

INTRODUCED _____
PUBLIC HEARING _____
COUNCIL ACTION _____
EXECUTIVE ACTION _____
EFFECTIVE DATE _____

**County Council Of
Howard County, Maryland**

2007 Legislative Session

Legislative Day No. 14

Bill No. 75-2007

Introduced by: The Chairperson at the request of the County Executive

A BOND ISSUE AUTHORIZATION ORDINANCE providing for the issuance of up to \$150,000,000 Howard County, Maryland Consolidated Public Improvement Refunding Bonds and up to \$25,000,000 Howard County, Maryland Metropolitan District Refunding Bonds; providing that such bonds shall be general obligations of the County; providing for the disbursement of the proceeds of such bonds and the levying of taxes to pay debt service on such bonds; providing for the private (negotiated) sale of such bonds; providing for an escrow deposit agreement and a continuing disclosure agreement; authorizing the County Executive to specify, prescribe, determine, provide for or approve the final principal amounts, maturity schedules, interest rates and redemption provisions for such bonds, the final list of refunded bonds, and certain other matters, details, forms, documents or procedures; and providing for and determining various matters in connection therewith.

Introduced and read first time _____, 2007. Ordered posted and hearing scheduled.

By order _____
Sheila M. Tolliver, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2007 and concluded on _____, 2007.

By order _____
Sheila M. Tolliver, Administrator

This Bill was read the third time on _____, 2007 and Passed _____, Passed with amendments _____, Failed _____.

By order _____
Sheila M. Tolliver, Administrator

Approved by the County Executive _____, 2007

Ken Ulman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN ALL CAPITALS indicates additions to existing law; ~~Strike-out~~ indicates material deleted by amendment; Underlining indicates material added by amendment.

1 **Recitals**

2 Howard County, Maryland (the "County") has heretofore issued the Consolidated Public
3 Improvement Bonds described in Exhibit A hereto (the "Outstanding Consolidated Bonds") and
4 the Metropolitan District Bonds described in Exhibit B hereto (the "Outstanding Metropolitan
5 Bonds"), which exhibits are incorporated herein by reference and made a part hereof. The
6 original aggregate principal amount and the outstanding aggregate principal amount of each series
7 of the Outstanding Consolidated Bonds and each series of the Outstanding Metropolitan Bonds
8 are listed in Exhibits A and B hereto. The public purposes for which the proceeds of each series
9 of Outstanding Consolidated Bonds and each series of Outstanding Metropolitan Bonds were
10 authorized to be spent, the amounts (or maximum amounts) authorized to be spent for each such
11 public purpose, and the probable average useful life of the projects financed with the proceeds of
12 such series of bonds are specified in (or incorporated by reference into) the Bond Issue
13 Authorization Ordinance for such series specified in Exhibit A or B hereto (each, a "Bond
14 Ordinance").

15 Section 24 of Article 31 of the Annotated Code of Maryland, as amended (the
16 "Refunding Act"), provides that a county which has power under any public general or public
17 local law to borrow money and to evidence the borrowing by the issuance of its general
18 obligation bonds, revenue bonds or other evidences of obligation by whatever name known or
19 source of funds secured, may issue bonds for the purpose of refunding any of its bonds then
20 outstanding, including the payment of any redemption premium and any interest accrued or to
21 accrue to the date of redemption, purchase or maturity of the bonds or other obligations.

22 The County is authorized to borrow money and to evidence the borrowing by the
23 issuance of its general obligation bonds by Section 5(P) of Article 25A of the Annotated Code of
24 Maryland, as amended ("Article 25A"), and Article VI of the Howard County Charter (the
25 "Charter").

1 Refunding bonds may be issued under the authority of the Refunding Act for the public
2 purpose of:

3 (1) Realizing savings to the issuer in the aggregate cost of debt service on
4 either a direct comparison or present value basis; or

5 (2) Debt restructuring that:

6 (i) In the aggregate effects such a reduction in the cost of
7 debt service; or

8 (ii) Is determined by the governing body to be in the best
9 interests of the issuer, to be consistent with the issuer's long-term financial plan, and to realize a
10 financial objective of the issuer including, improving the relationship of debt service to a source
11 of payment such as taxes, assessments, or other charges.

12 The Refunding Act further provides that (a) the power to issue refunding bonds under
13 such section shall be deemed additional and supplemental to the issuer's existing borrowing
14 power, and (b) the procedures for the issuance of refunding bonds shall be the same as those
15 applicable to the bonds or other obligations being refunded, except that refunding bonds may be
16 sold on a negotiated basis without solicitation of bids if the issuer determines in a public meeting
17 that such procedure is in the public interest. The Refunding Act further provides in subsection (d)
18 that, for the purpose of determining whether refunding bonds issued thereunder are within any
19 debt limitation applicable to an issuer, the amount of bonds or other obligations to be refunded
20 shall be subtracted from, and the amount of refunding bonds to be issued shall be added to, the
21 aggregate of such issuer's outstanding bonds.

22 In addition, Section 616(b) of the Charter provides that:

23 "All bonds and other evidences of indebtedness shall be sold at public sale;
24 provided, however, that bonds or other evidences of indebtedness may be sold by private
25 (negotiated) sale if the Council shall find and determine in the bond issue authorization ordinance

1 providing for the sale of the bonds or other evidences of indebtedness that, for reasons specified
2 in the bond issue authorization ordinance, either:

3 (1) It is not practical to sell such bonds or other evidences of indebtedness at
4 public sale; or

5 (2) A private (negotiated) sale will provide significant benefits to the county
6 which would not be achieved if the bonds or other evidences of indebtedness were sold at public
7 sale."

8 Public Financial Management, Inc., the County's financial advisor (the "County's
9 Financial Advisor"), has advised the County that (1) the private (negotiated) sale of refunding
10 bonds (either directly or by the solicitation of bids on a limited bidder basis) gives an issuer the
11 flexibility necessary to respond quickly to changes in the market and to structure and market such
12 bonds, all to maximize the savings to such issuer, (2) interest rates for the County's bonds are now
13 so attractive that the County should be able to realize significant savings in the cost of debt
14 service on the Refunded Consolidated Bonds and Refunded Metropolitan Bonds (both as
15 hereinafter defined) by selling its refunding bonds as hereinafter set forth. Accordingly the
16 County's Financial Advisor has recommended that the County sell a single issue of its
17 consolidated public improvement bonds and a single issue of its metropolitan district bonds for
18 such purposes by such a private (negotiated) sale, and it has advised the County that such a
19 private (negotiated) sale will provide significant benefits to the County which would not be
20 achieved if such bonds (or portions thereof) were sold at public sale.

21 Based on the foregoing advice and recommendations of the County's Financial Advisor
22 and the findings set forth in Section 2 hereof, the County Council of Howard County, Maryland
23 (the "County Council") has determined that it is in the best interest of the County to issue
24 refunding bonds to refund the Refunded Consolidated Bonds (the "Consolidated Bonds") and to
25 issue refunding bonds to refund the Refunded Metropolitan Bonds (the "Metropolitan District
26 Bonds" and collectively with the Consolidated Bonds, the "Bonds"). The Consolidated Bonds

1 shall be issued in the aggregate principal amount of \$150,000,000, or in such lesser principal
2 amount as the County Executive of the County (the "County Executive") may specify in an
3 Executive Order (the "Executive Order") executed and delivered at the time the Bonds are sold
4 ~~(the "Executive Order")~~ to the purchaser or purchasers thereof, in order to provide funds for the
5 purpose of (1) refunding some or all of the portions of the Outstanding Consolidated Bonds set
6 forth in the table attached hereto as Exhibit C (which Exhibit is incorporated herein by reference
7 and made a part hereof), as such table may be revised in the Executive Order (the "Refunded
8 Consolidated Bonds") and paying the redemption premium (if any) and the interest accrued and
9 to accrue to the applicable maturity or redemption dates of the Refunded Consolidated Bonds and
10 (2) paying the costs of issuance of the Consolidated Bonds, all to the extent such interest and
11 costs are not payable from other sources, as specified in the Executive Order. The Metropolitan
12 District Bonds shall be issued in the aggregate principal amount of \$25,000,000, or in such lesser
13 principal amount as the County Executive may specify in the Executive Order, for the purpose of
14 (1) refunding some or all of the portions of the Outstanding Metropolitan Bonds in whole or in
15 part as set forth in the table attached hereto as Exhibit C (which Exhibit is incorporated herein by
16 reference and made a part hereof), as such table may be revised in the Executive Order (the
17 "Refunded Metropolitan Bonds") and paying the redemption premium (if any) and the interest
18 accrued and to accrue to the applicable maturity or redemption dates of the Refunded
19 Metropolitan Bonds, and (2) paying the costs of issuance of the Metropolitan District Bonds, all
20 to the extent such interest and costs are not payable from other sources, as specified in the
21 Executive Order.

22 **Now, therefore, in accordance with the provisions of the Refunding Act, Section 5(P)**
23 **of Article 25A, Article VI of the Charter and other applicable provisions of law,**

24 **Section 1. Be it enacted by the County Council of Howard County, Maryland, That**
25 all terms used herein which are defined in the Recitals hereof and in Exhibits A, B and C hereto
26 shall have the meanings given such terms therein.

1 **Section 2. Be it further enacted by the County Council of Howard County,**
2 **Maryland,** That it is hereby found, determined and declared as follows:

3 (1) (a) The County has heretofore issued each series of the Outstanding
4 Consolidated Bonds in the original aggregate principal amounts listed in Exhibit A hereto for the
5 public purposes and in the amounts (or maximum amounts) for each such public purpose
6 specified in the Bond Ordinance for such series as set forth in Exhibit A hereto. The outstanding
7 aggregate principal amount of each series of the Outstanding Consolidated Bonds is also set forth
8 in Exhibit A hereto.

9 (b) The County has heretofore issued each series of the Outstanding
10 Metropolitan Bonds in the original aggregate principal amounts listed in Exhibit B hereto for the
11 public purposes and in the amounts (or maximum amounts) for each such public purpose
12 specified in the Bond Ordinance for such series as set forth in Exhibit B hereto. The outstanding
13 aggregate principal amount of each series of the Outstanding Metropolitan Bonds is also set forth
14 in Exhibit B hereto.

15 (2) Interest rates in the municipal bond market for certain corresponding
16 maturities of bonds are significantly lower than they were when certain of the Outstanding
17 Consolidated Bonds and Outstanding Metropolitan Bonds were issued; and the County's
18 Financial Advisor has advised the County that it may be able to realize significant savings in the
19 aggregate cost of debt service on certain portions of the Outstanding Consolidated Bonds and
20 Outstanding Metropolitan Bonds, in each case on both a direct comparison and a present value
21 basis, by issuing (a) its consolidated public improvement refunding bonds for the purpose of
22 refunding the Refunded Consolidated Bonds, and (b) its metropolitan district refunding bonds for
23 the purpose of refunding the Refunded Metropolitan Bonds, all on the dates and in the principal
24 amounts or at the redemption prices specified in Exhibit C hereto (or on such other dates and in
25 such principal amounts or at such other redemption prices as may be specified in the Executive
26 Order), and for each such refunding bond issue, for the purpose of paying any redemption

1 premium, any interest accrued and to accrue to the applicable maturity or redemption dates of the
2 Refunded Consolidated Bonds and the Refunded Metropolitan Bonds (collectively, the
3 "Refunded Bonds") and the costs of issuing each series of such refunding bonds, to the extent
4 such interest and costs are not paid from other sources. The County understands that the final
5 determination of whether it will realize savings in the aggregate cost of debt service for each
6 series (and each maturity of such series) of the Outstanding Consolidated Bonds and Outstanding
7 Metropolitan Bonds (or certain portions thereof) will depend on the actual interest rates available
8 at the time the Bonds of each issue are sold and the other terms and conditions of the sale.
9 Accordingly, it is likely that the description and details of the Refunded Consolidated Bonds and
10 Refunded Metropolitan Bonds will be modified in the Executive Order. Accordingly, any series
11 of Outstanding Consolidated Bonds and Outstanding Metropolitan Bonds (or any maturity of any
12 such series or any portion of any such maturity) not included (in whole or in part) in the
13 Executive Order as Refunded Consolidated Bonds or Refunded Metropolitan Bonds, respectively,
14 will not be refunded and will continue to remain outstanding in accordance with its terms.

15 (3) The County's Financial Advisor has recommended that the County sell a
16 single issue of its consolidated public improvement bonds and a single issue of its metropolitan
17 district bonds for such purposes by private (negotiated) sale.

18 (4) It is therefore in the best interest of the County to issue ~~its general~~
19 ~~obligation consolidated public improvement bonds (the "the Consolidated Bonds")~~ the
20 Consolidated Bonds pursuant to and in accordance with the Charter, Section 5(P) of Article 25A
21 and the Refunding Act, in the aggregate principal amount of \$150,000,000, or such lesser
22 principal amount as the County Executive may specify in the Executive Order, for the purpose of
23 (a) paying at maturity or redeeming the Refunded Consolidated Bonds on the dates and in the
24 principal amounts or at the redemption prices specified in Exhibit C hereto (or on such other dates
25 or in such principal amounts or at such other redemption prices as may be specified in the
26 Executive Order), and paying any redemption premium and any interest accrued and to accrue to

1 the applicable maturity or redemption dates of such Refunded Consolidated Bonds, and (b)
2 paying the costs of issuing the Consolidated Bonds, all to the extent such interest and costs are
3 not payable from other sources, as specified in the Executive Order.

4 (5) It is also therefore in the best interest of the County to issue ~~its general~~
5 ~~obligation metropolitan district bonds (the "the Metropolitan District Bonds" and, together with~~
6 ~~the Consolidated Bonds, the "Bonds")~~ the Metropolitan District Bonds pursuant to and in
7 accordance with the Charter, Section 5(P) of Article 25A, and the Refunding Act, in the aggregate
8 principal amount of \$25,000,000, or such lesser principal amount as the County Executive may
9 specify in the Executive Order, for the purpose of (a) paying at maturity or redeeming the
10 Refunded Metropolitan Bonds on the dates and in the principal amounts or at the redemption
11 prices specified in Exhibit C hereto (or on such other dates and in such principal amounts or at
12 such other redemption prices as may be specified in the Executive Order) and paying any
13 redemption premium and any interest accrued and to accrue to the applicable maturity or
14 redemption dates of such Refunded Metropolitan Bonds and (b) paying the costs of issuing the
15 Metropolitan District Bonds, all to the extent such interest and costs are not payable from other
16 sources, as specified in the Executive Order.

17 (6) The aggregate principal amount of the Bonds, computed in accordance
18 with subsection (d) of the Refunding Act, is within the legal limitation on the indebtedness of the
19 County as set forth in Article VI of the Charter.

