EXECUTION AND DELIVERY OF A SECURITY AGREEMENT WITH A FINANCING PARTY IN CONNECTION WITH THE ISSUANCE OF RATE STABILIZATION BONDS.

(2)　(I)　THE LIEN AND SECURITY INTEREST SHALL ATTACH AUTOMATICALLY FROM THE TIME THAT VALUE IS RECEIVED FOR THE BONDS.

(II)　ON PERFECTION THROUGH THE FILING OF NOTICE WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION IN ACCORDANCE WITH THE PROCEDURES PRESCRIBED UNDER SUBSECTION (D) OF THIS SECTION:

1.　THE LIEN AND SECURITY INTEREST SHALL BE A CONTINUOUSLY PERFECTED LIEN AND SECURITY INTEREST IN THE RATE STABILIZATION PROPERTY; AND

2.　ALL PROCEEDS OF THE PROPERTY, WHETHER ACCRUED OR NOT, SHALL HAVE PRIORITY IN THE ORDER OF FILING AND TAKE PRECEDENCE OVER ANY SUBSEQUENT JUDICIAL OR OTHER LIEN CREDITOR.

(3)　THE SECURITY INTEREST SHALL BE PERFECTED:

(I)　RETROACTIVE TO THE DATE VALUE WAS RECEIVED IF NOTICE IS FILED WITHIN 10 DAYS AFTER VALUE IS RECEIVED FOR THE RATE STABILIZATION BONDS; OR

(II)　AS OF THE DATE OF FILING, IF NOTICE IS NOT FILED WITHIN THAT 10–DAY PERIOD.

(C)　(1)　SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, TRANSFER OF AN INTEREST IN RATE STABILIZATION PROPERTY TO AN ASSIGNEE SHALL BE PERFECTED AGAINST ALL THIRD PARTIES, INCLUDING SUBSEQUENT JUDICIAL OR OTHER LIEN CREDITORS, WHEN:

(I)　THE QUALIFIED RATE ORDER BECOMES EFFECTIVE;

(II)　TRANSFER DOCUMENTS HAVE BEEN DELIVERED TO THE ASSIGNEE; AND

(III) A NOTICE OF THAT TRANSFER HAS BEEN FILED IN ACCORDANCE WITH PROCEDURES ADOPTED UNDER SUBSECTION (D) OF THIS SECTION.

(2)　IF NOTICE OF THE TRANSFER HAS NOT BEEN FILED IN ACCORDANCE WITH THIS SUBSECTION WITHIN 10 DAYS AFTER THE DELIVERY OF TRANSFER DOCUMENTATION, THE TRANSFER OF THE INTEREST IS NOT PERFECTED AGAINST THIRD PARTIES UNTIL THE NOTICE IS FILED.

(D)　THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION SHALL IMPLEMENT THIS SECTION BY ESTABLISHING AND MAINTAINING A SEPARATE SYSTEM OF RECORDS FOR THE FILING OF NOTICES UNDER THIS SECTION AND PRESCRIBING THE PROCEDURES FOR THOSE FILINGS BASED ON TITLE 9 OF THE MARYLAND UNIFORM COMMERCIAL CODE, AS ADAPTED TO THIS SUBTITLE AND USING THE TERMS DEFINED IN THIS SUBTITLE.