

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

**County Council Of
Howard County, Maryland**

2013 Legislative Session

Legislative Day No. 12

Bill No. 50 -2013

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

AN ACT approving and providing for a multi-year Installment Purchase Agreement by Howard County, Maryland to acquire development rights in one parcel of agricultural land consisting of approximately 54.6 acres located at 2815 Pfefferkorn Road, West Friendship, Howard County, Maryland, from Louis and Mary Pfefferkorn or any other owner thereof for a maximum purchase price of \$1,614,100.00 or, if less, \$29,561.60 per acre or portion thereof, rounded to the next highest \$100, plus interest on the deferred portion of such purchase price; providing that the County's obligation to pay such purchase price and interest on the deferred portion of the purchase price shall be a full faith and credit general obligation of the County; providing for the levying of taxes for such payments; authorizing the County Executive to modify such Agreement; and providing for and determining various matters in connection therewith.

Introduced and read first time _____, 2013. Ordered posted and hearing scheduled.

By order _____
Sheila M. Tolliver, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2013 and concluded on _____, 2013.

By order _____
Sheila M. Tolliver, Administrator

This Bill was read the third time on _____, 2013 and Passed, Passed with amendments _____, Failed _____.

By order _____
Sheila M. Tolliver, Administrator

Approved by the County Executive _____, 2013

Ken Ulman, County Executive

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

1 **Recitals**

2 In accordance with the provisions of Article VI of the Charter of Howard County (the
3 “Charter”), Howard County, Maryland (the “County”) has included in its Capital Budget for fiscal
4 year 2014 a capital project (Project No. G-0163) permitting the County to enter into installment
5 purchase agreements to acquire development rights in agricultural lands located within the County,
6 which Capital Budget was adopted by the County Council of Howard County (the “County
7 Council”) in accordance with the Charter.

8 Section 612 of the Charter provides that “any contract, lease or other obligation requiring the
9 payment of funds from appropriations of a later fiscal year shall be made or approved by ordinance”,
10 and Section 616 of the Charter provides that evidences of indebtedness may be sold by private
11 negotiated sale if the County Council shall find and determine that it is not practical to sell such
12 evidences of indebtedness at public sale; and pursuant to (a) Article VI of the Charter, (b) Sections
13 15.500 to 15.521, inclusive, of the Howard County Code and (c) Council Bill No. 31-2013, enacted
14 on May 31, 2013 and effective on July 31, 2013 (the “Authorizing Act”), the County has been
15 authorized and empowered to enter into such installment purchase agreements for an aggregate
16 purchase price of not more than \$50,000,000, plus interest thereon.

17 The Authorizing Act provides that the County Council, by an ordinance or ordinances
18 adopted from time to time in accordance with Section 612 of the Charter and other applicable
19 provisions of law, shall approve and provide for (a) the acquisition of the development rights in each
20 particular parcel of agricultural property which is to be the subject of an installment purchase
21 agreement, (b) the form and content of each installment purchase agreement, including, without
22 limitation, (i) the aggregate purchase price thereunder (or the maximum aggregate purchase price and
23 the method of determining the final purchase price subject to such limitation) and the date of
24 payments of installments of the purchase price (not exceeding twenty years from the date of
25 execution and delivery of such installment purchase agreement), (ii) the interest rate or rates per
26 annum (or the method of determining such rate or rates) payable on any such installment purchase
27 agreement from time to time, and (iii) the required signatures on such documents.

1 The County has now determined to enter into an Installment Purchase Agreement with Louis
2 and Mary Pfefferkorn or any other person who is or becomes the owner of all or any portion of the
3 Land (hereinafter defined) prior to execution and delivery of such Agreement, in order to acquire the
4 development rights in one parcel of agricultural land consisting of approximately 54.6 acres located
5 at 2815 Pfefferkorn Road, West Friendship, Howard County, Maryland (the “Land”) for an
6 aggregate purchase price not in excess of \$1,614,100.00 plus interest on the deferred portion of such
7 purchase price, as hereinafter provided. The actual amount of the purchase price shall be equal to the
8 lesser of such maximum amount or \$29,561.60 times the number of acres in such land, rounded to
9 the next highest \$100 all upon the terms and conditions hereinafter set forth.

