



*Maryland*  
STATE  
TREASURER  
Investing for Maryland's future.

**Nancy K. Kopp**  
State Treasurer

**Bernadette T. Benik**  
Chief Deputy Treasurer

**MARYLAND STATE TREASURER'S OFFICE**

**INVITATION FOR BIDS  
(Small Procurement)**

**FOR**

**ESCROW AGENT SERVICES FOR THE  
MARYLAND STATE TREASURER'S OFFICE AND THE  
MARYLAND DEPARTMENT OF TRANSPORTATION**

**IFB# ESC-08112020**

**BID DUE DATE: AUGUST 26, 2020 BY 11:00 A.M. EASTERN TIME**

## KEY INFORMATION SUMMARY SHEET

**Invitation For Bids  
(Small Procurement) for  
Escrow Agent Services for the  
Maryland State Treasurer's Office and the  
Maryland Department of Transportation**

**IFB #ESC-08112020**

**Procurement Officer:** Anne Jewell  
Tel.: (410)260-7903  
Fax: (410)974-3530  
Email: [procurement@treasurer.state.md.us](mailto:procurement@treasurer.state.md.us)

**Submit Bids to:** Maryland State Treasurer's Office  
Attn: Procurement Officer  
Louis L. Goldstein Treasury Building  
80 Calvert Street, Room 109  
Annapolis, Maryland 21401

### **SCHEDULE OF EVENTS**

Issue Date: August 11, 2020

Bids Due Date and Opening: August 26, 2020 at 11:00 a.m. Eastern Time

Tentative Contract Award: September 15, 2020

**NOTICE:** A prospective Bidder who received this document from a source other than the Issuing Office or eMaryland Marketplace Advantage ("eMMA"), should immediately contact the Issuing Office and provide their name and email address in order that amendments to the IFB or other communications can be sent to them. A prospective Bidder should also register on eMMA at: (<https://procurement.maryland.gov>). Any prospective Bidder who fails to register on eMMA assumes complete responsibility in the event that they do not receive amendments to the solicitation prior to the closing date.

## TABLE OF CONTENTS

	Page
<b>I. General Information</b>	
1.1 Summary Statement .....	1
1.2 Issuing Office; Procurement Officer .....	1
1.3 Procurement Method .....	1
1.4 Contract Officer.....	1
1.5 Use of eMaryland Marketplace Advantage.....	2
1.6 Questions and Inquiries .....	2
1.7 Submission Deadline .....	2
1.8 Revisions to the IFB .....	2
1.9 Cancellation of the IFB; Rejection of All Bids .....	3
1.10 Bid Acceptance; Discussions .....	3
1.11 Incurred Expenses.....	3
1.12 Bid Form .....	3
1.13 Access to Public Records Act Notice .....	3
1.14 No Guarantee of Work .....	3
1.15 Bid Affidavit.....	3
1.16 Contract Affidavit.....	4
1.17 Acceptance of Terms and Conditions .....	4
1.18 Escrow Deposit Agreement .....	4
1.19 Bid Opening.....	4
1.20 Basis for Award.....	4
<b>II. Statement of Work</b>	
2.1 Background .....	5
2.2 Mandatory Requirements.....	5
2.3 Specific Service requirements .....	6
2.4 Single Point of Contact.....	7
2.5 Compensation.....	7
2.6 Term.....	7
<b>III. Bid Format</b>	
3.1 Transmittal Letter .....	8
3.2 General .....	8
3.3 References.....	8
3.4 Bid Form.....	8
3.5 Bid/Proposal Affidavit.....	8
<b>IV. Evaluation and Selection Procedure</b>	
4.1 Evaluation .....	9
4.2 Bidder's Qualifications.....	9
4.3 Selection.....	9
<b>Appendices</b>	
A. Pricing Bid Sheet.....	10
B. Bid Affidavit (To be signed with Bid documents) .....	11
C. Contract Affidavit.....	18
D. Form of Contract for Escrow Agent Services .....	23
E-1. Maryland State Treasurer's Office Form of Escrow Deposit Agreement.....	28
E-2. Maryland Department of Transportation Form of Escrow Deposit Agreement....	45

## SECTION I – GENERAL INFORMATION

### 1.1 Summary Statement

The Maryland State Treasurer’s Office (“STO”) and the Maryland State Department of Transportation (“MDOT”) collectively (the “State”), are requesting bids to provide escrow agent services, including paying agent services. Services are to be provided for the life of all Bonds refunded during the term of October 1, 2020 through September 30, 2022, with two one-year renewal options for:

- STO refunded State of Maryland general obligation bonds; and
- MDOT, State’s Department of Transportation Consolidated Transportation Bonds and/or County Transportation Revenue Bonds

### 1.2 Issuing Office and Procurement Officer

Maryland State Treasurer’s Office  
Louis L. Goldstein Treasury Building  
80 Calvert Street, Room 109  
Annapolis, MD 21401  
Procurement Officer: Anne Jewell  
Phone: (410)260-7903  
E-mail: [procurement@treasurer.state.md.us](mailto:procurement@treasurer.state.md.us)

The sole point of contact for purposes of this Invitation for Bids (the “IFB”) is the Procurement Officer. The Procurement Officer may designate others to act on her behalf. The Office may change the Procurement Officer or the limits of her authority at its discretion.

### 1.3 Procurement Method

The Contract arising out of this IFB (the “Contract”) will be awarded in accordance with the small procurement process under COMAR 21.05.07.

### 1.4 Contract Officer

The Contract Officer monitors the daily activities of the contract and provides technical guidance to the selected bidder (the “Contractor”). The State Contract Officers for this Contract are:

**STO:** Christian Lund, Deputy Director of Debt Management  
Maryland State Treasurer’s Office  
80 Calvert Street, Room 109  
Annapolis, Maryland 21401  
Email: [clund@treasurer.state.md.us](mailto:clund@treasurer.state.md.us)

**MDOT:** Jaclyn Hartman  
Chief Financial Officer, Office of Finance  
Maryland Department of Transportation  
7201 Corporate Center Drive  
Hanover, Maryland 21076  
Email: jhartman1@mdot.maryland.gov

### **1.5 Use of eMaryland Marketplace Advantage**

eMMA is a free electronic commerce system administered by the Maryland Department of General Services. The IFB and all other solicitation-related material will be provided via eMMA. Subscribers will receive solicitation notifications as well as solicitation update/change order notifications. It is recommended that all bidders interested in doing business with Maryland State agencies subscribe to eMMA. Go to: <https://procurement.maryland.gov>, click on "Login and Register for eMMA" under Quick Links to begin the process and then follow the prompts. In order to receive a contract award, a vendor must be registered on eMMA.

### **1.6 Questions and Inquiries**

All questions and inquiries should be directed to the Procurement Officer identified above.

### **1.7 Submission Requirements**

**To be considered, the bids must arrive at the Issuing Office no later than 11:00 a.m. Eastern Time on Wednesday, August 26, 2020.** Bidders may submit their bids by mail or by electronic transmission to the Procurement Officer at: [procurement@treasurer.state.md.us](mailto:procurement@treasurer.state.md.us). The date and time of an e-mail submission is determined by the date and time of arrival in the e-mail address.

Requests for extension of this bid date or time will not be granted. Bidders should allow sufficient mail and internal delivery time to ensure timely receipt at the Issuing Office. Bids arriving after the closing date and time will not be considered.

### **1.8 Revisions to the IFB**

The Office reserves the right to amend this IFB at any time prior to the submission deadline. If it becomes necessary to revise this IFB at any time prior to the submission deadline, the Office will provide amendments to all prospective bidders that were sent this IFB or otherwise are known by the Procurement Officer to have obtained this IFB. Bidders will be required to acknowledge in writing the receipt of all amendments.

### **1.9 Cancellation of the IFB; Rejection of all Bids**

The Office may cancel this IFB, in whole or in part, or may reject all bids submitted in response whenever this action is determined to be fiscally advantageous to the State or otherwise in its best interests.

### **1.10 Bid Acceptance; Discussions**

The Office reserves the right to accept or reject any and all bids, in whole or in part, received in response to this IFB, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified bidders in any manner necessary to serve the best interests of the State of Maryland. The Office also reserves the right, in its sole discretion, to award a contract based upon the written bids received without prior discussions or negotiations.

### **1.11 Incurred Expenses**

The State will not be responsible for any costs incurred by a bidder in preparing and submitting a bid in response to this IFB, including costs incurred in making an oral presentation, if required.

### **1.12 Bid Form**

The Pricing Bid Sheet included as Appendix A must be completed and signed (in ink) by an individual authorized to bind the bidder to all terms and conditions of this IFB. Oral, telegraphic, facsimile, mailgram, or electronically transmitted bids will not be accepted.

### **1.13 Access to Public Records Act Notice**

A bidder should give specific attention to the identification of those portions of its bid that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, State Government Article, Title 10, Subtitle 6, Annotated Code of Maryland. The Office may charge a fee for copies and search and preparation time, in accordance with COMAR 25.01.04.09. The Office may require payment of such fees before releasing the requested information.

### **1.14 No Guarantee of Work**

No bidder is guaranteed any minimum amount of work or compensation.

### **1.15 Bid Affidavit**

All bids submitted by a bidder must be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as Appendix B to this IFB.

### **1.16 Contract Affidavit**

All bidders are advised that if a Contract is awarded as a result of this solicitation, the successful bidder will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes in Appendix C. This Affidavit need not be submitted with a bidder's bid.

### **1.17 Acceptance of Terms and Conditions**

By submitting a bid in response to this IFB, the bidder (a) accepts all of the terms and conditions set forth in this IFB, and (b) represents that it is not in arrears in the payment of any obligation due and owing the State or any department or unit thereof, including but not limited to the payment of taxes and employee benefits (the "State Obligations"). If selected for award, the bidder agrees (a) that it will comply with all federal, State and local laws applicable to its activities and obligations under the contract, (b) that it shall not become in arrears under any State Obligation during the term of the contract, and (c) to all terms and conditions set forth in the form of contract included as Appendix D to this IFB.

### **1.18 Escrow Deposit Agreement**

All bidders are advised that if a Contract is awarded as a result of this solicitation, the successful bidder agrees to all the terms and conditions set forth in the form of the Escrow Deposit Agreement included as Appendix E to the IFB.

### **1.19 Bid Opening**

The Procurement Officer shall open the bids publicly at the Maryland State Treasurer's Office on Wednesday, August 26, 2020 at 11:30 a.m. Eastern Daylight Time (EDT). The Bid Opening will be held by conference call. Bidders may call the Office conference line by dialing 605-313-4415 and using the access code: 446758. The Office shall read aloud or otherwise make available the name of each bidder, the financing bid rates, and such other information as is deemed appropriate. The Office shall tabulate the bids or make a bid abstract. The Office shall make available for public inspection opened bids at a reasonable time after bid opening, but in any case, before contract award, except to the extent a bidder designates trade secrets or other proprietary data to remain confidential.

### **1.20 Basis for Award**

Pursuant to COMAR 21.05.02.13, the Office will make the award to the responsible and responsive bidder whose bid meets the requirements and evaluation criteria set forth in the invitation for bids and who submitted the most favorable bid price determined by the Office to represent the lowest cost to the State. In determining the most favorable bid price, the Office will use the fees submitted on the Pricing Bid Sheet as Appendix A.

## SECTION II – SCOPE OF SERVICES AND REQUIREMENTS

### 2.1 Background

#### *STO*

As of June 30, 2020, approximately \$9.8 billion in General Obligation Bonds are outstanding. The State's Bonds are limited to a maximum maturity of 15 years and generally with optional redemption provisions of 8 - 10 years. Refundings of Bonds may occur as financial circumstances permit. The Bonds are purchased and maintained in book-entry form only, with interest being paid by electronic funds transfer on the specified interest payment date. One Bond represents the entire principal amount of a series and is issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as the registered owner.