20 (7) In order to achieve the flexibility necessary to structure and market the
21 Bonds to maximize the savings to the County, it is in the public interest to sell the Bonds of each
22 issue on a negotiated basis without solicitation of bids (either directly or by the solicitation of bids
23 on a limited bidder basis)-and the sale of the Bonds of each issue by such a private (negotiated)
24 sale will provide significant benefits to the County which would not be achieved if the Bonds of
25 such issue were sold at public sale.

1 (8) The County will provide for the award and sale of each issue of the
2 Bonds to the purchaser thereof and various other matters relating to the issuance of the Bonds,
3 including, among other things, the final aggregate principal amounts of the Consolidated Bonds
4 (if less than \$150,000,000), and the Metropolitan District Bonds (if less than \$25,000,000), the
5 schedule of maturities of each issue, the rates of interest payable on the Bonds of each issue and
6 maturity, the terms and conditions relating to any optional redemption or mandatory sinking fund
7 redemption for each issue, and the purchase price of each issue of the Bonds (which may be either
8 at, above or below par), by the Executive Order, which Executive Order shall be executed and
9 delivered by the County Executive at the time each issue of the Bonds is to be awarded and sold
10 to the purchaser or purchasers thereof. The Executive Order may also delete one or more issues
11 or maturities of the Outstanding Consolidated Bonds or Outstanding Metropolitan Bonds (or
12 portions of such issues or maturities) from the list of Refunded Consolidated Bonds or Refunded
13 Metropolitan Bonds, respectively, if the County Executive determines in the Executive Order that
14 such change is in the best interests of the County.

15 (9) In the Bond Ordinance for each series of the Outstanding Consolidated
16 Bonds and Outstanding Metropolitan Bonds, the County determined the probable average useful
17 life (or minimum probable average useful life) of the projects financed with the proceeds of the
18 corresponding issue of Outstanding Consolidated Bonds and Outstanding Metropolitan Bonds.
19 Such determinations are incorporated herein by reference and made a part hereof. The portion of
20 the Consolidated Bonds attributable to each series of the Outstanding Consolidated Bonds
21 refunded thereby is and shall be payable within the probable average useful life of the projects
22 financed by such series of the Outstanding Consolidated Bonds (determined as of the date of the
23 Bond Ordinance for such series); and the portion of the Metropolitan District Bonds attributable
24 to each series of the Outstanding Metropolitan Bonds refunded thereby is and shall be payable
25 within the probable average useful life of the projects financed by such series of the Outstanding
26 Metropolitan Bonds (determined as of the date of the Bond Ordinance for such series).

1 **Section 3. Be it further enacted by the County Council of Howard County,**
2 **Maryland,** (a) That the County, pursuant to the authority contained in Section 5(P) of Article
3 25A, the Charter and the Refunding Act, shall borrow upon the full faith and credit of the County
4 and shall issue and sell upon the full faith and credit of the County \$150,000,000 in aggregate
5 principal amount (or such lesser aggregate principal amount as may be specified in the Executive
6 Order) of its bonds in registered form without coupons (the "Consolidated Bonds" and in each
7 such bond, a "Consolidated Bond"). The Consolidated Bonds shall be designated "Howard
8 County, Maryland Consolidated Public Improvement Refunding Bonds, ~~2008 Series A~~ 2007
9 Series B" if the Consolidated Bonds are ~~the first series of consolidated public improvement bonds~~
10 issued by the County in calendar year 2007, and otherwise shall be as specified in the Executive
11 Order.

12 (b) The date of issue of the Consolidated Bonds shall be the date of delivery of
13 the Consolidated Bonds and the Metropolitan District Bonds to the purchaser or purchasers
14 thereof (the "Dated Date"). The Consolidated Bonds shall be dated the Dated Date, shall be
15 issued in book-entry form by issuing a single bond for each maturity registered in the name of
16 Cede & Co., as nominee for The Depository Trust Company or its successor ("DTC") (provided
17 that if DTC so requests or if DTC is replaced as the depository for the Consolidated Bonds,
18 replacement bonds shall be issued in denominations of \$5,000 each or any integral multiple
19 thereof), and shall be consecutively numbered in such manner as shall be determined by the Bond
20 Registrar (as defined in Section 11 hereof).

21 (c) The Consolidated Bonds shall be issued in serial form or, if subject to
22 mandatory sinking fund redemption, in term form, or in a combination of such forms, as specified
23 in the Executive Order. The first maturity of the Consolidated Bonds shall be February 15, 2009,
24 and the last maturity of the Consolidated Bonds shall be February 15th of the fiscal year of the
25 County in which the last maturity of the Refunded Consolidated Bonds occurs, ~~and~~ or such earlier
26 date as shall be specified in the Executive Order.

1 (d) The Consolidated Bonds shall bear interest at the rate or rates to be
2 established by negotiation in accordance with Section 13 of this Ordinance, and such interest
3 shall be payable semiannually on each February 15 and August 15 after the Dated Date until and
4 including the date of maturity or earlier redemption, provided that the first interest payment date
5 for the Consolidated Bonds may be changed in the Executive Order.

6 (e) Each Consolidated Bond shall bear interest from the interest payment
7 date next preceding the date of registration and authentication of such Consolidated Bond, unless
8 such Consolidated Bond is registered and authenticated on an interest payment date, in which
9 case it shall bear interest from such interest payment date, or, unless authenticated prior to the
10 first interest payment date, in which case it shall bear interest from the Dated Date, or unless, as
11 shown by the records of the Bond Registrar, interest on such Consolidated Bond shall be in
12 default, in which event such Consolidated Bond shall bear interest from the date to which interest
13 was last paid on such Consolidated Bond.

14 (f) The Consolidated Bonds shall be in substantially the form set forth in
15 Exhibit D attached hereto, which form, with such changes therein as the County Executive shall
16 approve (such approval to be conclusively evidenced by the execution and delivery of the
17 Consolidated Bonds by the County Executive) is hereby adopted by the County as and for the
18 form and tenor of the obligation to be incurred, and such covenants and conditions are hereby
19 made binding upon the County, including the promise to pay therein contained.

20 **Section 4. Be it further enacted by the County Council of Howard County,**
21 **Maryland,** That for the purpose of paying the interest on the Consolidated Bonds when due and
22 the principal thereof when they respectively mature and are payable, there is hereby levied and
23 there shall hereafter be levied in each fiscal year that any of the Consolidated Bonds are
24 outstanding, ad valorem taxes on real and tangible personal property and intangible property
25 subject to taxation by the County without limitation of rate or amount and, in addition, upon such
26 other intangible property as may be subject to taxation by the County within limitations

1 prescribed by law, in an amount sufficient, together with funds available from other sources, to
2 pay the annual interest (payable in the manner set forth herein) on the outstanding Consolidated
3 Bonds and to pay the principal of the Consolidated Bonds maturing during the succeeding year. It
4 is hereby declared that the principal of and interest on the Consolidated Bonds are to be paid from
5 the sources set forth in the preceding sentence, and the full faith and credit and the unlimited
6 taxing power of the County are hereby irrevocably pledged to the punctual payment of the
7 principal of and interest on the Consolidated Bonds as and when the same respectively become
8 due and payable.

9 **Section 5. Be it further enacted by the County Council of Howard County,**
10 **Maryland,** (a) That the County, pursuant to the authority contained in Section 5(P) of Article
11 25A, the Charter and the Refunding Act, shall borrow upon the full faith and credit of the County
12 and shall issue and sell upon the full faith and credit of the County \$25,000,000 in aggregate
13 principal amount (or such lesser principal amount as may be specified in the Executive Order) of
14 its bonds in registered form without coupons (the "Metropolitan District Bonds", and each such
15 bond, a "Metropolitan District Bond"), such bonds to be known as "Howard County, Maryland
16 Metropolitan District Refunding Bonds, ~~2008 Series A~~ 2007 Series B" if the Metropolitan District
17 Bonds are ~~the first series of metropolitan district bonds~~ issued by the County in calendar year
18 ~~2008-2007~~, and otherwise shall be specified in the Executive Order.

19 (b) The date of issue of the Metropolitan District Bonds shall be the Dated
20 Date. The Metropolitan District Bonds shall be dated the Dated Date, shall be issued in book-
21 entry form by issuing a single bond for each maturity registered in the name of Cede & Co., as
22 nominee for DTC (provided that if DTC so requests or if DTC is replaced as the depository for
23 the Metropolitan District Bonds, replacement bonds shall be issued in denominations of \$5,000
24 each or any integral multiple thereof), and shall be consecutively numbered in such manner as
25 shall be determined by the Bond Registrar.

1 (c) The Metropolitan District Bonds shall be issued in serial form or, if subject to
2 mandatory sinking fund redemption, in term form, or in a combination of such forms as specified
3 in the Executive Order, and shall be payable in installments to be specified in the Executive
4 Order. The first maturity of the Metropolitan District Bonds shall be February 15, 2009 and the
5 last maturity of the Metropolitan District Bonds shall be February 15th of the fiscal year of the
6 County in which the last maturity or mandatory sinking fund installment of the Refunded
7 Metropolitan District Bonds occurs, ~~and~~ or on such earlier date as shall be specified in the
8 Executive Order.

9 (d) The Metropolitan District Bonds shall bear interest at the rate or rates to be
10 established by negotiation in accordance with Section 13 of this Ordinance, and such interest
11 shall be payable semiannually on each February 15 and August 15 after the Dated Date until and
12 including the date of maturity or earlier redemption, provided that the first interest payment date
13 for the Metropolitan District Bonds may be changed in the Executive Order.

14 (e) Each Metropolitan District Bond shall bear interest from the interest
15 payment date next preceding the date of registration and authentication of such Metropolitan
16 District Bond, unless such Metropolitan District Bond is registered and authenticated on an
17 interest payment date, in which case it shall bear interest from such interest payment date, or,
18 unless authenticated prior to the first interest payment date, in which case it shall bear interest
19 from the Dated Date, or unless, as shown by the records of the Bond Registrar, interest on such
20 Metropolitan District Bond shall be in default, in which event such Metropolitan District Bond
21 shall bear interest from the date to which interest was last paid on such Metropolitan District
22 Bond.

23 (f) The Metropolitan District Bonds shall be in substantially the form set
24 forth in Exhibit E attached hereto, which form, with such changes therein as the County
25 Executive shall approve (such approval to be conclusively evidenced by the execution and
26 delivery of the Metropolitan District Bonds by the County Executive) is hereby adopted by the

1 County as and for the form and tenor of the obligation to be incurred, and such covenants and
2 conditions are hereby made binding upon the County, including the promise to pay therein
3 contained.

4 **Section 6. Be it further enacted by the County Council of Howard County,**
5 **Maryland,** That for the purpose of paying the interest on the Metropolitan District Bonds when
6 due and the principal thereof when they respectively mature and are payable, there is hereby
7 levied and there shall hereafter be levied in each fiscal year that any of the Metropolitan District
8 Bonds are outstanding, ad valorem taxes on real and tangible personal property and intangible
9 property subject to taxation by the County without limitation of rate or amount and, in addition,
10 upon such other intangible property as may be subject to taxation by the County within
11 limitations prescribed by law, in an amount sufficient, together with benefit assessments, ad
12 valorem taxes upon assessable property in the Metropolitan District and other available funds, to
13 pay the annual interest (payable in the manner set forth herein) on the outstanding Metropolitan
14 District Bonds and to pay the principal of the Metropolitan District Bonds maturing during the
15 succeeding fiscal year. It is hereby declared that the principal of and interest on the Metropolitan
16 District Bonds are to be paid from the sources set forth in the preceding sentence, and the full
17 faith and credit and the unlimited taxing power of the County are hereby irrevocably pledged to
18 the punctual payment of the principal of and interest on the Metropolitan District Bonds as and
19 when the same respectively become due and payable.

20 **Section 7. Be it further enacted by the County Council of Howard County,**
21 **Maryland,** (a) That payment of the purchase price of the Consolidated Bonds shall be made to
22 the Director of Finance of the County (the "Director of Finance"). Such purchase price shall be
23 applied by the Director of Finance (i) as a deposit in trust with Manufacturers and Traders Trust
24 Company, as escrow deposit agent (the "Escrow Deposit Agent"), into a trust fund to be
25 established in the name of the County (the "Escrow Deposit Fund") pursuant to an Escrow
26 Deposit Agreement to be entered into between the County and the Escrow Deposit Agent (the

1 "Escrow Deposit Agreement") and (ii) as provided in subsection (e) of this Section 7. The
2 Escrow Deposit Agreement shall be in substantially the form set forth in Exhibit F attached
3 hereto, with such changes therein as the County Executive shall approve (such approval to be
4 conclusively evidenced by the execution and delivery of the Escrow Deposit Agreement by the
5 County Executive) and in such form the Escrow Deposit Agreement is hereby approved. The
6 actual allocation of proceeds of the Consolidated Bonds shall be specified in the Executive Order,
7 and the designation of the Escrow Deposit Agent set forth in this subsection may be changed by
8 the Executive Order. In addition, the Executive Order or the Escrow Deposit Agreement may also
9 provide for one or more additional funds or accounts.

10 (b) Payment of the purchase price of the Metropolitan District Bonds shall
11 also be made to the Director of Finance. Such purchase price shall be applied and the remaining
12 portion of such proceeds shall be immediately deposited by the Director of Finance (i) as a
13 deposit in trust with the Escrow Deposit Agent in the Escrow Deposit Fund pursuant to the
14 Escrow Deposit Agreement and (ii) as provided in subsection (f) of this Section 7.

15 (c) In addition, if the County Executive provides in the Executive Order, the
16 Director of Finance shall transfer to the Escrow Deposit Agent amounts equal to some or all of
17 the interest which is payable on the Refunded Consolidated Bonds and/or the Refunded
18 Metropolitan District Bonds during the fiscal year of the County in which the Dated Date occurs.

19 (d) The Escrow Deposit Agent shall apply all or part of the funds deposited
20 with it by the Director of Finance pursuant to subsections (a), (b) and, if applicable, (c) of this
21 Section 7 and the Executive Order to the purchase of direct obligations of, or obligations the
22 timely payment of the principal of and interest on which is unconditionally guaranteed by, the
23 United States of America (hereinafter referred to as "Government Obligations"), the principal of
24 and interest on which will be sufficient, together with any cash not so invested and without
25 reinvestment, to pay in a timely manner (1) the principal of the Refunded Consolidated Bonds
26 and the redemption premium, if any, and interest accrued and to accrue thereon to the applicable

1 maturity or redemption dates thereof, and (2) the principal of the Refunded Metropolitan Bonds
2 and the redemption premium, if any, and interest accrued and to accrue thereon to the applicable
3 maturity or redemption dates thereof. As the Government Obligations in the Escrow Deposit
4 Fund pay interest and mature, the moneys so derived shall be held in the Escrow Deposit Fund
5 and applied to the payment of (1) the principal of the Refunded Consolidated Bonds and the
6 redemption premium, if any, and interest accrued and to accrue thereon to the applicable maturity
7 or redemption dates thereof, and (2) the principal of the Refunded Metropolitan Bonds and the
8 redemption premium, if any, and interest accrued and to accrue thereon to the applicable maturity
9 or redemption dates thereof.