10 **Now, therefore:**

11 **Section 1. Be it enacted by the County Council of Howard County, Maryland,**

12 (a) That Howard County, Maryland (the “County”) is authorized to enter into an
13 Installment Purchase Agreement (the “Installment Purchase Agreement”) with Louis and Mary
14 Pfefferkorn , or any other person who is or becomes the owner of all or any portion of the Land prior
15 to the execution and delivery of the Installment Purchase Agreement (the “Seller”), in order to
16 acquire the development rights in the Land as part of Capital Project No. G-0163, for an aggregate
17 purchase price not in excess of \$1,614,100.00 (the “Purchase Price”), plus interest on the Deferred
18 Purchase Price (hereinafter defined) as hereinafter provided; provided that the actual amount of the
19 Purchase Price shall be equal to the lesser of such maximum amount or \$29,561.60 multiplied by the
20 number of acres in the Land, rounded to the next highest \$100.

21 (b) The Installment Purchase Agreement shall be in substantially the form attached
22 as Exhibit I hereto. Such form of Installment Purchase Agreement is incorporated herein by
23 reference and in such form the Installment Purchase Agreement is hereby approved as to form and
24 content. The Installment Purchase Agreement shall be dated as of the date of execution and delivery
25 thereof by the County and the Seller (the “Closing Date”).

26 (c) A portion of the Purchase Price equal to 5% of the total Purchase Price shall be
27 paid to the Seller on the Closing Date. The balance of the Purchase Price (the “Deferred Purchase

1 Price”) shall be paid to the Seller or its assignee in 15 equal annual installments on August 15, 2014
2 and on the same day of each year thereafter to and including August 15, 2028.

3 (d) Interest on the unpaid balance of the Deferred Purchase Price shall accrue from
4 the Closing Date and shall be payable semiannually on February 15 and August 15 in each year,
5 commencing on the first of such dates to follow the Closing Date and continuing to and including
6 August 15, 2028 at the interest rate which is equal to (a) the interest rate, as determined by the
7 Director of Finance of the County (the “Director of Finance”) at the time of settlement on the first
8 property in the 2013 cycle to settle, which is equal to the greater of the average of the United States
9 Treasury Yields or AAA Tax-Exempt General Obligation Yields, in each case for the closest
10 available date to each principal payment installment date for the first property in the 2013 cycle to
11 settle, or (b) 2.5% per annum, whichever is lower. Interest shall be calculated on the basis of a 360-
12 day year of twelve 30-day months.

13 (e) The County's obligation to pay the Purchase Price under the Installment
14 Purchase Agreement and to pay interest on the unpaid balance of the Deferred Purchase Price is and
15 shall be a general obligation of the County and is and shall be made upon its full faith and credit.

16 **Section 2. Be it further enacted by the County Council of Howard County, Maryland,**

17 That it is hereby found and determined that:

18 (a) The acquisition of the development rights in the Land as set forth in Section 1 of
19 this Ordinance and in the form of the Installment Purchase Agreement attached hereto is in the best
20 interest of the County.

21 (b) The Installment Purchase Agreement is a contract providing for the payment of
22 funds at a time beyond the fiscal year in which it is made and requires the payment of funds from
23 appropriations of later fiscal years.

24 (c) Funds for the payment of the Purchase Price under the Installment Purchase
25 Agreement are included in the Capital Budget as part of Project No. G-0163.

26 (d) The County shall extinguish the development rights in the Land and the Land
27 shall be subject to a Deed of Agricultural Land Preservation in perpetuity.

1 (e) The Purchase Price is within the legal limitation on the indebtedness of the
2 County as set forth in Article VI of the Charter.

3 (f) The cost of acquiring the development rights in the Land is equal to the
4 Purchase Price.

5 (g) The only practical way to acquire the development rights in the Land is by
6 private negotiated agreement between the County and the Seller.

7 **Section 3. Be it further enacted by the County Council of Howard County, Maryland,**
8 That upon agreement with the Seller and the Seller's execution of a Deed of Agricultural Land
9 Preservation Easement, the Installment Purchase Agreement shall be signed by the County Executive
10 of the County (the "County Executive") by his manual signature, and the Installment Purchase
11 Agreement shall bear the corporate seal of the County, attested by the manual signature of the Chief
12 Administrative Officer of the County (the "Chief Administrative Officer"). In the event that any
13 officer whose signature shall appear on the Installment Purchase Agreement shall cease to be such
14 officer before the delivery of the Installment Purchase Agreement, such signature shall nevertheless
15 be valid and sufficient for all purposes, the same as if such officer had remained in office until
16 delivery.