The most recent escrow was established for the refunding of approximately \$468 million of Bonds in July 2020. The optional call dates of these Bonds are September 2020 through August 2021. The Contractor shall act as Escrow Agent and Paying Agent for the refunded Bonds for the life of the refunded Bonds

#### *MDOT*

As of June 30, 2020, approximately \$3.6 billion in Department of Transportation of Maryland Consolidated Transportation Bonds and approximately \$113.4 million in Department of Transportation of Maryland County Transportation Revenue Bonds are outstanding. The Bonds are limited to a maximum maturity of 15 years and generally with optional redemption provisions of either 8 or 10 years. Refundings of Bonds may occur as financial circumstances permit. The Bonds are purchased and maintained in book-entry form only, with interest being paid by electronic funds transfer on the specified interest payment date. One Bond represents the entire principal amount of a series and is issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as the registered owner.

### 2.2 Mandatory Requirements

Every financial institution submitting a bid in response to this solicitation **must** clearly state in writing that it complies with each of the following mandatory requirements. Failure to maintain compliance with any of these requirements during the term of the contract will be an event of default which will permit the State to terminate for cause.

2.2.1. The bidder must be a financial institution as defined in Section 6-201(e) of the State Finance and Procurement Article of the Annotated Code of Maryland.

2.2.2. The bidder must have a Corporate Trust Department that has been granted trust powers by federal or State regulators.



- 2.2.3. The bidder must not be in conservatorship, receivership, or possession of a regulatory agency.
- 2.2.4. The bidder must be a member of the Federal Reserve System and able to settle promptly with DTC.
- 2.2.5. The bidder must be a member of the National Automated Clearing House Association (NACHA).
- 2.2.6. The bidder must have a KBRA rating or a similar financial strength rating from a nationally recognized statistical organization such as Kroll Bond Rating Agency, Inc., of at least a "C" rating. The bidder must maintain a minimum of a "C" rating for the entire term of the Contract.
- 2.2.7. The bidder submitting a bid under this IFB must have experience serving as bond trustee for municipal issuers for a minimum of ten (10) years and have served as escrow agent within the last three (3) years. The bidder shall identify those issues for which it has served as escrow agent by title, issuing agency, and amount issued.
- 2.2.8. The bidder must provide a copy of their most current audited financial statement with its bid and thereafter submit the statements annually to the Contract Officers. The financial statements of the bidder must be audited annually by an independent certified public accounting firm and an unqualified opinion must be issued by the auditor in connection with the audit.

### **2.3 Specific Service Requirements**

#### **2.3.1. Escrow Agent Services and Paying Agent Services**

The Contractor shall provide escrow agent services and paying agent services associated with the current and advance refundings of Bonds for STO and MDOT.

The Contractor will be required to open an account or series of accounts for the deposit of Bond proceeds, invest those proceeds as directed by the State, in State and Local Government Series (SLGS) or open-market U.S. Treasury securities, or other securities permitted by law, and hold those securities until the call date of each refunded series and maturity and the disbursement of the funds in payment of the refunded Bonds. The Contractor shall prepare the customary reports on fund and account transactions during the term of the Bonds in a format acceptable to the State.

The Contractor will perform all services generally required of an escrow agent and paying agent for each refunding issue, including making all debt service payments on the refunded Bonds until the redemption date of the refunded Bonds.

- 2.3.2. The Contractor shall perform all procedures related to a call for redemption of the Bonds including but not limited to:

- A. Timely provision of any required notices of redemption, including any required delivery of publication of such notices, the out-of-pocket costs for which will be reimbursed by the State; and
- B. Payment of all principal, premiums, and accrued interest on a timely basis.

2.3.3. The Contractor shall maintain an accounting system for all payments of interest and principal. The accounting system must be capable of providing both historical information concerning actual payment amounts by dates as well as anticipated payment amounts by due dates.

#### **2.4 Single Point of Contact**

The bidder must identify a single point of contact for the purposes of this Contract. The bidder must provide the name, address, phone number, fax number and e-mail address of the contact person. That individual shall be the single point of contact to resolve any issues related to this procurement and shall have authority to resolve any operating issues associated with the Contract resulting from this procurement.

#### **2.5 Compensation**

The State shall pay the Escrow Agent one payment for the total fees for the life of the refunded Bonds as specified on the attached Pricing Bid Sheet (Appendix A). The Escrow Agent shall be paid as part of the cost of issuance of the Refunding Bonds. Out-of-pocket publication costs of any required notices of redemption will be reimbursed by the State. No charges will be allowed for copying, telephone expense, internet connections, travel and/or any other type of computer charges or costs in performing any services under the Contract.

#### **2.6 Term**

The Contractor will act as Escrow Agent and Paying Agent for the life of all Bonds refunded during the term of October 1, 2020 through September 30, 2022, with two one-year renewal options.

Remainder of Page Intentionally Left Blank

## SECTION III - BID FORMAT

### 3.1 Transmittal Letter

A brief transmittal letter prepared on the bidder's business stationary should accompany the bid. The letter must be signed by an individual authorized to bind the selected bidder to all statements, including services and prices contained in the bid. The transmittal letter should also indicate that, if selected, the bidder will execute a contract materially the same as Appendix D.

### 3.2 General

Provide evidence of the ability to meet and carry out the requirements in Section II, 2.2 Mandatory Requirements and Section 2.3 Specific Service Requirements.

### 3.3 References

The bidder shall identify a minimum of three (3) current references. The list of references must contain the name of each organization, the mailing and street address, point of contact, and telephone number and a description of services rendered. The Procurement Officer or members of the Evaluation Committee may contact one or more of these references, and in addition, may contact any other references of their choosing.

### 3.4 Bid Form

Each bidder must submit by 11:00 a.m. Local Time on Wednesday, August 26, 2020, a completed and signed Bid Form (Appendix A). The Bid Form must be signed by an individual authorized to bind the bidder to all terms and conditions of this IFB and the agreements contemplated hereunder. Award of this Contract will be based on the most favorable fees.

The State reserves the right to reject any conditional bid(s).

### 3.5 Bid/Proposal Affidavit

Each bidder must submit a Bid Affidavit attached as Appendix B to this IFB.

## SECTION IV - EVALUATION AND SELECTION PROCEDURE

### 4.1 Evaluation

All qualifying bids received from responsible bidders by the submission deadline will be evaluated by the Office.

### 4.2 Bidder's Qualifications

1. In General. The Office may make such reasonable investigations as deemed proper and necessary to determine the ability of any bidder to meet the requirements of this solicitation. By submitting a bid in response to this IFB, a bidder shall be deemed to have agreed to provide to the Office all such information for this purpose as reasonably may be requested. The Office reserves the right to reject any bid if the information submitted by, or the investigation of, the bidder fails to satisfy the Office that such bidder is capable of meeting the requirements of this solicitation and the agreements contemplated herein.
2. Qualification Conditions. If selected for award, a bidder must, in the exercise of the Office's reasonable judgment:
  - a. meet all Mandatory Requirements as required in Section 2.2 of this IFB;
  - b. possess the experience and ability to perform the services for escrow agent services and paying agent services as described in Section 2.3 of this IFB.

### 4.3 Selection

The award will be made to the responsible bidder, as determined pursuant to Section 4.2, and who submitted a bid determined by the Office to represent the most favorable bid price as described in Section 4.3 above. In determining the most favorable bid price, the Office will use the fees submitted on the Pricing Bid Form as Appendix A.

Remainder of Page Intentionally Left Blank

**APPENDIX A**

**PRICING BID SHEET**

**IFB for Escrow Agent Services for the Maryland State Treasurer’s Office and the Maryland Department of Transportation, IFB# ESC-08112020**

Based on the information in the Invitation for Bids for Escrow Agent Services for Maryland State Treasurer’s Office and the Maryland Department of Transportation, including paying agent services, we are submitting this bid to act as Escrow Agent, subject to all the stated terms and conditions, as follows:

- |   | <u>FEE</u> |
|---|------------|
| 1. Initial Review and Setup Fee Per Refunding Issue*: | \$ _____   |
| 2. Maximum Total Legal Fee (cap) Per Refunding Issue: | \$ _____   |
| 3. Annual Administration Fee Per Refunding Issue:     | \$ _____   |

For purposes of bid evaluation, the Office will assume that a refunding issue will have an average duration of seven (7) years. There is no guarantee regarding the frequency or refunding or that the average duration will be seven (7) years.

\*A refunding Issue will typically consist of several series and maturities of Bonds being refunded (*e.g.*, 2019 Second Series– 2022 maturity; 2018 First Series – 2024 maturity, etc.).

In compliance with this IFB, and with all terms and conditions set forth therein, the undersigned represents that he/she has full authority to submit the above bid and to bind his/her principal to the obligations contemplated thereunder.

\_\_\_\_\_  
(Firm Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City, State, Zip)

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Printed Name and Title of  
Authorized Official

**APPENDIX B  
BID AFFIDAVIT**

**A. AUTHORITY**

I hereby affirm that I, \_\_\_\_\_ (name of affiant) am the \_\_\_\_\_ (title) and duly authorized representative of \_\_\_\_\_ (name of business entity) and that I possess the legal authority to make this affidavit on behalf of the business for which I am acting.

**B. CERTIFICATION REGARDING COMMERCIAL NONDISCRIMINATION**

The undersigned Bidder/Offeror hereby certifies and agrees that the following information is correct: In preparing its Bid/proposal on this project, the Bidder/Offeror has considered all Bid/proposals submitted from qualified, potential subcontractors and suppliers, and has not engaged in "discrimination" as defined in § 19-103 of the State Finance and Procurement Article of the Annotated Code of Maryland. "Discrimination" means any disadvantage, difference, distinction, or preference in the solicitation, selection, hiring, or commercial treatment of a vendor, subcontractor, or commercial customer on the basis of race, color, religion, ancestry, or national origin, sex, age, marital status, sexual orientation, sexual identity, genetic information or an individual's refusal to submit to a genetic test or make available the results of a genetic test, disability, or any otherwise unlawful use of characteristics regarding the vendor's, supplier's, or commercial customer's employees or owners. "Discrimination" also includes retaliating against any person or other entity for reporting any incident of "discrimination". Without limiting any other provision of the solicitation on this project, it is understood that, if the certification is false, such false certification constitutes grounds for the State to reject the Bid/proposal submitted by the Bidder/Offeror on this project, and terminate any contract awarded based on the Bid/proposal. As part of its Bid/proposal, the Bidder/Offeror herewith submits a list of all instances within the past four (4) years where there has been a final adjudicated determination in a legal or administrative proceeding in the State of Maryland that the Bidder/Offeror discriminated against subcontractors, vendors, suppliers, or commercial customers, and a description of the status or resolution of that determination, including any remedial action taken. Bidder/Offeror agrees to comply in all respects with the State's Commercial Nondiscrimination Policy as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland.

**B-1. CERTIFICATION REGARDING MINORITY BUSINESS ENTERPRISES.**

The undersigned Bidder/Offeror hereby certifies and agrees that it has fully complied with the State Minority Business Enterprise Law, State Finance and Procurement Article, § 14-308(a)(2), Annotated Code of Maryland, which provides that, except as otherwise provided by law, a contractor may not identify a certified minority business enterprise in a Bid/proposal and:

- (1) Fail to request, receive, or otherwise obtain authorization from the certified minority business enterprise to identify the certified minority bid/proposal;
- (2) Fail to notify the certified minority business enterprise before execution of the contract of its inclusion in the Bid/proposal;

- (3) Fail to use the certified minority business enterprise in the performance of the contract;  
or
- (4) Pay the certified minority business enterprise solely for the use of its name in the Bid/proposal.