10 (e) Proceeds of the Consolidated Bonds shall also be applied to pay costs,
11 fees and expenses incurred in the sale of the Consolidated Bonds (which funds are hereby
12 authorized to be used for such purpose, to the extent such costs, fees and expenses are not paid
13 from other sources), and any remaining proceeds of the Consolidated Bonds shall be used for the
14 payment of interest on or the principal of the Consolidated Bonds, as the County shall determine
15 in its sole discretion.

16 (f) Proceeds of the Metropolitan District Bonds shall also be used for (i) fees,
17 costs and expenses incurred in connection with the issuance of the Metropolitan District Bonds,
18 to the extent such fees, costs and expenses are not paid from other sources, and (ii) the payment
19 of interest on or the principal of the Metropolitan District Bonds, as the County shall determine in
20 its sole discretion.

21 (g) Notwithstanding any of the foregoing provisions of this Section 7, no
22 proceeds of the Bonds will be applied in any way which would violate the covenants contained in
23 Section 15 of this Ordinance.

24 **Section 8. Be it further enacted by the County Council of Howard County,**
25 **Maryland,** That the Bonds shall be signed by the County Executive and by the Director of
26 Finance by manual or facsimile signature, and the Bonds shall bear the corporate seal of the

1 County, or a facsimile thereof, attested by the manual or facsimile signature of the Chief
2 Administrative Officer of the County (the "Chief Administrative Officer"). In the event that any
3 officer whose signature shall appear on the Bonds shall cease to be such officer before the
4 delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes,
5 the same as if such officer had remained in office until delivery.

6 **Section 9. Be it further enacted by the County Council of Howard County, Maryland,**

7 (a) That the County Executive is hereby authorized to make such modifications to the forms of
8 the Bonds as may be appropriate to conform to any standard specifications for registered
9 municipal securities which may be promulgated by any body generally recognized in the
10 municipal securities industry (including, without limitation, the American National Standards
11 Institute) in order to facilitate computer or other mechanical processing methods for registration
12 of municipal bonds.

13 (b) The County Executive shall also initiate a system for registration of the
14 Bonds of both issues in book-entry form and is hereby authorized to enter into such agreements as
15 may be necessary to provide for registration of the Bonds in book-entry form, with DTC, by
16 issuance of not less than one bond of each maturity.

17 (c) The County Executive may replace any depository for either issue of the
18 Bonds pursuant to a book-entry registration system established in accordance with this Section if
19 the County Executive determines that such depository is incapable of discharging its duties with
20 respect to the Bonds of such issue, or that the interest of the beneficial owners of the Bonds of
21 such issue might be adversely affected by the continuation of such book-entry system. Notice of
22 such determination shall be given to such depository not less than 30 days prior to any such
23 determination. Thereafter, the County Executive may issue replacement Bonds of such issue to a
24 substitute securities depository, to participants of a securities depository to be replaced or to
25 beneficial owners of the Bonds of such issue properly identified by such participants.

1 (d) When the County Executive initiates a book-entry registration system to be
2 maintained by DTC or replaces DTC with another municipal securities depository (either, a
3 "Depository"), the County Executive shall execute and deliver to the Depository any
4 representation letters or agreements as shall be deemed necessary or appropriate by the County
5 Executive or other agreements then required by the Depository in order to qualify the Bonds of
6 the applicable issue for registration in book-entry form by the Depository. The County Executive
7 is hereby authorized to agree to any different manner for the payment of interest or principal or
8 any different procedures for the redemption of bonds or giving of notices which is determined in
9 accordance with any representation letters or agreements entered into with any Depository.
10 Transfer or crediting of the appropriate principal and interest to the participants in the Depository
11 will be the responsibility of the Depository, and transfer and crediting of principal and interest
12 payments to the beneficial owners of the Bonds of the applicable issue or their nominees will be
13 the responsibility of the participants in the Depository. Transfers of beneficial ownership of the
14 Bonds of the applicable issue will be effected on the records of the Depository (and its
15 participants) pursuant to rules and procedures established by the Depository.

16 (e) Any securities depository selected in accordance with this Ordinance and
17 each of its participants and the beneficial owners of the Bonds, by their acceptance of the Bonds,
18 shall agree that the County and the County Executive shall have no liability for the failure of any
19 such securities depository which may be selected as herein provided to perform its obligations to
20 the participants and the beneficial owners of the Bonds, nor shall either the County or the County
21 Executive be liable for the failure of any participant or other nominee of the beneficial owners to
22 perform any obligation the participant may incur to a beneficial owner of the Bonds.

23 **Section 10. Be it further enacted by the County Council of Howard County,**
24 **Maryland,** That the Director of Finance is hereby designated and appointed as bond registrar,
25 paying agent and authenticating agent for the Bonds (the "Bond Registrar"). The Bond Registrar
26 shall maintain books of the County for the registration and transfer of the Bonds (the "Bond

1 Register"). No Bonds may be registered to bearer. In addition, the County may from time to
2 time, either prior to or following the issuance of the Bonds, designate and appoint the Department
3 of Finance of the County, any officer or employee of the County or one or more banks, trust
4 companies, corporations or other financial institutions to act as a substitute or alternate bond
5 registrar, paying agent or authenticating agent for the Bonds of either issue, and any such
6 substitute or alternate shall be deemed to be the Bond Registrar or an alternate Bond Registrar for
7 all purposes specified in the resolution appointing such substitute or alternate. Any such
8 appointment shall be made by the County Council by resolution; and the exercise of such power
9 of appointment, no matter how often, shall not be an exhaustion thereof.

10 **Section 11. Be it further enacted by the County Council of Howard County,**
11 **Maryland,** That the Bonds shall be authenticated and shall be subject to registration, exchange
12 and transfer as follows:

13 (a) No Bond shall be valid or obligatory for any purpose unless and until the
14 certificate of authentication therefor shall have been duly executed by the Bond Registrar, and
15 such executed certificate of the Bond Registrar upon any such Bond shall be conclusive evidence
16 that such Bond has been authenticated and delivered pursuant to this Ordinance. The Bond
17 Registrar's certificate of authentication on any Bond shall be deemed to have been executed by
18 the Bond Registrar if manually signed by an authorized signer of the Bond Registrar, but it shall
19 not be necessary that the same person sign the certificate of authentication on all of the Bonds
20 issued hereunder.

21 (b) Each Bond shall be transferable only upon the books of the County
22 maintained by the Bond Registrar, at the written request of the registered owner thereof or his
23 attorney duly authorized in writing, but no Bond will be transferred unless DTC determines to
24 discontinue providing its services as a securities depository or directs that such Bonds be
25 reregistered in a different name or different amounts, or unless DTC is removed as the
26 Depository. Any such transfer of such Bond shall be made, upon surrender thereof, together with

1 a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered
2 owner or his attorney duly authorized in writing. Upon the surrender for transfer of any Bond,
3 the County shall issue, and the Bond Registrar shall authenticate, in the name of the transferee, in
4 authorized denominations, a new Bond or Bonds of the same aggregate principal amount and of
5 the same issue, form and tenor as the surrendered Bond. If any Bond is presented for such
6 purpose at the principal office of the Bond Registrar, the Bond Registrar shall register or cause to
7 be registered in the Bond Register and permit to be transferred thereon, under such reasonable
8 regulations as the County or the Bond Registrar may prescribe, any Bond entitled to registration
9 or transfer. So long as any of the Bonds remain outstanding, the County shall cooperate in
10 making all necessary provisions to permit the exchange of Bonds at the principal office of the
11 Bond Registrar. The County and the Bond Registrar may deem and treat the person in whose
12 name any Bond shall be registered upon the books of the County as the absolute owner of such
13 Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on
14 account of, the principal of and premium, if any, and interest on such Bond and for all other
15 purposes, and all such payments so made to any such registered owner or upon his order shall be
16 valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum
17 or sums so paid, and neither the County nor the Bond Registrar shall be affected by any notice to
18 the contrary.

19 Bonds, upon surrender thereof at the principal office of the Bond Registrar with a written
20 instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or
21 his duly authorized attorney, may, at the option of the registered owner thereof, be exchanged for
22 an equal aggregate principal amount of Bonds of the same issue, maturity and interest rate and of
23 any other authorized denominations.

24 In all cases in which the privilege of exchanging Bonds or transferring Bonds is
25 exercised, the County shall execute and the Bond Registrar shall authenticate and deliver Bonds
26 in accordance with the provisions of this Ordinance. All Bonds surrendered in any such

1 exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such
2 exchange or transfer of Bonds, the County or the Bond Registrar shall make a charge for any tax
3 or other governmental charge required to be paid with respect to such exchange or transfer. Such
4 charge shall be paid by the person requesting such exchange or transfer as a condition precedent
5 to the exercise of the privilege of making such exchange or transfer. The Bond Registrar shall not
6 be obligated to make any such exchange or transfer of Bonds during the 15 days next preceding an
7 interest payment date on the Bonds, or in case of any proposed redemption of the Bonds, during
8 the 15 days next preceding the date of the mailing or delivery of notice of such redemption. The
9 Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for
10 redemption.

11 (c) In the event any Bond is mutilated, lost, stolen or destroyed, the County may
12 execute and the Bond Registrar may authenticate a new Bond of like issue, date, maturity, interest
13 rate and denomination as that of the Bond mutilated, lost, stolen or destroyed; provided that, in
14 the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Bond
15 Registrar, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the
16 County and the Bond Registrar evidence of such loss, theft or destruction satisfactory to the
17 County and the Bond Registrar, together with indemnity satisfactory to them. In the event any
18 such Bond shall be about to mature or have matured or been called for redemption, instead of
19 issuing a duplicate Bond the Bond Registrar may pay the same without surrender thereof. The
20 County and the Bond Registrar may charge the registered owner of such Bond their expenses and
21 reasonable fees, if any, in this connection.

22 **Section 12. Be it further enacted by the County Council of Howard County,**
23 **Maryland,** (a) That certain of the Bonds ~~shall~~ may be subject to redemption prior to maturity.
24 The Bonds so subject to redemption, if any, the redemption dates and the redemption prices shall
25 be specified in the Executive Order.

1 (b) The Bonds shall be redeemed only in integral multiples of \$5,000. If less
2 than all of the outstanding Consolidated Bonds or Metropolitan District Bonds shall be called for
3 optional redemption, the County shall choose the maturities of the Consolidated Bonds or
4 Metropolitan District Bonds to be redeemed and the principal amount of each such maturity to be
5 redeemed, in its sole discretion. If less than all of the Consolidated Bonds or Metropolitan District
6 Bonds of any one maturity shall be called for optional redemption, then the particular
7 Consolidated Bonds or Metropolitan District Bonds (whichever are to be redeemed) of such
8 maturity, or portions of such Consolidated Bonds or Metropolitan District Bonds, to be so
9 redeemed shall be chosen by the Depository in accordance with its normal and customary
10 procedures (so long as the Bonds are in book-entry form) or, if the book-entry form has been
11 discontinued, by lot by the Bond Registrar in such manner as the Bond Registrar, in her
12 discretion, shall determine; and, for an optional redemption, if such maturity consists of term
13 Bonds, the County shall choose the mandatory sinking fund redemption installments of such term
14 Bonds to be reduced and the amount of each such reduction, in its sole discretion.

15 (c) Unless notice of redemption shall be waived in writing by the registered
16 owners of the Bonds to be redeemed, a notice calling for redemption of the Bonds to be redeemed
17 shall be mailed by the Bond Registrar, not less than 30 days nor more than 45 days prior to the
18 date fixed for redemption (the "Redemption Date"), to all registered owners of the Bonds to be
19 redeemed (in whole or in part), at their last addresses appearing on the registration books kept by
20 the Bond Registrar, by first-class mail, postage prepaid (provided, however, that, so long as all of
21 the Bonds are registered in the name of the Depository or its nominee, such notice shall be given
22 by a secure means (e.g. legible facsimile transmission, registered or certified mail or overnight
23 express delivery) in a timely manner designed to assure that such notice is in the Depository's
24 possession no later than the close of business on such thirtieth day); but failure to mail or deliver
25 any such notice or any defect in the notice so mailed or delivered, or in the mailing or delivery
26 thereof, shall not affect the validity of any redemption proceedings. Such notice shall specify the

1 issue, CUSIP numbers, maturities and interest rates of the Bonds to be redeemed (in whole or in
2 part), and, for a partial redemption, the principal amount of each maturity of the Bonds to be
3 redeemed, the date of the notice, the Redemption Date, the redemption price, and the name,
4 address and telephone number of the Bond Registrar, and shall further state that, on the
5 Redemption Date, the Bonds called for redemption will be due and become payable at the office
6 of the Bond Registrar, and that, from and after the Redemption Date, interest thereon shall cease
7 to accrue. The Bond Registrar will use its best efforts to mail a second notice of redemption to
8 registered owners of Bonds who have not presented their Bonds for redemption 60 days after the
9 Redemption Date.

10 (d) On the Redemption Date, if moneys for the payment of the redemption
11 price plus accrued interest are being held by the Bond Registrar, the Bonds (or portions thereof)
12 so called for redemption shall become due and payable at the redemption price provided for
13 redemption of such Bonds (or such portions thereof) on the Redemption Date, interest on such
14 Bonds (or portions thereof) so called for redemption shall cease to accrue and the holders or
15 registered owners of such Bonds (or portions thereof) so called for redemption shall have no
16 rights in respect thereto except to receive payment of the redemption price thereof, plus accrued
17 interest thereon to the Redemption Date from such moneys held by the Bond Registrar.

18 (e) If it is determined that a portion, but not all, of the principal amount
19 represented by any Bond is to be called for redemption, then upon notice of intention to redeem
20 such portion, the registered owner of such Bond shall forthwith surrender such Bond to the Bond
21 Registrar (i) for payment of the redemption price (including the premium, if any, and interest to
22 the Redemption Date) of the portion of the principal amount thereof called for redemption and (ii)
23 in exchange for a new Bond of the unredeemed balance of the principal amount of such Bond,
24 and having the same form and tenor as such Bond; provided, however, that, so long as the
25 Depository or its nominee is the registered owner of all of the Bonds, the Depository may make
26 an appropriate notation on the applicable Bonds indicating the date and amount of such reduction

1 in principal and notify the County in writing of such action. If a Bond is required to be
2 surrendered to the Bond Registrar, a new Bond or Bonds representing the unredeemed balance of
3 the principal amount of such Bond shall be issued to the registered owner thereof without charge
4 therefor. If the registered owner of any such Bond shall fail to present such Bond to the Bond
5 Registrar for payment and exchange as aforesaid, such Bond shall nevertheless become due and
6 payable on the date fixed for redemption to the extent of the portion of the principal amount
7 called for redemption (and to that extent only). Interest shall cease to accrue on the portion of the
8 principal amount of such Bond called for redemption on and after the Redemption Date, and no
9 new Bonds shall be thereafter issued corresponding to such portion.