17 **Section 4. And be it further enacted by the County Council of Howard County,**
18 **Maryland,** That the County Executive is hereby authorized, prior to execution and delivery of the
19 Installment Purchase Agreement, to make such changes or modifications in the form of the
20 Installment Purchase Agreement attached hereto and incorporated herein by reference as may be
21 required or deemed appropriate by him in order to accomplish the purpose of the transactions
22 authorized by this Ordinance; provided that such changes shall be within the scope of the
23 transactions authorized by this Ordinance; and the execution of the Installment Purchase Agreement
24 by the County Executive shall be conclusive evidence of the approval by the County Executive of all
25 changes or modifications in the form of the Installment Purchase Agreement and the due execution
26 of the Installment Purchase Agreement on behalf of the County, and the Installment Purchase
27 Agreement shall thereupon become binding upon the County in accordance with its terms, as

1 authorized by Article VI of the Charter, Sections 15.500 to 15.521, inclusive, of the Howard County
2 Code, and the Authorizing Act (collectively, the “Enabling Legislation”), and as provided for in this
3 Ordinance.

4 **Section 5. Be it further enacted by the County Council of Howard County, Maryland,**
5 That the County Executive, the Chief Administrative Officer, the Director of Finance and other
6 officials of the County are hereby authorized and empowered to do all such acts and things and to
7 execute, acknowledge, seal and deliver such documents and certificates, as the County Executive
8 may determine to be necessary to carry out and comply with the provisions of this Ordinance subject
9 to the limitations set forth in the Enabling Legislation and any limitations set forth in this Ordinance.

10 **Section 6. Be it further enacted by the County Council of Howard County, Maryland,**
11 That Manufacturers and Traders Trust Company is hereby designated and appointed as registrar and
12 paying agent for the Installment Purchase Agreement (the “Registrar”). The Registrar shall maintain
13 or cause to be maintained books of the County for the registration and transfer of ownership of the
14 Installment Purchase Agreement. In addition, the County may from time to time, designate and
15 appoint the Department of Finance of the County, any officer or employee of the County or one or
16 more banks, trust companies, corporations or other financial institutions to act as a substitute or
17 alternate registrar or paying agent for the Installment Purchase Agreement, and any such substitute or
18 alternate shall be deemed to be the Registrar or an alternate Registrar for all purposes specified in the
19 resolution appointing such substitute or alternate. Any such appointment shall be made by the
20 County Council by resolution; and the exercise of such power of appointment, no matter how often,
21 shall not be an exhaustion thereof.

22 **Section 7. Be if further enacted by the County Council of Howard County, Maryland,**
23 That for the purpose of paying the installments of the Purchase Price when due and payable and the
24 interest on the unpaid portion of the Deferred Purchase Price when due and payable, there is hereby
25 levied and there shall hereafter be levied in each fiscal year that any portion of the Purchase Price
26 payable under the Installment Purchase Agreement remains outstanding, ad valorem taxes on real
27 and tangible personal property and intangible property subject to taxation by the County without

1 limitation of rate or amount and, in addition, upon such other intangible property as may be subject
2 to taxation by the County within limitations prescribed by law, in an amount sufficient, together with
3 the portion of the transfer tax imposed on transfers of real property in Howard County which is
4 dedicated to agricultural land preservation and other available funds, to pay any installment of the
5 Purchase Price under the Installment Purchase Agreement maturing during the succeeding year and
6 to pay the annual interest on the outstanding balance of the Deferred Purchase Price until the total
7 Purchase Price under the Installment Purchase Agreement and such interest have been paid in full;
8 and the full faith and credit and the unlimited taxing power of the County are hereby irrevocably
9 pledged to the punctual payment of the Purchase Price under the Installment Purchase Agreement
10 and the interest on the unpaid balance of the Deferred Purchase Price as and when the same
11 respectively become due and payable.

12 **Section 8. Be it further enacted by the County Council of Howard County, Maryland,**
13 That this Ordinance shall take effect on the date of its enactment.

EXHIBIT I

FORM OF INSTALLMENT PURCHASE AGREEMENT

_____ and

the Seller

and

HOWARD COUNTY, MARYLAND,
the County

INSTALLMENT PURCHASE AGREEMENT
(Agreement No. 201_-_)

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INSTALLMENT PURCHASE AGREEMENT

(Agreement No. 201_ -_)

THIS INSTALLMENT PURCHASE AGREEMENT is made as of the ____ day of _____, 201_ between _____ and _____ ([collectively], the “Seller”), and HOWARD COUNTY, MARYLAND, a body corporate and politic of the State of Maryland (the “County”).

RECITALS

A. Pursuant to and in accordance with Sections 15.501 to 15.510, inclusive, of the Howard County Code, as amended, the County is authorized to protect and enhance agricultural land in Howard County, Maryland by purchasing the development rights (as defined therein) in agricultural lands located within the County.

B. The Seller is the owner in fee simple of certain agricultural real property located in Howard County, Maryland and more particularly described in Exhibit B hereto (the “Land”). The Seller has offered to sell to the County the Seller’s development rights in the Land and the County has accepted such offer, all upon and subject to the conditions set forth in this Agreement.

