

COUNTY COUNCIL

OF

HARFORD COUNTY, MARYLAND

BILL NO. 20-013

Introduced by Council President Vincenti at the request of the County Executive

Legislative Session Day No. 20-013

Date: May 12, 2020

A BILL to authorize and empower Harford County, Maryland to borrow, on its full faith and credit, and issue and sell its bonds or other evidences of indebtedness (including lease financing), in an amount not to exceed Five Million Eight Hundred Fifty Thousand Dollars (\$5,850,000.00) principal amount, the proceeds thereof to be used for the expansion, reconstruction, rehabilitation, renovation and improvement of certain water and sewer projects as described in the Annual Budget and Appropriation Ordinance, Bill No. 20-009, as amended, for the year ending June 30, 2021 and as described in this Bill in accordance with Section 524 of the Charter of Harford County and Sections 123-40 and 256-26 of the Code of Harford County or as otherwise permitted by law; authorizing the County Council of Harford County, Maryland (the "County Council") to adopt an administrative resolution that shall provide for the form of instrument by which any indebtedness is to be evidenced, the manner by which bonds and any other indebtedness may be secured and the rate(s) of interest to be paid, and generally for such other matters as may be deemed appropriate by the County Council in connection therewith and authorizing the County Council by administrative resolution or the County Executive of Harford County, Maryland (the "County Executive") by executive order to determine the form of various documents as are necessary or desirable to implement the financing authorized herein, the manner of issuance and delivery of any bonds or any other evidences of indebtedness, the payment of all necessary expenses in connection therewith, the method by which bonds or any other evidences of indebtedness shall be sold, maturity schedule, and redemption provisions; authorizing the appointment of certain agents, and otherwise generally relating to the issuance, sale, delivery and payment of bonds or any other evidences of indebtedness; providing that bonds or any other indebtedness shall be issued upon the full faith and credit and taxing power of Harford County, Maryland; providing for the issuance of bond anticipation notes (or other form of indebtedness) upon adoption of an administrative resolution by the County Council approving the interest rate or rates to be borne thereby for all or a portion of the projects described herein, for which the proceeds of sale of the bond anticipation notes shall be used; providing that after the issuance of the bond anticipation notes (or other form of indebtedness), or any renewal thereof, the County Council shall authorize the issuance of bonds to pay said bond anticipation notes (or other form of indebtedness); providing that upon written recommendation of the County Executive and administrative resolution of the County Council, all or a portion of the indebtedness authorized herein may be incurred pursuant to loans from the Maryland Water Quality Financing

1 Administration; providing for disbursement of the proceeds of the sale of bonds or
2 other indebtedness authorized herein and for the levying of charges, assessments and
3 all taxes necessary to provide payment of the principal of and premium (if any) and
4 interest on bonds or other form of indebtedness; providing that certain additional
5 matters may be determined by resolution of the County Council or may be reserved
6 unto the County Executive as prescribed by such resolution; providing the method of
7 fixing the interest rates to be borne by such bonds and generally providing for and
8 determining various matters in connection therewith; and generally relating to funding
9 of the projects described herein.

10
11 By the Council, May 12, 2020

12
13 Introduced, read first time, ordered posted and public hearing scheduled

14
15 on: June 9, 2020

16 at: 7:15 PM

17
18 By Order: *Mylia A. Dixon*, Council Administrator

19
20 **PUBLIC HEARING**

21
22 Having been posted and notice of time and place of hearing and title of Bill having
23 been published according to the Charter, a public hearing was held on _____, and
24 concluded on _____.

25
26 _____, Council Administrator

27
28 EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate
29 matter deleted from existing law. Underlining indicates language added to Bill by amendment.
30 Language lined through indicates matter stricken out of Bill by amendment.
31

1 WHEREAS, among other State of Maryland and local laws, Section 524 of the Charter of
2 Harford County, Maryland (the “Charter”) and Sections 123-40 and 256-26 of the County Code
3 of Harford County, Maryland (the “Code”) authorize Harford County, Maryland (the “County”)
4 to incur long-term indebtedness; and;

5 WHEREAS, in accordance with the provisions of Section 406 of the Charter, the Director
6 of Planning has heretofore transmitted to the County Executive of Harford County, Maryland
7 (the “County Executive”) the recommendations of the Planning and Advisory Board for certain
8 capital improvements; and