10 **Section 13. Be it further enacted by the County Council of Howard County,**
11 **Maryland,** That the Consolidated Bonds and the Metropolitan District Bonds may be each sold
12 for a price at, above, or below par. The Bonds shall be sold on a negotiated basis without
13 solicitation of bids, and such procedure for the sale of each issue of the Bonds is hereby
14 determined to be in the public interest and to provide significant benefits to the County which
15 would not be achieved if the Bonds of either issue were sold at public sale.

16 **Section 14. Be it further enacted by the County Council of Howard County,**
17 **Maryland,** That each issue of the Bonds shall be awarded and sold to the purchaser or purchasers
18 thereof by the Executive Order. The Executive Order shall also (a) provide for the County
19 Executive to approve and execute on behalf of the County (i) one or more bond purchase
20 agreements or similar contracts for the purchase and sale of the Bonds of each issue to the
21 purchaser or purchasers thereof, if applicable (and the execution of such bond purchase
22 agreements is hereby expressly authorized), and (ii) the Escrow Deposit Agreement with the
23 Escrow Deposit Agent, (b) approve the Official Statement of the County to be prepared in
24 connection with the issuance and sale of the Bonds (the "Official Statement"), (c) authorize the
25 County Executive and the Director of Finance to execute, issue and distribute the Official
26 Statement in connection with the sale of the Bonds, and (d) make all changes and additions to the

1 transaction provided for in this Ordinance which are described and provided for herein; and the
2 Executive Order may also do any and all other things necessary, proper or expedient in
3 connection with the issuance, sale and delivery of any one or more issues of the Bonds and in
4 order to accomplish the legislative policy of the Refunding Act, Article 25A and the Charter and
5 the public purposes of this Ordinance, subject to the limitations set forth therein.

6 **Section 15. Be it further enacted by the County Council of Howard County,**
7 **Maryland,** That the County covenants and agrees with the registered owners from time to time of
8 the Bonds as follows:

9 (a) The County covenants that it will not make any use of the proceeds of
10 any of the Bonds or any moneys, securities or other obligations on deposit to the credit of the
11 County or otherwise which may be deemed by the Internal Revenue Service to be proceeds of any
12 of the Bonds pursuant to the Internal Revenue Code of 1986, as amended, and the Income Tax
13 Regulations thereunder (collectively, the "Code"), which would cause any of the Bonds to be
14 "arbitrage bonds" or "private activity bonds" within the meaning of the Code.

15 (b) The County further covenants that it will comply with those provisions
16 of the Code which are applicable to the Bonds on the date of issuance of the Bonds and which
17 may subsequently lawfully be made applicable to the Bonds. To the extent that provisions of the
18 Code apply to only a portion of the Bonds, proceeds of the Bonds or other moneys, securities or
19 other obligations deemed to be proceeds, it is intended that the covenants of the County contained
20 in this Section 15 be construed so as to require the County to comply with the provisions of the
21 Code only to the extent of such applicability.

22 (c) The County further covenants that it will not (i) take any action, (ii) fail
23 to take any action, or (iii) make any use of the proceeds of any of the Bonds which would cause
24 the interest on any of the Bonds to be or become includible in the gross income of the holders
25 thereof for purposes of federal income taxation.

1 **Section 16. Be if further enacted by the County Council of Howard County,**
2 **Maryland,** That in order to enable the purchasers of the Bonds to comply with the requirements
3 of paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), the
4 County shall execute and deliver, on or before the date of issuance and delivery of the Bonds, a
5 Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") for the benefit of the
6 holders of the Bonds. The Continuing Disclosure Agreement sets forth the means by which the
7 County will file and disseminate information required to be provided under the Rule, either by an
8 agent retained pursuant to a requirements contract or by the County itself. The Continuing
9 Disclosure Agreement shall be in substantially the form set forth in Exhibit G attached hereto,
10 with such changes therein as the County Executive shall approve (such approval to be
11 conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement by
12 the County Executive), and in such form the Continuing Disclosure Agreement is hereby
13 approved.

14 **Section 17. Be it further enacted by the County Council of Howard County,**
15 **Maryland,** That this Ordinance shall take effect on the date of its enactment.

16 ~~Exhibits C to G, inclusive, to this Bill were still in the process of being finalized when~~
17 ~~this Bill was prefiled. The final form of such Exhibits will be added to this Bill by amendment~~
18 ~~prior to its being voted upon by the County Council.~~

OUTSTANDING CONSOLIDATED PUBLIC IMPROVEMENT BONDS

Name of Issue: Howard County, Maryland Consolidated Public Improvement Project and Refunding Bonds 1998 Series A (the "1998 Consolidated Bonds")

Date of Issue: February 1, 1998

Original Aggregate Principal Amount: \$161,545,000

Outstanding Aggregate Principal Amount
(Net of Principal Amounts Previously Refunded): \$96,650,000

Bond Ordinance: Council Bill No. 1-1998, as supplemented by Council Bill No. 2-1998

Name of Issue: Howard County, Maryland Consolidated Public Improvement Bonds, 1999 Series A (the "1999 Consolidated Bonds")

Date of Issue: March 1, 1999

Original Aggregate Principal Amount: \$25,000,000

Outstanding Aggregate Principal Amount
(Net of Principal Amounts Previously Refunded): \$1,720,000

Bond Ordinance: Council Bill No. 6-1999

Name of Issue: Howard County, Maryland Consolidated Public Improvement Bonds, 2000 Series A (the "2000 Consolidated Bonds")

Date of Issue: March 15, 2000

Original Aggregate Principal Amount: \$35,535,000

Outstanding Aggregate Principal Amount
(Net of Principal Amounts Previously Refunded): \$1,600,000

Bond Ordinance: Council Bill No. 6-2000

Name of Issue: Howard County, Maryland Consolidated Public Improvement Bonds, 2001 Series A (the "2001 Consolidated Bonds")

Date of Issue: March 15, 2001

Original Aggregate Principal Amount: \$34,520,000

Outstanding Aggregate Principal Amount
(Net of Principal Amounts Previously Refunded): \$2,580,000

Bond Ordinance: Council Bill No. 2-2001

Name of Issue: Howard County, Maryland Consolidated Public Improvement Project and Refunding Bonds, 2002 Series A (the "2002 Consolidated Bonds")

Date of Issue: February 1, 2002

Original Aggregate Principal Amount: \$112,165,000

Outstanding Aggregate Principal Amount
(Net of Principal Amounts Previously Refunded): \$55,480,000

Bond Ordinance: Council Bill No. 1-2002, as supplemented by Council Bill No. 2-2002

Name of Issue: Howard County, Maryland Consolidated Public Improvement Project and Refunding Bonds 2003 Series A (the "2003 Consolidated Bonds")

Date of Issue: June 1, 2003

Original Aggregate Principal Amount: \$ 94,770,000

Outstanding Aggregate Principal Amount: \$ 38,135,000

Bond Ordinance: Council Bill No. 24-2003, as supplemented by Council Bill No. 25-2003

Name of Issue: Howard County, Maryland Consolidated Public Improvement Project and Refunding Bonds 2004 Series A (the "2004A Consolidated Bonds")

Date of Issue: February 1, 2004

Original Aggregate Principal Amount: \$ 112,305,000

Outstanding Aggregate Principal Amount: \$ 105,960,000

Bond Ordinance: Council Bill No. 1-2004, as supplemented by Council Bill No. 2-2004

Name of Issue: Howard County, Maryland Consolidated Public Improvement Project and Refunding Bonds 2004 Series B (the "2004B Consolidated Bonds")

Date of Issue: February 1, 2004

Original Aggregate Principal Amount: \$ 21,000,000

Outstanding Aggregate Principal Amount: \$ 20,925,000

Bond Ordinance: Council Bill No. 1-2004, as supplemented by Council Bill No. 2-2004

Name of Issue: Howard County, Maryland Consolidated Public Improvement Bonds 2005 Series A (the "2005 Consolidated Bonds")

Date of Issue: January 1, 2005

Original Aggregate Principal Amount: \$ 60,000,000

Outstanding Aggregate Principal Amount: \$ 55,400,000

Bond Ordinance: Council Bill No. 73-2004

Name of Issue: Howard County, Maryland Consolidated Public Improvement Bonds 2006 Series A (the "2006 Consolidated Bonds")

Date of Issue: January 15, 2006

Original Aggregate Principal Amount: \$ 91,375,000

Outstanding Aggregate Principal Amount: \$ 88,500,000

Bond Ordinance: Council Bill No. 67-2005

Name of Issue: Howard County, Maryland Consolidated Public Improvement Bonds 2007 Series A (the "2007 Consolidated Bonds")

Date of Issue: March 15, 2007

Original Aggregate Principal Amount: \$ 100,000,000

Outstanding Aggregate Principal Amount: \$ 100,000,000

Bond Ordinance: Council Bill No. 3-2007

OUTSTANDING METROPOLITAN DISTRICT BONDS

Name of Issue: Howard County, Maryland Metropolitan District Project and Refunding Bonds, 1998 Series A (the "1998 Metropolitan Bonds")

Date of Issue: February 1, 1998

Original Aggregate Principal Amount: \$19,475,000

Outstanding Aggregate Principal Amount: \$12,020,000

Bond Ordinance: Council Bill No. 1-1998, as supplemented by Council Bill No. 2-1998

Name of Issue: Howard County, Maryland Metropolitan District Bonds, 1999 Series A (the "1999 Metropolitan Bonds")

Date of Issue: March 1, 1999

Original Aggregate Principal Amount: \$3,000,000

Outstanding Aggregate Principal Amount
(Net of Principal Amounts Previously Refunded): \$ 890,000

Bond Ordinance: Council Bill No. 6-1999

Name of Issue: Howard County, Maryland Metropolitan District Bonds, 2000 Series A
(the "2000 Metropolitan Bonds")

Date of Issue: March 15, 2000

Original Aggregate Principal Amount: \$3,000,000

Outstanding Aggregate Principal Amount
(Net of Principal Amounts Previously Refunded): \$ 125,000

Bond Ordinance: Council Bill No. 6-2000

Name of Issue: Howard County, Maryland Metropolitan District Bonds, 2001 Series A
(the "2001 Metropolitan Bonds")

Date of Issue: March 15, 2001

Original Aggregate Principal Amount: \$6,000,000

Outstanding Aggregate Principal Amount: \$3,240,000
(Net of Principal Amounts Previously Refunded):

Bond Ordinance: Council Bill No. 2-2001

Name of Issue: Howard County, Maryland Metropolitan District Project and Refunding Bonds, 2002 Series A (the "2002 Metropolitan Bonds")

Date of Issue: February 1, 2002

Original Aggregate Principal Amount: \$26,150,000

Outstanding Aggregate Principal Amount:
(Net of Principal Amounts Previously Refunded): \$22,670,000

Bond Ordinance: Council Bill No. 1-2002, as supplemented by Council Bill No. 2-2002

Name of Issue: Howard County, Maryland Metropolitan District Project and Refunding Bonds, 2003 Series A (the "2003 Metropolitan Bonds")

Date of Issue: June 1, 2003

Original Aggregate Principal Amount: \$29,180,000

Outstanding Aggregate Principal Amount: \$18,995,000

Bond Ordinance: Council Bill No. 24-2003, as supplemented by Council Bill No. 25-2003

Name of Issue: Howard County, Maryland Metropolitan District Refunding Bonds, 2004 Series A (the "2004 Metropolitan Bonds")

Date of Issue: February 1, 2004

Original Aggregate Principal Amount: \$8,325,000

Outstanding Aggregate Principal Amount: \$8,135,000

Bond Ordinance: Council Bill No. 1-2004, as supplemented by Council Bill No. 2-2004

Name of Issue: Howard County, Maryland Metropolitan District Bonds, 2005 Series A
(the "2005 Metropolitan Bonds")

Date of Issue: January 1, 2005

Original Aggregate Principal Amount: \$4,000,000

Outstanding Aggregate Principal Amount: \$3,830,000

Bond Ordinance: Council Bill No. 73-2004

Name of Issue: Howard County, Maryland Metropolitan District Project Bonds, 2006 Series A (the "2006 Metropolitan Bonds")

Date of Issue: January 15, 2006

Original Aggregate Principal Amount: \$3,000,000

Outstanding Aggregate Principal Amount: \$2,940,000

Bond Ordinance: Council Bill No. 67-2005

Name of Issue: Howard County, Maryland Metropolitan District Project Bonds, 2007
Series A (the "2007 Metropolitan Bonds")

Date of Issue: March 15, 2007

Original Aggregate Principal Amount: \$10,000,000

Outstanding Aggregate Principal Amount: \$10,000,000

Bond Ordinance: Council Bill No. 3-2007

Exhibit C

**Refunded Consolidated Public Improvement Bonds
(Preliminary Schedule)**

<u>Bonds</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Amount (\$)</u>	<u>Optional Redemption Date</u>	<u>Redemption Price</u>
1998 Series A CPI Bonds					
SERIALS	2/15/2009	5.000%	12,535,000.00	2/15/2008	100.000
	2/15/2010	5.000%	12,820,000.00	2/15/2008	100.000
	2/15/2011	5.000%	13,005,000.00	2/15/2008	100.000
	2/15/2012	5.000%	13,240,000.00	2/15/2008	100.000
	2/15/2013	4.750%	13,680,000.00	2/15/2008	100.000
	2/15/2014	4.800%	10,075,000.00	2/15/2008	100.000
	2/15/2015	4.800%	5,970,000.00	2/15/2008	100.000
	2/15/2016	4.875%	1,180,000.00	2/15/2008	100.000
			82,505,000.00		
1999 Series A CPI Bonds					
SERIALS	2/15/2019	4.625%	1,720,000.00	2/15/2008	100.000
2004 Series B CPI Bonds					
SERIALS	8/15/2014	5.000%	2,475,000.00	2/15/2014	100.000
	8/15/2015	5.000%	2,600,000.00	2/15/2014	100.000
	8/15/2016	5.000%	2,735,000.00	2/15/2014	100.000
	8/15/2017	5.000%	2,875,000.00	2/15/2014	100.000
	8/15/2018	5.000%	3,025,000.00	2/15/2014	100.000
	8/15/2019	5.000%	3,180,000.00	2/15/2014	100.000
			16,890,000.00		
Total Amount of Refunded Consolidated Bonds			101,115,000.00		

Refunded Metropolitan District Bonds

<u>Bonds</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Amount (\$)</u>	<u>Optional Redemption Date</u>	<u>Redemption Price</u>
1998 Series A MD Bonds					
SERIALS	2/15/2009	4.400%	175,000.00	2/15/2008	100.000
	2/15/2010	4.500%	240,000.00	2/15/2008	100.000
TERM18	2/15/2018	4.750%	3,215,000.00	2/15/2008	100.000
TERM27	2/15/2027	4.750%	7,605,000.00	2/15/2008	100.000
			11,235,000.00		
1999 Series A MD Bonds					
TERM29	2/15/2029	5.000%	820,000.00	2/15/2008	101.000
Total Amount of Refunded Metropolitan District Bonds			12,055,000.00		

Note: The information in this Exhibit C is expected to be revised in the Executive Order when the Bonds are sold.

