement, and will not assign, place a lien on, mortgage or encumber the Equipment, except as provided under the terms of the Purchase Agreement.

(c) Neither the execution and delivery of this Trust Agreement, the fulfillment of or compliance with the terms and conditions hereof nor the consummation of the transactions contemplated hereby conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee is bound, or constitutes a default under any of the foregoing.

(d) The Trustee will not assign this Trust Agreement or the Purchase Agreement nor its duties and obligations hereunder or thereunder to any other person, firm or corporation so as to impair or violate its representations, covenants and warranties contained in this Trust Agreement.

8.14. Liability of Trustee. Except as expressly provided herein, the Trustee shall have no obligation or liability to the Certificate Holders with respect to the payment of the Purchase Installments when due, or with respect to the performance by the County of any other covenant made by the County in the Purchase Agreement. Any money deposited with the Trustee for the payment of the principal, premium (if any) or interest on the Certificates and remaining unclaimed for five (5) years after the Certificate has become due and payable, will be paid by the Trustee to the County, and the Holder of such Certificate shall thereafter look only to the County for payment thereof, and all liability of the Trustee with respect to such moneys shall thereupon cease. The Trustee shall in no event be liable to any Holder or Holders of any Certificate or any other person for any amount due on any Certificate from its own funds.

8.15. Limited Liability of the County. The liability of the County is limited solely to its obligations under the Purchase Agreement. No recourse shall be had for the payment of the principal or redemption price of and interest on any Certificate or for any claims based thereon, on the Purchase Agreement or on this Trust Agreement against any officer, official, council member, employee or agent of Howard County, Maryland, all such

liability, if any, being expressly waived and released by every Holder of a Certificate by the acceptance of such Certificate.

## ARTICLE IX

### EXECUTION OF INSTRUMENTS BY CERTIFICATE HOLDERS AND PROOF OF OWNERSHIP OF CERTIFICATES

9.01. Execution of Instruments; Proof of Ownership. Any request, direction, consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by the Certificate Holders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Certificate Holders in person or by an agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Certificates, as evidenced by the registration books kept by the Trustee as Registrar for such purposes, shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Holder of any Certificate shall bind every future Holder of the same Certificate in respect of anything done by the Trustee in pursuance of such request or consent.

## ARTICLE X

### SUPPLEMENTAL TRUST AGREEMENTS AND AMENDMENTS TO PURCHASE AGREEMENT

10.01. County and Trustee May Enter into Supplemental Trust Agreements; Notice. Without the consent of the Certificate Holders, the County and the Trustee may from time to time, and at any time, enter into such supplemental trust agreements as shall not be inconsistent with the terms and provisions hereof and, in the opinion of the County and the Trustee, shall not be detrimental to the interests of the Certificate Holders, which supplemental trust agreements shall thereafter form a part hereof:

- (a) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Trust Agreement or in any supplemental trust agreement;
- (b) to grant to or confer upon the Trustee or the Certificate Holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Trustee or the Certificate Holders;
- (c) to authorize the issuance of Additional Certificates pursuant to Section 7.10 hereof; or

(d) to make any other change in this Trust Agreement that, in the opinion of the County and the Trustee, shall not prejudice in any material respect the rights of the Holders of Certificates Outstanding at the date as of which such change shall become effective.

Not less than thirty (30) days prior to the execution of any supplemental trust agreement for any of the purposes of this Section, the Trustee shall cause a notice of the proposed execution of such supplemental trust agreement to be mailed, postage prepaid, to all Certificate Holders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental trust agreement and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Certificate Holders.

10.02. Modification of Trust Agreement with Consent of Certificate Holders; Restrictions on Modification; Notice; Binding Effect. Subject to the terms and provisions contained in this Section and not otherwise, Holders of not less than a majority in aggregate principal amount of the Certificates Outstanding shall have the right from time to time, anything contained in this Trust Agreement to the contrary notwithstanding, to consent to and approve the execution by the County and the Trustee of a supplemental trust agreement for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement or in any supplemental trust agreement; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) a preference or priority of any Certificate or Certificates over any other Certificate or Certificates;

(b) a change in the interest rates, payment terms or payment dates of any of the Certificates;

(c) a reduction in the aggregate principal amount of the Certificates without the consent of the holders of such Certificates; or

(d) the adoption of a provision in any supplemental trust agreement which increases the obligations of the County under the Purchase Agreement.

Nothing herein contained, however, shall be construed as making necessary the approval by Certificate Holders of the execution of any supplemental trust agreement as authorized in Section 10.01 of this Trust Agreement.

If at any time the Trustee shall be requested to enter into any supplemental trust agreement for any of the purposes of this Section, the Trustee shall promptly cause notice of the proposed execution of such supplemental trust agreement to be mailed, postage prepaid, to all Certificate Holders at their addresses as they appear on the registration books of the Trustee. Such notice shall briefly set forth the nature of the proposed supplemental trust agreement and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Certificate Holders.

If the Holders of not less than a majority in aggregate principal amount of the Certificates at the time of the execution of such supplemental trust agreement shall have consented to and approved the execution thereof as herein provided, no Certificate Holder shall have any right to object to the execution of such supplemental trust agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the County from executing the same or from taking any action pursuant to the provisions thereof.

No supplemental trust agreement which affects any rights or duties of the Trustee shall be effective until the written consent thereto of the Trustee is obtained.

10.03. Supplemental Trust Agreement to Be Deemed Part of Trust Agreement. The Trustee is authorized to join with the County in the execution of any supplemental trust agreement in accordance with the provisions of this Article and to make the further agreements and stipulations which may be contained therein. Any supplemental trust agreement executed in accordance with the provisions of this Article shall thereafter form a part of this Trust Agreement, and all of the terms and conditions contained in any such supplemental trust agreement as to any provision authorized to be contained therein shall be deemed to be part of the terms and conditions of this Trust Agreement for any and all purposes. The Trustee in executing any supplemental trust agreement shall be fully protected in relying on an opinion of counsel that such supplemental trust agreement is authorized or permitted by the provisions of this Trust Agreement and is not inconsistent herewith and such supplemental indenture will not adversely affect the tax exempt status of the Certificates.

10.04. Consents and Amendments to Purchase Agreement. The Trustee shall exercise all rights of the Seller under the Purchase Agreement to the extent and in the manner provided therein in connection with consents, amendments and changes.

## ARTICLE XI

### DEFAULTS AND REMEDIES

11.01. Events of Default. The occurrence of an Event of Default (as such term is defined in the Purchase Agreement) under the Purchase Agreement is hereby defined as and declared to be and constitute an Event of Default hereunder.

The failure by the Trustee to receive from the County sufficient amounts (in funds satisfactory to the Trustee) to pay the principal or redemption price of or interest on the Certificates when due or to redeem Certificates on any date fixed for redemption of Certificates, or the failure by the Trustee to pay (the County having deposited sufficient funds with the Trustee for such payment) to the Certificate Holders the interest on or principal of any Certificate when due, are also declared to be and constitute Events of Default hereunder.

11.02. Acceleration of Maturity; Rescission and Annulment. Upon the occurrence and continuance of an Event of Default, subject to any applicable cure period as set forth in Section 13.01 of the Purchase Agreement, the Trustee may, and shall, upon written request of the Holders of not less than a majority in aggregate principal amount of the Certificates then outstanding, declare the principal amount of and accrued interest on the Certificates due and payable.

