

**MARYLAND STATE TREASURER'S OFFICE**

**Louis L. Goldstein Treasury Building  
80 Calvert Street, Room 109  
Annapolis, Maryland 21401**

**INVITATION FOR OFFERS  
(Small Procurement)**

**FOR**

**TRUSTEE, REGISTRAR AND PAYING AGENT SERVICES**

**IFO #TRP-1206010**

**Due Date: December 21, 2010**

**Issued: December 6, 2010**

## **BOND REGISTRAR AND TRUSTEE**

### **Summary Statement**

The State Treasurer's Office (the "STO" or "Office") is requesting offers to provide Trustee, Registrar and Paying Agent Services for certain certificates of participation which will be issued to finance the acquisition by the Maryland State Lottery Agency (the "Lottery Agency") of video lottery terminals ("VLTs") at certain video lottery terminal facilities in the State of Maryland (the "State").

### **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 Offers (the "IFO") is the Procurement Officer. The Procurement Officer may designate others to act of her behalf. The Office may change the Procurement Officer or the limits of her authority at its discretion.

### **Procurement Method**

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

### **Submission Deadline**

**To be considered, the offers must arrive at the Issuing Office no later than 2:00 p.m. Eastern Time on Tuesday, December 21, 2010.** Requests for extension of this offer date or time will not be granted. Offerors mailing offers should allow sufficient mail and internal delivery time to ensure timely receipt at the Issuing Office. Offers arriving after the closing date and time will not be considered. Offers submitted by electronic means only (facsimile or e-mail) will not satisfy the submission deadline and will not be considered.

### **Cancellation of the IFO; Rejection of all Offers**

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

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

By submitting an offer in response to this IFO, the Offeror accepts all of the terms and conditions set forth in this IFO. If selected for award, the Offeror 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 IFO.

### **Bid/Proposal Affidavit**

All offers submitted by an Offeror must be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as Appendix B to this IFO.

### **Contract Affidavit**

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful Offeror 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 an offer.

### **Offer Opening**

Offers will not be opened publicly. When the Contract is awarded, those portions of offers available under Maryland laws regarding access to public information will be made available upon written request to the Procurement Officer.

### **Basis for Award**

The Contract will be awarded to the qualified Offeror who submitted an offer determined by the Office to represent the most advantageous offer to the State.

### **Term**

The Offeror shall remain the trustee for the life of the Taxable Certificates of Participation Series 2011A scheduled to mature on July 1, 2015, and for the life of any future Certificates of Participation issued by the State for the acquisition of VLTs before January 1, 2014.

### **Compensation**

At the time of each issue of certificates of participation, the State will make **one** payment for all Trustee, Registrar, and Paying Agent, services to be provided for that issue. This one payment per issue will cover all fees, outside counsel fees, and out of pocket expenses as described in the Price Proposal (Appendix A).

## SCOPE OF SERVICES

### Background and Scope of Services

#### **1. Authority for VLTs**

On November 4, 2008, in a statewide referendum, Maryland voters approved adding a new article to the Maryland Constitution to authorize VLT gaming in the State for the primary purpose of providing funds for public education. Under the added Constitutional provision, the State may issue up to five video lottery operation licenses for the operation of no more than 15,000 VLTs at the locations listed below. Comprehensive legislation implementing VLT gaming was adopted by the Maryland General Assembly, to be effective following approval of the Constitutional amendment, and is now codified in the State Government Article ("SG"), Title 9, Subtitle 1A, of the Annotated Code of Maryland (the "VLT Statute").

Among its many provisions, the VLT Statute allocates the 15,000 authorized VLTs among the five authorized locations as follows (SG § 9-1A-36):

- 4,750 VLTs at a location in Anne Arundel County;
- 3,750 VLTs at a location in Baltimore City;
- 2,500 VLTs at a location in Worcester County;
- 2,500 VLTs at a location in Cecil County; and
- 1,500 VLTs on State property in Allegany County associated with the Rocky Gap State Park in a building physically separate from the Rocky Gap Lodge and Golf Resort.