Form of Consolidated Public Improvement Bond

No. R-___

\$_____

UNITED STATES OF AMERICA
STATE OF MARYLAND
HOWARD COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT REFUNDING BOND
[2007 SERIES B]

Interest Rate Date of Issue Maturity Date CUSIP
___% (Date of Delivery) February 15, _____

Registered Owner: CEDE & CO.

Principal Amount:

HOWARD COUNTY, MARYLAND, a body politic and corporate, organized and existing under the Constitution and laws of the State of Maryland (the "County"), for value received, hereby promises to pay to the Registered Owner of this bond as set forth above, or registered assigns, the Principal Amount shown hereon on the Maturity Date shown hereon (or earlier as provided herein) and to pay interest on such Principal Amount from and including the interest payment date next preceding the date of registration and authentication of this bond, unless this bond is registered and authenticated as of an interest payment date, in which case it shall bear interest from such interest payment date, or unless this bond is registered and authenticated prior to [February 15, 2007], in which event this bond shall bear interest from the Date of Issue shown hereon, or unless, as shown by the records of the Bond Registrar (hereinafter defined), interest on this bond shall be in default, in which event this bond shall bear interest from the date on which interest was last paid on this bond, at the Interest Rate per annum shown hereon, payable on [February 15, 2008] and semiannually thereafter on each August 15 and February 15 until maturity or earlier redemption.

Both the principal of and interest on this bond are payable in lawful money of the United States of America, at the time of payment. Payment of the principal on this bond shall be made upon presentation and surrender hereof at the principal office of the Director of Finance of the County, or her successor as bond registrar (the "Bond Registrar"). Payment of interest on this bond shall be made by the Bond Registrar on each interest payment date to the person appearing on the registration books of the County maintained by the Bond Registrar as the registered owner hereof, by check or draft mailed to such registered owner at his or her address as it appears on such registration books.

This bond is one of an issue of bonds of the County in the aggregate principal amount of \$_____, all dated as of the Date of Issue shown hereon, and known as "Howard County, Maryland Consolidated Public Improvement Refunding Bonds, [2007 Series B]" (the "Bonds").

The Refunding Bonds are issued pursuant to the authority of (a) Section 5(P) of Article 25A of the Annotated Code of Maryland, as amended, (b) the Howard County Charter, as amended, and (c) Section 24 of Article 31 of the Annotated Code of Maryland, as amended; with proper proceedings duly had and taken by the County Council of Howard County, particularly Council Bill No. 75-2007, enacted and effective on December __, 2007 (the "Ordinance").

The Bonds shall be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof and shall mature in consecutive annual installments as provided in the Ordinance.

This bond shall be registered on the books of the County to be kept for that purpose by the Bond Registrar at its principal office. This bond shall be transferable only upon such books at such office by the registered owner or by its duly authorized officer or attorney, but this Bond will not be transferred unless DTC determines to discontinue providing its services as a securities depository or directs that the Bonds be reregistered in a different name, or unless DTC is removed as the depository for the Bonds. This bond, upon surrender hereof at the principal office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner hereof or his duly authorized attorney, may, at the option of the registered owner hereof, be exchanged for an equal aggregate principal amount of Bonds of authorized denominations and of the same form and tenor as this bond. For every such exchange or transfer of Bonds, the County or the Bond Registrar shall make a charge for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Such charge shall be paid by the registered owner requesting such exchange or transfer as a condition precedent to the exercise of such privilege. The Bond Registrar shall not be obligated to make any such exchange or transfer of Bonds during the 15 days next preceding an interest payment date on the Bonds, or in case of any proposed redemption of Bonds, during the 15 days next preceding the date of the publication of notice of such redemption. The Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption.

The County and the Bond Registrar may deem and treat the person in whose name this bond is registered as the absolute owner hereof for all purposes; and neither the County nor the Bond Registrar shall be affected by any notice to the contrary.

Certain of the Bonds are subject to redemption prior to maturity as follows:

TO BE INSERTED IF ANY OF THE BONDS ARE TERM BONDS:

[The Bonds maturing on [insert maturity date(s) of Term Bonds] (the "Term Bonds") shall be subject to mandatory sinking fund redemption by the County at a redemption price equal to 100% of the principal amount thereof, on the dates and in the principal amounts set forth below:

Bonds Maturing February 15.

<u>Redemption Date</u>	Mandatory Sinking Fund <u>Installment</u>
------------------------	---

[Repeat table for each Term Bond.]

The Bonds maturing on or after February 15, _____, shall be subject to redemption prior to their respective maturities, at the option of the County, on or at any time after _____, as a whole or in part, at a redemption price of [100% of the principal amount thereof,] together with accrued interest to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed. [Paragraph subject to revision in accordance with the Executive Order.]

If less than all of the outstanding Bonds shall be called for optional redemption, the County shall choose the maturities of the Bonds to be redeemed and the principal amount of each such maturity to be redeemed, in its sole discretion. If less than all of the Bonds of any one maturity shall be called for redemption, then the particular Bonds of such maturity, or portions of such Bonds, to be redeemed shall be chosen by The Depository Trust Company ("DTC") in accordance with its normal and customary procedures (so long as the Bonds are in book-entry form), or by the Bond Registrar, by lot (if the book-entry system has been discontinued) [; and for an optional redemption, if such maturity consists of Term Bonds, the County shall choose the mandatory sinking fund installments of such Term Bonds to be reduced and the amount of such reduction, in its sole discretion]. The Bonds shall be redeemed only in integral multiples of \$5,000.

Notice of any redemption of the Bonds, either in whole or in part, shall be given by the County not less than 30 days nor more than 45 days prior to the date fixed for redemption (the "Redemption Date") by first-class mail to the registered owners of the Bonds to be redeemed (in whole or in part) and otherwise as provided in the Ordinance, unless such notice shall be waived in writing by the registered owners of the Bonds so called for redemption, and such redemption shall be made in all respects in the manner and upon the terms and conditions provided in the Ordinance. Notwithstanding the foregoing, so long as all of the Bonds are registered in the name of Cede & Co., as nominee for DTC, such notice shall be given by a secure means (e.g. legible facsimile transmission, registered or certified mail or overnight express delivery) in a timely manner designed to assure that such notice is in DTC'S possession no later than the close of business on such thirtieth day. On the Redemption Date, notice having been mailed or waived, and moneys for the payment of the redemption price of the Bonds (or portions thereof) plus accrued interest being held by the Bond Registrar, the Bonds (or such portions thereof) so called for redemption shall become due and payable at the redemption price provided for redemption of such Bonds or such portion thereof on the Redemption Date, interest on such Bonds or such portion thereof so called for redemption shall cease to accrue on the Redemption Date, and the registered owners of any such Bonds or of any portion thereof so called for redemption shall have no rights in respect thereto except to receive payment from such moneys held by the Bond Registrar of the redemption price thereof, plus accrued interest thereon to the Redemption Date. If a portion of any bond shall be called for

redemption, a new bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof or, so long as Cede & Co. is the registered owner of all of the Bonds, DTC may make an appropriate notation on this Bond indicating the date and amounts of such reduction in principal and notify the County in writing of such action. For all purposes, the principal amount of this bond outstanding at any time shall be equal to the lesser of (A) the Principal Amount shown on the fact hereof and (B) such Principal Amount reduced by the principal amount of any partial redemption of this bond following which DTC has elected not to surrender this bond in accordance with the preceding paragraph. The failure of DTC to note the principal amount of any partial redemption on the Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation of the County hereunder. **THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.**

No covenant or agreement contained in this bond shall be deemed to be a covenant or agreement of any officer, agent or employee of the County in his or her individual capacity, and neither the members of the County Council of Howard County nor any official executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened, and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland and the acts and ordinances of Howard County, Maryland, and that the issue of Bonds of which this is one, together with all other indebtedness of Howard County, Maryland, is within every debt and other limit prescribed by the Constitution and laws of the State of Maryland and the Charter of Howard County.

In any case where any date of payment of principal of or interest on this bond, or the date fixed for any redemption of this bond, is not a Business Day (hereinafter defined), then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of payment or the date fixed for redemption. A "Business Day" is any day other than a day on which banks located in the State of Maryland are required or authorized by law or executive order to close for business or on which the New York Stock Exchange is closed.

The full faith and credit of Howard County, Maryland, are hereby irrevocably pledged to the payment of the principal of this bond and of the interest to accrue hereon.

This bond shall not be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Bond Registrar, or its successor as Bond Registrar, of the Certificate of Authentication inscribed hereon.

[SIGNATURE APPEARS ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, HOWARD COUNTY, MARYLAND, has caused this bond to be signed by its County Executive by his manual or facsimile signature and by its Director of Finance by her manual or facsimile signature and has also caused its corporate seal to be hereunto affixed and attested by the manual or facsimile signature of its Chief Administrative Officer, all as of the Date of Issue set forth above.

HOWARD COUNTY, MARYLAND

[Corporate Seal]

By: _____
County Executive

By: _____
Director of Finance

ATTEST:

Chief Administrative Officer

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the issue described in the Ordinance referred to herein.

Date of Registration
and Authentication:

Director of Finance,
acting as Bond Registrar

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells,

assigns and transfers unto _____

(please insert name and address of the assignee)

(Tax Identification or Social Security No. _____) the within bond, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of STAMP, SEMP or MSP signature guaranty medallion program.

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Form of Metropolitan District Bond

No. ___

\$ _____

UNITED STATES OF AMERICA
STATE OF MARYLAND
HOWARD COUNTY, MARYLAND
METROPOLITAN DISTRICT REFUNDING BOND
[2007 SERIES B]

<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>CUSIP</u>
_____%	(Date of Delivery)	February 15, ____	_____

Registered Owner: CEDE & CO.

Principal Amount:

HOWARD COUNTY, MARYLAND, a body politic and corporate, organized and existing under the Constitution and laws of the State of Maryland (the "County"), for value received, hereby promises to pay to the Registered Owner of this bond as set forth above, or registered assigns, the Principal Amount shown hereon on the Maturity Date shown hereon (or earlier as provided herein) and to pay interest on such Principal Amount from and including the interest payment date next preceding the date of registration and authentication of this bond, unless this bond is registered and authenticated as of an interest payment date, in which case it shall bear interest from such interest payment date, or unless this bond is registered and authenticated prior to [February 15, 2008], in which event this bond shall bear interest from the Date of Issue shown hereon, or unless, as shown by the records of the Bond Registrar (hereinafter defined), interest on this bond shall be in default, in which event this bond shall bear interest from the date on which interest was last paid on this bond, at the Interest Rate per annum shown hereon, payable [February 15, 2008], and semiannually thereafter on each August 15 and February 15 until maturity or earlier redemption.

Both the principal of and interest and premium, if any, on this bond are payable in lawful money of the United States of America, at the time of payment. Payment of the principal of and premium, if any, on this bond shall be made upon presentation and surrender hereof at the principal office of the Director of Finance of the County, or her successor as bond registrar (the "Bond Registrar"). Payment of interest on this bond shall be made by the Bond Registrar on each interest payment date to the person appearing on the registration books of the County maintained by the Bond Registrar as the registered owner hereof, by check or draft mailed to such registered owner at his or her address as it appears on such registration books.

This bond is one of an issue of bonds of the County in the aggregate principal amount of \$_____, all dated as of the Date of Issue shown hereon, and known as "Howard County, Maryland Metropolitan District Bonds, [2007 Series B]" (the "Bonds").

The Bonds are issued pursuant to the authority of (a) Section 5(P) of Article 25A of the Annotated Code of Maryland, as amended, (b) the Howard County Charter, as amended, and (c) Section 24 of Article 31 of the Annotated Code of Maryland, as amended; and in accordance with proper proceedings duly had and taken by the County Council of Howard County, particularly Council Bill No. 3-2007, enacted and effective on March __, 2007 (the "Ordinance").

The Bonds shall be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof and shall mature in consecutive annual installments as provided in the Ordinance.

This Bond shall be registered on the books of the County to be kept for that purpose by the Bond Registrar at its principal office. This bond shall be transferable only upon such books at such office by the registered owner or by its duly authorized officer or attorney, but this Bond will not be transferred unless DTC determines to discontinue providing its services as a securities depository or directs that the Bonds be reregistered in a different name, or unless DTC is removed as the depository for the Bonds. This bond, upon surrender hereof at the principal office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner hereof or his duly authorized attorney, may, at the option of the registered owner hereof, be exchanged for an equal aggregate principal amount of Bonds of authorized denominations and of the same form and tenor as this bond. For every such exchange or transfer of Bonds, the County or the Bond Registrar shall make a charge for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Such charge shall be paid by the registered owner requesting such exchange or transfer as a condition precedent to the exercise of such privilege. The Bond Registrar shall not be obligated to make any such exchange or transfer of Bonds during the 15 days next preceding an interest payment date on the Bonds, or in case of any proposed redemption of Bonds, during the 15 days next preceding the date of the publication of notice of such redemption. The Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption.

The County and the Bond Registrar may deem and treat the person in whose name this bond is registered as the absolute owner hereof for all purposes; and neither the County nor the Bond Registrar shall be affected by any notice to the contrary.

Certain of the Bonds are subject to redemption prior to maturity as follows:

TO BE INSERTED IF ANY OF THE BONDS ARE TERM BONDS:

[The Bonds maturing on [insert maturity date(s) of Term Bonds] (the "Term Bonds") shall be subject to mandatory sinking fund redemption by the County at a redemption price equal to 100% of the principal amount thereof, on the dates and in the principal amounts set forth below:

Bonds Maturing February 15.

<u>Redemption Date</u>	Mandatory Sinking Fund <u>Installment</u>
------------------------	---

[Repeat table for each Term Bond.]