C. The total purchase price payable for the Seller’s development rights shall be \$ _____ (the “Total Purchase Price”). A portion of the Total Purchase Price in the amount of \$ _____ shall be paid to the Seller on the date hereof, and the balance of the Total Purchase Price in the amount of \$ _____ (the “Deferred Purchase Price”) shall be payable to the Seller in __ annual installments as provided herein.

D. The County will receive the Seller’s development rights in the Land for conservation purposes, which includes the preservation of farm land, forest land and open space, pursuant to the County’s conservation policy and to enhance agriculture in Howard County and protect natural and ecological resources.

E. Except for the limited transferability described in the Deed of Easement referred to herein, the transfer by the Seller of his development rights in the Land shall be in perpetuity.

AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the Seller and the County hereby agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1. Definitions. As used in this Agreement, the following terms have the following meanings, unless the context clearly indicates a different meaning:

“Agricultural Use” means farming and includes:

- (1) Dairying, pasturage, growing crops, bee keeping, horticulture, floriculture, orchards, plant nurseries, viticulture, silviculture, aquaculture, and animal and poultry husbandry;
- (2) The breeding, raising, training and general care of livestock for uses other than food, such as sport or show purposes;
- (3) Construction and maintenance of barns, silos and other similar structures, the use of farm machinery, the primary processing or agricultural products and the sale of agricultural products produced on the Land; and
- (4) Other uses directly related to or as an accessory use of the Land for farming and agricultural purposes.

“Business Day” or “business day” means a day on which (a) banks located in each of the cities in which the principal office of the County or the Registrar is located are not required or authorized by law or executive order to close for business, and (b) The New York Stock Exchange is not closed.

“Closing Date” means _____, 201_, which is the date of execution and delivery of this Agreement by the parties hereto.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to the Code herein shall be deemed to include the United States Treasury Regulations in effect or proposed from time to time with respect thereto.

“County” means Howard County, Maryland, a body corporate and politic and a political subdivision created and existing under and by virtue of the Constitution and laws of the State, its successors and assigns.

“County Council” means the County Council of Howard County, Maryland.

“County Executive” means the County Executive of Howard County, Maryland.

“Deed of Easement” means the Deed of Agricultural Land Preservation Easement dated the Closing Date from the Seller to the County, which shall convey the Development Rights to the County in perpetuity. The Deed of Easement shall be substantially in the form attached hereto as Exhibit A and made a part hereof.

“Deferred Purchase Price” means \$_____, the deferred portion of the Total Purchase Price to be paid by the County to the Registered Owner in accordance with this Agreement.

“Development Rights” means the rights of the Seller in the Land to develop the Land for any purpose other than Agricultural Uses. “Development Rights” shall include, but not be limited

to, the right to use the Land for industrial or commercial uses, for residential purposes (except as set forth in Sections 15.500 to 15.521, inclusive, of the Howard County Code, as amended), or the storage or depositing of trash, junk, rubbish or debris.

“Enabling Legislation” means, collectively, (1) Article VI of the Howard County Charter, (2) Sections 15.500 to 15.521, inclusive, of the Howard County Code, as amended, and (3) Council Bill No. 31-2013, passed by the County Council on May 23, 2013, approved by the County Executive and enacted on May 31, 2013 and effective on July 31, 2013.

“Interest Payment Date” means February 15 and August 15 in each year, commencing _____, 201_.

“Land” means the tract of land located in Howard County, Maryland, containing approximately _____ acres, and more particularly described in Exhibit B attached hereto and made a part thereof; provided, however, that if any lot is released from the encumbrance of the Deed of Easement in accordance with the terms hereof, such lot so released shall not thereafter be considered to be part of the Land.

“Permitted Encumbrances” means the encumbrances listed on Exhibit C attached hereto and made a part hereof and any encumbrances on or with respect to the Land or any portion thereof hereafter approved by the County.

“Person” or “person” means any natural person, firm, association, corporation, company, trust, partnership, public body or other entity.

“Registered Owner” means the registered owner of this Agreement as shown on the registration books maintained by the Registrar.

“Registrar” means Manufacturers and Traders Trust Company, a New York banking corporation, or any other person hereafter appointed by the County to act as Registrar and paying agent for this Agreement.

“Seller” means _____ and _____, [his] [her] [its] [their] [heirs, personal representatives,] successors and assigns, and any other person who becomes the owner of the Land.

“State” means the State of Maryland.

“Total Purchase Price” means \$_____, the total purchase price to be paid by the County to the Registered Owner in accordance with this Agreement.

SECTION 1.2. Rules of Construction. The words “hereof”, “herein”, “hereunder”, “hereto”, and other words of similar import refer to this Agreement in its entirety.