The above provisions, however, are subject to the condition that after the principal of and accrued interest on the Certificates shall have been so declared to be due and payable, the Trustee may, and shall, upon the written request of the Holders of not less than a majority in aggregate principal amount of the Certificates then Outstanding, waive such Event of Default and rescind and annul such declaration and its consequences by written notice to the County; provided that no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon and provided further that an Event of Default based on the nonpayment of interest on or principal of a Certificate may not be waived without the written consent of the Holders of all Certificates then outstanding.

11.03. Trustee to Enforce Rights. The Trustee, as Seller under the Purchase Agreement, may, in its discretion, enforce each and every right or remedy granted to Seller pursuant to the Purchase Agreement.

11.04. Collection of Indebtedness and Suits for Enforcement by Trustee. Upon the happening of any Event of Default, the Trustee may, and shall, upon the written request of the Holders of not less than a majority in aggregate principal amount of the Certificates then Outstanding and receipt of indemnity to its satisfaction:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Certificate Holders and require the County to carry out any agreements with or for the benefit of the Certificate Holders and to perform its duties under the Purchase Agreement and this Trust Agreement;
- (b) bring suit against the County upon the Purchase Agreement;
- (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Certificate Holders;
- (d) intervene in proceedings involving the rights of Seller, the Trustee or the Certificate Holders; or
- (e) exercise any other rights or remedies now or hereafter existing at law or in equity including, without limitation, the rights and remedies of the Trustee as Seller under the Purchase Agreement.

11.05. Restoration of Rights and Remedies. In case any proceeding taken by the Trustee on account of the occurrence of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then in every such case, the Trustee, the County, Seller and the Certificate Holders shall be

restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

11.06. Limitation on Suits. No Certificate Holder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, or any other remedy hereunder or on the Certificates, unless (a) such Certificate Holder previously shall have given to the Trustee written notice of a continuing Event of Default; (b) the Holders of not less than a majority in aggregate principal amount of the Certificates then outstanding shall have made written request of the Trustee so to do, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted, or to institute such action, suit or proceeding in its or their name; (c) there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses (including counsel fees) and liabilities to be incurred therein or thereby; and (d) the Trustee shall not have complied with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of this Trust Agreement or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Certificates hereby secured shall have any right in any manner whatever by his, her or their action to affect, disturb or prejudice the security of this Trust Agreement, or to enforce any right hereunder or under the Certificates, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, held and maintained in the manner herein provided and for the equal and ratable benefit of all Holders of Outstanding Certificates.

Nothing contained in this Trust Agreement shall, however, affect or impair the right of any Holder of Certificates to enforce the payment of the principal or redemption price of and the interest on any Certificate at and after the maturity thereof.

11.07. Trustee May Enforce Claims Without Possession of Certificates. All rights of action under this Trust Agreement or under any of the Certificates secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Certificates, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Certificate Holders in respect of which such proceeding has been instituted, subject to the provisions of this Trust Agreement.

11.08. Rights and Remedies Cumulative. No remedy in this Trust Agreement conferred upon or reserved to the Trustee or to the Certificate Holders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

11.09. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Certificate Holder to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default, or any acquiescence therein. Every power and remedy given by this Article to

the Trustee and to the Certificate Holders, respectively, may be exercised from time to time and as often as may be deemed expedient.

11.10. Application of Money Collected. Any moneys received by the Trustee pursuant to this Article shall first be applied to Trustee fees and expenses and the balance paid to the Certificate Fund and applied in accordance with Article IV hereof.

11.11. Notice of Non-Appropriation. The Trustee shall mail to all Holders of Certificates, at their addresses shown on the registration books maintained by the Trustee, written notice of the occurrence of the termination of the Purchase Agreement as a result of nonappropriation of funds pursuant to Section 6.06 thereof of which the Trustee shall have knowledge within fifteen days after such termination shall have occurred and be known to the Trustee. The Trustee shall not be subject to any liability to any Holder of Certificates by reason of its failure to mail any notice required by this Section.

## ARTICLE XII

### DEFEASANCE

Section 12.01. Defeasance. (a) If the Trustee shall pay or cause to be paid the principal or redemption price of and interest on all of the Certificates, then the pledge of the Trust Estate and all other rights granted hereby to the Trustee or the Certificate Holders shall be discharged and satisfied. In such event, upon the request of the County, the Trustee shall execute and deliver to the County all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee, without any request required, shall pay or deliver all moneys, securities and funds held by it pursuant to this Trust Agreement that are not required for the payment or redemption of Certificates not theretofore surrendered for such payment or redemption to the County or to such officer, board or body as may then be entitled by law to receive the same.

(b) A Certificate shall be deemed to have been paid within the meaning of and with the effect expressed in this Section if (i) sufficient money for the payment of the principal or redemption price of and interest on such Certificate shall then be held by the Trustee (through deposit by the County of moneys for such payment or otherwise, regardless of the source of such moneys), whether at or prior to the maturity or the redemption date of such Certificates or (ii) if the maturity or redemption date of such Certificate shall not then have arrived, provision shall have been made for the payment of the principal or redemption price of and interest on such Certificate on the due dates for such payments, by deposit with the Trustee (or other method satisfactory to the Trustee) of Government Obligations, the principal of and the interest on which when due will provide sufficient moneys for such payment and the Trustee shall have given notice, at the expense of the County, by first class mail, postage paid, to all Certificate Holders at their addresses as they appear on the registration books maintained by the Trustee, that such moneys are so available for such payment; provided, however, that if any such Certificate is to be redeemed prior to the maturity thereof, provisions shall have been made for the giving of notice of such redemption. The Trustee shall be entitled to receive and may conclusively rely upon a verification report to the effect that any moneys of Government Obligations



deposited with it will be sufficient to pay when due the principal of, redemption premium, if any, and interest due or to become due on the Certificates for the purpose of this Section 12.01.

(c) Anything in this Trust Agreement to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Certificates that remain unclaimed for five (5) years after the date on which such Certificates became due and payable either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such dates or for five (5) years after the date of deposit of such moneys if deposited with the Trustee after such date, shall, at the written request of the County Representative, be repaid by the Trustee to the County or to such officer, board or body as may then be entitled by law to receive such moneys, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged; provided, however, that, before being required to make any such payment, the Trustee may, at the expense of the County, give notice, by first class mail, postage paid, to all Certificate Holders at their addresses as they appear on the registration books maintained by the Trustee, that such moneys remain unclaimed and that, after a date named in such notice which date shall be not fewer than forty (40) nor more than ninety (90) days after the date of giving of such notice, the balance of such moneys then unclaimed shall be returned to the County.

### ARTICLE XIII

#### MISCELLANEOUS

13.01. Severability. If any provisions of this Trust Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provisions herein contained or render such other provisions invalid, inoperative or unenforceable to any extent whatsoever, and such other provisions shall be enforceable as if such illegal, inoperative or unenforceable provision shall not have been a part hereof.

13.02. Notices. Any notice, request, complaint, demand, communication or other papers shall be sufficiently given and shall be deemed given when delivered or mailed by first-class mail postage prepaid or delivered by hand addressed as follows:

If to the County:        Director of Finance  
                                  Howard County  
                                  3430 Court House Drive  
                                  Ellicott City, Maryland 21043  
                                  righile@howardcountymd.gov

If to the Seller  
or Trustee:                Manufacturers and Traders Trust Company  
                                  [address]

Attn:  
Facsimile:

The parties hereto may designate further or different addresses to which subsequent notices, certificates or other communications shall be sent.