9 WHEREAS, in accordance with the provisions of Section 505 of the Charter, the County
10 Executive has reviewed such recommendations in light of the existing capital programs and the
11 County Executive and the Director of Administration of the County (the “Director of
12 Administration”) have included such recommendations for capital improvements, as may be
13 amended, in the proposed Capital Program that has been submitted to the County Council of
14 Harford County, Maryland (the “County Council”) and the County Council, after written
15 recommendation of the County Executive, public hearing and affirmative vote of at least four (4)
16 members of the County Council, has adopted the Capital Program (the “Capital Program”) and
17 Capital Budget (the “Capital Budget”) for the year ending June 30, 2021, pursuant to Bill No. 20-
18 009; and

19 WHEREAS, upon request of the County Executive and resolution of the County Council,
20 the County may sell bond anticipation notes in an amount not greater than the amount of bonds
21 authorized herein, in anticipation of the subsequent sale of the bonds, for all or a portion of the
22 cost of the Projects (defined herein) in accordance with the provisions of Sections 19-211

1 through 9-221 of the Local Government Article of the Annotated Code of Maryland (2013
2 Replacement Volume and 2019 Supplement); and

3 WHEREAS, as a part of the Capital Program and the Capital Budget, it is necessary that
4 the County borrow a sum not exceeding Five Million Eight Hundred Fifty Thousand Dollars
5 (\$5,850,000.00) to be used to finance the cost of the acquisition, construction, reconstruction,
6 improvement, extension, site acquisition, architectural and engineering services, and furnishings
7 and equipment for the Projects, including financial, legal and planning expenses related thereto;
8 and

9 WHEREAS, Section 520 of the Charter requires that the County Council authorize the
10 indebtedness described herein by legislative act and Section 524 of the Charter and other
11 applicable provisions of law provide for the incurrence of indebtedness on the faith and credit of
12 the County and the annual levy of *ad valorem* taxes upon the assessable property within the
13 County sufficient, together with other taxes and other available funds, to provide for the payment
14 of the principal of, premium (if any) and interest on any bonds or other indebtedness issued by
15 the County hereunder; and

16 WHEREAS, the proposed bonds or other indebtedness is within the legal limitation on
17 the indebtedness of the County; and

18 WHEREAS, it is necessary to provide funds for the construction, reconstruction,
19 improvement, extension, acquisition, alteration, repair and modernization, the cost of acquiring
20 any sites, making site improvements, architectural and engineering services, including
21 preparation of plans, drawings and specifications, the development of the grounds and
22 landscaping thereof, financial, legal and planning expenses and all customary appurtenances and
23 equipment for the Projects; and

1 WHEREAS, the financing or indebtedness herein authorized, including the aggregate
2 principal amount of bonds or other indebtedness in an amount not to exceed Five Million Eight
3 Hundred Fifty Thousand Dollars (\$5,850,000.00), and interest rate(s) to be borne thereby, shall be
4 evidenced and incurred pursuant to an administrative resolution to be adopted by the County
5 Council upon written recommendation of the County Executive, pursuant to this Bill and other
6 terms of sale, including, but not limited to maturity schedules, redemption provisions, form of
7 bond, and date of sale shall be determined by administrative resolution of the County Council or
8 executive order of the County Executive, as hereinafter set forth.

9 NOW, THEREFORE, IN ACCORDANCE WITH THE PROVISIONS OF THE
10 CHARTER, THE CODE AND THE LAWS OF THE STATE OF MARYLAND:

11 **SECTION 1. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD**
12 **COUNTY, MARYLAND** that, acting pursuant to the authority of the Charter, the Code and the
13 laws of the State of Maryland, Harford County, Maryland (the “County”) hereby authorizes and
14 approves the incurrence of debt or the payment of purchase price or rental installments for the
15 purpose of financing all or a portion of the cost of capital equipment, improvements, extensions,
16 modifications, alterations, or any combination thereof to the property of the County, together
17 with the acquisition of all necessary property rights, and all related architectural, financial, legal,
18 planning, design and engineering expenses associated with such capital equipment,
19 improvements, extensions, modifications or alterations for the following:

20

<u>Project</u>	<u>Amount to be Borrowed</u>
Abingdon WTP Switch Gear/Generator	\$1,500,000.00
Fleet Maintenance Facility	200,000.00
Renewal and Replacement Water Infrastructure	300,000.00
Water and Sewer Facilities Repair Program	250,000.00
Bio Solids Facilities Enhancements	2,600,000.00
Sod Run WWTP Ultraviolet Disinfection Project	1,000,000.00
TOTAL	\$5,850,000.00

1 All of the above are herein collectively referred to as the “Projects.”

2 The principal amount of indebtedness to be incurred hereunder shall not exceed Five
3 Million Eight Hundred Fifty Thousand Dollars (\$5,850,000.00).