The terms “agree” and “agreements” contained herein are intended to include and mean “covenant” and “covenants”.

References to Articles, Sections, and other subdivisions of this Agreement are to the designated Articles, Sections, and other subdivisions of this Agreement.

The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

All references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

ARTICLE II SALE AND PURCHASE OF DEVELOPMENT RIGHTS

SECTION 2.1. Agreement to Sell and Purchase Development Rights. The Seller agrees to sell the Development Rights to the County and the County agrees to purchase the Development Rights from the Seller on the date hereof for a purchase price of \$ _____ (the “Total Purchase Price”).

SECTION 2.2. Delivery of Deed of Easement. In order to evidence the sale of the Development Rights to the County, the Seller shall execute and deliver to the County on the Closing Date the Deed of Easement in the form attached hereto as Exhibit A and made a part hereof. The Deed of Easement shall be recorded among the Land Records of Howard County, Maryland.

ARTICLE III PAYMENT OF TOTAL PURCHASE PRICE

SECTION 3.1. Payment of Total Purchase Price.

(a) The County shall pay a portion of the Total Purchase Price in the amount of \$ _____ to the Seller on the Closing Date and shall pay the Deferred Purchase Price to the Registered Owner in equal installments of \$ _____ on [February 15] [August 15], _____ and on the same day of each year thereafter to and including [February 15] [August 15], _____.

(b) Interest on the unpaid balance of the Deferred Purchase Price shall accrue from the date hereof and shall be payable to the Registered Owner on [February 15] [August 15], 201_ and semiannually thereafter on February 15 and August 15 in each year to and including [February 15] [August 15], _____ at the rate of _____% per annum. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months. No interest shall be payable on the portion of the Total Purchase Price payable on the Closing Date.

(c) The Total Purchase Price and the interest on the unpaid balance of the Deferred Purchase Price are payable in lawful money of the United States of America, at the time of payment.

(d) Payment of interest on the unpaid balance of the Deferred Purchase Price and payments of the annual installments of the Deferred Purchase Price shall be made by the County on each Interest Payment Date to the Registrar. The Registrar shall forward all such payments (other than the final installment of the Deferred Purchase Price) to the person appearing on the books of the County maintained by the Registrar as the Registered Owner, by check or draft mailed to the Registered Owner at the address of the Registered Owner as it appears on such registration books or, if the Registered Owner is a trustee who has issued certificates of participation in this Agreement, by wire transfer to such Registered Owner to the bank account number on file with the Registrar on the tenth day before the applicable Interest Payment Date, or if such tenth day is not a Business Day, the Business Day next preceding such day. The final installment of the Deferred Purchase Price shall be paid by the Registrar to the Registered Owner upon presentation and surrender of this Agreement at the office of the Registrar.

(e) The County's obligation to make payments of the Total Purchase Price hereunder and to pay interest on the unpaid balance of the Deferred Purchase Price is a general obligation of the County, and the full faith and credit and the unlimited taxing power of the County are irrevocably pledged to the punctual payment of the Deferred Purchase Price and the interest on the unpaid balance of the Deferred Purchase Price as and when the same respectively become due and payable.

(f) Notwithstanding any other provision of this Agreement, if the Registered Owner assigns [his] [her] [its] [their] right, title and interest in and to this Agreement to a trustee in connection with the creation of a trust by such Registered Owner and the issuance of certificates of participation in this Agreement by such trustee, such trustee shall be, and shall be listed on the registration books maintained by the Registrar as, the Registered Owner of this Agreement, and all payments to be made under this Agreement after the creation of such trust shall be made directly to such trustee.

SECTION 3.2. Registration and Transfer of this Agreement.

(a) Until the Deferred Purchase Price and all interest thereon have been paid in full, the County shall maintain and keep at the offices of the Registrar, registration books for the registration and transfer of this Agreement; and upon presentation of this Agreement for such purpose at the offices of the Registrar, the Registrar shall register or cause to be registered on such registration books, and permit to be transferred thereon, under such reasonable regulations as the County or the Registrar may prescribe, the ownership of this Agreement.

(b) The original Seller is the original Registered Owner. This Agreement shall be transferable only upon the books of the County maintained for such purpose by the Registrar, at the written request of the Registered Owner as then shown on such registration books or [his] [her] [its] [their] attorney duly authorized in writing, upon presentation and surrender thereof, together with a written instrument of transfer substantially in the form attached hereto as Exhibit D, or as may otherwise be satisfactory to and approved by the Registrar in writing, duly executed by the Registered Owner or [his] [her] [its] [their] attorney duly authorized in writing. Upon the surrender for transfer of this Agreement, the Registrar shall complete the Schedule of Transferees attached hereto as Exhibit E with the name, address and tax identification number of the transferee

Registered Owner, the date of the transfer and the outstanding principal balance of the Deferred Purchase Price as of the date of transfer; provided, however, that if there is any conflict between the information set forth in Exhibit E hereto and the registration books maintained by the Registrar, the information shown on such registration books shall control.