13.03. Preservation and Inspection of Documents. All documents received by the Trustee from Seller, the County or any Holders of the Certificates under the provisions of this Trust Agreement or the Purchase Agreement shall be retained in its possession and shall be subject at all reasonable times to the inspection of Seller, the County, the Holder of any Certificate and their agents and representatives, any of whom may make copies thereof at their own expense.

13.04. Counterparts. This Trust Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

13.05. Business Days. Except as otherwise expressly provided herein, if any date specified herein for the payment of any Certificate or the performance of any act shall not be a Business Day, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date, and in case any payment of the principal or Redemption Price of or interest on any Certificate shall be due on a date that is not a Business Day, interest on such principal amount shall cease to accrue on the date on which such payment was due if such payment is made on the immediately succeeding Business Day.

13.06. Applicable Provisions of Law. This Trust Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

13.07. Captions. The captions or headings in this Trust Agreement and in the table of contents hereof are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Trust Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Certificate of Participation Trust Agreement to be duly executed, sealed and delivered, all as of the day and year first above written.

[SEAL]

HOWARD COUNTY, MARYLAND

ATTEST:

By: \_\_\_\_\_  
Calvin Ball  
County Executive

By: \_\_\_\_\_  
Lonnie R. Robbins  
Chief Administrative Officer

By: \_\_\_\_\_  
Rafiu O. Ighile  
Director of Finance

Approved as to form and legal sufficiency  
this \_\_\_ day of March, 2021

\_\_\_\_\_  
Gary W. Kuc  
County Solicitor

\_\_\_\_\_  
Kristen Bowen Perry  
Deputy County Solicitor

[SEAL]

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

WITNESS:

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_

[SEAL]

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee acting as Seller under  
the Conditional Purchase Agreement

WITNESS:

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_

Dear [Name],

[Faint text block]

[Faint text block]

[Faint text block]

[Faint text block]

[Faint text block]

[Faint text block]

[Faint text block]

[Faint text block]

[Faint text block]

[Faint text block]

[Faint text block]

[Faint text block]

**EXHIBIT A**

No. R-\_\_

\$ \_\_\_\_\_

HOWARD COUNTY, MARYLAND  
CERTIFICATE OF PARTICIPATION  
(Equipment Program)  
Refunding, 2021 Series A

Evidencing An Ownership Interest  
In A Conditional Purchase Agreement

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated Date</u>	<u>CUSIP</u>
____ 15, 20__			

This is to certify that: CEDE & CO.

is the Registered Owner of

Principal Sum:

Dollars

of an undivided interest in:

(i) the rights of MANUFACTURERS AND TRADERS TRUST COMPANY, a trust company organized under the laws of the State of New York, as trustee under the Trust Agreement (hereinafter defined) acting as Seller (the "Seller") under the Conditional Purchase Agreement dated as of March \_\_, 2021 (the "Purchase Agreement"), entered into between Howard County, Maryland (the "County"), acting as purchaser, and the Seller, pursuant to the Certificate of Participation Trust Agreement dated as of March \_\_, 2021 (the "Trust Agreement"), among the County, the Seller and Manufacturers and Traders Trust Company, as trustee (the "Trustee");

(ii) the proceeds of the Certificates and all amounts on deposit from time to time in the funds and accounts established by the Trust Agreement; and

(iii) all moneys and securities from time to time held by the Trustee under the terms of the Trust Agreement.

The Registered Owner shown above shall be entitled to receive from the Trustee, subject to the terms of the Purchase Agreement and the Trust Agreement, the Principal Sum shown above, representing the principal portion of the Purchase Installments (defined herein) represented by this Certificate, payable on the Maturity Date shown above or earlier, if selected for redemption in whole or in part, on the redemption date, with interest on such Principal Sum at the rate per annum shown above until payment of such Principal

Sum, such interest being payable on \_\_\_\_\_ 15 and \_\_\_\_\_ 15 (each, an "Payment Date") in each year, commencing \_\_\_\_\_ 1, 2021, accounting from the most recent date to which interest has been paid or, if no interest has been paid, from the Dated Date hereof.

ALL AMOUNTS PAYABLE BY THE COUNTY AS PURCHASER UNDER THE PURCHASE AGREEMENT, INCLUDING THE PURCHASE INSTALLMENTS, ARE SUBJECT IN EACH YEAR TO APPROPRIATION BY THE HOWARD COUNTY COUNCIL. THE HOWARD COUNTY COUNCIL IS UNDER NO OBLIGATION TO MAKE ANY APPROPRIATION WITH RESPECT TO THE PURCHASE AGREEMENT. THE PURCHASE AGREEMENT IS NOT A GENERAL OBLIGATION OF THE COUNTY AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATION OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE COUNTY. THE COUNTY HAS NOT PLEDGED ITS FULL FAITH AND CREDIT OR ITS TAXING POWERS TO THE PAYMENT OF THE PURCHASE INSTALLMENTS.

The Trustee may make appropriate arrangements for the Certificates (or any portion thereof) to be issued or held by means of a book-entry system administered by The Depository Trust Company ("DTC") with no physical distribution of Certificates made to the public (other than those Certificates, if any, not held under such book-entry system). References in the remainder of this paragraph and in the next five succeeding paragraphs to a Certificate or the Certificates shall be construed to mean the Certificate or Certificates held under the book-entry system. In such event, one Certificate for each maturity shall be issued to DTC, and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Certificates, with transfers of beneficial ownership effected on the records of DTC and the DTC participants ("Participants") pursuant to rules and procedures established by DTC.

Each Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Certificates. Beneficial ownership interests in the Certificates may be purchased by or through Participants. The holders of such beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive Certificates representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the Participant from which such Beneficial Owner purchased its Certificates. Transfers of ownership interests in the Certificates shall be accomplished by book entries made by DTC and, in turn, by Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE CERTIFICATES, THE TRUSTEE SHALL TREAT CEDE & CO. AS THE ONLY HOLDER OF THE CERTIFICATES FOR ALL PURPOSES UNDER THE TRUST AGREEMENT, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE CERTIFICATES, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE TRUST AGREEMENT.

Payments of principal, interest, purchase price and redemption or purchase premium, if any, with respect to the Certificates, so long as DTC is the only owner of the Certificates, shall be paid by the Trustee directly to DTC or its nominee, Cede & Co., as provided in the Blanket County Letter of Representation from the County to DTC (the "Letter of Representation"). DTC shall remit such payments to Participants, and such payments thereafter shall be paid by Participants to the Beneficial Owners. Neither the County nor the Trustee shall be responsible or liable for payment by DTC or Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or Participants.

In the event that (a) DTC or any successor securities depository determines not to continue to act as securities depository for the Certificates or (b) the County determines that the continuation of the book-entry system of evidence and transfer of ownership of the Certificates would adversely affect its interests or the interests of the Beneficial Owners of the Certificates, the County shall discontinue the book-entry system with DTC or any successor securities depository. If the County fails to identify another qualified securities depository to replace DTC or the then existing securities depository, the Trustee shall use all reasonable efforts to obtain the names, addresses and principal amount of the holders of beneficial interests in the Certificates and authenticate and deliver replacement Certificates in the form of fully registered Certificates to each Beneficial Owner.

NEITHER THE COUNTY NOR THE TRUSTEE SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE CERTIFICATES; (B) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (C) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE CERTIFICATES; (D) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST AGREEMENT TO BE GIVEN TO BENEFICIAL OWNERS; (E) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE CERTIFICATES; OR (F) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

In the event that a book-entry system of evidence and transfer of ownership of the Certificates is discontinued pursuant to the provisions of the Trust Agreement, the Certificates shall be delivered solely as fully registered Certificates without coupons in the Authorized Denominations, shall be lettered "R" and numbered separately from "1" upward, and shall be payable, executed, authenticated, registered, exchanged and canceled pursuant to the provisions hereof and of the Trust Agreement.