In January 2011, the State, expects to issue approximately \$41,500,000 State of Maryland Taxable Certificates of Participation, Series 2011A (the "Certificates") to finance VLTs at the video lottery terminal facilities in Cecil County and Worcester County. Ratings on the Certificates are expected in late December 2010.

#### **2. Summary of Taxable Certificates of Participation Series 2011 A.**

The Taxable Certificates of Participation Series 2011A will be dated as of closing which is tentatively scheduled for January 20, 2011. At closing, the selected Offeror will receive the proceeds of the sale of the Certificates. At or shortly after closing, the selected Offeror will pay from the Certificate proceeds certain multiple vendor invoices for the VLTs for the Cecil County facility in the approximate amount of \$29,000,000. The balance of the Certificate proceeds will be invested by the Trustee and subsequently used to pay multiple vendor invoices for VLTs for the Wicomico County facility, in the approximate amount of \$12,500,000 on or about May 1, 2011. Vendor invoices will be approved by the State Treasurer's Office and the Lottery Agency. The Trustee will establish an Acquisition Fund (for the acquisition of the VLTs), a Certificate Fund (with principal and interest sub-accounts), and an Insurance Fund. It is anticipated that all funds for the acquisition will be disbursed by May 1, 2011.

The Certificates will be fixed rate, book-entry only securities deposited with the Depository Trust Company ("DTC"). Interest payments will be due semi-annually on July 1 and January 1.

Principal payments will be due annually on July 1 beginning with the principal payment due on July 1, 2011, and ending with the final principal payment due on July 1, 2015. Purchase installments will coincide with debt service dates. The Certificates are not subject to redemption prior to their maturity.

### **3. Documents.**

The State and the selected Offeror will execute a Trust Agreement, and a Conditional Purchase Agreement, drafts of which are attached hereto as Exhibits 1 and 2. The Trust Agreement and the Conditional Purchase Agreement will govern the requirements and the performance of Trustee, Registrar and Paying Agent Services. The Conditional Purchase Agreement will include a standard State non-appropriation clause. Title to the VLTs will remain with the State, as Purchaser.

The Offeror is not expected to maintain, repair or otherwise operate the VLTs under the Conditional Purchase Agreement. All operational and maintenance activities and expenses related to the VLTs will be the responsibility of the Lottery Agency or its agents and licensees. The State has provided for property and liability insurance on the VLTs through the VLT facility licensees. The State will perform all continuing disclosure reporting under SEC rule 15c2-12(b)(5).

#### **Minimum Qualifications of Offeror**

1. The Offeror must be a trust department of a financial institution, as defined in Section 6-201 of the State Finance and Procurement Article of the Annotated Code of Maryland (SFP) (Exhibit 3), or a trust company. The Offeror may not be in receivership or conservatorship. The Offeror must be a Participating Member of DTC.
2. The Offeror must be experienced with certificate of participation or lease revenue bond programs as evidenced by being or having been the trustee for at least three public issues of this type of debt.

#### **Services**

Personnel. The services under this IFO shall be performed by employees of the Offeror who are experienced in the management of a certificate of participation or lease revenue bond issue. The Offeror shall designate one such experienced employee as the principal contact with the Office for services under this IFO.

General Services. The Offeror shall provide all the services normally required by a trustee, registrar and paying agent for a publicly offered, book-entry-only issue of certificates of participation including, but not limited to, the disbursement of funds at closing, the receipt of the State's purchase installments, and the timely disbursement of all interest and principal payments. The Offeror must invoice the Office on or before June 1 and December 1 for the purchase installments due on July 1 and January 1, respectively.

Investment Services. The Offeror will invest all amounts deposited with the Offeror in securities permitted by SFP Section 6-222 (Exhibit 4). Interest income will be retained in the trust accounts and shall serve as a credit toward the next purchase installment. The Office reserves the right to direct the investment of monies deposited to the trust funds.

Collateral. To the extent required by law or regulation, the Offeror will pledge collateral in the name of the State Treasurer with the Federal Reserve Bank of Richmond under a joint custody agreement. The amount pledged shall be 102% of the funds on deposit with the Offeror in excess of the federal deposit insurance maximum.