Without limiting any other provision of the solicitation on this project, it is understood that if the certification is false, such false certification constitutes grounds for the State to reject the Bid/proposal submitted by the Bidder/Offeror on this project, and terminate any contract awarded based on the Bid/proposal.

**B-2. CERTIFICATION REGARDING VETERAN-OWNED SMALL BUSINESS ENTERPRISES.**

The undersigned Bidder/Offeror hereby certifies and agrees that it has fully complied with the State veteran-owned small business enterprise law, State Finance and Procurement Article, § 14-605, Annotated Code of Maryland, which provides that a person may not:

- (1) Knowingly and with intent to defraud, fraudulently obtain, attempt to obtain, or aid another person in fraudulently obtaining or attempting to obtain public money, procurement contracts, or funds expended under a procurement contract to which the person is not entitled under this title;
- (2) Knowingly and with intent to defraud, fraudulently represent participation of a veteran-owned small business enterprise in order to obtain or retain a Bid/proposal preference or a procurement contract;
- (3) Willfully and knowingly make or subscribe to any statement, declaration, or other document that is fraudulent or false as to any material matter, whether or not that falsity or fraud is committed with the knowledge or consent of the person authorized or required to present the declaration, statement, or document;
- (4) Willfully and knowingly aid, assist in, procure, counsel, or advise the preparation or presentation of a declaration, statement, or other document that is fraudulent or false as to any material matter, regardless of whether that falsity or fraud is committed with the knowledge or consent of the person authorized or required to present the declaration, statement, or document;
- (5) Willfully and knowingly fail to file any declaration or notice with the unit that is required by COMAR 21.11.13; or
- (6) Establish, knowingly aid in the establishment of, or exercise control over a business found to have violated a provision of § B-2(1) -(5) of this regulation.

**C. AFFIRMATION REGARDING BRIBERY CONVICTIONS**

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in Section 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies has been convicted of, or has had probation before judgment imposed pursuant to Criminal Procedure Article, § 6-220, Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or

administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

---

---

**D. AFFIRMATION REGARDING OTHER CONVICTIONS**

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies, has:

- (1) Been convicted under state or federal statute of:
  - (a) A criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or
  - (b) Fraud, embezzlement, theft, forgery, falsification or destruction of records or receiving stolen property;
- (2) Been convicted of any criminal violation of a state or federal antitrust statute;
- (3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. § 1961 et seq., or the Mail Fraud Act, 18 U.S.C. § 1341 et seq., for acts in connection with the submission of Bids/Proposals for a public or private contract;
- (4) Been convicted of a violation of the State Minority Business Enterprise Law, § 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;
- (5) Been convicted of a violation of § 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland;
- (6) Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsections (1)—(5) above;
- (7) Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of Bids/Proposals for a public or private contract;
- (8) Been found in a final adjudicated decision to have violated the Commercial Nondiscrimination Policy under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland with regard to a public or private contract;
- (9) Been convicted of a violation of one or more of the following provisions of the Internal Revenue Code:
  - (a) §7201, Attempt to Evade or Defeat Tax;
  - (b) §7203, Willful Failure to File Return, Supply Information, or Pay Tax,
  - (c) §7205, Fraudulent Withholding Exemption Certificate or Failure to Supply Information;
  - (d) §7206, Fraud and False Statements, or
  - (e) §7207 Fraudulent Returns, Statements, or Other Documents;



- (10) Been convicted of a violation of 18 U.S.C. §286 Conspiracy to Defraud the Government with Respect to Claims, 18 U.S.C. §287, False, Fictitious, or Fraudulent Claims, or 18 U.S.C. §371, Conspiracy to Defraud the United States;
- (11) Been convicted of a violation of the Tax-General Article, Title 13, Subtitle 7 or Subtitle 10, Annotated Code of Maryland;
- (12) Been found to have willfully or knowingly violated State Prevailing Wage Laws as provided in the State Finance and Procurement Article, Title 17, Subtitle 2, Annotated Code of Maryland, if:
  - (a) A court:
    - (i) Made the finding; and
    - (ii) Decision became final; or
  - (b) The finding was:
    - (i) Made in a contested case under the Maryland Administrative Procedure act; and
    - (ii) Not overturned on judicial review;
- (13) Been found to have willfully or knowingly violated State Living Wage Laws as provided in the State Finance and Procurement Article, Title 18, Annotated Code of Maryland, if:
  - (a) A court:
    - (i) Made the finding; and
    - (ii) Decision became final; or
  - (b) The finding was:
    - (i) Made in a contested case under the Maryland Administrative Procedure act; and
    - (ii) Not overturned on judicial review;
- (14) Been found to have willfully or knowingly violated the Labor and Employment Article, Title 3, Subtitles 3, 4, or 5, or Title 5, Annotated Code of Maryland, if:
  - (a) A court:
    - (i) Made the finding; and
    - (ii) Decision became final; or
  - (b) The finding was:
    - (i) Made in a contested case under the Maryland Administrative Procedure act; and
    - (ii) Not overturned on judicial review; or
- (15) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in §§ B and C and subsections D(1)—(14) above, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

---

**E. AFFIRMATION REGARDING DEBARMENT**

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities, including obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension).

---

---

**F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES**

I FURTHER AFFIRM THAT:

- (1) The business was not established and does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to Sections 16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and
  - (2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):
- 
- 

**G. SUBCONTRACT AFFIRMATION**

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

**H. AFFIRMATION REGARDING COLLUSION**

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

- (1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying Bid/proposal that is being submitted; or
- (2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the Bid/proposal price of the Bidder/Offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying Bid/proposal is submitted.

**I. CERTIFICATION OF TAX PAYMENT**

I FURTHER AFFIRM THAT:

Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, Maryland State Department of Assessments and Taxation, and Department of Labor, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

**J. CONTINGENT FEES**

I FURTHER AFFIRM THAT:

The business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the business, to solicit or secure the Contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of the Contract.

**K. CERTIFICATION REGARDING INVESTMENTS IN IRAN**

- (1) The undersigned certifies that, in accordance with State Finance and Procurement Article, §17-705, Annotated Code of Maryland:
  - (a) It is not identified on the list created by the Board of Public Works as a person engaging in investment activities in Iran as described in State Finance and Procurement Article, §17-702, Annotated Code of Maryland; and
  - (b) It is not engaging in investment activities in Iran as described in State Finance and Procurement Article, §17-702, Annotated Code of Maryland.
- (2) The undersigned is unable to make the above certification regarding its investment activities in Iran due to the following activities:

\_\_\_\_\_

\_\_\_\_\_

**L. CONFLICT MINERALS ORIGINATED IN THE DEMOCRATIC REPUBLIC OF CONGO (FOR SUPPLIES AND SERVICES CONTRACTS)**

I FURTHER AFFIRM THAT:

The business has complied with the provisions of State Finance and Procurement Article, §14-413, Annotated Code of Maryland governing proper disclosure of certain information regarding conflict minerals originating in the Democratic Republic of Congo or its neighboring countries as required by federal law.

**M. PROHIBITING DISCRIMINATORY BOYCOTTS OF ISRAEL**

**I FURTHER AFFIRM THAT:**

In preparing its bid/proposal on this project, the Bidder/Offeror has considered all bid/proposals submitted from qualified, potential subcontractors and suppliers, and has not, in the solicitation, selection, or commercial treatment of any subcontractor, vendor, or supplier, refused to transact or terminated business activities, or taken other actions intended to limit commercial relations, with a person or entity on the basis of Israeli national origin, or

residence or incorporation in Israel and its territories. The Bidder/Offeror also has not retaliated against any person or other entity for reporting such refusal, termination, or commercially limiting actions. Without limiting any other provision of the solicitation for bid/proposals for this project, it is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to reject the bid/proposal submitted by the Bidder/Offeror on this project, and terminate any contract awarded based on the bid/proposal.

**N. I FURTHER AFFIRM THAT:**

Any claims of environmental attributes made relating to a product or service included in the bid or bid/proposal are consistent with the Federal Trade Commission's Guides for the Use of Environmental Marketing Claims as provided in 16 C.F.R. §260, that apply to claims about the environmental attributes of a product, package or service in connection with the marketing, offering for sale, or sale of such item or service.

**O. ACKNOWLEDGEMENT**

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of: (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this Bid/Proposal shall be construed to supersede, amend, modify or waive, on behalf of the State of Maryland, or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

By: \_\_\_\_\_  
*Signature of Authorized Representative and Affiant*

Printed Name: \_\_\_\_\_  
*Printed Name of Authorized Representative and Affiant*

Title: \_\_\_\_\_

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

**APPENDIX C  
CONTRACT AFFIDAVIT**

A. AUTHORITY

I HEREBY AFFIRM THAT:

I, (print name) \_\_\_\_\_ possess the legal authority to make this Affidavit.

B. CERTIFICATION OF REGISTRATION OR QUALIFICATION WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

I FURTHER AFFIRM THAT:

The business named above is a (check applicable items):

- (1) Corporation — \_\_\_ domestic or \_\_\_ foreign;
- (2) Limited Liability Company — \_\_\_ domestic or \_\_\_ foreign;
- (3) Partnership — \_\_\_ domestic or \_\_\_ foreign;
- (4) Statutory Trust — \_\_\_ domestic or \_\_\_ foreign;
- (5) \_\_\_ Sole Proprietorship

and is registered or qualified as required under Maryland Law.

I further affirm that the above business is in good standing both in Maryland and (IF APPLICABLE) in the jurisdiction where it is presently organized, and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation. The name and address of its resident agent (IF APPLICABLE) filed with the State Department of Assessments and Taxation is:

Name and Department ID: Number: \_\_\_\_\_

Address: \_\_\_\_\_

and that if it does business under a trade name, it has filed a certificate with the State Department of Assessments and Taxation that correctly identifies that true name and address of the principal or owner as:

Name and Department ID Number: \_\_\_\_\_

Address: \_\_\_\_\_.

### C. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of State Finance and Procurement Article, §13-221, Annotated Code of Maryland, which require the business to file with the Secretary of State of Maryland certain specified information, including disclosure of beneficial ownership of the business, within 30 days of the date the aggregate value of any contracts, leases, or other agreements that the business enters into with the State of Maryland or its agencies during a calendar year reaches \$200,000.

### D. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, Title 14, Annotated Code of Maryland, which requires that every person that enters into a procurement contract with the State, a county, a municipal corporation, or other political subdivision of the State, during a calendar year in which the person receives a contract with a governmental entity in the amount of \$200,000 or more shall file with the State Board of Elections statements disclosing: (a) any contributions made during the reporting period to a candidate for elective office in any primary or general election; and (b) the name of each candidate to whom one or more contributions in a cumulative amount of \$500 or more were made during the reporting period. The statement shall be filed with the State Board of Elections: (a) before execution of a contract by the State, a county, a municipal corporation, or other political subdivision of the State, and shall cover the 24 months prior to when a contract was awarded; and (b) if the contribution is made after the execution of a contract, then twice a year, throughout the contract term, on: (i) May 31, to cover the six (6) month period ending April 30; and (ii) November 30, to cover the six (6) month period ending October 31.

### E. DRUG AND ALCOHOL FREE WORKPLACE

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or the agency head's designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations.)

I CERTIFY THAT:

(1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.