1. Trust Agreement. This Certificate is one of the certificates of participation designated "HOWARD COUNTY, MARYLAND CERTIFICATES OF

PARTICIPATION (Equipment Program) Refunding, 2021 Series A” aggregating \$ \_\_\_\_\_ in principal amount (together with any Additional Certificates (defined herein), the “Certificates”), issued pursuant to the Trust Agreement. The Trust Agreement provides for the issuance of additional parity certificates of participation (the “Additional Certificates”) if additional funds are necessary to complete the acquisition or refinancing of the acquisition of the Equipment (defined herein). The terms of the Certificates include those stated in the Trust Agreement, and the Certificates are subject to all such terms. The registered owner of this Certificate is referred to the Trust Agreement (a copy of which is on file at the principal corporate trust office of the Trustee) for a complete statement of such terms, to which the owner hereof, by acceptance of this Certificate, assents.

2. Purchase Agreement; Revenues. The County and the Seller have entered into the Purchase Agreement for the refinancing of the acquisition by the County of certain equipment for use in its governmental programs (the “Equipment”). The Purchase Agreement requires the County to make periodic Purchase Installments (the “Purchase Installments”) to the Trustee in amounts sufficient to provide for the timely payment of the principal or redemption price of and interest on the Certificates when due until the County shall pay the entire price necessary for the Equipment (the “Purchase Price”), which Purchase Price shall be equal to the amount necessary to pay the principal or redemption price of and interest on all outstanding Certificates. Revenues are assigned under the Trust Agreement for the equal and ratable benefit of the registered owners from time to time of the Certificates. As defined in the Trust Agreement, “Revenues” means (i) all payments to be made by the County to the Trustee pursuant to the Purchase Agreement, (ii) the proceeds of the Certificates and all amounts from time to time on deposit in the funds and accounts established by the Trust Agreement and (iii) all other revenues derived from the Purchase Agreement or from the exercise of remedies under the Trust Agreement or the Purchase Agreement, including (without limitation) moneys attributable to the sale, leasing or other disposition of the Equipment by the Trustee.

3. Term of Certificates; Method of Payment. The Certificates mature on \_\_\_\_\_ 15 of each of the years and in the amounts set forth below and bear interest at the following rates per annum:

Certificates Maturing	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
_____ 15		



The principal or redemption price of this Certificate is payable in legal tender for the payment of public and private debts upon presentation and surrender at the principal corporate trust office of the Trustee. Interest on this Certificate is payable in legal tender for the payment of public and private debts, and will be paid to the registered owner by check mailed to the registered owner as its name and address appear in the registration books maintained by the Trustee as of [(i) the fifteenth (15<sup>th</sup>) calendar day immediately preceding each Payment Date or (ii) in the case of the payment of any defaulted interest, the tenth (10<sup>th</sup>) day before such payment]; provided that at the request of an owner of Certificates in the aggregate principal amount of at least \$100,000, such payments may be made by wire transfer to an account located in the United States of America in accordance with written instructions filed by such owner with the Trustee. Each of such payments shall be made only from and out of moneys received by the Trustee and applicable to such payments under the provisions of the Trust Agreement. If any Payment Date or date fixed for redemption falls on a Saturday, Sunday or legal holiday or a day on which banking institutions are authorized or required by law to close in Howard, Maryland, or in New York, New York (a "Business Day"), then payment may be made on the next succeeding Business Day with the same force and effect as if made on the Payment Date or date fixed for redemption, and no interest shall accrue for the period after such date.

4. Redemption. The Certificates are subject to redemption in whole or in part prior to their stated maturities, as provided in this section and the Trust Agreement.

(a) Special Mandatory Redemption. The Certificates are subject to mandatory redemption as soon as practicable after such moneys are available therefor in whole or in part at any time at par plus accrued interest, to the extent the Purchase Price payable under the Purchase Agreement is prepaid from insurance or condemnation proceeds that the County elects not to use to replace, repair, rebuild, restore or modify the Equipment and determines to apply such insurance and condemnation proceeds to pay principal and redemption price of and interest on the Certificates, all in accordance with the Purchase Agreement.

(b) Selection of Certificates to be Redeemed. If fewer than all of the Certificates shall be called for redemption, the Certificates or portions thereof to be redeemed shall be selected by the Trustee in the manner provided in the Trust Agreement.

(c) Notice of Redemption. If the Certificates are called for redemption, the Trustee will mail notice of redemption by first class mail, postage prepaid, not less than [thirty (30) days and not more than sixty (60) days] prior to the date fixed for redemption to the registered owner of each Certificate to be redeemed at the address shown on the registration books maintained by the Trustee; provided, however, that failure to mail such notice with respect to any particular Certificate shall not affect the validity of the redemption of any other Certificate for which proper notice of redemption shall have been given. Notice having been given and sufficient moneys having been delivered to the Trustee, interest will cease to accrue on the Certificates to be redeemed on and after the date fixed for redemption.

5. Nonappropriation. If the County has not obtained proper appropriation of the full amount of funds necessary to make Purchase Installments under the Purchase Agreement during the next succeeding fiscal year of the County, then the Purchase Agreement will be terminated and the Trustee will apply any available Revenues, including the proceeds of any sale or lease of the Equipment which the Trustee may be able to effect pursuant to the Trust Agreement, to the payment of the interest on and principal of the Certificates in accordance with the Trust Agreement.

6. Events of Default. Upon an Event of Default by the County under the Purchase Agreement, the Trustee shall apply any available Revenues received by the Trustee as a consequence of such Default to the payment of the interest on and principal of the Certificates in accordance with the Trust Agreement.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, exist, have happened and have been performed in due time, form and manner.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, this Certificate of Participation has been duly authenticated by Manufacturers and Traders Trust Company, as Trustee under the Trust Agreement.

Date:

MANUFACTURERS AND TRADERS  
TRUST COMPANY,  
as Trustee under the Trust Agreement

By: \_\_\_\_\_  
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER TAX IDENTIFYING NUMBER  
OF ASSIGNEE

---

---

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS,  
INCLUDING ZIP CODE OF ASSIGNEE)

---

the within Certificate and all rights thereunder and does hereby constitute and appoint

---

attorney to transfer the within Certificate on the books kept for the registration thereof,  
with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

Notice: Signature(s) must be guaranteed  
by a member firm of the New York Stock  
Exchange or a commercial bank or trust  
company.

Notice: The signature to this assignment  
must correspond with the name as it  
appears upon the face of the within  
Certificate in every particular, without  
alteration or enlargement or any change  
whatever.