4 **SECTION 2. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL**
5 **OF HARFORD COUNTY, MARYLAND** that prior to the issuance, sale and delivery of any
6 bonds or other evidences of indebtedness in reliance on this Bill, the County Council shall
7 (without limitation) determine by administrative resolution:

8 (a) the form of instruments and agreements by which the debt authorized
9 herein shall be evidenced (including, but not limited to, bonds, bond anticipation notes, notes or
10 other form of indebtedness, book entry, community participation bonds, letters of credit, trust
11 agreements, trust indentures, financing or installment purchase lease or similar financing
12 agreement, or participation in any “bond bank” or bond pooling arrangement administered by the
13 State of Maryland or a subsidiary entity of it);

14 (b) the manner, if any, by which any indebtedness shall be secured (including,
15 but not limited to, a pledge of the revenues from the County’s water and sewer system or any
16 other appropriate revenue stream, a letter or letters of credit, bond or other such insurance and a
17 pledge of the full faith and credit and unlimited taxing power of the County):

18 (c) the rate or rates of interest or method of determining such rate or rates; and
19 (d) whether the financing is to be accomplished by public sale, private
20 (negotiated) sale or by private placement.

21 Any resolution adopted by the County Council under, pursuant to or in accordance with
22 this Bill shall be deemed to be of an administrative nature and shall be effective upon the date
23 specified therein.

1 **SECTION 3. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL**
2 **OF HARFORD COUNTY, MARYLAND** that the County Council shall also by administrative
3 resolution determine the following matters:

4 (a) the principal amounts, date, denominations, interest payment dates,
5 maturity payment provisions and prepayment, tender and/or redemption provisions (if any) and
6 other terms and conditions thereof;

7 (b) the substantially final form and contents and consent to the distribution
8 (and shall authorize the execution and delivery, where applicable) of various agreements and
9 documents as are necessary to incur the indebtedness authorized herein, including, but not
10 limited to, a Preliminary Official Statement and/or an Official Statement, and in the event any
11 evidence of indebtedness is sold through competitive bidding, a Notice of Sale, and in the event
12 any evidence of indebtedness is sold by private (negotiated) sale, a Purchase Contract with the
13 underwriter(s) thereof, and if any indebtedness is issued in book entry form, securities depository
14 agreements (collectively the “Documents”) required for the issuance, sale and delivery of any
15 evidence of indebtedness authorized herein, which Documents shall contain such provisions as
16 may be required by law or determined by the County Council to consummate the financing
17 authorized herein;

18 (c) the manner in which any evidence of indebtedness shall be executed,
19 sealed and attested (which may be by facsimile signature and/or seal);

20 (d) provision for the payment of all necessary expenses of preparing, printing
21 and selling any evidence of indebtedness and the Documents including, without limitation, any
22 and all costs, fees and expenses incurred by or on behalf of the County in connection with the
23 authorization, issuance, sale and delivery of any indebtedness, and all costs incurred in

1 connection with the development of the Documents, including the fees of counsel to the County,
2 and compensation to any persons (other than full-time employees of the County) or entities
3 performing services for or on behalf of the County in connection therewith and in connection
4 with all other transactions contemplated by this Bill regardless of whether the proposed financing
5 is consummated;

6 (e) the name or designation of the indebtedness, provided that unless
7 otherwise designated, the indebtedness shall be known as Harford County, Maryland Water and
8 Sewer Bonds, Series 2021;

9 (f) such other matters in connection with the consummation of the financing
10 transactions contemplated by this Bill as may be deemed appropriate by the County Executive,
11 including (without limitation) the appointment of agents (including, but not limited to, trustees,
12 paying agents, indexing agents and/or registrars) in connection with the financing, the execution,
13 acknowledgment, sealing and delivery of such other and further agreements, documents and
14 instruments, and the authorization of the officials of the County to take any and all actions, as are
15 or may be necessary or appropriate to consummate the transactions contemplated by this Bill in
16 accordance with the terms hereof and of any administrative resolution adopted by the County
17 Council under, pursuant to or in accordance with this Bill.