(2) By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:

(a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;

(b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;

(c) Prohibit its employees from working under the influence of drugs or alcohol;

(d) Not hire or assign to work on the contract anyone who the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;

(e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;

(f) Establish drug and alcohol abuse awareness programs to inform its employees about:

(i) The dangers of drug and alcohol abuse in the workplace;

(ii) The business's policy of maintaining a drug and alcohol free workplace;

(iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and

(iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;

(g) Provide all employees engaged in the performance of the contract with a copy of the statement required by §E(2)(b), of this regulation;

(h) Notify its employees in the statement required by §E(2)(b), of this regulation, that as a condition of continued employment on the contract, the employee shall:

(i) Abide by the terms of the statement; and

(ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;

(i) Notify the procurement officer within 10 days after receiving notice under §E(2)(h)(ii), of this regulation, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under §E(2)(h)(ii), of this regulation, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:

(i) Take appropriate personnel action against an employee, up to and including termination; or

(ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

(k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §E(2)(a)—(j), of this regulation.

(3) If the business is an individual, the individual shall certify and agree as set forth in §E(4), of this regulation, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

(4) I acknowledge and agree that:

(a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;

(b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.03.

#### F. CERTAIN AFFIRMATIONS VALID

##### I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgements contained in that certain Bid/Proposal Affidavit dated \_\_\_\_\_, 2020, and executed by me for the purpose of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.



I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

By: \_\_\_\_\_  
*Signature of Authorized Representative and Affiant*

Printed Name: \_\_\_\_\_  
*Printed Name of Authorized Representative and Affiant*

Title: \_\_\_\_\_

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

## APPENDIX D

### CONTRACT FOR ESCROW AGENT SERVICES

**THIS CONTRACT** (the “Contract”), is made as of the \_\_\_ day of \_\_\_\_\_, 2020 by and between \_\_\_\_\_ (the “Contractor”), and the **MARYLAND STATE TREASURER’S OFFICE**, 80 Calvert Street, Annapolis, Maryland 21401 (the “Office”), an office of the **STATE OF MARYLAND** (the “State”).

The Parties agree as follows:

#### Article I. Scope of Services

1.1 The Office hereby engages the Contractor to provide Escrow Agent Services as described in the attached, which are incorporated herein:

Exhibit A: Maryland State Treasurer’s Office Small Procurement for Escrow Agent to the Maryland State Treasurer’s Office and Maryland Department of Transportation, #ESC-08112020;

Exhibit B: Contractor’s Bid dated \_\_\_\_\_, 2020; and

Exhibit C: Bid/Proposal Affidavit and Contract Affidavit.

1.2 This Contract and the Exhibits shall constitute the scope of services provided under this Contract. If there are inconsistencies between this Contract and the Exhibits, the terms of this Contract shall control. If there are any conflicts among the Exhibits, Exhibit A shall control.

#### Article II. Term of Contract

2.1 The Contractor will act as Escrow Agent and Paying Agent for the life of all Bonds refunded during the term of October 1, 2020 through September 30, 2022, with two one-year renewal options.

#### Article III. Payment and Performance

3.1. For each Refunding Issue, the Office shall pay the Contractor one payment for the total fees for the life of the refunded bonds as specified in the Pricing Bid Sheet, as Appendix A, submitted by the Contractor on \_\_\_\_\_. Contractor shall be paid as part of the Cost of Issuance of the Refunding Bonds.

3.2. The Contractor shall be reimbursed for out of pocket publication costs of any required notices of redemption.

3.3. Payments to the Contractor shall be made after closing in an amount approved by the Contract Officer.

3.4. Payments to the Contractor may be withheld, without interest or penalty, when in the sole discretion of the Treasurer, the Contractor's performance of any of the services under this Contract is unsatisfactory or does not meet generally accepted industry standards. Notice of such withholding of payment and the reasons therefore shall be promptly provided to the Contractor, who shall be afforded an opportunity to cure any performance deficiencies.

3.5. 3.5.1. A. All invoices for goods and services for the Office shall be submitted to:

Christian Lund  
Director of Debt Management  
Maryland State Treasurer's Office  
Louis L. Goldstein Treasury Building  
80 Calvert Street  
Annapolis, Maryland 21401  
Email: clund@treasurer.state.md.us

B. All invoices for goods and services for the Maryland Department of Transportation shall be submitted to:

Jaclyn Hartman  
Chief Financial Officer, Office of Finance  
Maryland Department of Transportation  
7201 Corporate Center Drive  
Hanover, Maryland 21076  
Email: jhartman1@mdot.maryland.gov

3.5.2. Invoices must be submitted prior to or within 30 days after closing of each bond sale.

3.5.3. Payments to the Contractor pursuant to this Contract shall be made at closing, or if after closing, no later than 30 days after receipt by the Office of a proper invoice from the Contractor. Each invoice for services rendered must reflect the Contractor's federal tax identification number, which is \_\_\_\_\_, and shall clearly indicate the specific type of service provided. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1 of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, are prohibited.

3.6. Electronic funds transfer will be used by the State to pay the Contractor for this Contract and any other State payments due Contractor unless the State's Comptroller Office grants the Contractor an exemption.

## **Article IV. General Conditions**

- 4.1. Compliance with Law. The Contractor shall comply with the provisions of State Finance and Procurement Article, Title 19, Annotated Code of Maryland.
- 4.2. Termination for Nonappropriation. If funds are not appropriated or otherwise made available to support continuation in any fiscal year succeeding the first fiscal year, this Contract shall be terminated automatically as of the beginning of the fiscal year for which funds are not available. The Contractor may not recover anticipatory profits or costs incurred after termination.
- 4.3. Maryland Law Prevails. The law of Maryland shall govern the interpretation and enforcement of this Contract.
- 4.4. Disputes. Disputes arising under this Contract shall be governed by State Finance and Procurement Article, Title 15, Subtitle 2, Part III, Annotated Code of Maryland, and by COMAR 21.10. Pending resolution of a dispute, the Contractor shall continue to perform this Contract, as directed by the Procurement Officer.
- 4.5. Changes. This Contract may be amended only with the written consent of both parties. Amendments may not significantly change the scope of the Contract (including the Contract price).
- 4.6. Termination for Default. If the Contractor does not fulfill obligations under this Contract or violates any provision of this Contract, the State may terminate the Contract by giving the Contractor written notice of termination. Termination under this paragraph does not relieve the Contractor from liability for any damages caused to the State. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.
- 4.7. Nondiscrimination. The Contractor shall comply with the nondiscrimination provisions of federal and Maryland law.
- 4.8. Anti-Bribery. The Contractor certifies that, to the Contractor's best knowledge, neither the Contractor; nor (if the Contractor is a corporation or partnership) any of its officers, directors, or partners; nor any employee of the Contractor who is directly involved in obtaining contracts with the State or with any county, city, or other subdivision of the State, has been convicted of bribery, attempted bribery, or conspiracy to bribe under the laws of any state or of the United States.
- 4.9. Termination for Convenience. The State may terminate this Contract, in whole or in part, without showing cause upon prior written notice to the Contractor specifying the extent and the effective date of the termination. The State shall pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination and all reasonable costs associated with termination of

the Contract. However, the Contractor may not be reimbursed for any anticipatory profits which have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12A(2).

4.10. Notices. All notices required to be given by one party to the other hereunder shall be in writing and shall be addressed as follows:

The STO:                    Christian Lund  
                                  Director of Debt Management  
                                  Maryland State Treasurer's Office  
                                  Louis L. Goldstein Treasury Building  
                                  80 Calvert Street  
                                  Annapolis, Maryland 21401  
                                  Email: clund@treasurer.state.md.us

The MDOT:                 Jaclyn Hartman  
                                  Chief Financial Officer, Office of Finance  
                                  Maryland Department of Transportation  
                                  7201 Corporate Center Drive  
                                  Hanover, Maryland 21076  
                                  Email: jhartman1@mdot.maryland.gov

The Contractor:         \_\_\_\_\_  
                                  \_\_\_\_\_

Remainder of Page Intentionally Left Blank

**IN WITNESS WHEREOF**, the parties have executed this Contract as of the date hereinabove set forth.

**ATTEST:**

**(Contractor's Name)**

\_\_\_\_\_

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

**WITNESS:**

**MARYLAND STATE TREASURER'S  
OFFICE**

\_\_\_\_\_

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

Bernadette T. Benik  
Chief Deputy Treasurer

**ACKNOWLEDGED AND ACCEPTED:  
MARYLAND DEPARTMENT OF  
TRANSPORTATION**

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

Jaclyn Hartman  
Chief Financial Officer  
Office of Finance

Approved for form and legal sufficiency  
for the Maryland State Treasurer's Office:

\_\_\_\_\_  
Assistant Attorney General

**EXHIBIT E-1**

**MARYLAND STATE TREASURER'S OFFICE**

**STATE OF MARYLAND  
GENERAL OBLIGATION BONDS  
[SERIES]**

**ESCROW DEPOSIT AGREEMENT**

This **ESCROW DEPOSIT AGREEMENT**, dated as of [DATE], is made by and between the State of Maryland (the "State") and [BIDDER], as escrow deposit agent (the "Escrow Deposit Agent") under this Escrow Deposit Agreement (the "Escrow Deposit Agreement").

**RECITALS**

Section 8-131 of the State Finance and Procurement Article of the Annotated Code of Maryland (2009 Replacement Volume, as amended) authorizes the Board of Public Works (the "Board") to issue general obligation bonds of the State of Maryland in order to refund outstanding general obligation bonds of the State for the public purpose, among others, of realizing for the State a savings in the total cost of debt service on a direct comparison or present value basis. As authorized by said Section 8-131, the Board has determined that it is in the public interest to issue general obligation bonds of the State in order to refund the outstanding bonds of certain series and maturities (collectively, the "Refunded Bonds"), as specified in resolutions of the Board adopted on \_\_\_\_\_ and \_\_\_\_\_, for the public purpose of realizing savings for the State in the total cost of debt service on such general obligation bonds.

Section 8-131(g) of the State Finance and Procurement Article authorizes the Treasurer to deposit the proceeds of sale of an issue of refunding bonds in a trust fund with a trust company or other banking institution in order to provide for the payment of the bonds that are being refunded. The Treasurer has accordingly determined to provide for the payment of the Refunded Bonds by depositing with the Escrow Deposit Agent immediately available funds sufficient to purchase non-callable direct obligations of, or non-callable direct obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, which mature at stated fixed prices as to principal and interest at such times so that sufficient moneys will be available from such maturing principal and interest, together with any cash balance, (A) to pay interest when due and payable on the Refunded Bonds of each series on each interest payment date from the Date of Closing (defined herein) to and including the Redemption Date (defined herein), and (B) to pay the principal of and premium, if any, on the Refunded Bonds of each series on the Redemption Date.

NOW, THEREFORE, the State 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 an attorney at law or firm of attorneys at law selected by the State regularly rendering opinions of general acceptance in the municipal bond market.

“Business Day” means a day other than a Saturday, Sunday or day on which banking institutions under the laws of the state governing the Escrow Deposit Agent are authorized or obligated by law or required by executive order to remain closed.

“Date of Closing” means the date of delivery of and payment for the Refunding Bonds.

“Escrow Deposit Agent” means [FINANCIAL INSTITUTION], as Escrow Deposit Agent under this Escrow Deposit Agreement, and its successors and assigns.

“Escrow Deposit Agreement” means this Escrow Deposit Agreement dated as of [DATE], executed by and between the State and the Escrow Deposit Agent.

“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.

“Fee Schedule” means the fee schedule set forth in the Paying Agent Agreement which provides for the fees to be paid by the State for services rendered by the Escrow Deposit Agent under the Escrow Deposit Agreement. Amounts to be paid in accordance with the Fee Schedule shall not be paid with any monies held under the Escrow Deposit Agreement.

“Government Obligations” means (i) non-callable direct obligations of the United States of America, and (ii) fixed rate, non-callable senior debt obligations of the following agencies of the United States of America: Banks for Cooperatives, Federal Farm Credit Bank, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks,



Federal National Mortgage Association and Federal Home Loan Mortgage Corporation. Such obligations may not include obligations of mutual funds or unit investment trusts that invest in like instruments.