**EXHIBIT B**

\$ \_\_\_\_\_  
HOWARD COUNTY, MARYLAND  
CERTIFICATES OF PARTICIPATION  
(Equipment Program)  
Refunding, 2021 Series A

Equipment Fund Requisition Form

To:  
Date:

Requisition Number:

Pursuant to the Conditional Purchase Agreement dated as of March \_\_\_\_, 2021 (the "Purchase Agreement"), between Howard County, Maryland (the "Purchaser") and Manufacturers and Traders Trust Company, as trustee under the Trust Agreement (defined below) (the "Seller") and the Certificate of Participation Trust Agreement dated as of March \_\_\_\_, 2021 (the "Trust Agreement"), between the Purchaser, the Seller and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), we request that you make disbursement of funds from the Equipment Fund held by you as Trustee under the Trust Agreement, to \_\_\_\_\_

in the following amount:

Amount: \$

Purpose for Requisition:

The undersigned hereby certifies that (i) as of the date of this requisition, all the representations and warranties of the Purchaser contained in the Purchase Agreement are, true and correct; (ii) no Event of Default under the Purchase Agreement or the Trust Agreement exists and no occurrence or condition exists which would, with the passage of time or the giving of notice, or both, become or constitute an Event of Default under the Purchase Agreement or the Trust Agreement; (iii) none of the items for which funds are being requisitioned has formed the basis for any disbursement heretofore made from the Equipment Fund; (iv) the payment of the requisitioned amounts is a proper charge against the Equipment Fund and represents an amount required to be paid at that time by the Purchaser with respect to the Acquisition Costs (as defined in the Trust Agreement) as evidenced by the attached invoices, receipts or other items or otherwise represents a portion of the cost of refinancing the acquisition of the Equipment or cost of issuance of the Certificates (as defined in the Trust Agreement); (v) no written notice of any lien, right to lien or attachment upon, or claim affecting the Equipment or the right to receive payment of any of the moneys payable under such requisition to any of the persons named therein has been received, or if any notice of any lien, attachment or claim has been received, such

lien, attachment or claim has been fully bonded, collateralized, released or discharged or will be released or discharged upon payment of the requisitions; (vi) the Purchaser is not in breach of the Purchase Agreement; and (vii) if the payee named above is the Purchaser, the Purchaser has previously made such payment and is seeking reimbursement.

By: \_\_\_\_\_  
Authorized Purchaser Representative







**Exhibit B****REFUNDED LEASES**

<u>Lease Series</u>	<u>Execution Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2015 Master Equipment Lease Purchase	9/16/15	\$15,000,000.00	\$11,654,108.87
2017 Bus (SunTrust)	3/10/17	\$2,540,058.50	\$1,568,464.00
2018 Radio Equipment	6/27/18	\$10,363,285.63	\$7,633,591.63
2019 Water Meter Equipment	8/8/19	\$3,029,000.00	\$2,758,000.00



**Exhibit C**

**OFFICIAL NOTICE OF SALE**

[See Attached]



## Official Notice of Sale



**\$20,105,000\***  
**Howard County, Maryland**

**Certificates of Participation (Equipment Program) Refunding, 2021 Series A**

**NOTICE IS HEREBY GIVEN** that electronic bids will be received on the date and up to the time specified below:

**SALE DATE:** **Wednesday, February 24, 2021**

**SALE TIME:** **10:30 A.M. Prevailing Eastern Time**

**ELECTRONIC BIDS:** Must be submitted through **PARITY®** as described below.  
**No other form of bid or provider of electronic bidding services will be accepted.**

Bids will be received for the purchase of all, but not less than all, of the \$20,105,000\* Howard County, Maryland Certificates of Participation (Equipment Program) Refunding, 2021 Series A (the "Certificates") to be issued by Howard County, Maryland (the "County"). The Certificates are more particularly described in the Preliminary Official Statement dated February 12, 2021 relating to the Certificates, available at the i-Deal Prospectus website, [www.i-dealprospectus.com](http://www.i-dealprospectus.com). Prior to accepting bids, the County reserves the right to change the principal amount of the Certificates being offered, to change the terms of the Certificates, to postpone the sale of the Certificates to a later date, or to cancel the sale of the Certificates based on market conditions. See "Change of Sale Date and/or Closing Date."

Consideration of the bids and the award will be made by the County on the Sale Date (as set forth above and in the Bidding Parameters Table herein). The County also reserves the right to adjust the principal amount of the Certificates offered, to eliminate maturities, or to cancel the sale of the Certificates after the bids are opened as further described herein. See "Adjustment of Amounts and Maturities."

\*Preliminary, subject to change.

## Contact Information

### **HOWARD COUNTY, MARYLAND (ISSUER)**

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Department of Finance  
George Howard Building, Ground Floor  
3430 Court House Drive  
Ellicott City, MD 21043

**Rafiu O. Ighile**, *Director of Finance*  
Phone: (410) 313-2195 / Fax: (410) 313-4433  
Email: [righile@howardcountymd.gov](mailto:righile@howardcountymd.gov)

**Nikki Griffith**, *Bureau Chief, Debt and Cash Management*  
Phone: (410) 313-4063 / Fax: (410) 313-4064  
Email: [ngriffith@howardcountymd.gov](mailto:ngriffith@howardcountymd.gov)

### **DAVENPORT & COMPANY LLC (FINANCIAL ADVISOR)**

---

8600 La Salle Road, Suite 618  
The Maryland Executive Park – The Oxford Building  
Towson, Maryland 21286

**Joseph Mason**, *Senior Vice President*  
Phone: (571) 223-5893 / Fax: (866) 932-6660  
Email: [jmason@investdavenport.com](mailto:jmason@investdavenport.com)

**Kyle Laux**, *Senior Vice President*  
Phone: (804) 697-2913  
Email: [klaux@investdavenport.com](mailto:klaux@investdavenport.com)

### **MCKENNON SHELTON & HENN LLP (BOND COUNSEL)**

---

401 E. Pratt Street, Suite 2600  
Baltimore, MD 21202

**Paul Shelton**, *Partner*  
Phone: (410) 843-3512 / Fax: (410) 843-3501  
Email: [paul.shelton@mshllp.com](mailto:paul.shelton@mshllp.com)

**William Taylor**, *Partner*  
Phone: (410) 843-3506 / Fax: (410) 843-3501  
Email: [william.taylor@mshllp.com](mailto:william.taylor@mshllp.com)

**Emily Fusting**, *Associate*  
Phone: (410) 843-3537 / Fax: (410) 843-3501  
Email: [emily.fusting@mshllp.com](mailto:emily.fusting@mshllp.com)

### **I-DEAL/PARITY® (ELECTRONIC BIDDING PLATFORM)**

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**Client Services**  
Phone: (212) 849-5024  
Email: [parity@i-deal.com](mailto:parity@i-deal.com)

**BIDDING PARAMETERS TABLE\***

<b>INTEREST</b>		<b>PRICING</b>	
Dated Date:	Date of Delivery	Max. Aggregate Bid Price:	Unlimited
Anticipated Date of Delivery:	March 10, 2021	Min. Aggregate Bid Price:	100% (Par)
Interest Payment Dates:	February 15 and August 15		
First Interest Payment Date:	August 15, 2021	Max. Reoffering Price (each maturity):	Unlimited
Coupon Multiples:	1/8 or 1/20 of 1%	Min. Reoffering Price (each maturity):	Unlimited
Maximum Coupon:	5%		
Minimum Coupon:	N/A		
Maximum TIC:	N/A		
Maximum Difference Between Coupons:	4%		
<b>PRINCIPAL</b>		<b>PROCEDURAL</b>	
Mandatory Extraordinary Redemption:	Described in the section entitled "Certificates -- Redemption".	Sale Date:	February 24, 2021
		Sale Time:	10:30 a.m. Prevailing Eastern Time
Post-bid Principal Increases		Bid Submission:	Electronic bids through PARITY only
Each Maturity:	N/A		
Aggregate:	15%		
Post-bid Principal Reductions		All or None?	Yes
Each Maturity:	N/A		
Aggregate:	15%		
Term Certificates:	Any two or more consecutive maturities in the Certificates may be designated as term certificates; the term certificates must have sinkers equal to date and amount shown on the principal amortization schedule.	Bid Award Method:	Lowest TIC Electronically
		Bid Confirmation:	Fax Signed PARITY screen
		Awarding of Bid:	On the Sale Date by the County by 5 p.m.
		Good Faith Deposit:	\$201,050*; as more fully described in the section titled "Good Faith Deposit"

\* If numerical or date references contained in the body of this Official Notice of Sale conflict with the Bidding Parameters Table, the Bidding Parameters Table of this Official Notice of Sale shall control. Consult the body of this Official Notice of Sale for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items.