Reporting for Certificates of Participation. By the 15th of each month, the Offeror shall submit to the Office a statement for the previous month for each active account the Offeror establishes under this IFO. The report, at a minimum, shall account for all receipts, disbursements, investments, interest rates, and interest earned.

By July 15 of each year, the Offeror shall provide the Office an annual report that summarizes the activities relating to the Certificates for the year ending June 30 of the same year.

### **Qualifications and Experience**

#### 1. Contact Information

Provide the following general information relating to the Offer:

- (a) Name and mailing address of the firm which the offer has been submitted;
- (b) Name, title and contact information of the individual who will represent the firm as the primary contact person on matters relating to the offer; and

#### 2. General Information Relating to the Offeror.

Answer the following question concerning the Offeror:

- (a) Is the Offeror a financial institution, as defined in SFP Section 6-201 of the SFP (Exhibit 3)?
- (b) In what state is the Offeror incorporated?
- (c) Is the Offeror in receivership or conservatorship?
- (d) Is the Offeror a Participating member in DTC?
- (e) How many employees are currently assigned to the trust department of the Offeror?
- (f) Give the number and total principal amount of certificate of participation and/or lease revenue bond issues currently under management. (The total principal amount may be in terms of original amounts issued or currently outstanding; specify measure used.)

- (g) In the last five years, has a state or local government removed for cause the Offeror as escrow agent or trustee for an issue of revenue bonds or certificates of participation?
- (h) If the answer to (g) above is "yes," explain the circumstances and provide the name and telephone number of an individual associated with the issuer who is familiar with the removal.
- (i) Describe your on-going commitment to providing trustee services. Has your firm downsized its trustee operations in the last five years?

3. Prior Experience.

List up to five issues of certificate of participation and/or lease revenue bond issues currently under management by the Offeror. For each issue, provide:

- (a) the name of the issuer;
- (b) the state in which the issuer is located;
- (c) the purpose of the issue;
- (d) the date of issue;
- (e) the par value of the certificates on the date of issue;
- (f) the term of the issue;
- (g) type of offering (i.e., public or private placement);
- (h) a description of any complexities associated with the Offeror's assignment;
- (i) how this assignment relates to the assignment contemplated under this RFP; and
- (j) the name and telephone number of an individual who is familiar with the Offeror's performance.

4. Personnel.

Provide the following information related to the Offeror's staff expected to be responsible for the services under this IFO.

- (a) Give the name and title of the individual who will be the principal contact with the Office for services under this IFO.
- (b) For each member of the Offeror's staff who is expected to play a significant role in the services under this IFO, provide the following information (i) name, (ii) title, and (iii) assignment under this IFO.

- (c) For each member of the Offeror's staff listed in (b) above provide a resume that gives evidence of the staff member's experience in the area of the member's assignment.

5. Services.

Describe in detail how the services required in this IFO will be provided.

- (a) General trustee, registrar and paying agent services.
- (b) Investment Services. (Include a description of available investment options.)
- (c) Computer Systems and Reporting. (Include pro forma reports.)
- (d) Collateral.

6. Terms and Conditions for Appointment.

If not already stated in previous sections of the Offer, the Offeror should state any terms and conditions with respect to the structuring of the transaction or any other conditions with respect to the transaction documentation, or any other conditions which it would require in order to accept the appointment as Trustee.

**Submission of Offer**

1. The Offer should be prepared in a clear and concise manner. Any Offeror submitting an offer in response to this IFO must comply with the Minimum Qualifications of Offeror, and address all requirements and services set forth in this IFO.
2. Include with submission a copy of or a link to the most recent audited financial statements and such other documentation as will adequately demonstrate the Offeror's financial stability. (Submit only one copy of the financial report with all attachments.)
3. All offers must be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as Appendix B to the IFO.

**APPENDIX A**

**PRICE PROPOSAL**

REQUEST FOR OFFERS FOR  
TRUSTEE, REGISTRAR & PAYING AGENT SERVICES  
FOR STATE OF MARYLAND  
TAXABLE CERTIFICATES OF PARTICIPATION

Offeror Name & Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The initial contract for Trustee, Registrar and Paying Agent Services is to be signed no later than December 31, 2010 for the State of Maryland Taxable Certificates of Participation, Series 2011A.