“Paying Agent Agreement” means the Contract for Escrow Agent Services dated [CONTRACT DATE] by and between [FINANCIAL INSTITUTION] and the Maryland State Treasurer’s Office.

“Redemption Date” means, with respect to the Refunded Bonds of a series, the date specified for the redemption of those bonds as shown on Exhibit A attached hereto.

“Refunded Bonds” means certain maturities of the [LIST OF MATURITIES as shown on Exhibit A attached hereto.

“Refunding Bond” or “Refunding Bonds” means the bonds of the State designated [SERIES], dated as of [DATE], issued as general obligations of the State for the purpose of refunding the Refunded Bonds.

“State” means the State of Maryland.

[LIST OF SERIES]

## ARTICLE II.

### ESCROW FOR REFUNDED BONDS

#### **Section 2.01. Establishment of Escrow Deposit Fund.**

(a) There is hereby created and established with the Escrow Deposit Agent a special and irrevocable escrow deposit fund designated “The State of Maryland General Obligation Bonds State and Local Facilities[SERIES]” (the “Escrow Deposit Fund”) to be held in trust by the Escrow Deposit Agent separate and apart from other funds of the State and of the Escrow Deposit Agent.

(b) Simultaneously with the receipt of the proceeds of the sale of the Refunding Bonds, the State shall cause to be delivered to the Escrow Deposit Agent for deposit in the Escrow Deposit Fund immediately available funds aggregating \$\_\_\_\_\_ to be applied solely as provided in this Escrow Deposit Agreement. The State represents that, based on the verification report of\_\_\_\_\_, dated [DATE] (the “Verification Report”), such funds will be sufficient to purchase Government Obligations described in Exhibit B that will mature in 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 any cash balance (i) to pay interest when due and payable on the Refunded Bonds of each series on each interest payment date from the Date of Closing to and including the Redemption Date specified for the Refunded Bonds of that series, and (ii) to pay the principal of and

premium, if any, on the Refunded Bonds of each series on the Redemption Date specified for the Refunded Bonds of that series.

(c) The State further represents that such funds are derived from the net proceeds of the sale of the Refunding Bonds.

**Section 2.02. 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 holders of the Refunded Bonds. The principal of the Escrowed Government Obligations deposited in the Escrow Deposit Fund, interest earned thereon and any proceeds from the sale thereof, together with any cash deposited in the Escrow Deposit Fund, shall be held in escrow and shall be applied, as hereinafter set forth, solely to the payment of the principal and redemption price of and interest on the Refunded Bonds, or as described in Section 2.09.

**Section 2.03. Investment.**

(a) The Escrow Deposit Agent hereby acknowledges creation and establishment of the Escrow Deposit Fund and acknowledges receipt of the sum described in Section 2.01 of this Escrow Deposit Agreement. Simultaneously with the receipt of and deposit of the funds described in Section 2.01 hereof, the Escrow Deposit Agent shall apply \$\_\_\_\_\_ of such funds on deposit in the Escrow Deposit Fund to the purchase of the Government Obligations described in Exhibit B and identified as being for settlement on [DATE]. The Escrow Agent shall hold the balance of \$\_\_\_\_\_ as uninvested cash in the Escrow Deposit Fund.

(b) The Escrow Deposit Agent shall hold the Government Obligations described in Exhibit B and apply amounts received from the maturing principal and interest thereof in any manner prescribed by Bond Counsel, in order to comply with the requirements of Section 2.03(e) hereof, subject to the requirement that the Escrow Deposit Agent shall make payments from the Escrow Deposit Fund required to be made on account of the Refunded Bonds pursuant to Section 2.01 hereof.

(c) Notwithstanding Subsection 2.03(b), the Escrow Deposit Agent may, at the direction of the State, dispose of any or all of the Government Obligations described in Exhibit B and invest the net proceeds derived from the sale thereof in Government Obligations to be deposited in the Escrow Deposit Fund, subject to the requirement that the Escrow Deposit Agent shall have received an opinion of a nationally recognized independent firm of certified public accountants to the effect that the maturing principal of and interest on Government Obligations on deposit in the Escrow Deposit Fund, after such sale and purchase of Government Obligations, together with any cash then on deposit in the Escrow Deposit Fund, shall be sufficient without reinvestment to enable the Escrow Deposit Agent to make payments from the Escrow Deposit Fund required to be made on account of the Refunded Bonds pursuant to Section 2.04, and subject to the further requirement that the Escrow Deposit Agent shall have received an opinion of Bond Counsel to the effect that, subsequent to any such disposition and purchase of Government

Obligations as aforesaid, the Government Obligations on deposit in the Escrow Deposit Fund comply with the requirements set forth in Section 2.03(e) hereof.

(d) Except as otherwise expressly provided in this Section 2.03 or Section 2.04, the Escrow Deposit Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of Escrowed Government Obligations held hereunder.

(e) The State hereby covenants that no part of the moneys or funds 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 Refunding Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

**Section 2.04. Use of Funds and Payment of the Refunded Bonds; Deposit of Interim Balances.**

(a) The Escrow Deposit Agent shall deposit, as received, all maturing principal of and interest on Escrowed Government Obligations purchased with the proceeds of the Refunding Bonds to the credit of the Escrow Deposit Fund. To the extent available, (i) on each interest payment date for the Refunded Bonds of each series from the Date of Closing to and including the Redemption Date specified for the Bonds of that series, the Escrow Deposit Agent shall pay to the Depository Trust Company (“DTC”) (or, if directed by the State to the paying agent for those Refunded Bonds), from cash on hand in the Escrow Deposit Fund, a sum sufficient to pay the interest due on such interest payment date as set forth in Exhibit C attached hereto, and, (ii) on each Redemption Date for the Refunded Bonds of each series as set forth in Exhibit A attached hereto, the Escrow Deposit Agent shall pay to DTC (or, if directed by the State to the paying agent for those Refunded Bonds), from cash on hand in the Escrow Deposit Fund, a sum sufficient to pay the principal of and, if applicable, the redemption premium on such Redemption Date as set forth in Exhibit C attached hereto.

(b) If the funds in the Escrow Deposit Fund are insufficient to meet the payments set forth in Exhibit C, the Escrow Deposit Agent is under no obligation to make any payment out of its own funds for such amounts necessary to fund the shortfall. Any cash on deposit in the Escrow Deposit Fund constituting proceeds of the maturing principal of or interest on Escrowed Government Obligations set forth on Exhibit B hereto (and any Government Obligations deposited in the Escrow Deposit Fund in substitution for such Escrowed Government Obligations pursuant to Section 2.03(c) hereof) shall be held in cash and not invested.

(c) In any case where any date of payment described hereinabove shall be a day that 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 2.05. Pledges and Liens.**

The State hereby assigns and pledges to the Escrow Deposit Agent for the benefit of the holders of the Refunded Bonds and grants to the Escrow Deposit Agent for the benefit of such holders of the Refunded Bonds a security interest in the Escrowed Government Obligations and funds on deposit in the Escrow Deposit Fund and the interest income thereon. The Escrow Deposit Agent shall have an express first lien on, pledge of and security interest in all funds, Escrowed Government Obligations and income earned and on deposit in or credited to the Escrow Deposit Fund until such funds, Escrowed Government Obligations and income are used and applied in accordance with this Escrow Deposit Agreement, all for the benefit of the holders of the Refunded Bonds.

**Section 2.06. Redemption.**

(a) The State represents that it has irrevocably elected to redeem the Refunded Bonds of each series on the Redemption Date specified for the Refunded Bonds of that series as shown on Exhibit A attached hereto. In accordance with the terms of the Refunded Bonds, DTC shall select by lot the particular Refunded Bonds of each series to be redeemed for any maturity if less than all of the Refunded Bonds of each series and of such maturity are called for redemption.

(b) The State hereby directs the Escrow Deposit Agent to mail notices of redemption with respect to the Refunded Bonds of each series substantially in the form set forth in Exhibits D-1 through D-13 attached hereto, by first class mail, postage prepaid, at least thirty (30) days prior to the Redemption Date for the Refunded Bonds of that series, to the registered owners of the Refunded Bonds of that series at their addresses as they appear on the registration books maintained by the Maryland State Treasurer as the bond registrar for those Refunded Bonds.

(c) In addition, the Escrow Deposit Agent shall provide a notice of refunding with respect to the Refunded Bonds of each series, substantially in the form set forth in Exhibits E-1 through E-13 attached hereto, not less than five (5) days from the date hereof by providing such notices electronically to the Electronic Municipal Market Access ("EMMA") System, as set forth on Exhibit F.

(d) The cost of the notices described in this Section 2.06 shall be paid by the State pursuant to Section 2.10 hereof.

**Section 2.07. Fees and Expenses of Escrow Deposit Agent.**

The State shall pay the Escrow Deposit Agent the fees and amounts set forth in the Fee Schedule. The State shall also provide for the payment of the reasonable out-of-pocket expenses incurred by the Escrow Deposit Agent in the performance of its duties under this Escrow Deposit Agreement, including, as provided in Section 2.10, the cost of publishing notices under Section 2.06 hereof. No fees and expenses of the Escrow Deposit Agent other than those described in this Section 2.07 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 State and the State shall provide for the payment thereof. The Escrow Deposit Agent shall not assert and shall not have any lien whatsoever upon any of the moneys in the Escrow Deposit Fund for the payment of its fees and expenses.

**Section 2.08. 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 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. In no event shall the Escrow Deposit Agent be liable for indirect, punitive, special, consequential damage or loss, even if the Escrow Deposit Agent has been informed of the likelihood of such loss or damage and regardless of the form or action.

(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 reasonably believed by it to be genuine and may assume that any person purporting to give any writing, notice, advice or direction in connection with the provisions hereof has been duly authorized to do so.

(c) None of the provisions hereof shall require the Escrow Deposit Agent to expend or risk its own funds or otherwise to incur personal financial liability in the performance of any of its duties or in the exercise of its rights or powers hereunder.

(d) The Escrow Deposit Agent may consult nationally recognized bond counsel satisfactory to it, and the opinion or advice of such counsel, or a ruling from a Maryland Court of competent jurisdiction, in any instance shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion or advice of such counsel or ruling from such Court.

(e) The Escrow Deposit Agent shall have no liability for any investment losses, including without limitation any market loss on any investment liquidated prior to maturity in order to make a payment required hereunder.

(f) Notwithstanding anything contained in this Agreement to the contrary, the Escrow Deposit Agent shall not incur any liability for not performing any act or fulfilling any obligation hereunder by reason of any occurrence beyond its control (including,

without limitation, any provision of any present or future law or regulation or any act of any governmental authority, any act of God or war or terrorism, or the unavailability of the Federal Reserve Bank wire services or any electronic communication facility).

**Section 209. Term; Disposition of Surplus Funds.**

This Escrow Deposit Agreement shall become effective upon its execution and delivery and shall terminate when all the Refunded Bonds and the interest due thereon have been paid and discharged. Upon such termination any remaining moneys and Escrowed Government Obligations shall be paid and delivered by the Escrow Deposit Agent to the State or to a depository designated by the State, to be applied at the State's discretion in a manner consistent with Section 2.03(e) hereof.

**Section 2.10. Costs of Notices.**

The Escrow Deposit Agent shall submit to the State for payment by the State all receipts and invoices for costs and expenses related to the publications and mailings described in Section 2.06.