## PRINCIPAL AMORTIZATION SCHEDULE

The Certificates will be issued in serial form or, if subject to mandatory sinking fund redemption, in term form, or in a combination of such forms, as designated by the successful bidder for the Certificates in its proposal, as described below. The principal of the Certificates shall be payable in installments on August 15 in the following years and in the following amounts:

### \$20,105,000\* Certificates of Participation (Equipment Program) Refunding, 2021 Series A

Year of Principal Payment (Aug. 15)*	Principal Amount Payable*	Year of Principal Payment (Aug. 15)*	Principal Amount Payable*
2021	\$2,690,000	2026	\$1,610,000
2022	2,770,000	2027	1,740,000
2023	2,955,000	2028	1,450,000
2024	3,145,000	2029	1,240,000
2025	2,505,000		

\*Preliminary, subject to change.

## The Certificates

### Security

The Certificates are payable as to principal, redemption price and interest solely from Purchase Installments to be paid by the County, as purchaser, pursuant to the Conditional Purchase Agreement (the "Conditional Purchase Agreement") between the County, as purchaser (the "Purchaser"), and Manufacturers and Traders Trust Company ("M&T"), as seller (the "Seller"), moneys attributable to the sale, leasing or other disposition of the Equipment by the Trustee (as defined herein) upon the occurrence of certain defaults by the Purchaser under the Conditional Purchase Agreement and amounts from time to time on deposit in certain funds and accounts established by the Certificate of Participation Trust Agreement between the County and M&T, as trustee (the "Trustee"). ALL AMOUNTS PAYABLE BY THE COUNTY, AS PURCHASER UNDER THE CONDITIONAL PURCHASE AGREEMENT, INCLUDING THE PURCHASE INSTALLMENTS, ARE SUBJECT IN EACH YEAR TO APPROPRIATION BY THE COUNTY COUNCIL. IT IS THE INTENTION OF THE COUNTY THAT THE AMOUNTS PAYABLE UNDER THE CONDITIONAL PURCHASE AGREEMENT, INCLUDING THE PURCHASE INSTALLMENTS, WILL BE MADE FROM THE COUNTY'S GENERAL FUND.

### Description of the Certificates

The Certificates will be issued in fully registered form in denominations of \$5,000 or integral multiples thereof, will be dated the anticipated date of delivery (the "Dated Date") set forth in the Bidding Parameters Table, and will bear interest from the Dated Date until paid or duly called for redemption at the annual rate or rates specified by the successful bidder, subject to the limitations specified below, payable as shown on the Bidding Parameters Table. Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board ("MSRB"). The Certificates must meet the minimum and maximum coupon and pricing criteria shown in the Bidding Parameters Table on a maturity and aggregate basis.

The Certificates will mature on the month and day, in the years and principal amounts shown in the Principal Amortization Schedule, subject in each case to adjustment to the extent permitted in this Official Notice of Sale.

### Book-Entry Only

The Certificates will be issued in fully registered, book-entry only form and a certificate for each maturity will be issued to The Depository Trust Company ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Certificates, with transfers of ownership



effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The successful bidder, as a condition to delivery of the Certificates, will be required to deposit the Certificates with DTC, registered in the name of Cede & Co. Principal of, premium, if any, and interest on the Certificates will be payable by the paying agent and registrar (the "Certificate Registrar") by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Certificates. Transfer of principal, premium, if any, and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the County nor the Certificate Registrar will be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. The successful bidder will be required to furnish to DTC within seven days after the sale the customary underwriter's questionnaire and information as to each DTC participant and the Certificates to be held for it. See the Preliminary Official Statement for more information regarding DTC.

#### **Authority for Issuance**

The Certificates are being issued in connection with the authority of Section 612 of the Howard County Charter and Council Bill No. 2-2021 enacted during the 2021 Legislative Session (the "Certificates Ordinance").

#### **Designation of Term Certificates**

Within the Certificates bidders may, at their option, designate any two or more consecutive principal amounts (as such principal amounts may be adjusted in accordance herewith) to be combined into term Certificates as set forth in the Bidding Parameters Table. Each such term certificate designated will be subject to mandatory sinking fund redemption commencing on the principal payment date of the first year which has been combined to form such term certificate and continuing on the principal payment date in each year thereafter until the stated maturity date of such term certificate, which will be the last year combined to form such term certificate. The amount redeemed in any year will be equal to the principal amount for such year as set forth in the Principal Amortization Schedule (as such principal amounts may be adjusted in accordance herewith). The Certificates to be redeemed in any year by mandatory sinking fund redemption will be redeemed at par. Bidders may specify one or more of such term Certificates.

#### **Redemption**

The Certificates are not subject to optional redemption prior to their respective maturities. The Certificates are subject to mandatory redemption in whole or in part at any time at par plus accrued interest if the Equipment is damaged, destroyed or condemned, from insurance or condemnation proceeds not required to repair, rebuild, restore or modify the Equipment after such damage, destruction or condemnation or if the County elects not to use the funds from insurance and condemnation proceeds for such purpose.

#### **Adjustment of Amounts and Maturities**

Prior to the Sale Date, the County may cancel the sale of the Certificates or adjust the aggregate principal amount and the principal amount of any maturity of the Certificates. The preliminary aggregate principal amount of the Certificates and the preliminary principal amount of each installment payment on the Certificates as set forth in this Official Notice of Sale (the "Preliminary Aggregate Principal Amount" and the "Preliminary Principal Amount", and collectively the "Preliminary Amounts") may be revised before the receipt and opening of the bids for their purchase. **ANY SUCH REVISIONS made prior to the opening of the bids (the "Revised Aggregate Principal Amount" and the "Revised Principal Amount", and collectively the "Revised Amounts") WILL BE PUBLISHED ON Parity/www.i-dealprospectus.com or THOMSON MUNICIPAL MARKET MONITOR ("TM3") (www.tm3.com) NOT LATER THAN 9:00 A.M., PREVAILING EASTERN TIME, ON THE DAY OF THE SALE OF THE CERTIFICATES.**

In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised Amounts will be used to compare bids and select a winning bidder.

After the receipt and opening of the bids for their purchase, the County may reject the bids for the Certificates or adjust the aggregate principal amount and the principal amount of each maturity of the Certificates, provided that such adjustments are within the limitations set forth in the Bidding Parameters Table, calculated based on the applicable bid amount. The County will consult with the successful bidder before adjusting the amount of any maturity of the Certificates or canceling the sale of the Certificates; however, the County reserves the sole right to make adjustments, within the limits described above, or to cancel the sale of the Certificates. The County intends to notify the successful

bidder, if any, of any adjustments made after the opening of the bids promptly and in any event not later than twenty-four (24) hours after the bid opening unless waived by the successful bidder. Adjustments within the limits described above will not relieve the successful bidder from its obligation to purchase all of the Certificates offered by the County, assuming the County has satisfied all other conditions of this Official Notice of Sale.