The Bonds maturing on or after February 15, _____, shall be subject to redemption prior to their respective maturities, at the option of the County, on or at any time after February 15, _____, as a whole or in part, at a redemption price of [100% of the principal amount thereof,] together with accrued interest to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed. [Paragraph subject to revision in accordance with the Executive Order.]

If less than all of the outstanding Bonds shall be called for optional redemption, the County shall choose the maturities of the Bonds to be redeemed and the principal amount of each such maturity to be redeemed, in its sole discretion. If less than all of the Bonds of any one maturity shall be called for redemption, then the particular Bonds of such maturity, or portions of such Bonds, to be redeemed shall be chosen by The Depository Trust Company ("DTC") in accordance with its normal and customary procedures (so long as the Bonds are in book-entry form), or by the Bond Registrar, by lot (if the book-entry system has been discontinued) [; and for an optional redemption, if such maturity consists of Term Bonds, the County shall choose the mandatory sinking fund installments of such Term Bonds to be reduced and the amount of such reduction, in its sole discretion]. The Bonds shall be redeemed only in integral multiples of \$5,000.

Notice of any redemption of the Bonds, either in whole or in part, shall be given by the County not less than 30 days nor more than 45 days prior to the date fixed for redemption (the "Redemption Date") by first-class mail to the registered owners of the Bonds to be redeemed (in whole or in part) and otherwise as provided in the Ordinance, unless such notice shall be waived in writing by the registered owners of the Bonds so called for redemption, and such redemption shall be made in all respects in the manner and upon the terms and conditions provided in the Ordinance. Notwithstanding the foregoing, so long as all of the Bonds are registered in the name of Cede & Co., as nominee for DTC, such notice shall be given by a secure means (e.g. legible facsimile transmission, registered or certified mail or overnight express delivery) in a timely manner designed to assure that such notice is in DTC's possession no later than the close of business on such thirtieth day. On the Redemption Date, notice having been mailed or waived, and moneys for the payment of the redemption price of the Bonds plus accrued interest being held by the Bond Registrar, the Bonds (or portions thereof) so called for redemption shall become due and payable at the redemption price provided for redemption of such Bonds or such portion thereof on the Redemption Date, interest on such Bonds or such portion thereof so called for redemption shall cease to accrue on the Redemption Date, and the registered owners of any such Bonds or of any portion thereof so called for redemption shall have no rights in respect thereto except to receive payment from such moneys held by the Bond Registrar of the redemption price thereof, plus accrued interest thereon to

the Redemption Date. If a portion of any bond shall be called for redemption, a new bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof or, so long as Cede & Co. is the registered owner of all of the Bonds, DTC may make an appropriate notation on this Bond indicating the date and amounts of such reduction in principal and notify the County in writing of such action. For all purposes, the principal amount of this bond outstanding at any time shall be equal to the lesser of (A) the Principal Amount shown on the fact hereof and (B) such Principal Amount reduced by the principal amount of any partial redemption of this bond following which DTC has elected not to surrender this bond in accordance with the preceding paragraph. The failure of DTC to note the principal amount of any partial redemption on the Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation of the County hereunder. **THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.**

No covenant or agreement contained in this bond shall be deemed to be a covenant or agreement of any officer, agent or employee of the County in his or her individual capacity, and neither the members of the County Council of Howard County nor any official executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened, and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland and the acts and ordinances of Howard County, Maryland, and that the issue of Bonds of which this is one, together with all other indebtedness of Howard County, Maryland, is within every debt and other limit prescribed by the Constitution and laws of the State of Maryland and the Charter of Howard County.

In any case where any date of payment of principal of or interest on this bond, or the date fixed for any redemption of this bond, is not a Business Day (hereinafter defined), then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of payment or the date fixed for redemption. A "Business Day" is any day other than a day on which banks located in the State of Maryland are required or authorized by law or executive order to close for business or on which the New York Stock Exchange is closed.

The full faith and credit of Howard County, Maryland, are hereby irrevocably pledged to the payment of the principal of this bond and of the interest to accrue hereon.

This bond shall not be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Bond Registrar, or its successor as Bond Registrar, of the Certificate of Authentication inscribed hereon.

[SIGNATURE APPEARS ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, HOWARD COUNTY, MARYLAND, has caused this bond to be signed by its County Executive by his manual or facsimile signature and by its Director of Finance by her manual or facsimile signature and has also caused its corporate seal to be hereunto affixed and attested by the manual or facsimile signature of its Chief Administrative Officer, all as of the Date of Issue set forth above.

HOWARD COUNTY, MARYLAND

[Corporate Seal]

By: _____
County Executive

By: _____
Director of Finance

ATTEST:

Chief Administrative Officer

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the issue described in the Ordinance referred to herein.

Date of Registration
and Authentication:

Director of Finance,
acting as Bond Registrar

ASSIGNMENT

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

_____ (please insert name and address of the assignee)

_____(Tax Identification or Social Security No. _____) the within bond, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of STAMP, SEMP or MSP signature guaranty medallion program.

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Form of Escrow Deposit Agreement

ESCROW DEPOSIT AGREEMENT

Dated as of _____

by and between

HOWARD COUNTY, MARYLAND

and

MANUFACTURERS AND TRADERS TRUST COMPANY,
Escrow Deposit Agent

\$ _____

HOWARD COUNTY, MARYLAND
CONSOLIDATED PUBLIC IMPROVEMENT
REFUNDING BONDS,
[2007 SERIES B]

and

\$ _____

HOWARD COUNTY, MARYLAND
METROPOLITAN DISTRICT REFUNDING BONDS,
[2007 SERIES B]

TABLE OF CONTENTS

	PAGE
RECITALS	4
ARTICLE I	
DEFINITIONS	
Section 1.01. Definitions.....	5
ARTICLE II	
ESCROWS	
Section 2.01. Receipt of Bond Ordinances, Ordinance, Specimen Obligations and Verification Report.....	7
Section 2.02. Establishment of Escrow Deposit Fund.....	7
Section 2.03. Deposit of Funds.....	8
Section 2.04. Deposit Irrevocable.....	8
Section 2.05. Investments	8
Section 2.06. Use of Funds and Payment of Obligations	9
Section 2.07. Pledges and Liens	9
Section 2.08. Election to Redeem; Redemption	10
Section 2.09. Fees and Expenses of Escrow Deposit Agent	10
Section 2.10. Liability and Duties of Escrow Deposit Agent	11
Section 2.11. Term	11

Section 2.12. Notice of Transaction 11

ARTICLE III
MISCELLANEOUS

Section 3.01. Entire Agreement..... 11

Section 3.02. Section and Paragraph Headings..... 12

Section 3.03. Severability 12

Section 3.04. Maryland Law 12

Section 3.05. Removal or Resignation of Escrow Deposit Agent 12

Section 3.06. Security Agreement 13

Section 3.07. Representations of County 14

Section 3.08. Representations of Escrow Deposit Agent 14

Section 3.10. No Amendment..... 14

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT, dated as of _____, is made 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 New York banking corporation, as Escrow Deposit Agent (the "Escrow Deposit Agent") under this Escrow Deposit Agreement.

RECITALS

A. The County, pursuant to Article 25A of the Annotated Code of Maryland, as amended ("Article 25A"), and Article VI of the Howard County Charter (the "Charter"), has heretofore issued the Consolidated Public Improvement Bonds described in Exhibit A hereto (the "Outstanding Consolidated Bonds"), which exhibit is incorporated herein by reference and made a part hereof. The original aggregate principal amount and the outstanding aggregate principal amount of each series of the Outstanding Consolidated Bonds is listed in Exhibit A hereto. The public purposes for which the proceeds of each series of Outstanding Consolidated Bonds were authorized to be spent, the maximum amounts authorized to be spent for each such public purpose, and the probable average useful life of the projects financed with the proceeds of such series of Outstanding Consolidated Bonds are specified in (or incorporated by reference into) the Bond Issue Authorization Ordinance for such series specified in Exhibit A hereto. All terms defined in Exhibit A hereto shall have the meanings given such terms therein.

B. The County, pursuant to Article 25A of the Annotated Code of Maryland, as amended, and Article VI of the Howard County Charter, has also heretofore issued the Metropolitan District Bonds described in Exhibit B hereto (the "Outstanding Metropolitan Bonds"), which exhibit is incorporated herein by reference and made a part hereof. The original aggregate principal amount and the outstanding aggregate principal amount of each series of the Outstanding Metropolitan Bonds is listed in Exhibit B hereto. The public purposes for which the proceeds of each series of Outstanding Metropolitan Bonds were authorized to be spent, the maximum amounts authorized to be spent for each such public purpose, and the probable average useful life of the projects financed with the proceeds of such series of Outstanding Metropolitan Bonds are specified in (or incorporated by reference into) the Bond Issue Authorization Ordinance for such series specified in Exhibit B hereto. All terms defined in Exhibit B hereto shall have the meanings given such terms therein.

C. The County, pursuant to Article 25A of the Annotated Code of Maryland, as amended, the Howard County Charter, as amended, and Section 24 of Article 31 of the Annotated Code of Maryland, as amended, and in accordance with Council Bill No. 75-2007, enacted and effective on December __, 2007 (the "Ordinance") authorized, among other things, (a) the issuance of bonds in the aggregate principal amount of \$_____ to be designated as the County's

"Consolidated Public Improvement Refunding Bonds, [2007 Series B]" (the "Consolidated Bonds") in order to (i) effect the refunding of the portions of the Outstanding Consolidated Bonds listed in Exhibit C hereto (the "Refunded Consolidated Bonds") and (ii) pay costs of issuance of the Consolidated Bonds; and (b) the issuance of bonds in the aggregate principal amount of \$_____ to be designated as the County's "Metropolitan District Refunding Bonds, 2007 Series B" (the "Metropolitan District Bonds") in order to (i) effect the refunding of the portions of the Outstanding Metropolitan Bonds listed in Exhibit D hereto (the "Refunded Metropolitan Bonds") and (ii) pay costs of issuance of the Metropolitan District Bonds. The County will allow deposit with the Escrow Deposit Agent the sum of \$_____, of which \$_____ shall be applied to the payment of the interest on the Refunded Consolidated Bonds due on February 15, 2008 and \$_____ shall be applied to the payment of the interest on the Refunded Metropolitan Bonds due on February 15, 2008.

D. The County has determined to provide for the refunding of the Refunded Consolidated Bonds and the Refunded Metropolitan Bonds (collectively, the "Refunded Bonds") by depositing with the Escrow Deposit Agent immediately available funds sufficient to purchase direct non-callable obligations of the principal of and interest on which is unconditionally guaranteed by, the United States of America, not subject to prepayment or call, the principal of and interest on which, together with the cash balance to be held by the Escrow Deposit Agent, will be sufficient, without reinvestment, (i) to pay at maturity or to redeem the Refunded Bonds on the redemption dates and at the redemption prices specified in Exhibits C and D hereto, and (ii) to pay all interest accrued and to accrue on the Refunded Bonds from August 15, 2007 (i.e. the most recent interest payment date for the Refunded Bonds) to the respective redemption dates.

NOW, THEREFORE, the County and the Escrow Deposit Agent, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, do hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions. The following terms used in this Escrow Deposit Agreement shall have the meanings hereinafter provided for such terms, unless a different meaning clearly appears from the context:

"Bond Counsel" means Miles & Stockbridge P.C., and its successors and assigns.

"Bond Ordinance" means the Bond Issue Authorization Ordinance for each series of Outstanding Consolidated Bonds specified in Exhibit A hereto, and each series of Outstanding Metropolitan Bonds specified in Exhibit B hereto.

"Bonds" means the Consolidated Bonds and the Metropolitan District Bonds, collectively.

"Business Day" means any day other than a day on which banks located in the State of Maryland are required or authorized by law or executive order to close for business or on which the New York Stock Exchange is closed.

"Closing Date" means _____, the date of delivery of the Bonds.

"Consolidated Bonds" means the County's bonds designated "Consolidated Public Improvement Refunding Bonds, [2007 Series B]" in the aggregate principal amount of \$ _____, authorized to be issued and sold pursuant to the Ordinance.

"County" means Howard County, Maryland, a body politic and corporate and a political subdivision of the State of Maryland.

"County Council" means the County Council of Howard County, the legislative body of the County.

"County Executive" means the County Executive of the County.

"Escrow Deposit Agent" means Manufacturers and Traders Trust Company, a New York banking corporation, or any successor Escrow Deposit Agent appointed under the provisions of this Escrow Deposit Agreement.

"Escrow Deposit Agreement" or "Agreements" means this Escrow Deposit Agreement dated as of the Closing Date between the County and the Escrow Deposit Agent, together with any and all Supplements thereto.

"Escrow Deposit Fund" means the fund so designated which is created and established by this Escrow Deposit Agreement.

"Escrowed Government Obligations" means Government Obligations on deposit from time to time to the credit of the Escrow Deposit Fund created and established by this Escrow Deposit Agreement.

"Government Obligations" means direct obligations of, or obligations the full and timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, not subject to prepayment or call. The term "Government Obligations" does not include mutual funds or unit investment trusts that invest in such obligations.

"Interest Payment Date" means each February 15 and August 15, commencing February 15, 2008.

"Metropolitan District Bonds" means the County's bonds designated "Metropolitan District Refunding Bonds, [2007 Series B]" in the aggregate principal amount of \$ _____, authorized to be issued and sold pursuant to the Ordinance.

"NRMSIR" means any nationally recognized municipal securities information repository for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended.

"Ordinance" means Council Bill No. 75-2007 enacted and effective on December __, 2007.

"Outstanding Consolidated Bonds" means the Howard County, Maryland Consolidated Public Improvement Bonds listed in Exhibit A hereto.

"Outstanding Metropolitan Bonds" means the Howard County, Maryland Metropolitan District Bonds listed in Exhibit B hereto.

"Refunded Bonds" means, collectively, the Refunded Consolidated Bonds and the Refunded Metropolitan Bonds.

"Refunded Consolidated Bonds" means, collectively, the County's consolidated public improvement bonds listed in Exhibit C hereto.

"Refunded Metropolitan Bonds" means, collectively, the County's metropolitan district bonds listed in Exhibit D hereto.

"Supplements" means all modifications, amendments, supplements and substitutions.

"Verification Report" means the Verification Report of Causey Demgen & Moore Inc., dated _____, relating to the refunding of the Refunded Bonds.

Section 1.02. Certain terms used in this Escrow Deposit Agreement are defined in Exhibits A, B, C, and D hereto and shall have the meanings given such terms therein.