The County and the Registrar may deem and treat the person in whose name this Agreement is registered upon the books of the County maintained by the Registrar as the absolute owner of this Agreement, whether any payments hereunder shall be overdue or not, for the purpose of receiving payment of, or on account of, the Deferred Purchase Price and interest thereon and for all other purposes, and all such payments so made to any such Registered Owner or upon [his] [her] [its] [their] order shall be valid and effectual to satisfy and discharge the liability upon this Agreement to the extent of the sum or sums so paid, and neither the County nor the Registrar shall be affected by any notice to the contrary.

For every registration of transfer of this Agreement, the County or the Registrar may make a charge sufficient to reimburse themselves for any tax or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of registering such transfer.

SECTION 3.3. Mutilated, Lost, Stolen or Destroyed Agreement. In the event that this Agreement is mutilated, lost, stolen or destroyed, the County and the Registered Owner (as then shown on the registration books maintained by the Registrar) shall execute a substitute for this Agreement having the same terms as that of this Agreement mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Agreement, such mutilated Agreement shall first be surrendered to the Registrar, and, in the case of any lost, stolen or destroyed Agreement there shall be first furnished to the County and the Registrar evidence of such loss, theft or destruction satisfactory to the County and the Registrar, together with indemnity satisfactory to each of them in their sole discretion. The County and the Registrar may charge the Registered Owner requesting such new Agreement their expenses and reasonable fees, if any, in this connection. If after the delivery of such substitute Agreement, a bona fide purchaser of the original Agreement (in lieu of which such substitute Agreement was issued) presents for payment such original Agreement, the County and the Registrar shall be entitled to recover such substitute Agreement from the person to whom it was delivered or any other person who receives delivery thereof, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor or otherwise to the extent of any loss, damage, cost or expense incurred by the County and the Registrar in connection therewith.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

SECTION 4.1. Representations and Warranties of the County. The County makes the following representations and warranties:

(a) The County is a body corporate and politic and a political subdivision of the State of Maryland.

(b) The County has the necessary power and authority to acquire the Development Rights, to enter into this Agreement, to perform and observe the covenants and agreements on its part contained in this Agreement and to carry out and consummate all transactions contemplated hereby. By proper action, the County has duly authorized the execution and delivery of this Agreement.

(c) This Agreement has been duly and properly authorized, executed, sealed and delivered by the County, constitutes the valid and legally binding obligation of the County, and is enforceable against the County in accordance with its terms.

(d) There are no proceedings pending before any court or administrative agency which may affect the authority of the County to enter into this Agreement.

SECTION 4.2. Representations and Warranties of the Original Seller. The original Seller makes the following representations and warranties with respect to [himself] [herself] [itself] [themselves], but not with respect to any transferee Seller:

(a) The Seller has full power and authority [and is legally competent] to execute and deliver this Agreement and the Deed of Easement, and to incur and perform the obligations provided for herein and therein. No consent or approval of any person or public authority or regulatory body is required as a condition to the validity or enforceability of this Agreement or the Deed of Easement, or, if required, the same has been duly obtained.

(b) This Agreement and the Deed of Easement have been duly and properly executed by the Seller, constitute valid and legally binding obligations of the Seller, and are fully enforceable against the Seller in accordance with their respective terms.

(c) There is no litigation or proceeding pending or, so far as the Seller knows, threatened before any court or administrative agency which, in the opinion of the Seller, will materially adversely affect the authority of the Seller to enter into, or the validity or enforceability of, this Agreement or the Deed of Easement.

(d) There is (i) no provision of any existing mortgage, indenture, contract or agreement binding on the Seller or affecting the Land, and (ii) to the knowledge of the Seller, no provision of law or order of court binding upon the Seller or affecting the Land, which would conflict with or in any way prevent the execution, delivery, or performance of the terms of this Agreement or the Deed of Easement, or which would be in default or violated as a result of such execution, delivery or performance, or for which adequate consents, waivers or, if necessary, subordinations, have not been obtained.

(e) The Seller is the sole owner and lawfully seized of a fee simple estate in the Land and has the right to grant and convey the easement conveyed pursuant to the Deed of Easement. Further, there exist no liens, security interests or other encumbrances on or with respect to the Land (other than Permitted Encumbrances), and the Seller specially warrants and will

defend the County's right, title and interest in and to the easement granted under the Deed of Easement.