**Section 2.11. Replacement of Escrow Deposit Agent.**

The Escrow Deposit Agent may resign by notice in writing given to the State and published once in a financial trade journal or daily newspaper of general circulation in the Borough of Manhattan, New York, New York, not less than sixty (60) days before such resignation is to take effect. The cost of such publication shall be the responsibility of the Escrow Deposit Agent. Such resignation shall take effect only upon the appointment and qualification of and the acceptance of duties by a successor Escrow Deposit Agent, as described below. The Escrow Deposit Agent may be removed at any time for any breach of trust or failure to comply with the terms of this Escrow Deposit Agreement by any court of competent jurisdiction upon the application of the State or the registered holders of not less than ten percent (10%) in aggregate principal amount of the outstanding Refunded Bonds.

Upon resignation or removal of the Escrow Deposit Agent, a successor Escrow Deposit Agent (which shall be a commercial bank, trust company or national banking association having a combined capital and surplus of at least \$50,000,000 and which shall be subject to supervision or examination by federal or state authority) shall be appointed by the State or, if the State shall fail to make such appointment within forty-five (45) days following removal or receipt of notice of resignation of the predecessor Escrow Deposit Agent, by any court of competent jurisdiction upon the petition of the Escrow Deposit Agent or any registered holder of any of the outstanding Refunded Bonds. Such successor Escrow Deposit Agent shall agree in writing to assume all of the duties and obligations of the Escrow Deposit Agent under this Escrow Deposit Agreement and, upon such agreement, without any further act, deed or conveyance, shall immediately become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of its predecessor Escrow Deposit Agent.

## **Section 2.12. Amendments.**

This Escrow Deposit Agreement shall not be amended without the consent of the parties hereto and the holders of a majority of the principal amount of the Refunded Bonds then outstanding; provided, however, that the State and the Escrow Deposit Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Escrow Deposit Agreement (the “Amendments” or “Amendment”) as shall, in the opinion of nationally recognized bond counsel, not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Escrow Deposit Agreement, for any one or more of the following purposes:

- (i) to cure any ambiguity or formal defect or omission in this Escrow Deposit Agreement;
- (ii) to grant to, or confer upon the Escrow Deposit Agent for the benefit of, such holders any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Deposit Agent; and
- (iii) to make any other amendment deemed necessary by the State and the Escrow Deposit Agent to sever any clause or provision in this Escrow Deposit Agreement found by a court of competent jurisdiction to be illegal or unenforceable.

The Escrow Deposit Agent shall not undertake or execute any Amendment unless it has received an opinion of nationally recognized bond counsel that (A) if such Amendment had been adopted on the date of issuance of the Refunding Bonds, such Amendment would not have caused the Refunding Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations and rulings thereunder applicable to the Refunding Bonds on the date of the Amendment; (B) the Amendment will not cause any of the Refunded Bonds to be “arbitrage bonds”; and (C) the Amendment complies with this Section.

Prior to any amendment or revocation of this Escrow Deposit Agreement, the Escrow Deposit Agent shall give notice and provide draft legal documents to Moody’s Investors Service, Inc. at Moody’s Investors Service, Inc., Public Finance Rating Desk/Refunded Bonds, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, to Standard & Poor’s Corporation at 55 Water Street, New York, New York 10041, and to Fitch Ratings at One State Street Plaza, New York, New York 10004. Failure to give the notice required in this paragraph, however, shall not constitute an event of default hereunder.

Reports by Escrow Deposit Agent. Within ten (10) days of each June 30 and December 31, beginning December 31, 20\_\_\_, the Escrow Deposit Agent shall forward to the State a statement describing the Escrowed Government Obligations and cash held at the beginning of business on each such date in the Escrow Deposit Fund, including the income

earned therefrom and the maturities thereof, and any withdrawals of money from the Escrow Deposit Fund since the last statement furnished pursuant to this Section.

### **ARTICLE III**

#### **MISCELLANEOUS**

##### **Section 3.01. Entire Agreement.**

This Escrow Deposit Agreement and the Paying Agent 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. This Escrow Deposit Agreement 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 State and the Escrow Deposit Agent agree that the Section and paragraph headings 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 State or the Escrow Deposit Agent, as the case may be, only to the full extent permitted by law. Immediately after such occurrence, the Escrow Deposit Agent shall notify Moody's Investors Service, Inc., Standard & Poor's Corporation, and Fitch Ratings at the addresses provided in Section 2.12.

##### **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. Escrow Deposit Agreement Constitutes Security Agreement.**

The State 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 3.06. Representations.**

The State hereby represents that (a) the State possesses the legal authority to enter into the transactions contemplated by this Escrow Deposit Agreement; and (b) the State has taken due and proper action to authorize the execution and delivery of this Escrow Deposit Agreement.

**Section 3.07. Binding Effect; Successors.**

This Escrow Deposit Agreement shall be binding upon the respective parties hereto and their heirs, executors, successors and assigns. If the Escrow Deposit Agent consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to another entity or corporation, the successor entity or corporation without any further act shall be the successor Escrow Deposit Agent.

Signatures to Follow Next 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.

(SEAL)  
Witness:

\_\_\_\_\_

**STATE OF MARYLAND**

By: \_\_\_\_\_  
Nancy K. Kopp  
Treasurer

Approved for form and legal  
sufficiency for the State of  
Maryland:

\_\_\_\_\_  
Catherine Allen  
Assistant Attorney General

[FINANCIAL INSTITUTION]  
as Escrow Deposit Agent

(SEAL)

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

Attest:

\_\_\_\_\_

STATE OF MARYLAND, ANNE ARUNDEL COUNTY, TO WIT:

I HEREBY CERTIFY, that on this \_\_\_\_ day of \_\_\_\_\_ in the year 20\_\_, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared Nancy K. Kopp, Treasurer of the State of Maryland, and on behalf of the said State acknowledged the foregoing Escrow Deposit Agreement to be the act and deed of the State of Maryland.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

STATE OF \_\_\_\_\_, \_\_\_\_\_ COUNTY, TO WIT:

I HEREBY CERTIFY, that on this \_\_\_\_ day of \_\_\_\_\_ in the year 20\_\_, before the subscriber, a Notary Public in and for the State of New York, personally appeared \_\_\_\_\_, a [TITLE] of [FINANCIAL INSTITUTION], and on behalf of the said banking institution acknowledged the foregoing Escrow Deposit Agreement to be the act and deed of [FINANCIAL INSTITUTION].

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

EXHIBIT A  
to Escrow Deposit Agreement  
**REFUNDED BONDS**

---

EXHIBIT B  
to Escrow Deposit Agreement  
**ESCROWED GOVERNMENT OBLIGATIONS**  
Settlement Date: \_\_\_\_\_

---

EXHIBIT C  
to Escrow Deposit Agreement  
**DEBT SERVICE REQUIREMENTS  
OF REFUNDED BONDS TO EARLY REDEMPTION  
COMBINED**

EXHIBIT D  
to Escrow Deposit Agreement

**NOTICE OF REDEMPTION**

**STATE OF MARYLAND**

**STATE AND LOCAL FACILITIES LOAN OF \_\_\_\_\_**

Dated: [DATE]

REDEMPTION DATE: [DATE]

NOTICE IS HEREBY GIVEN of the election by the State of Maryland to redeem on [DATE] (the "Redemption Date") \$\_\_\_\_\_ aggregate principal amount of its general obligation bonds designated State and Local Facilities Loan of \_\_\_\_\_, [SERIES] (the "Bonds") stated to mature and bearing interest as follows:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Call Price</u>	<u>CUSIP Number</u>
-----------------	-------------------------	----------------------	-------------------	---------------------

The Bonds will become due and will be redeemed on the Redemption Date at redemption prices set forth above as percentages of the principal amount of the Bonds to be redeemed, together with interest accrued to the Redemption Date. From and after the Redemption Date, interest on the Bonds will cease to accrue.

Payment of the Bonds will be made upon presentation and surrender thereof  
at:

[FINANCIAL INSTITUTION

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

STATE OF MARYLAND

EXHIBIT E  
to Escrow Deposit Agreement

**NOTICE OF REFUNDING**

**STATE OF MARYLAND**

**STATE AND LOCAL FACILITIES LOAN OF \_\_\_\_, [SERIES]**

Dated [DATE]

NOTICE IS HEREBY GIVEN that there have been deposited in trust with [FINANCIAL INSTITUTION], proceeds of certain refunding bonds issued by the State of Maryland, which proceeds have been invested in non-callable direct obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America (the "Government Obligations"), for the purpose of refunding \$\_\_\_\_\_ aggregate principal amount of its general obligation bonds designated State and Local Facilities Loan of \_\_\_\_, [Series] (the "Bonds") stated to mature and bearing interest as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Call Price</u>	<u>CUSIP</u>
----------------------	-------------------------	----------------------	-------------------	--------------

The Government Obligations will mature and pay interest in such amounts and at such times as shall be necessary to pay the Call Price, together with accrued interest, on the Bonds on [DATE] (the "Redemption Date").

The Bonds will become due and will be redeemed on the Redemption Date at the Call Price set forth above as a percentage of the principal amount of the Bonds to be redeemed, together with interest accrued to the Redemption Date. From and after the Redemption Date, interest on the Bonds will cease to accrue.

The Bonds will be called for redemption, and will be redeemed, on the Redemption Date. INTEREST ON THE BONDS WILL CEASE TO ACCRUE ON THE REDEMPTION DATE. No action is required by bondholders prior to the Redemption Date.

Dated: [DATE]

STATE OF MARYLAND

EXHIBIT F  
to Escrow Deposit Agreement

**NATIONALLY RECOGNIZED MUNICIPAL SECURITIES INFORMATION REPOSITORY**

Electronic Municipal Market Access System  
<http://emma.msrb.org>

**APPENDIX E-2**

**FORM OF  
ESCROW DEPOSIT AGREEMENT**

**by and among**

**THE MARYLAND DEPARTMENT OF TRANSPORTATION**

---

**AND**

**MARYLAND STATE TREASURER'S OFFICE**

**Dated as of  
[DATE]**

**\$ [AMOUNT] Bonds,  
Refunding Series [YEAR]**



**TABLE OF CONTENTS**

<u>SECTION</u>	<u>PAGE</u>
ARTICLE I - DEFINITIONS	
1.01 Definitions .....	2
1.02 Rules of Construction .....	3
ARTICLE II – ESCROW FOR REFUNDED BONDS	
2.01 Receipt of Specimen Refunded Bonds .....	4
2.02 Establishment of Escrow Deposit Fund .....	4
2.03 Deposit Irrevocable.....	4
2.04 Investment.....	4
2.05 Use of Funds and Payment of the Refunded Bonds and Fees; Deposit of Interim Balances.....	5
2.06 Pledges and Liens .....	6
2.07 Redemption.....	6
2.08 Fees and Expenses of Escrow Deposit Agent.....	6
2.09 Liability and Duties of Escrow Deposit Agent .....	7
2.10 Term; Disposition of Surplus Funds.....	7
2.11 Notice of Refunding .....	7
2.12 Information for Notices.....	7
2.13 Replacement of Escrow Deposit Agent .....	7
2.14 Amendments.....	8
2.15 Reports by Escrow Deposit Agent.....	9
ARTICLE III – MISCELLANEOUS	
3.01 Entire Agreement.....	9
3.02 Section and Paragraph Headings.....	9
3.03 Severability .....	9
3.04 Maryland Law.....	9
3.05 Escrow Deposit Agreement Constitutes Security Agreement.....	10
3.06 Representations .....	10
Schedule A – Government Obligations.....	1
Exhibit A – Notice of Redemption.....	A-1
Exhibit B – Notice of Refunding.....	B-1
Exhibit C – Escrow Deposit Fund.....	C-1
Exhibit D – Debt Service Requirement .....	D-1

## **ESCROW DEPOSIT AGREEMENT**

This ESCROW DEPOSIT AGREEMENT, dated as of [DATE], is made and entered into between the Department of Transportation of Maryland (the "Department"), [NAME], as escrow deposit agent (the "Escrow Deposit Agent") under this Escrow Deposit Agreement and the MARYLAND STATE TREASURER'S OFFICE, also a party to this Escrow Deposit Agreement (the "Treasurer").