ARTICLE II ESCROWS

Section 2.01. Receipt of Bond Ordinances, Ordinance, Specimen Outstanding Bonds and Verification Report. The Escrow Deposit Agent hereby acknowledges receipt of a copy of (a) the Bond Ordinance for each series of the Outstanding Consolidated Bonds and each series of the Outstanding Metropolitan Bonds, (b) a copy of the Ordinance, certified as being true and correct by the Administrator to the County Council, (c) a specimen bond for each series of the Refunded Bonds, and (d) a copy of the Verification Report.

Section 2.02. Establishment of Escrow Deposit Fund. There is hereby created and established with the Escrow Deposit Agent a special and irrevocable Escrow Deposit Fund designated as the "2007 Howard County, Maryland Refunding Bonds Escrow Deposit Fund", to be

held in trust by the Escrow Deposit Agent separate and apart from other funds of the County and of the Escrow Deposit Agent.

Section 2.03. Deposit of Funds. (a) The County herewith deposits with the Escrow Deposit Agent immediately available funds aggregating \$_____ to be applied solely as provided in this Escrow Deposit Agreement.

(b) The Escrow Deposit Agent will deposit such funds in the Escrow Deposit Fund.

(c) The County represents that \$_____ of such funds are derived from the proceeds of the Consolidated Bonds, and \$_____ of such funds are derived from the proceeds of the Metropolitan District Bonds, and \$_____ of such funds are from the County's own funds.

(d) The County further represents that such funds will be sufficient to purchase Government Obligations which will mature in such principal amounts at such times and bear interest at a rate or rates so that sufficient moneys will be available from such maturing principal and interest and the initial cash balance, without reinvestment, to redeem the Refunded Bonds on the applicable redemption dates and at the redemption prices specified in Exhibits C and D hereto, and (iii) to pay all interest accrued and to accrue on all of the Refunded Bonds from [August 15, 2007] to the respective redemption dates for such Refunded Bonds.

(e) The County acknowledges that it remains obligated to pay the principal or redemption price of and interest on the Refunded Bonds, in the event that the proceeds of such Escrowed Government Obligations received by the Escrow Deposit Agent and any cash balance in the Escrow Deposit Fund are insufficient to make any such payments as and when due and payable.

Section 2.04. Deposit Irrevocable. The deposit of funds in the Escrow Deposit Fund shall constitute an irrevocable deposit of such funds for the equal and ratable benefit of the owners of all of the Refunded Bonds. The principal of the Escrowed Government Obligations and interest earned thereon, together with any cash balance, shall be held in escrow and shall be applied, as hereinafter set forth, solely to (i) the payment of the principal or redemption price of and interest on the Refunded Bonds as set forth above and in Exhibits C and D attached hereto, and (ii) to the extent permitted in Section 2.05(f), payment to the Escrow Deposit Agent or the County.

Section 2.05. Investments. (a) The Escrow Deposit Agent hereby acknowledges the creation and establishment of the Escrow Deposit Fund and acknowledges receipt of the sums described in Section 2.03 of this Escrow Deposit Agreement on the Closing Date. The Escrow Deposit Agent shall apply a portion of such funds to the purchase of the Government Obligations described in Exhibit E attached hereto, shall hold such Escrowed Government Obligations in the Escrow Deposit Fund and shall hold the remaining cash balance uninvested.

(b) The Escrow Deposit Agent shall have no power or duty to invest any moneys held hereunder or to make any substitutions of Escrowed Government Obligations held hereunder.

(c) The Escrow Deposit Agent shall deposit, as received, all maturing principal of and interest on the Escrowed Government Obligations to the credit of the Escrow Deposit Fund.

(d) If the funds on deposit in the Escrow Deposit Fund are insufficient to make the payments described in Section 2.06 hereof, the Escrow Deposit Agent is under no obligation to make any payment out of its own funds for such amounts necessary to make such payments.

(e) The County hereby covenants that no part of the money or funds held at any time in the Escrow Deposit Fund shall be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause the Bonds or the Refunded Bonds to be "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

(f) Any moneys remaining in the Escrow Deposit Fund on the first business day following _____, after providing for the payment in full of the interest on, principal of and applicable redemption premium (if any) with respect to the Refunded Bonds shall at the written direction of the County be paid first to the Escrow Deposit Agent as payment of the fees and expenses described in Section 2.09, and second, to the County.

Section 2.06. Use of Funds and Payment of Obligations. (a) The Escrow Deposit Agent shall pay from cash on hand in the Escrow Deposit Fund, in immediately available funds to The Depository Trust Company ("DTC") or its representative, or if directed by the County, to the paying agent for one or more series of the Refunded Bonds, (A) on the applicable redemption date for such issue specified in Exhibit C or D hereto, a sum sufficient to pay the principal of and interest on, and, the redemption premium, if any, for such issue specified in Exhibit C or D hereto, as applicable, and (B) on each Interest Payment Date prior thereto, a sum sufficient to pay the interest on such Refunded Bonds which is due and payable on such Interest Payment Date.

(b) In any case where any date of payment described hereinabove is not a Business Day, then payment of such funds need not be made on such date but may be made on the next succeeding day which is a Business Day, with the same force and effect as if made on the date described hereinabove.

Section 2.07. Pledges and Liens. The County hereby assigns and pledges to the Escrow Deposit Agent for the benefit of the owners of the Refunded Bonds, and grants to the Escrow Deposit Agent for the equal and ratable benefit of such owners, a security interest in (a) all funds on deposit in or credited to the Escrow Deposit Fund, and (b) the Escrowed Government Obligations therein and the interest income thereon, all for the equal and ratable benefit of the holders of the Refunded Bonds, until such funds, Escrowed Government Obligations and income are used and applied in accordance with this Escrow Deposit Agreement.

Section 2.08. Election to Redeem; Redemption. The County represents that it has irrevocably elected, and does hereby irrevocably elect, to redeem all of the Refunded Bonds prior to their respective maturity dates, as set forth in Exhibit C and D hereto, on the redemption dates and at the redemption prices specified in Exhibits C and D hereto. The County hereby directs the Escrow Deposit Agent to publish, mail and otherwise deliver notices of redemption of all of the Refunded Bonds to be redeemed prior to their maturity, at the times and in the manner specified in the Bond Ordinance for such series of the Refunded Bonds.

Section 2.09. Fees and Expenses of Escrow Deposit Agent. Upon the execution and delivery of this Escrow Deposit Agreement, the County shall pay the Escrow Deposit Agent (a) on the Closing Date, a set-up fee in the amount of \$500, (b) on the Closing Date and on anniversary of the Closing Date to and including _____, an annual fee of \$2,000, (c) promptly after receipt of a bill therefor a charge of \$20 for each purchase, sale, maturity or substitution of investments and for each wire transfer, and (d) normal and customary expenses as incurred, including, without limitation, the costs of postage, shipping charges, cost of checks, stationery, tax and governmental reporting, and the cost of the publications, mailings and deliveries described in Section 2.08 and Section 2.12 hereof relating to the redemption and refunding, respectively, of the Refunded Bonds of each series, which expenses will be paid by the County directly upon receipt of a copy of a bill therefor from the Escrow Deposit Agent or, if paid by the Escrow Deposit Agent in its discretion, by reimbursement to the Escrow Deposit Agent. (The Escrow Deposit Agent reserves the right, in its discretion, to increase the foregoing fees and charges beginning three years after the Closing Date based on increases, if any, in the Consumer Price Index for the Baltimore/Washington area.) No other fees and expenses of the Escrow Deposit Agent are anticipated; however, if the Escrow Deposit Agent incurs any unusual or extraordinary expenses, or undertakes any unusual or extraordinary services, not anticipated at the time of the execution and delivery of this Escrow Deposit Agreement, the Escrow Deposit Agent may request payment of its reasonable fees and expenses in connection therewith from the County. The County agrees to pay such reasonable fees and expenses, but it may, without creating a default hereunder, contest in good faith the reasonableness of any of such fees and expenses. The Escrow Deposit Agent shall have no lien whatsoever upon any of the moneys in the Escrow Deposit Fund for the payment of its fees and expenses, except to the extent of its rights to excess moneys in the Escrow Deposit Fund as set forth in Section 2.05(f). The provisions of this Section 2.09 shall survive the termination and expiration of this Escrow Deposit Agreement.

Section 2.10. Liability and Duties of Escrow Deposit Agent.

(a) The Escrow Deposit Agent and its respective successors, assigns, agents and servants, absent negligence or willful misconduct, shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Escrow Deposit Agreement, the establishment of the Escrow Deposit Fund, the acceptance of the moneys deposited therein, the purchase of Escrowed Government Obligations, the retention or disposition of the Escrowed Government Obligations or the proceeds thereof, or any payment, transfer or other application of moneys or securities by the Escrow Deposit Agent in accordance with the provisions of this Escrow Deposit Agreement.

(b) This Escrow Deposit Agreement sets forth exclusively the duties of the Escrow Deposit Agent with respect to any and all matters pertinent hereto and no implied duties or obligations shall be read into this Escrow Deposit Agreement against the Escrow Deposit Agent. The Escrow Deposit Agent may act in reliance upon any instrument or signature believed by it to be genuine and may assume that any person purporting to give any writing, notice, advice or direction for or on behalf of the County in connection with the provisions hereof has been duly authorized to do so.

Section 2.11. Term. This Escrow Deposit Agreement shall become effective upon its execution and delivery and shall terminate when all the Refunded Bonds to be paid or redeemed and interest and redemption premiums (if any) due thereon have been paid and discharged in accordance herewith and all moneys remaining in the Escrow Deposit Fund have been paid as provided in Section 2.05(h).

Section 2.12. Notice of Transaction. Within 30 days after the delivery of and payment for the Bonds, the Escrow Deposit Agent shall cause a notice, substantially in the form set forth in Exhibit F attached hereto, to be published once in The Bond Buyer or a financial journal or daily newspaper of general circulation in the City and State of New York. The cost of such publications shall be paid by the County (either directly or by reimbursement to the Escrow Deposit Agent) pursuant to Section 2.09 hereof.

ARTICLE III
MISCELLANEOUS

Section 3.01. Entire Agreement. This Escrow Deposit Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 3.02. Section and Paragraph Headings. The County and the Escrow Deposit Agent agree that the section and paragraph headings herein have been prepared for convenience only and are not part of this Escrow Deposit Agreement and shall not be taken as an interpretation of any provision of this Escrow Deposit Agreement.

Section 3.03. Severability. If any clause, provision or Section of this Escrow Deposit Agreement is held illegal or invalid by any court, the invalidity of such clause, provision or Section shall not affect any of the remaining clauses, provisions or Sections hereof, and this Escrow Deposit Agreement shall be construed and enforced as if such illegal or invalid clause, provision or Section had not been contained herein. In case any agreement or obligation contained in this Escrow Deposit Agreement is held to be in violation of law, then such agreement or obligation shall be determined to be the agreement or obligation of the County or the Escrow Deposit Agent, as the case may be, only to the full extent permitted by law. The Escrow Deposit Agent shall notify Moody's Investors Service, Fitch Ratings and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. (each a "Rating Agency") at the addresses in Section 3.09(b) hereof in the event that any provision of this Escrow Deposit Agreement is severed.

Section 3.04. Maryland Law. This Escrow Deposit Agreement is executed and delivered with the intent that the laws of the State of Maryland shall govern.

Section 3.05. Removal or Resignation of Escrow Deposit Agent.

(a) The Escrow Deposit Agent may resign at any time upon not less than 60 days prior written notice to the County, and the Escrow Deposit Agent shall thereby become discharged from its trusts, duties and obligations hereunder. The Escrow Deposit Agent shall publish, not less than 45 days before such resignation is to take effect, at its own cost and expense, a notice of such resignation once in a newspaper of general circulation in the County and once in The Bond Buyer or a financial journal or daily newspaper of general circulation in the City and State of New York. Such resignation, however, shall take effect only upon the appointment of a successor Escrow Deposit Agent in accordance with the terms hereof, acceptance of such appointment by the successor Escrow Deposit Agent, and transfer of all assets held in the Escrow Deposit Fund to the successor Escrow Deposit Agent in accordance with subsection (e) below.

(b) The Escrow Deposit Agent may 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 provisions of this Escrow Deposit Agreement with respect to the duties and obligations of the Escrow Deposit Agent by any court of competent jurisdiction upon the application of the County or the holders of not less than 10% in aggregate principal amount of each issue of the then-outstanding Refunded Bonds.

(c) If at any time hereafter the Escrow Deposit Agent shall resign, be removed or dissolved or otherwise become incapable of performing all of its duties hereunder, the County shall appoint a successor Escrow Deposit Agent to fill such vacancy as soon as practicable. In the

event such successor is appointed for reasons other than the resignation of the Escrow Deposit Agent, the County at its own cost and expense shall publish a notice of any such appointment made by it once in a daily newspaper of general circulation in the County and once in The Bond Buyer or a financial journal or a daily newspaper of general circulation in the City and State of New York, and shall give notice of such appointment to each Rating Agency.

(d) Any successor Escrow Deposit Agent hereafter appointed shall be a commercial bank, trust company, national banking association or similar entity having corporate trust powers (i) having a capital and surplus aggregating at least \$50,000,000 or a subsidiary bank, trust company, national banking association or similar entity having corporate trust powers whose capital and surplus, together with that of its parent bank, trust company, bank holding company or similar entity, as the case maybe, is at least \$50,000,000, if there be such a commercial bank, trust company, national banking association or similar entity having corporate trust powers willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Escrow Deposit Agent required by this Escrow Deposit Agreement.

(e) Any successor Escrow Deposit Agent appointed under the provisions of this Section shall execute, acknowledge and deliver to its predecessor and the County an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations and trusts of its predecessor hereunder, with like effect as if originally appointed as Escrow Deposit Agent. However, the Escrow Deposit Agent then ceasing to act shall nevertheless, on request of the County or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers and trusts of such Escrow Deposit Agent and all the right, title and interest of such Escrow Deposit Agent in and to the Escrow Deposit Fund and any other property held by it hereunder, and shall pay over, assign and deliver to such successor all moneys and Escrowed Government Obligations on deposit in the Escrow Deposit Fund and any other properties subject to the trusts and conditions herein set forth.

(f) Any company into which the Escrow Deposit Agent may be merged or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Deposit Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Escrow Deposit Agent hereunder, without any further act, deed or conveyance, provided that such company shall be a commercial bank, trust company, national banking association or similar entity having corporate trust powers qualified to be a successor to such Escrow Deposit Agent under the provisions of this Section.

Section 3.06. Security Agreement. The County executes this Escrow Deposit Agreement as a debtor under the Maryland Uniform Commercial Code and the Escrow Deposit Agent executes this Escrow Deposit Agreement as a secured party under the Maryland Uniform Commercial Code,

it being intended by the parties hereto that this Escrow Deposit Agreement shall constitute and be a security agreement under the laws of the State of Maryland.