The Offeror shall remain the trustee for the life of the State of Maryland Taxable Certificates of Participation Series 2011A and for the life of any future certificates of participation issued by the State, pursuant to future Conditional Purchase Agreements and Supplemental Trust Agreements, for the acquisition of additional VLTs before January 1, 2014.

At the time of each issue of Certificates, the State will make **one** payment for all Trustee, Registrar and Paying Agent Services to be provided for that issue. This one payment will cover all fees, outside counsel fees, and out of pocket expenses for that issue.

The undersigned Offeror agrees to furnish Trustee, Registrar and Paying Agent Services for the State of Maryland certificates of participation in accordance with the attached specifications and other contract documents herein and complete this work for the following price:

The Offeror shall provide the price for an issue in the following blank:

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

*The Contract will be awarded to the qualified Offeror who submitted an offer determined by the Office to represent the most advantageous offer to the State.*

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

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_  
(typed name)

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

## APPENDIX B

### BID/PROPOSAL AFFIDAVIT

#### A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the (title) \_\_\_\_\_ and the duly authorized representative of (business) \_\_\_\_\_ and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

#### B. CERTIFICATION REGARDING COMMERCIAL NONDISCRIMINATION

The undersigned bidder hereby certifies and agrees that the following information is correct: In preparing its bid on this project, the bidder has considered all 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, or on the basis of 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 submitted by the bidder on this project, and terminate any contract awarded based on the bid. As part of its bid or proposal, the bidder herewith submits a list of all instances within the past 4 years where there has been a final adjudicated determination in a legal or administrative proceeding in the State of Maryland that the bidder 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 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 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 or proposal and:

- (1) Fail to request, receive, or otherwise obtain authorization from the certified minority business enterprise to identify the certified minority proposal;
- (2) Fail to notify the certified minority business enterprise before execution of the contract of its inclusion in the bid or 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 or 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 submitted by the bidder on this project, and terminate any contract awarded based on the bid.

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):

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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 or 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 or 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; or

(9) 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)—(8) 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):

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#### 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).

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

I FURTHER AFFIRM THAT:

(1) The business was not established and it 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):

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#### G. SUB-CONTRACT 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 or offer that is being submitted;
- (2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or 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 or offer is submitted.

#### I. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

#### J. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, §§14-101—14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$100,000 or more shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.

#### K. 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 whom 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' 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 §K(2)(b), above;

(h) Notify its employees in the statement required by §K(2)(b), above, 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 §K(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under §K(2)(h)(ii), above, 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 §K(2)(a)—(j), above.

(3) If the business is an individual, the individual shall certify and agree as set forth in §K(4), below, 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.

L. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic \_\_\_ ) (foreign \_\_\_ ) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is:

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

(If not applicable, so state).

(2) 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, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

M. 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.

N. Repealed.

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 or 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.

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

By: \_\_\_\_\_  
(Authorized Representative and Affiant)

**APPENDIX C**

**CONTRACT AFFIDAVIT**

**A. AUTHORIZED REPRESENTATIVE**

**I HEREBY AFFIRM THAT:**

I am the (title)\_\_\_\_\_ and the duly authorized representative of (business)\_\_\_\_\_ and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

**B. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT**

**I FURTHER AFFIRM THAT:**

(1) The business named above is a (domestic\_\_\_) (foreign\_\_\_) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is:

Name:\_\_\_\_\_

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

(2) 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, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

**C. 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 \_\_\_\_\_, 20\_\_, and executed by me for the purpose of obtaining the contract to which this Appendix 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.

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

By: \_\_\_\_\_  
(Authorized Representative and Affiant)

**APPENDIX D  
FORM OF  
CONTRACT FOR TRUSTEE, REGISTRAR AND PAYING AGENT**

**THIS CONTRACT** (the “Contract”), is made as of the \_\_\_ day of \_\_\_\_\_, 2010 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:

**Scope of Services**

The Office hereby engages the Contractor to provide Trustee, Registrar and Paying Agent Services as described in the attached:

1. Exhibit A: Maryland State Treasurer's Office Invitation for Offers for Trustee, Registrar and Paying Agent Services, IFO #TRP-12062010;
2. Exhibit B: Contractor's Offer dated \_\_\_\_\_, 2010; and
3. Exhibit C: Bid/Proposal Affidavit and Contract Affidavit.