(f) The Seller is not a nonresident alien of the United States of America for purposes of federal income taxation.

The representations in subsection (f) above are made under penalties of perjury and the information contained therein may be disclosed by the County to the Internal Revenue Service. The Seller acknowledges that any false statement in such subsection could be punished by fine, imprisonment or both.

ARTICLE V
PROVISIONS RELATING TO EXCLUSION
OF INTEREST FROM INCOME FOR FEDERAL INCOME TAXATION

SECTION 5.1. Intent of County and Tax Covenant of County. The County intends that the interest payable under this Agreement shall not be includible in the gross income of the Registered Owner for purposes of federal income taxation pursuant to Section 148 of the Code. Accordingly, the County shall not knowingly take or permit to be taken any other action or actions or omit or fail to take any action, which would cause this Agreement to be an "arbitrage bond" within the meaning of Section 148 of the Code, or which would otherwise cause interest payable under this Agreement to become includible in the gross income of any Registered Owner for purposes of federal income taxation pursuant to Section 148 of the Code.

SECTION 5.2. Acknowledgment of Seller with Regard to Tax Consequences of Transaction. The Seller has received an opinion from Miles & Stockbridge P.C., Bond Counsel, dated the Closing Date, to the effect that under existing laws, regulations, rulings and decisions, interest payable under this Agreement is not includible in the gross income of the Seller for federal income tax purposes, which opinion assumes continuous compliance with certain covenants in the Tax Certificate and Compliance Agreement to be executed and delivered by the County on the Closing Date and is otherwise limited in accordance with its terms. The Seller acknowledges that [he] [she] [it] [they] [has] [have] made their own independent investigation and [has] [have] consulted with attorneys, accountants and others selected by the Seller in the Seller's sole discretion with respect to all other tax considerations related to the transaction contemplated hereby (including, but not limited to, installment sales treatment under Section 453 of the Code, charitable contribution deductions under Section 170 of the Code, and federal estate tax implications); and the Seller certifies that the Seller has not looked to or relied upon the County or any of its officials, agents or employees, or to Bond Counsel, with respect to any of such matters.

ARTICLE VI
THE REGISTRAR

SECTION 6.1. Appointment of Registrar. Manufacturers and Traders Trust Company, a New York banking corporation, is hereby designated and appointed to act as Registrar for this Agreement.

SECTION 6.2. Ownership of Agreement. The Registrar, in its individual capacity or as trustee for holders of participation interests in this Agreement, may in good faith buy, sell, own and hold this Agreement, and may join in any action which any Registered Owner may be entitled to take with like effect as if it did not act as Registrar hereunder. The Registrar, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the County and may act as depository, trustee or agent for other obligations of the County as freely as if it did not act in any capacity hereunder.

SECTION 6.3. Removal of Registrar and Appointment of Successor Registrar. The County shall have the right, subject to the terms of any agreement with the Registrar, to remove the Registrar at any time by filing with the registrar to be removed, and with the Registered Owner, an instrument in writing. Notwithstanding the foregoing, such removal shall not be effective until a successor Registrar has assumed the Registrar's duties hereunder.

SECTION 6.4. Qualifications of Successor Registrar. Any successor Registrar shall be either (a) the Department of Finance of the County, (b) an officer or employee of the County, or (c) a bank, trust company or other financial institution duly organized under the laws of the United States or any state or territory thereof which is authorized by law and permitted under the laws of the State to perform all the duties imposed upon it as Registrar by this Agreement.

SECTION 6.5. Successor by Merger or Consolidation. If the Registrar is a bank, trust company or other financial institution, any institution or corporation into which the Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Registrar hereunder shall be a party or any institution or corporation succeeding to the corporate trust business (if any) of the Registrar, shall be the successor Registrar under this agreement, without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Agreement to the contrary notwithstanding.

ARTICLE VII MISCELLANEOUS

SECTION 7.1. Successors of County. In the event of the dissolution of the County, all the covenants, stipulations, promises and agreements in this Agreement contained, by or on behalf of, or for the benefit of, the County, the Seller, any other Registered Owner and the Registrar, shall bind or inure to the benefit of the successors of the County from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the County shall be transferred.

SECTION 7.2. Parties in Interest. Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation, other than the County, the Seller, any other Registered Owner and the Registrar, any right, remedy or claim under or by reason of this Agreement, this Agreement being intended to be for the sole and exclusive benefit of the County, the Seller, any other Registered Owner from time to time of this Agreement and the Registrar.

SECTION 7.3. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns, including, without limitation, all Registered Owners from time to time of this Agreement.