### **RECITALS**

The Department, pursuant to Title 3 of the Transportation Article of the Annotated Code of Maryland (2015 Replacement Volume and any supplements thereto) ("Enabling Act") issued, sold and delivered (i) certain maturities of the [DESCRIBE REFUNDED BONDS], Series [YEAR] (the "Bonds") originally issued in the aggregate principal amount of \$[AMOUNT], dated [DATE] ( the "Refunded Bonds").

The Department, pursuant to the Enabling Act, Section 8-209 of the State Finance and Procurement Article of the Annotated Code of Maryland (2015 Replacement Volume, as amended and supplemented), resolutions of the Board of Public Works adopted on [DATE] (the "Board Resolutions") and certain proceedings of the Department, including a Resolution of the Secretary of Transportation of Maryland (the "Secretary"), dated as of [DATE] (the "Resolution") has determined to issue \$[AMOUNT] [DESCRIBE BONDS] Series [YEAR] (the "Refunding Bonds").

Upon receipt of the Series [YEAR] Bond proceeds, the Department will deposit, with the Escrow Deposit Agent immediately available funds sufficient to purchase noncallable, nonprepayable direct obligations of, or noncallable, nonprepayable obligations the timely payment of the principal of and the interest on which are unconditionally guaranteed by the United States of America which mature at stated fixed prices as to principal and interest at such times so that sufficient moneys will be available from such maturing principal and interest together with any cash balance to pay the principal, interest and applicable redemption premium on the Refunded Bonds.

NOW, THEREFORE, the Department, the Treasurer 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.** All terms defined in the Recitals to this Escrow Deposit Agreement shall have the meanings set forth therein. In addition, 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 an attorney at law or firm of attorneys at law selected by the Department regularly rendering opinions of general acceptance in the municipal bond market. The firm of [NAME] is recognized as constituting Bond Counsel, subject to further action by the Department.

“Business Day” means a day other than a Saturday, Sunday or day on which banking institutions under the laws of the state governing the Escrow Deposit Agent are authorized or obligated by law or required by executive order to remain closed.

“Department” means the Department of Transportation of Maryland.

“Escrow Deposit Agent” means [NAME], as Escrow Deposit Agent under this Escrow Deposit Agreement, and its successors and assigns.

“Escrow Deposit Agreement” means this Escrow Deposit Agreement dated as of [DATE], pertaining to the Refunded Bonds, executed by and between the Department, the Treasurer and the Escrow Deposit Agent.

“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.

“Financial Advisors” means [NAME] and its successors and assigns, subject to further action by the Department.

“Government Obligations” means noncallable, nonprepayable direct obligations of, or noncallable, nonprepayable obligations the full and timely payment of the principal of and the interest on which are unconditionally guaranteed by, the United States of America. Such obligations may not include obligations of mutual funds, money market funds or unit investment trusts that invest in like instruments.

“Rating Agency” means Fitch Ratings, or Moody’s Investors Service, Inc. or Standard & Poor’s Corporation, or any other securities rating agency that, at the request of the Department, shall have assigned a rating that is then in effect with respect to the

Refunded Bonds, and their successors and assigns, and “Rating Agency” means each such Rating Agency, collectively.

“Treasurer” means the Maryland State Treasurer’s Office.

“State” means State of Maryland, and its successors and assigns.

“Verification Agent” means [NAME], its successors and assigns.

“Verification Report” means the statement of the Verification Agent (a) certifying that the maturing principal and interest of the obligations held in the Escrow Deposit Fund established and maintained under this Escrow Deposit Agreement will be sufficient to pay when due, the principal of and redemption premium and interest on the Refunded Bonds, and (b) verifying the mathematical accuracy of the computation of actuarial yields on the Series [YEAR] Bonds and the obligations held in the Escrow Deposit Fund.

**Section 1.02. Rules of Construction.** Unless the context clearly indicates to the contrary, the following rules apply to the construction of this Escrow Deposit Agreement:

(a) Words importing the singular number include the plural number and words importing the plural number include the singular number.

(b) Words of the masculine gender include correlative words of the feminine and neuter genders.

(c) The table of contents and the headings or captions used in this Escrow Deposit Agreement are for convenience of reference and do not constitute a part of this Escrow Deposit Agreement, nor affect its meaning, construction or effect.

(d) Words importing persons include any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(e) Any reference in this Escrow Deposit Agreement to a particular “Article,” “Section” or other subdivision shall be to such Article, Section or subdivision of this Escrow Deposit Agreement unless the context shall otherwise require.

(f) Each reference in this Escrow Deposit Agreement to an agreement or contract shall include all amendments, modifications and supplements to such agreement or contract unless the context shall otherwise require.

## ARTICLE II

### ESCROW FOR REFUNDED BONDS

**Section 2.01. Receipt of Specimen Refunded Bonds.** The Escrow Deposit Agent hereby acknowledges that it has (a) specimens of each of the Refunded Bonds and (b) 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 “Department of Transportation of Maryland, [DESCRIBE BONDS] Series [YEAR] Escrow Deposit Fund” (the “Escrow Deposit Fund”) to be held in trust by the Escrow Deposit Agent separate and apart from other funds of the Department and of the Escrow Deposit Agent.

Simultaneously with the receipt of the proceeds from the sale of the Refunding Bonds, the Department shall deliver to the Escrow Deposit Agent for deposit in the Escrow Deposit Fund immediately available funds aggregating \$[AMOUNT] (derived from the net proceeds of the sale of the Refunding Bonds and other funds of the Department) to be applied solely as provided in this Escrow Deposit Agreement. The Department and the Escrow Deposit Agent represent that, based on the Verification Report, such funds will be sufficient to purchase Government Obligations that will mature in principal amounts at such times and bear interest at a rate or rates so that sufficient moneys will be available from such maturing principal of and interest and any cash balance (i) to pay interest on certain of the [YEAR] Bonds semiannually beginning with the interest payment due [DATE] and to redeem on [DATE] certain of the [YEAR] Bonds and to pay on [DATE], the redemption price of certain of the [YEAR] Bonds and the accrued interest thereon.

**Section 2.03. 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 holders of the Refunded Bonds. The principal of the Escrowed Government Obligations deposited in the Escrow Deposit Fund, interest earned thereon and any proceeds from the sale thereof, together with any cash deposited in the Escrow Deposit Fund, shall be held in escrow and shall be applied, as hereinafter set forth, solely to the payment of the principal and redemption price of and interest on the Refunded Bonds, or as described in Section 2.10.

**Section 2.04. Investment.** (a) The Escrow Deposit Agent hereby acknowledges creation and establishment of the Escrow Deposit Fund and acknowledges receipt of the sum described in Section 2.02. Simultaneously with the receipt of and deposit of the funds described in Section 2.02, the Escrow Deposit Agent shall apply a \$[AMOUNT]

portion of such funds on deposit in the Escrow Deposit Fund to the purchase of the Government Obligations described in Exhibit C. The balance of such funds shall be held by the Escrow Deposit Agent in cash.

(b) The Escrow Deposit Agent shall hold the Government Obligations described in Exhibit C and apply amounts received from the maturing principal and interest thereof in any manner prescribed by Bond Counsel, in order to comply with the requirements of Section 2.04(f), subject to the requirement that the Escrow Deposit Agent shall make payments from the Escrow Deposit Fund required to be made on account of the Refunded Bonds pursuant to Section 2.02.

(c) Notwithstanding Section 2.04(b) herein, the Escrow Deposit Agent shall comply with any additional written directions of the Chief Financial Officer of the Department during the term of the Escrow Deposit Agreement with respect to acquisition or disposition of Government Obligations held in the Escrow Deposit Fund, subject to the requirement that the Escrow Deposit Agent shall have received an opinion of an independent verification agent to the effect that the maturing principal of and interest on Government Obligations on deposit in the Escrow Deposit Fund, after such acquisition or disposition of Government Obligations, shall be sufficient, without further reinvestment, to enable the Escrow Deposit Agent to make payments from the Escrow Deposit Fund required to be made on account of the Refunded Bonds pursuant to Section 2.02 and subject to the further requirement that the Escrow Deposit Agent shall have received an opinion of Bond Counsel to the effect that, subsequent to any such acquisition or disposition of Government Obligations as aforesaid, the Government Obligations on deposit in the Escrow Deposit Fund, comply with the requirements set forth in Section 2.04(f) herein.

(d) Notwithstanding Section 2.04(b) and Section 2.04(c) herein, the opinion of an independent verification agent described in the preceding Section 2.04(c) need not be provided in the case of reinvestment of amounts constituting matured principal and investment earnings held in the Escrow Deposit Fund in Government Obligations -State and Local Government Series with a rate of 0.00% per annum and which mature in amounts and at times sufficient to meet the payment requirements of the Refunded Bonds, as set forth in Exhibit D attached hereto.

(e) Except as otherwise expressly provided in this Section 2.04 or Section 2.05 herein, the Escrow Deposit Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of Escrowed Government Obligations held hereunder.

(f) The Department hereby covenants that no part of the moneys or funds 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 Refunding Bonds or the Refunded Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations there under.

**Section 2.05. Use of Funds and Payment of the Refunded Bonds and Fees; Deposit of Interim Balances.** The Escrow Deposit Agent shall deposit, as received, all maturing principal of and interest on Escrowed Government Obligations purchased with the proceeds of the Refunding Bonds to the credit of the Escrow Deposit Fund. On each interest or principal payment date or redemption date for any of the Refunded Bonds, the Escrow Deposit Agent shall pay to the paying agents for such Refunded Bonds from cash on hand in the Escrow Deposit Fund, a sum sufficient to pay the interest and principal or redemption price of the Refunded Bonds as set forth in Exhibit D attached hereto and incorporated herein. If the funds in the Escrow Deposit Fund are insufficient to meet the payments set forth in Exhibit D, the Escrow Deposit Agent is under no obligation to make any payment out of its own funds for such amounts necessary to fund the shortfall. Any cash on deposit in the Escrow Deposit Fund constituting proceeds of the maturing principal of or interest on Escrowed Government Obligations set forth on Schedule A hereto (and any Government Obligations deposited in the Escrow Deposit Fund in substitution for such Escrowed Government Obligations pursuant to Section 2.04(c) hereof) shall be held in cash and not invested by the Escrow Deposit Agent for credit to the Escrow Deposit Fund.

**Section 2.06. Pledges and Liens.** The Department hereby assigns and pledges to the Escrow Deposit Agent for the benefit of the holders of the Refunded Bonds and grants to the Escrow Deposit Agent for the benefit of such holders of the Refunded Bonds a security interest in the Escrowed Government Obligations and funds on deposit in the Escrow Deposit Fund and the interest income thereon. The Escrow Deposit Agent shall have an express first lien on, irrevocable pledge of and security interest in all funds, Escrowed Government Obligations and income earned then on deposit in or credited to the Escrow Deposit Fund until such funds, Escrowed Government Obligations and income are used and applied in accordance with this Escrow Deposit Agreement, all for the benefit of the holders of the Refunded Bonds.

**Section 2.07. Redemption.** (a) The Department represents that it has irrevocably elected (i) to redeem the Refunded Bonds maturing on [DATE] through [DATE] and including [DATE] on [DATE] at the redemption price of \$[AMOUNT] and to pay interest accrued and unpaid to [DATE].

(b) The Escrow Agent is hereby directed to give the notices of redemption with respect to the refunded maturities of the [YEAR] Bonds substantially in the forms, as applicable, set forth in Exhibit A attached hereto and incorporated herein, in accordance with the terms of the Refunded Bonds prior to the redemption date for each such series of the Refunded Bonds, to all registered owners of such series of Refunded Bonds and to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) System. The Escrow Agent will provide the Department a copy of the completed notice prior to giving such notice.