This Contract and the Exhibits shall constitute the scope of services provided under this Contract. In the event of a conflict between this Contract and the Exhibits, this Contract shall prevail.

**Term of Contract**

The Contractor shall remain the trustee for the life of the Taxable Certificates of Participation Series 2011A and for the life of any future Certificates of Participation issued by the State pursuant to future Conditional Purchase Agreements and Supplemental Trust Agreements for the acquisition of VLTs before January 1, 2014.

**Payment**

At the time of each issue of certificates, the State will make **one** payment for all services to be provided by the Trustee for that issue. This one payment per issues will cover all fees, outside counsel fees, and out of pocket expenses as described in the Contractor's Offer (Exhibit B).

**General Conditions**

(1) Maryland Law Prevails. The law of Maryland shall govern the interpretation and enforcement of this Contract.

(2) 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.

(3) 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) Subcontracting; Assignment. The Contractor may not subcontract any portion of the services provided under this Contract without obtaining the prior written approval of the State, nor may the Contractor sell, transfer, or otherwise assign its obligations under this Contract, or any portion thereof, or any of its rights or obligations hereunder, without the prior written approval of the State; provided, however, that the Contractor may subcontract services under or make an assignment of this Contract to an affiliate of the Contractor that is fully capable of performing such services if the Contractor retains full responsibility for the Contract. Any such subcontract or assignment shall be subject to any terms and conditions that the Office deems necessary to protect the interest of the State. The Office shall not be responsible for the fulfillment of the Contractor's obligations to subcontractors.

(5) 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.

(6) Nondiscrimination. The Contractor shall comply with the nondiscrimination provisions of federal and Maryland law, including the provisions of State Finance and Procurement Article, Title 19, Annotated Code of Maryland.

(7) 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.

(8) 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).

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

(a) Director of Debt Management  
Maryland State Treasurer's Office  
Louis L. Goldstein Treasury Building  
80 Calvert Street, Room 109  
Annapolis, Maryland 21401

(b) The Contractor

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

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

**ATTEST:**

**(Contractor)**

\_\_\_\_\_

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

**WITNESS:**

**MARYLAND STATE TREASURER'S  
OFFICE**

\_\_\_\_\_

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

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

\_\_\_\_\_  
Counsel to the Treasurer

### **Exhibit 3**

#### **Article - State Finance and Procurement**

§6-201.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Banking institution” means an institution that is incorporated under the laws of the State as a State bank, trust company, or savings bank.
- (c) “Collateral” means collateral that is listed under § 6-202 of this subtitle.
- (d) “Deposit insurance” means insurance by:
  - (1) the Federal Deposit Insurance Corporation; or
  - (2) the Resolution Trust Corporation created under § 21A of the Federal Home Loan Bank Act (12 U.S.C. § 1441a).
- (e) “Financial institution” means:
  - (1) any banking institution;
  - (2) any national banking association;
  - (3) an institution that is incorporated under the laws of any other state as a bank; and
  - (4) an institution that is incorporated under the laws of this State or of the United States as a savings and loan association.
- (f) “National banking association” means an institution that is incorporated under federal law as a bank.
- (g) “State money” for purposes of §§ 6-209 and 6-210 of this subtitle includes moneys in a bank account maintained under the control of an employee or official of the clerk of the court or register of wills.

## Exhibit 4

### Article - State Finance and Procurement

§6-222.