Section 3.07. Representations of County. The County hereby represents that it (a) was duly created by and is in existence under the laws of the State of Maryland, and possesses the authority under the Ordinance to enter into the transactions contemplated by this Escrow Deposit Agreement, (b) is not in default under any of the provisions of the laws of the State of Maryland which would affect its existence or its power referred to in the preceding clause (a), and (c) has taken due and proper action to authorize the execution and delivery of this Escrow Deposit Agreement.

Section 3.08. Representations of Escrow Deposit Agent. The Escrow Deposit Agent hereby represents that it (a) has been duly organized, is validly existing, and is in good standing under the laws of the State of New York and is duly qualified to be business and exercise trust powers in the State of Maryland, (b) has the power and authority to act as Escrow Deposit Agent under this Escrow Deposit Agreement, and (c) may validly and legally perform the duties and obligations of the Escrow Deposit Agent under this Escrow Deposit Agreement.

Section 3.09. No Amendment.

(a) This Escrow Deposit Agreement may be amended for any purpose or revoked with the unanimous consent of the County, the Escrow Deposit Agent and the holders of 100% of the then-outstanding Refunded Bonds; provided, however, that, without the consent of the holders of such Refunded Bonds, this Escrow Deposit Agreement may be amended (i) for clarification purposes but only upon delivery to the Escrow Deposit Agent and the County of an opinion of Bond Counsel to the effect that such amendment will not have a material adverse effect on the interests of the holders of the Refunded Bonds affected thereby or the Bonds and (ii) for the purpose of obtaining or maintaining ratings on the Refunded Bonds from each of the Rating Agencies which are distinguishable from the ratings on the County's general obligation debt because of this Escrow Deposit Agreement and identifying the Refunded Bonds as "refunded"; provided that, if any Rating Agency shall have theretofore assigned such a rating to the Refunded Bonds that is then in effect, no such amendment shall become effective until such Rating Agency shall have provided to the Escrow Deposit Agent written confirmation that such amendment will not adversely affect such rating.

(b) In the case of any revocation or amendment permitted by this Section, the Escrow Deposit Agent shall, prior to the effectiveness thereof, provide written notice and a copy of such proposed amendment or revocation to (i) Moody's Investors Service, Public Finance Rating Desk/Refunded Bonds, 99 Church Street, New York, New York 10007, (ii) Fitch Ratings, One State Street Plaza, New York, New York 10004, and (iii) Standard & Poor's Ratings Services, 55 Water Street, 38th Floor, New York, New York 10041.

SIGNATURES APPEAR ON THE FOLLOWING PAGE

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

HOWARD COUNTY, MARYLAND

(SEAL)

By: _____
Ken Ulman,
County Executive

ATTEST:

Lonnie R. Robbins,
Chief Administrative Officer

Approved for Legal Sufficiency
this ____ day of _____, _____

Approved for Sufficiency of Funds:

Margaret Ann Nolan,
County Solicitor

Sharon F. Greisz
Director of Finance

MANUFACTURERS AND TRADERS
TRUST COMPANY, as Escrow Deposit Agent
(SEAL)

ATTEST:

By: _____
Name:
Title:

Name:
Title:

OUTSTANDING PUBLIC IMPROVEMENT BONDS

OUTSTANDING METROPOLITAN DISTRICT BONDS

REFUNDED CONSOLIDATED PUBLIC IMPROVEMENT BONDS

Bonds	Maturity Date	Interest Rate	Principal Amount	Optional Redemption Date	Redemption Price
--------------	--------------------------	--------------------------	-----------------------------	---	-----------------------------

REFUNDED METROPOLITAN DISTRICT BONDS

Bonds	Maturity Date	Interest Rate	Principal Amount	Optional Redemption Date	Redemption Price
--------------	--------------------------	--------------------------	-----------------------------	---	-----------------------------

SCHEDULE OF ESCROWED GOVERNMENT OBLIGATIONS

NOTICE OF REFUNDING

\$ _____
HOWARD COUNTY, MARYLAND
CONSOLIDATED PUBLIC
IMPROVEMENT
PROJECT AND REFUNDING BONDS
[2007 SERIES B]

\$ _____
HOWARD COUNTY, MARYLAND
METROPOLITAN DISTRICT
REFUNDING BONDS,
[2007 SERIES B]

NOTICE IS HEREBY GIVEN that there have been deposited in trust with the undersigned Escrow Deposit Agent a portion of the proceeds of the above-captioned bonds issued by Howard County, Maryland (the "County"), which proceeds have been invested in direct obligations of the United States of America not subject to prepayment or call (the "Government Obligations"), which, together with an uninvested cash balance, will be used for refunding the following general obligation bonds of the County (the "Refunded Bonds") as described below:

I. REFUNDED BONDS

Moneys on deposit in the escrow described in Part II below will be applied (i) to pay at maturity or redeem the following obligations on the specified maturity or optional redemption dates in the specified principal amounts or at the specified redemption prices (expressed as a percentage of the principal amount of such obligations to be redeemed) and (ii) to pay all interest accrued and to accrue on such obligations from their most recent interest payment dates to their respective maturity or redemption dates:

[TABLES TO BE INSERTED]

[For each maturity of the bonds listed above which is marked with an asterisk ("*"), the principal amount listed above represents only a portion of the outstanding principal amount of such maturity. The CUSIP numbers for such bonds listed above refer only to the portions of such

maturities being refunded. The other portions of such maturities have not been refunded at this time; each of such other portions have different CUSIP numbers to distinguish such bonds from the bonds described in this Notice.]

II. ESCROW

The projected principal and interest payments to be derived from the Government Obligations and the additional cash held in trust by the undersigned Escrow Deposit Agent, pursuant to an Escrow Deposit Agreement dated as of February 12, 2004, between the County and the undersigned Escrow Deposit Agent, have been calculated to be sufficient to pay the principal of and the interest and redemption premiums (if any) when due on all of the Refunded Bonds to their maturity or redemption dates, as applicable.

All payments to the holders of the Refunded Bonds shall be made at the places, and in the manner, and in such medium of payment, by the paying agents and otherwise as provided in the respective Refunded Bonds.

MANUFACTURERS AND TRADERS TRUST COMPANY, Escrow Deposit Agent

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”), dated as of _____, is executed and delivered by Howard County, Maryland (the “County”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the Repositories.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the County for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to the Repositories under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the County and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Representative” means the Director of Finance, of the County or her or his designee, or such other person as the County shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the County pursuant to Section 9 hereof.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means the Annual Financial Information, the Audited Financial Statements (if any) the Notice Event notices, and the Voluntary Reports.

“Notice Event” means an event listed in Sections 4(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“National Repository” means any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The list of National Repositories maintained by the United States Securities and Exchange Commission shall be conclusive for purposes of determining National Repositories. Currently, the following are National Repositories:

1. DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
(201) 346-0701 (phone)
(201) 947-0107 (fax)
Email: nrmsir@dpcdata.com
2. FT Interactive Data
Attn: NRMSIR
100 William Street, 15th Floor
New York, NY 10038
(212) 771-6999; (800) 689-8466 (phone)
(212) 771-7390 (fax)
Email: NRMSIR@Interactivedata.com
3. Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
(609) 279-3225 (phone)
(609) 279-5962 (fax)
Email: Munis@Bloomberg.com
4. Standard & Poor’s Securities Evaluations, Inc.
55 Water Street
45th Floor
New York, NY 10041
(212) 438-4595 (phone)
(212) 438-3975 (fax)
Email: nrmsir_repository@sandp.com

“Official Statement” means that Official Statement dated _____ prepared by the County in connection with the Bonds.

“Repository” means the MSRB, each National Repository and the State Depository (if any).

“State Depository” means any public or private depository or entity designated by the State of Maryland as a state information depository (if any) for the purpose of the Rule. The list of state information depositories maintained by the United States Securities and Exchange Commission shall be conclusive as to the existence of a State Depository. Currently, there is no State

Depository for the State of Maryland.

“Voluntary Report” means the information provided to the Disclosure Dissemination Agent by the County pursuant to Section 7.

SECTION 2. Provision of Annual Reports.

(a) The County shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than 30 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to each National Repository and the State Depository (if any) not later than 275 days after the end of each fiscal year of the County, commencing with the fiscal year ending June 30, [2008]. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the County of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the County will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice Event as described in Section 4(a)(12) has occurred and to immediately send a notice to each National Repository or the MSRB and the State Depository (if any) in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Notice Event described in Section 4(a)(12) shall have occurred and the County irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to each National Repository or the MSRB and the State Depository (if any) in substantially the form attached as Exhibit B.

(d) If Audited Financial Statements of the County are prepared but not available prior to the Annual Filing Date, the County shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certificate, together with a copy for the Trustee, for filing with each National Repository and the State Depository (if any).

(e) The Disclosure Dissemination Agent shall:

(i) determine the name and address of each Repository each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Section 2(a) with each National Repository, and the State Depository, (if any);

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with each National Repository, and the State Depository (if any);

(iv) upon receipt, promptly file the text of each disclosure to be made with each National Repository and the State Depository (if any) together with

a completed copy of the Event Notice Cover Sheet in the form attached as Exhibit C, describing the event by checking the box indicated below when filing pursuant to the Section of this Disclosure Agreement indicated:

1. “Principal and interest payment delinquencies,” pursuant to Sections 4(c) and 4(a)(1);
2. “Non-Payment related defaults,” pursuant to Sections 4(c) and 4(a)(2);
3. “Unscheduled draws on debt service reserves reflecting financial difficulties,” pursuant to Sections 4(c) and 4(a)(3);
4. “Unscheduled draws on credit enhancements reflecting financial difficulties,” pursuant to Sections 4(c) and 4(a)(4);
5. “Substitution of credit or liquidity providers, or their failure to perform,” pursuant to Sections 4(c) and 4(a)(5);
6. “Adverse tax opinions or events affecting the tax-exempt status of the security,” pursuant to Sections 4(c) and 4(a)(6);
7. “Modifications to rights of securities holders,” pursuant to Sections 4(c) and 4(a)(7);
8. “Bond calls,” pursuant to Sections 4(c) and 4(a)(8);
9. “Defeasances,” pursuant to Sections 4(c) and 4(a)(9);
10. “Release, substitution, or sale of property securing repayment of the securities,” pursuant to Sections 4(c) and 4(a)(10);
11. “Ratings changes,” pursuant to Sections 4(c) and 4(a)(11);
12. “Failure to provide annual financial information as required,” pursuant to Section 2(b)(ii) or Section 2(c), together with a completed copy of Exhibit B to this Disclosure Agreement;
13. “Other material event notice (specify),” pursuant to Section 7 of this Agreement, together with the summary description provided by the Disclosure Representative.

(v) provide the County evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The County may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the Repositories, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the County, including (1) a summary of the County’s outstanding general obligation debt and other long-term debt, (2) a summary of County revenues and expenditures, (3) the County’s assessed values, tax

rates, tax levies and collections, (4) the County's budget for the current fiscal year and (5) a description of material litigation, if any, based on the accountant's report contained in the County's Audited Financial Statements, such information and data to be updated as of the end of the preceding fiscal year.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP") will be included in the Annual Report. If Audited Financial Statements are not available, then, unaudited financial statements, prepared in accordance with GAAP will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the County is an "obligated person" (as defined by the Rule), which have been previously filed with each of the National Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County will clearly identify each such document so incorporated by reference.

Any annual financial information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events, if material, with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of Bond holders;
8. Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds;
11. Rating changes on the Bonds;
12. Failure to provide annual financial information as required; and

The County shall promptly notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c). Such notice shall be accompanied with the text of the disclosure that the

County desires to make, the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and the date the County desires for the Disclosure Dissemination Agent to disseminate the information.

(b) The Disclosure Dissemination Agent is under no obligation to notify the County or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within five business days of receipt of such notice, instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c), together with the text of the disclosure that the County desires to make, the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and the date the County desires for the Disclosure Dissemination Agent to disseminate the information.

(c) If the Disclosure Dissemination Agent has been instructed by the County as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the State Depository (if any) and (i) each National Repository, or (ii) the MSRB in accordance with Section 2 e (iv) hereof.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events, and Voluntary Reports filed pursuant to Section 7(a), the County shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The County acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the County, and that the failure of the Disclosure Dissemination Agent to so advise the County shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The County acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Reports.

(a) The County may instruct the Disclosure Dissemination Agent to file information with the Repositories, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a "Voluntary Report").

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice.

SECTION 8. Termination of Reporting Obligation. The obligations of the County and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to a series of the Bonds upon the legal defeasance (if any), prior redemption or payment in full of all of the Bonds of

such series, when the County is no longer an obligated person with respect to the Bonds of such series, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The County has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The County may, upon thirty days written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the County or DAC, the County agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the County shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the County.

SECTION 10. Remedies in Event of Default; Limitation of Forum. (a) In the event of a failure of the County or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. The County shall be given written notice at the address set forth below of any claimed failure by the County to perform its obligations under this Disclosure Agreement, and the County shall be given 45 days to remedy any such claimed failure. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

(b) Any suit or other proceeding seeking redress with regard to any claimed failure by the County to perform its obligations under this Disclosure Agreement must be filed in the Circuit Court for Howard County, Maryland.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the County has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the County and shall not be deemed to be acting in any fiduciary capacity for the County, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the County's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the County has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the County at all times.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE COUNTY AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING

THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the County under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the County.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the County and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the County and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the County or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the County. No such amendment shall become effective if the County shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Maryland (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the County have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

HOWARD COUNTY, MARYLAND

[SEAL]

ATTEST:

By: _____
Ken Ulman, County Executive

Lonnie R. Robbins,
Chief Administrative Officer

Approved as to form and
Legal sufficiency this ____
Day of _____, ____.

Margaret Ann Nolan,
County Solicitor

EXHIBIT A

NAMES OF BONDS

1. \$_____ Howard County, Maryland Consolidated Public Improvement Refunding Bonds, [2007 Series B]
2. \$10,000,000 Howard County, Maryland Metropolitan District Refunding Bonds, [2007 Series B].

**EXHIBIT C
EVENT NOTICE COVER SHEET**

This cover sheet and material event notice will be sent to all Nationally Recognized Municipal Securities Information Repositories, and any State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

County's Name:

Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates:

Number of pages of attached: _____

____ Description of Material Event Notice (Check One):

1. Principal and interest payment delinquencies
2. Non-Payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to rights of securities holders
8. Bond calls
9. Defeasances
10. Release, substitution, or sale of property securing repayment of the securities
11. Rating changes
12. Other material event notice (specify)

____ Failure to provide annual financial information as required

I hereby represent that I am authorized by the County or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Employer: Digital Assurance Certification, L.L.C.

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: _____