18 (g) Without limiting the foregoing, the County Council may provide by
19 administrative resolution that any or all of the determinations described in this Section 3 may be
20 made by executive order of the County Executive with the same force and effect as if made by
21 the County Council in accordance with an administrative resolution. In addition, any other
22 matters described in this Bill that may be determined by either administrative resolution of the
23 County Council or executive order of the County Executive shall be determined by

1 administrative resolution of the County Council unless the County Council expressly provides
2 otherwise by an administrative resolution that such matters may be determined by executive
3 order of the County Executive.

4 **SECTION 4. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL**
5 **OF HARFORD COUNTY, MARYLAND** that authority is hereby conferred on the County
6 Executive, the Director of Administration, the Treasurer of the County (the “Treasurer”), the
7 County Attorney of the County and the Council Administrator of the County Council, or any of
8 them, and they are each hereby directed to take the following actions on behalf of the County:

9 (a) to execute, acknowledge, seal and deliver the Documents substantially in
10 the forms determined by administrative resolution of the County Council or executive order of
11 the County Executive; and

12 (b) to execute, acknowledge, seal and deliver such other and further
13 certificates, certifications, agreements, documents and instruments and take such other acts as
14 they or any one or more of them may deem necessary or appropriate to consummate the
15 transactions contemplated by this Bill in accordance with the provisions hereof and of any
16 resolution adopted by the County Council or executive order issued by the County Executive
17 under, pursuant to or in accordance with this Bill.

18 **SECTION 5. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL**
19 **OF HARFORD COUNTY, MARYLAND** that the Treasurer is hereby authorized and
20 empowered to prepare and distribute copies of the Documents to any person who may, in the
21 Treasurer’s judgment, be interested in participating in the financing of the Projects or who may
22 request the same or information with respect thereto; provided, however, that any preliminary

1 offering documents and related material shall be clearly marked to indicate that they are subject
2 to completion and amendment.

3 **SECTION 6. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL**
4 **OF HARFORD COUNTY, MARYLAND** that the County intends to provide funds for
5 payment of principal of, premium (if any) and interest on the bonds, or other indebtedness
6 authorized herein, after payment of operating expenses, from certain funds related to operation of
7 the water and sewer systems of the County. These funds include area connection charges, special
8 assessments, user surcharges, system development fees, certain depreciation reserves relating to
9 depreciation of the water and sewer systems and earnings on the above-described funds.

10 To the extent any of the above-described funds are specifically designated for payment of
11 debt service on bonds or other indebtedness authorized herein, issued to acquire or construct
12 improvements to the water and sewer systems of the County, by the legislation establishing the
13 tax, assessment, surcharge or other source of revenue so designated, and so long as such tax,
14 assessment, surcharge or other revenue source remains so designated and levied by the County,
15 the County hereby covenants to apply all such designated revenues to payments of debt service
16 on bonds or other indebtedness issued to acquire or construct improvements to the water and
17 sewer systems of the County, including the bonds or other indebtedness authorized herein.

18 In the event that the funds described in this Section 6 (whether or not designated for water
19 and sewer system debt service) fail to provide sufficient funds at any time while any of the bonds
20 or other indebtedness authorized herein are outstanding for the purpose of paying principal of,
21 premium (if any) and interest on the bonds or other indebtedness herein authorized, when due
22 and payable, the County hereby covenants and agrees, with each of the holders, from time to
23 time, of any of the bonds or other indebtedness, that it shall promptly cause to be levied against

1 all assessable property within the County annually, so long as any of the bonds or other
2 indebtedness is outstanding and not paid, an *ad valorem* tax sufficient in rate and amount to
3 provide for payment of such principal of, premium (if any) and interest on the bonds or other
4 indebtedness when due. Such tax shall be levied in accordance with the Charter. The County, by
5 the passage of this Bill, hereby covenants and agrees properly and promptly to perform all of the
6 respective acts and duties defined in the Charter for the levy and collection of the aforesaid *ad*
7 *valorem* tax upon all the assessable property within the corporate limits of the County, as the levy
8 and collection of such a tax becomes necessary in order to provide for the payment of principal
9 of, premium (if any) and interest on the bonds or other indebtedness.