(a) The Treasurer may invest or reinvest unexpended or surplus money over which the Treasurer has custody in:

(1) an obligation for which the United States has pledged its faith and credit for the payment of the principal and interest;

(2) an obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress;

(3) a repurchase agreement collateralized in an amount not less than 102% of the principal amount by an obligation of the United States, its agencies or instrumentalities, provided the collateral is held by a custodian other than the seller designated by the buyer;

(4) bankers' acceptances guaranteed by a financial institution with a short-term debt rating in the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by either the United States Securities and Exchange Commission or the Treasurer;

(5) with respect to amounts treated by the Internal Revenue Service as bond sale proceeds only, bonds, notes, or other obligations of investment grade in the highest quality letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the United States Securities and Exchange Commission issued by or on behalf of this or any other state or any agency, department, county, municipal or public corporation, special district, authority, or political subdivision thereof, or in any fund or trust that invests only in securities of the type described in this paragraph;

(6) commercial paper that has received the highest letter and numerical rating by at least two nationally recognized statistical rating organizations as designated by the United States Securities and Exchange Commission, provided that such commercial paper may not exceed 10% of the total investments made by the Treasurer under this subsection;

(7) money market mutual funds that:

(i) are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq., as amended;

(ii) are operated in accordance with Rule 2A-7 of the Investment Company Act of 1940, 17 C.F.R. § 270.2A-7, as amended; and

(iii) have received the highest possible rating from at least one nationally recognized statistical rating organization as designated by the United States Securities and Exchange Commission; and

(8) any investment portfolio created under the Maryland Local Government Investment Pool defined under Article 95, § 22G of the Code that is administered by the Office of the State Treasurer.

(b) The Treasurer may sell, redeem, or exchange an investment or reinvestment made under this section in accordance with the limitations of this section.

(c) Subject to § 2-1246 of the State Government Article, the Treasurer shall report by January 3 of each year to the General Assembly on investment activities for unexpended or surplus money over which the Treasurer has custody which have been conducted during the previous fiscal year. At a minimum, the report shall specify for General Fund investments and all other investments:

(1) the inventory of investments with maturity dates and the book and market value as of June 30;

(2) the net income earned;

- (3) the percentage share of each category of investment in the portfolio; and
- (4) any sale of investments prior to the maturity date.

(d) An investment made pursuant to this section shall be made:

(1) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(2) in a manner designed to reasonably match the anticipated cash flow of the State so that sufficient funds are available to pay obligations upon proper presentation for payment;

(3) so that a reasonable amount of cash or cash equivalents is available for unanticipated cash needs;

(4) with due regard for minimizing risk while maximizing return;

(5) using competitive purchasing practices except when impractical;

(6) in accordance with a written investment policy;

(7) so that the securities and collateral may continue to be priced on a market to market basis;

and

(8) to avoid the enhancement of the personal financial position of the Treasurer or any employee of the Treasurer who has responsibilities for such investments.

(e) (1) (i) Consistent with minority business purchasing standards applicable to units of State government under this article and consistent with the fiduciary duties of the Treasurer, the Treasurer shall attempt to use to the greatest extent feasible minority business enterprises for brokerage and investment management services under this section.

(ii) For purposes of this subsection, brokerage and investment management services shall include services relating to all allocated asset classes as described in subsection (a) of this section.

(2) (i) To assist the Treasurer in achieving the goal described under paragraph (1) of this subsection, the Treasurer shall undertake measures to remove any barriers that limit full participation by minority business enterprises in brokerage and investment management services opportunities afforded under this section.

(ii) The measures undertaken by the Treasurer shall include the use of a wide variety of media, including the Treasurer's website, to provide notice to a broad and varied range of potential providers about the brokerage and investment management services opportunities afforded by the Treasurer.

(3) In conjunction with the Governor's Office of Minority Affairs, the Treasurer shall develop guidelines to assist in identifying and evaluating qualified minority business enterprises in order to help the Treasurer achieve the objective for greater use of minority business enterprises for brokerage and investment management services under this section.

(4) On or before September 1 each year, the Treasurer shall submit a report to the Governor's Office of Minority Affairs and, subject to § 2-1246 of the State Government Article, the General Assembly on:

(i) the identity of the minority business enterprise brokerage and investment management services firms used by the Treasurer in the immediately preceding fiscal year;

(ii) the percentage and dollar value of the assets under the custody of the Treasurer that are under the investment control of minority business enterprise brokerage and investment management services firms; and

(iii) the measures the Treasurer undertook in the immediately preceding fiscal year in accordance with paragraph (2)(ii) of this subsection.