**Section 2.08. Fees and Expenses of Escrow Deposit Agent.** Upon the execution and delivery of this Escrow Deposit Agreement, the Department shall pay the Escrow Deposit Agent the fee as set forth in a contract between the Treasurer and the

Escrow Deposit Agent for the Department, dated [DATE] (incorporated into this agreement by reference and made part hereof and referred to herein as the “Escrow Agent Services Contract”) in connection with the performance of its duties under this Escrow Deposit Agreement. No fees and expenses of the Escrow Deposit Agent other than those described in this Section 2.08 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 Department. 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 or the fees and expenses of any third party.

**Section 2.09. 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 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 in connection with the provisions hereof has been duly authorized to do so.

**Section 2.10. Term, Disposition of Surplus Funds.** This Escrow Deposit Agreement shall become effective upon its execution and delivery and shall terminate when all the Refunded Bonds and the interest due thereon have been paid and discharged. Upon such termination and after payment of any unpaid expenses of the Escrow Deposit Agent, any remaining moneys and Escrowed Government Obligations shall be paid and delivered by the Escrow Deposit Agent to the Department or to a depository designated by the Department, to be applied at the Department's discretion.

**Section 2.11. Notice of Refunding.** In addition, the Escrow Deposit Agent shall provide a notice of refunding with respect to the Refunded Bonds of each series, substantially in the form set forth in Exhibit B attached hereto, not less than five (5) days from the date hereof by providing such notices electronically to EMMA.



**Section 2.12. Replacement of Escrow Deposit Agent.** The Escrow Deposit Agent may resign by notice in writing given to the Department and published once in a financial trade journal or daily newspaper of general circulation in the Borough of Manhattan, New York, New York not less than sixty (60) days before such resignation is to take effect. The cost of such publications shall be the responsibility of the Escrow Deposit Agent. Such resignation shall take effect only upon the appointment and qualification of and the acceptance of duties by a successor Escrow Deposit Agent, as described below. The Escrow Deposit Agent may be removed at any time for any breach of trust or failure to comply with the terms of this Escrow Deposit Agreement by any court of competent jurisdiction upon the application of the Department or the registered holders of not less than ten percent (10%) in aggregate principal amount of each series of the outstanding Refunded Bonds.

Upon resignation or removal of the Escrow Deposit Agent, a successor Escrow Deposit Agent (which shall be a commercial bank, trust company or national banking association having a combined capital and surplus of at least \$100,000,000 and which shall be subject to supervision or examination by federal or state authority) shall be appointed by the Department and the Treasurer or, if the Department and the Treasurer shall fail to make such appointment within forty-five (45) days following removal or receipt of notice of resignation of the predecessor Escrow Deposit Agent, by any court of competent jurisdiction upon the petition of any registered holder of any of the outstanding Refunded Bonds. Such successor Escrow Deposit Agent shall agree in writing to assume all of the duties and obligations of the Escrow Deposit Agent under this Escrow Deposit Agreement and, upon such agreement, without any further act, deed or conveyance, shall immediately become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of its predecessor Escrow Deposit Agent.

**Section 2.13. Amendments.** This Escrow Deposit Agreement shall not be amended without the consent of the parties hereto and all the holders of the Refunded Bonds; *provided*, however, that the Department, the Treasurer and the Escrow Deposit Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Escrow Deposit Agreement (the “Amendments” or “Amendment”) as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Escrow Deposit Agreement, for any one or more of the following purposes:

- (i) to cure any ambiguity or formal defect or omission in this Escrow Deposit Agreement;
- (ii) to grant to, or confer upon the Escrow Deposit Agent for the benefit of such holders any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Deposit Agent; and

- (iii) to make any other amendment deemed necessary by the Department, the Treasurer and the Escrow Deposit Agent to sever any clause or provision in this Agreement deemed to be illegal or unenforceable.

The Escrow Deposit Agent shall not undertake or execute any Amendment unless it has received an opinion of nationally recognized Bond Counsel that (A) if such Amendment had been adopted on the date of issuance of the Refunding Bonds, such Amendment would not have caused the Series [YEAR] Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations and rulings thereunder applicable to the Series Bonds on the date of the Amendment; (B) the Amendment will not cause the Refunded Bonds to be “arbitrage bonds;” and (C) the Amendment complies with this Section.

The Escrow Deposit Agent shall provide, at the Department’s expense, to each Rating Agency any proposed amendments prior to their execution at the following addresses: Moody’s Investors Services Inc., 99 Church Street, Attention: Public Finance Ratings Desk -Refunded Bonds, New York, New York 10007; Standard & Poor’s Ratings Group, Municipal Finance Department, 55 Water Street, 38th floor, New York, New York 10004 and Fitch Ratings, 1 State Street Plaza, 33rd floor, New York, New York 10004.

**Section 2.14. Reports by Escrow Deposit Agent.** Commencing [DATE], the Escrow Deposit Agent shall forward to the Department monthly statements within ten (10) days of the end of each month describing the Escrowed Government Obligations and cash held at the beginning of business on each such date in the Escrow Deposit Fund, including the income earned therefrom and the maturities thereof, and any withdrawals of money from the Escrow Deposit Fund since the last statement furnished pursuant to this Section.

### ARTICLE III

#### MISCELLANEOUS

**Section 3.01. Entire Agreement.** This Escrow Deposit Agreement and the Escrow Agent Services Contract constitute 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 Department, the Treasurer and the Escrow Deposit Agent agree that the Section and paragraph headings 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 State or the Escrow Deposit Agent, as the case may be, only to the full extent permitted by law.

The Escrow Deposit Agent shall notify, at the Department's expense, the Rating Agencies as soon as possible if any section of this Escrow Deposit Agreement is held illegal by any Court.

**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. Escrow Deposit Agreement Constitutes Security Agreement.** The State 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 3.06. Representations.** The Department and the Treasurer hereby represent that:

(a) the Department and the Treasurer possess the authority to enter into the transactions contemplated by this Escrow Deposit Agreement;

(b) the Department and the Treasurer are not in default under any of the provisions of the laws of the State which would affect its power referred to in the preceding clause (a); and

(c) the Department and the Treasurer have taken due and proper action to authorize the execution and delivery of this Escrow Deposit Agreement.

The Escrow Deposit Agent hereby represents that:

(a) The Escrow Deposit Agent is a trust company, duly organized and validly existing under federal law, fully qualified to do business and to exercise trust powers in the State of Maryland, and eligible to act as Escrow Deposit Agent thereunder, and has full corporate right, power and authority to accept the trusts contemplated by, and perform all duties and obligations on its part to be performed and to take all actions required or permitted on its part to be taken under and pursuant to, the Escrow Deposit Agreement.

(b) The Escrow Deposit Agent has duly authorized the acceptance of, and has accepted, the trusts contemplated by the Escrow Deposit Agreement and the duties and obligations of the Escrow Deposit Agent thereunder.

(c) The performance or the consummation of the transactions on the part of the Escrow Deposit Agent contemplated in the Escrow Deposit Agreement and the compliance by the Escrow Deposit Agent with the terms, conditions and provisions thereof do not contravene any provisions of applicable law or regulation or the Escrow Deposit Agent's articles of association or by-laws or, to our knowledge, any order, decree, writ or injunction binding upon the Escrow Deposit Agent.

(d) To the Escrow Deposit Agent's knowledge, there is no action, suit or proceeding pending or threatened against the Escrow Deposit Agent before any court, administrative agency or governmental body that will materially and adversely affect the ability of the Escrow Deposit Agent to perform its obligations under the Escrow Deposit Agreement.

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.

**DEPARTMENT OF TRANSPORTATION  
OF MARYLAND**

Witness:

\_\_\_\_\_

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

Gregory Slater  
Secretary of Transportation of Maryland

(SEAL)

Attest:

**[NAME]**  
as Escrow Deposit Agent

\_\_\_\_\_  
Authorized Officer

By: \_\_\_\_\_  
[NAME]

Witness:

**MARYLAND STATE TREASURER'S OFFICE**

\_\_\_\_\_

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

Bernadette T. Benik  
Chief Deputy Treasurer

This Escrow Deposit Agreement is hereby approved for Form and Legal Sufficiency this [DAY] day of [MONTH] [YEAR].

\_\_\_\_\_  
Assistant Attorney General

Schedule A  
**Escrow Government Obligations**

[INSERT PAGE \_ OF NUMBERS RUN]

EXHIBIT A  
to Escrow Deposit Agreement

**NOTICE OF REDEMPTION**

**Department of Transportation of Maryland  
[DESCRIBE BONDS] Series \_\_\_\_**

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the authorizing Resolution of the Secretary of the Department of Transportation of Maryland (the "Department"), dated as of \_\_\_\_\_ providing for the above Bonds, the Secretary of the Department hereby calls for redemption on \_\_\_\_\_ the following bonds:

<u>Maturity Date</u>	<u>CUSIP NO.</u>	<u>Principal</u>	<u>Call Premium</u>
----------------------	------------------	------------------	---------------------

Payment will be made upon presentation and surrender (presentation through registered or certified mail recommended) of the above listed Bonds at \_\_\_\_\_ [name and address of paying agent]. On \_\_\_\_\_, 20\_ interest on the above Bonds will cease to accrue.

No representation is made as to the correctness of the CUSIP number(s), either as printed on the Bonds or as contained in any Notice of Redemption.

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, we may be required to withhold 28% of any principal payments (including premium, if any) made to holders who fail to provide us with, and certify under penalties of perjury a correct taxpayer identification number (employer identification number or social security number, as appropriate) on or before the date the securities are presented for payment.

\_\_\_\_\_  
By:  
As Escrow Deposit Agent

EXHIBIT B  
to Escrow Deposit Agreement

**NOTICE OF REFUNDING**

**Department of Transportation of Maryland**

**[DESCRIBE BONDS], Series \_\_\_\_\_**

NOTICE IS HEREBY GIVEN that there have been deposited in trust with the undersigned Escrow Deposit Agent proceeds of certain Series \_\_ Bonds issued by the Department of Transportation of Maryland (the "Department"), which proceeds have been invested in direct obligations of, or noncallable obligations the timely payment of the principal of and the interest on which are unconditionally guaranteed by, the United States of America, (the "Government Obligations"), for the purpose of providing funds sufficient (i) to pay on \_\_\_\_\_, 20\_\_ the redemption price of certain of the Series \_\_\_\_\_Bonds maturing on \_\_\_\_\_ through \_\_\_\_\_, and the accrued interest thereon when due.

The projected principal and interest payments to be derived from the Government Obligations held in trust by the undersigned Escrow Deposit Agent, pursuant to an Escrow Deposit Agreement dated as of \_\_\_\_\_, by and among the Department, the Maryland State Treasurer's Office and the undersigned Escrow Deposit Agent, together with any cash deposits, have been calculated and verified by the Department's Financial Advisors and Verification Agent, respectively, to be adequate (i) to pay on \_\_\_\_\_, the redemption price of certain of the \_\_\_\_Bonds maturing on and after \_\_\_\_\_through \_\_\_\_\_, and on and after \_\_\_\_\_through \_\_\_\_\_, respectively, and the accrued interest thereon when due.

\_\_\_\_\_

By:  
As Escrow Deposit Agent



EXHIBIT C  
To Escrow Deposit Agreement

**ESCROW DEPOSIT FUND**

[INSERT PAGE \_\_ OF NUMBERS RUN]

---

EXHIBIT D  
To Escrow Deposit Agreement

**DEBT SERVICE REQUIREMENTS  
REFUNDED BONDS**

[INSERT PAGE \_\_ OF NUMBERS RUN]