If the principal amount of any maturity of the Certificates is adjusted after the award, the interest rate and reoffering price (as a percentage of the adjusted principal) for each maturity and the Underwriter's Discount on the Certificates as submitted by the successful bidder shall be held constant. The "Underwriter's Discount" shall be defined as the difference between the purchase price of the Certificates submitted by the bidder and the price at which the Certificates will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Certificates bid. Such adjusted bid price will reflect changes in the dollar amount of the Underwriter's Discount and original issue discount/premium, if any, but will not change the Underwriter's Discount, per \$1,000 of par amount of the Certificates from the underwriter's discount that would have been received based on the purchase price in the winning bid and the initial public offering prices.

### **Change of Sale Date and/or Closing Date**

Notice of a change or cancellation will be announced via Parity/[www.i-dealprospectus.com](http://www.i-dealprospectus.com) or the Thomson Municipal News wire at [www.tm3.com](http://www.tm3.com) not later than 4:00 p.m., prevailing Eastern Time, on the day preceding the bid opening. Such notice will specify the revised feature, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated on at least forty-eight (48) hours notice via Parity/[www.i-dealprospectus.com](http://www.i-dealprospectus.com) or the Thomson Municipal News wire at [www.tm3.com](http://www.tm3.com).

### **Preliminary Official Statement and Final Official Statement**

The County has authorized the preparation and distribution of a Preliminary Official Statement containing information relating to the Certificates. The County will furnish the successful bidder on the date of closing, with a certificate, in its usual form, of an official of the County, dated the date of the original issuance and delivery of the Certificates, stating that as of the date thereof, to the best of the knowledge and belief of said official, the final Official Statement does not contain an untrue statement of a material fact concerning the County or omit to state any material fact necessary in order to make the statements made therein concerning the County, in the light of the circumstances under which they were made, not misleading.

The Preliminary Official Statement and this Official Notice of Sale will be available electronically at i-Deal's website, [www.i-dealprospectus.com](http://www.i-dealprospectus.com). Assistance in obtaining the documents will be provided by i-Deal's customer service at (212) 404-8104 or from Davenport & Company LLC, 8600 LaSalle Road, Suite 618, The Oxford Building, Towson, Maryland, (410) 296-9426, [jmason@investdavenport.com](mailto:jmason@investdavenport.com) or [klaux@investdavenport.com](mailto:klaux@investdavenport.com) (Attention: Joe Mason or Kyle Laux, respectively).

The County undertakes to provide an electronic copy and a reasonable number of hard copies (not to exceed 50 copies) of the final Official Statement for the Certificates, which will be complete in all material respects up to the date of the original issuance and delivery of the Certificates, without cost to the successful bidder for the Certificates, no more than seven business days after the date of the sale of the Certificates, such copies to be in sufficient quantity for the successful bidder to comply with Rule 15c2-12 of the Securities and Exchange Commission and the rules of the MSRB; provided that the successful bidder cooperates in providing information required to complete the final Official Statement.

If the Certificates are awarded to a syndicate, the senior managing underwriter of the syndicate is designated by the County as its agent for purposes of distributing copies of the final Official Statement to each participating underwriter. Any underwriter submitting a bid with respect to the Certificates agrees thereby that if its bid is accepted, it shall accept such designation and shall enter into an appropriate contractual relationship with all participating underwriters for the purpose of assuring the receipt and distribution by each participating underwriter of the final Official Statement.

Notwithstanding the generality of the foregoing, by making a bid for the Certificates the successful bidder further affirmatively agrees to: (i) disseminate to all members of any underwriting syndicate copies of the final Official Statement, including any supplements prepared by the County, (ii) promptly file a copy of the final Official Statement, including any supplements prepared by the County, with the MSRB in an electronic format prescribed by the MSRB and (iii) take any and all other actions necessary to comply with applicable rules of the Securities and Exchange Commission and the MSRB governing the offering, sale and delivery of the Certificates to the ultimate purchasers.

## **Electronic Bidding**

### **Procedures**

Only electronic bids submitted via PARITY® will be accepted. No other provider of electronic bidding services will be accepted. No bid delivered in person or by facsimile directly to the County will be accepted. Bidders are permitted to submit bids for the Certificates during the bidding time period, provided they are eligible to bid as described under "ELIGIBILITY TO BID" below.

Each bid must be unconditional and received by PARITY® before the Sale Time set forth in the Bidding Parameters Table. No proposal to purchase the Certificates may be withdrawn after the deadline set for receiving bids. Prior to the deadline set for receiving bids, an eligible prospective bidder may, subject to any limitations which may be imposed by PARITY®, modify the proposed terms of its bid in which event the proposed terms last modified will constitute its bid for Certificates. At the deadline stated above for receiving bids, the bidding process will close and each bid shall then constitute an irrevocable offer to purchase the Certificates on the terms provided in the bid and this Official Notice of Sale.

### **Eligibility to Bid**

All prospective bidders shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting such bidder's bid in a timely manner and in compliance with the requirements of the County pursuant to this Official Notice of Sale. The County shall have no duty or obligation to provide or assure such access to any bidder or the proper functioning of the PARITY system. Without limiting the generality of the foregoing, bidders submitting an electronic proposal must fulfill any requirements of the bidding service provider, if any, over and above the requirements of the County set forth in this Official Notice of Sale. Each bidder may contact BiDCOMP at 212-849-5059 for further information regarding its services.

### **Form of Bid, Interest Rates and Bid Prices**

All bids must conform to the requirements of this Official Notice of Sale. Bidders must bid to purchase all maturities of the Certificates. No bid will be considered which does not offer to purchase all of the Certificates. Each bid must specify (i) an annual rate of interest for each maturity, (ii) a reoffering price or yield for each maturity, and (iii) a dollar purchase price for the entire issue of the Certificates.

A bidder must specify the rate or rates of interest per annum per maturity, which the Certificates are to bear, to be expressed in the coupon rate multiples set forth in the Bidding Parameters Table. Any number of interest rates may be named, but the Certificates of each maturity must bear interest at the same single rate for all Certificates of that maturity.

Each bid for the Certificates must meet the minimum and maximum coupon and pricing criteria shown in the Bidding Parameters Table on a maturity and aggregate basis.

As promptly as reasonably possible after bids are received, the County will notify each successful bidder that it is an apparent winner.

### **Disclaimer**

Electronic bids may be submitted via PARITY® only. No other provider of electronic bidding services will be accepted. The use of PARITY® electronic bidding shall be at the bidder's risk and expense, and the County shall have no liability with respect thereto. The County is using electronic bidding as a communications medium and solely as a courtesy to prospective bidders. PARITY® is not acting as the County's agent. The County shall assume no responsibility or liability for bids submitted through such electronic bidding service provider. The County shall not be responsible for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, the approved provider's service. Without limiting the generality of the foregoing disclaimers, the County does not assume responsibility for any communications or negotiations between bidders and any electronic bidding service provider, or for any failure of such a provider to accurately or timely submit any electronic proposal.

Each electronic bid submitted via PARITY® shall be deemed an offer, in response to this Official Notice of Sale, and shall be binding on the bidder as if made by a signed, sealed bid delivered to the County.

Any electronic proposals shall be deemed to incorporate all of the provisions of this Official Notice of Sale. If any provision of this Official Notice of Sale conflicts with information provided by PARITY®, this Official Notice of Sale shall control. The County is not bound by any advice or determination of PARITY® as to whether any bid complies with the terms of this Official Notice of Sale. The time as maintained by PARITY® shall constitute the official time with respect to all bids submitted.

### **Award of Bid**

The County expects to award the Certificates to the winning bidder or bidders on the Sale Date. It is anticipated that all bids will be reviewed by the Director of Finance of the County at the time stated above and will be acted on following the opening, tabulation and verification of the bids received. The decision as to the award of Certificates will be final. Bids may not be withdrawn prior to the award.