SECTION 7.4. Severability. In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement and this Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

SECTION 7.5. Prior Agreements Cancelled; No Merger. This Agreement shall completely and fully supersede all other prior agreements, both written and oral, between the County and the Seller relating to the acquisition of the Development Rights. Neither the County nor the Seller shall hereafter have any rights under such prior agreements but shall look solely to this Agreement and the Deed of Easement for definitions and determination of all of their respective rights, liabilities and responsibilities relating to the Land, the Development Rights and the payment for the Development Rights. In addition, this Agreement shall survive the execution and recording of the Deed of Easement in all respects and shall not be merged therein.

SECTION 7.6. Amendments, Changes and Modifications. This Agreement may not be amended, changed, modified, altered or terminated except by an agreement in writing between the County and the then-Registered Owner. An executed counterpart of any such amendment shall be attached to this Agreement and shall be binding upon such Registered Owner and all successor Registered Owners.

SECTION 7.7. No Personal Liability of County Officials. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, officer, agent or employee of the County in his or her individual capacity, and neither the officers or employees of the County nor any official executing this Agreement shall be liable personally on this Agreement or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 7.8. Governing Law. The laws of the State shall govern the construction and enforcement of this Agreement.

SECTION 7.9. Notices. Except as otherwise provided in this Agreement, all notices, demands, requests, consents, approvals, certificates or other communications required under this Agreement to be in writing shall be sufficiently given and shall be deemed to have been properly given three Business Days after the same is mailed by certified mail, postage prepaid, return receipt requested, addressed to the person to whom any such notice, demand, request, approval, certificate or other communication is to be given, at the address for such person designated below:

County:	Howard County, Maryland George Howard Building 3430 Court House Drive Ellicott City, Maryland 21043 Attention: Director of Finance
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with a copy to:

Margaret Ann Nolan, Esquire
County Solicitor
George Howard Building
3450 Court House Drive
Ellicott City, Maryland 21043

Seller:

Registrar:

Manufacturers and Traders Trust Company
25 South Charles Street
Baltimore, Maryland 21201
Attention: Corporate Trust Department

Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, demands, requests, consents, approvals, certificates or other communications shall be sent hereunder.

SECTION 7.10. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall not be a Business Day, such payment may, unless otherwise provided in this Agreement, be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Agreement, and in the case of payment no interest shall accrue for the period after such nominal date.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES.]

Signature Page 1 of 2 to
INSTALLMENT PURCHASE AGREEMENT
(201_ -_)

WITNESS the signatures and seals of the parties hereto as of the date first above written.

WITNESS:

_____ (SEAL)
Name: _____

_____ (SEAL)
Name: _____

INSTALLMENT PURCHASE AGREEMENT
(201_ - _)

WITNESS the signatures and seals of the parties hereto as of the date first above written.

[COUNTY'S SEAL]

HOWARD COUNTY, MARYLAND

ATTEST:

By: _____
Ken Ulman,
County Executive

Lonnie R. Robbins,
Chief Administrative Officer

Approved for Form and Legal
Sufficiency this _____ day
of _____, 201_.

Approved for Sufficiency of
Funds:

Margaret Ann Nolan,
County Solicitor

Stanley J. Milesky,
Director, Department of Finance

Lisa S. O'Brien,
Senior Assistant County Solicitor

EXHIBIT A

FORM OF DEED OF AGRICULTURAL LAND PRESERVATION EASEMENT

DESCRIPTION OF LAND

PERMITTED ENCUMBRANCES

ASSIGNMENT

FOR VALUE RECEIVED, _____ and
 _____ ([collectively,] the “Seller”) hereby sell[s], assign[s] and
 transfer[s] unto _____, without recourse, all of
 the Seller’s right, title and interest in and to the Installment Purchase Agreement to which this
 Assignment is attached; and the Seller hereby irrevocably directs the Registrar (as defined in such
 Agreement) to transfer such Agreement on the books kept for registration thereof. The Seller
 hereby represent[s], warrant[s] and [certify] [certifies] that there have been no amendments to such
 Agreement [except _____].

Date: _____

WITNESS:

NOTICE: The signature on this Assignment must correspond with of the name of the Registered Owner as it appears on the registration books for the Installment Purchase Agreement referred to herein in every particular, without alteration or enlargement or any change whatever.

EXHIBIT E

TRANSFER OF AGREEMENT - SCHEDULE OF TRANSFEREES

The transfer of this Installment Purchase Agreement may be registered only by the Registered Owner under such Agreement in person or by its duly authorized officer or attorney upon presentation hereof to the Registrar, who shall make note thereof in the books kept for such purpose and in the registration blank below.

Date of Registration of Transfer	Name of Transferee Registered Owner	Outstanding Balance of Deferred Purchase Price	Signature of Registrar