The Certificates will be awarded by the County on the Sale Date to the bidder or bidders whose bid complies with this Official Notice of Sale and results in the lowest true interest cost to the County. The lowest true interest cost will be determined in accordance with the True Interest Cost (“TIC”) method by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments from the payment dates to the Dated Date of the Certificates and to the aggregate purchase price of the Certificates. If two or more bidders offer to purchase the Certificates at the same lowest TIC, the County will have the right to award such Certificates to one of such bidders.

### **Issue Price Determination**

The County expects and intends that the bid for the Certificates will satisfy the federal tax requirements for a qualified competitive sale of bonds, including, among other things, receipt of bids for the Certificates from at least three underwriters, who have established industry reputations for underwriting new issuances of municipal bonds (a “**Qualified Competitive Bid**”). By submitting a bid for the Certificates, a bidder represents and warrants to the County that the bidder has an established industry reputation for underwriting new issuances of municipal bonds unless the bidder notifies the County otherwise. The Director of Finance of the County will advise the successful bidder as promptly as possible after the bids are opened whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such requirements (a “**Nonqualified Competitive Bid**”).

If the bid is a Qualified Competitive Bid, as promptly as possible after the bids are opened, the Director of Finance for the County will notify the successful bidder, and such bidder, upon such notice, shall advise the Director of Finance for the County of the reasonably expected initial offering price to the public of each maturity of the Certificates. In addition, the winning bidder shall be required to provide to the County information to establish the initial offering prices for each maturity of the Certificates for federal income tax purposes by completing a certificate acceptable to Bond Counsel to the County, on or before the date of issuance of the Certificates, substantially in the Form of Issue Price for Qualified Competitive Bid set forth in Appendix E to the Preliminary Official Statement, with appropriate completions, amendments and attachments.

If the bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened, the Director of Finance for the County will notify the successful bidder, and such bidder, upon such notice, shall advise the Director of Finance for the County of the initial sale price or initial offering price to the public, as applicable, of each maturity of the Certificates. In addition, the winning bidder shall be required to provide to the County information and assurances to establish the initial sale price or the initial offering price to the public, as applicable, for each maturity of the Certificates for federal income tax purposes by completing a certification acceptable to Bond Counsel, on or before the date of issuance of the Certificates, substantially the Form of Issue Price Certificate for Nonqualified Competitive Bid set forth in Appendix E to the Preliminary Official Statement, with appropriate completions, omissions and attachments. **It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Certificates, to hold the initial offering prices for certain maturities of the Certificates for up to five business days after the sale date, as further specified in the form of such certification.**

### **Right of Rejection**

The County expressly reserves the right (i) to waive any informalities, (ii) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein, and (iii) to solicit new bids or proposals for the sale of the Certificates or otherwise provide for the public sale of the Certificates if all bids are rejected or the winning bidder defaults, including, without limitation, sale of the Certificates to one or more of the losing or rejected bidders without regard to their original bid or its relationship to any other bid.

## **Delivery and Payment**

Delivery of the Certificates will be made by the County to DTC in book-entry only form, on or about the Dated Date, or on or about such other date as may be agreed on by the County and the successful bidder.

At the time of delivery of the Certificates, payment of the amount due for the Certificates must be made by the successful bidder to the order of the County immediately available in federal funds or other funds immediately available to the County, or by such other means as may be acceptable to the Director of Finance of the County. Any expense incurred in providing immediately available funds, whether by transfer of federal funds or otherwise, shall be borne by the purchaser.

## **Good Faith Deposit**

A Good Faith Deposit in the amount of \$201,050\* is required of the winning bidder only for the Certificates. The winning bidder for the Certificates is required to submit such Good Faith Deposit payable to the order of the County in the form of a wire transfer in federal funds as instructed by the County's Financial Advisor, Davenport & Company LLC. The winning bidder shall submit the Good Faith Deposit not more than two hours after verbal award is made. The winning bidder should provide as quickly as it is available, evidence of wire transfer by providing the County the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the winning bidder may be rejected and the County may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Certificates to the same. If the winning bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the County the sum of \$201,050 as liquidated damages due to the failure of the winning bidder to timely deposit the Good Faith Deposit.

*Submission of a bid to purchase the Certificates serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.*

The Good Faith Deposit so wired will be retained by the County until the delivery of the Certificates, at which time the Good Faith Deposit will be applied against the purchase price of the Certificates or the Good Faith Deposit will be retained by the County as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Certificates in compliance with the terms of this Official Notice of Sale and of its bid. No interest on the Good Faith Deposit will be paid by the County. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Certificates.

## **CUSIP Numbers; Expenses of the Bidder**

It is anticipated that CUSIP numbers will be assigned to each of the Certificates, but neither the failure to type or print such numbers on any of the Certificates nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Certificates. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Certificates. The County's Financial Advisor will apply for and obtain, subject to the CUSIP Service Bureau policy and procedures, CUSIP numbers for the Certificates. All expenses related to CUSIP numbers shall be the responsibility of the County.

All charges of DTC and all other expenses of the successful bidder will be the responsibility of the successful bidder for the Certificates.

## **Continuing Disclosure**

In order to enable the bidders for the Certificates to comply with the requirements of paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), the County will execute and deliver, on or before the date of issuance and delivery of the Certificates, a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"). The form of this agreement is included in Appendix C of this Official Statement. Certain of the events listed in Section 4(a) of the Continuing Disclosure Agreement have been included for purposes of compliance with Rule 15c2-12 but are not relevant for the Certificates. Those events relate to debt service reserves, credit enhancements and liquidity providers. Except as disclosed in the Preliminary Official Statement, during the last five years, the County has not failed to comply in any material respect with the terms and provisions of previous continuing disclosure agreements entered into in order to comply with the requirements of Rule 15c2-12.

\*Preliminary, subject to change.

## **Tax Status, Legal Opinion**

The approving legal opinion of McKennon Shelton & Henn LLP, Baltimore, Maryland, Bond Counsel, will be furnished without cost to purchasers of the Certificates. A summary description of the tax treatment of the Certificates is contained in the Preliminary Official Statement and will also be set forth in the final Official Statement under the heading "Tax Matters." The proposed form of legal opinion of bond counsel is attached as Appendix A to the Preliminary Official Statement and will also be set forth in the final Official Statement.

## **Additional Information**

This Official Notice of Sale is not a summary of the terms of the Certificates. Reference is made to the Preliminary Official Statement for a further description of the Certificates and the County. Prospective investors or bidders for the Certificates must read the entire Preliminary Official Statement to obtain information essential to making an informed investment decision. The Preliminary Official Statement is deemed final by the County as of its date for purposes of the Rule but is subject to revision, amendment and completion in a final Official Statement. Additional information concerning the matters discussed in this Official Notice of Sale, and copies of the Official Bid Form and Preliminary Official Statement may be obtained online at [www.i-dealprospectus.com](http://www.i-dealprospectus.com) or by request from Nikki Griffith, the County's Bureau Chief of Debt and Cash Management, at (410) 313-4063 or [ngriffith@howardcountymd.gov](mailto:ngriffith@howardcountymd.gov) or from Joseph Mason or Kyle Laux at (410) 296-9426 or [jmason@investdavenport.com](mailto:jmason@investdavenport.com) or [klaux@investdavenport.com](mailto:klaux@investdavenport.com) respectively.

## **HOWARD COUNTY, MARYLAND**

By: Rafiu O. Ighile  
Director of Finance