10 **SECTION 7. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL**
11 **OF HARFORD COUNTY, MARYLAND** that if the County Council determines by
12 administrative resolution or the County Executive determines by executive order, as the case may
13 be, that it is in the best interests of the County to sell any bonds or other indebtedness by private
14 (negotiated) sale, the County Council hereby authorizes (a) the appointment of an underwriter
15 (the "Underwriter") in connection with the sale thereof, and (b) the payment by the County to the
16 Underwriter out of the proceeds of the sale thereof or otherwise for services rendered in
17 connection therewith, such compensation to be determined by administrative resolution of the
18 County Council or executive order of the County Executive.

19 **SECTION 8. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL**
20 **OF HARFORD COUNTY, MARYLAND** that the County Executive is hereby authorized and
21 empowered for and on behalf of the County (a) to cause the preparation, printing, execution and
22 delivery of the Documents, each substantially in the form provided by administrative resolution
23 of the County Council or executive order of the County Executive, with such modifications,

1 supplements or amendments thereto as may be recommended by counsel; and (b) to do all such
2 things as may be necessary or desirable in the opinion of the County Executive in connection
3 therewith.

4 **SECTION 9. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL**
5 **OF HARFORD COUNTY, MARYLAND** that nothing herein contained shall authorize the
6 expenditure of County funds until such time as such expenditure shall have been appropriated by
7 the County Council and this Bill shall not be construed as authorizing or approving any project
8 not otherwise authorized or approved by all appropriate legal authorization.

9 **SECTION 10. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL**
10 **OF HARFORD COUNTY, MARYLAND** that unless changed by administrative resolution of
11 the County Council or executive order of the County Executive, if the indebtedness herein
12 authorized is evidenced by bonds: (a) the bonds shall be issued pursuant to the authority of this
13 Bill and shall be dated the date of issuance thereof; (b) the bonds shall be issued in the
14 denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof (and the
15 amount of bonds to be issued by the County may be adjusted by administrative resolution of the
16 County Council or executive order of the County Executive so that each bond will be in a \$5,000
17 denomination, but in no event may the aggregate indebtedness incurred pursuant to this Bill
18 exceed Five Million Eight Hundred Fifty Thousand Dollars (\$5,850,000.00), and shall be
19 numbered from one (1) consecutively upward in the order of their maturities. The bonds shall
20 mature over a period not to exceed twenty (20) years from their date in not more than twenty (20)
21 installments beginning in the year 2021 and ending in the year 2040, unless changed by
22 administrative resolution of the County Council or executive order of the County Executive.
23 Unless changed by administrative resolution of the County Council or executive order of the

1 County Executive, the bonds shall mature on October 1 in each of said years as follows: Two
2 Hundred Ninety-Five Thousand Dollars (\$295,000.00) in each of the years 2021 through 2039,
3 inclusive, and Two Hundred Forty-Five Thousand Dollars (\$245,000.00) in 2040. The term and
4 maturity schedule of the bonds may be changed, increased or decreased by administrative
5 resolution of the County Council or executive order of the County Executive, but the aggregate
6 principal amount of indebtedness to be incurred shall not exceed Five Million Eight Hundred
7 Fifty Thousand Dollars (\$5,850,000.00).

8 **SECTION 11. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF**
9 **HARFORD COUNTY, MARYLAND** that if the indebtedness herein authorized is evidenced
10 by bonds, the bonds shall bear interest at the rate or rates named by the successful bidder for the
11 bonds in accordance with the Notice of Sale hereinafter set forth, as may hereafter be amended,
12 upon written recommendation of the County Executive, by administrative resolution of the
13 County Council, and said interest shall be payable semiannually on the first day of October and
14 April (or on such other dates as may be approved by administrative resolution of the County
15 Council or executive order of the County Executive) in each of the years that the bonds are
16 outstanding. Interest on the bonds will be payable by check or draft of the paying agent for the
17 bonds (the "Paying Agent") mailed to the registered owners thereof. The bonds, when issued,
18 shall be executed in the name of the County, by the facsimile (or original) signature of the
19 County Executive, and a facsimile (or original) of the corporate seal of the County shall be
20 imprinted or otherwise reproduced on each of the bonds attested by the facsimile (or original)
21 signature of the Director of Administration and the manual signature of an authorized officer of
22 the bond registrar for the bonds (the "Bond Registrar"). Such facsimiles and seal shall be
23 engraved, printed or lithographed or otherwise reproduced on each of the bonds in accordance

1 with, and pursuant to the authority of Sections 2-301 through 2-306 inclusive of the State
2 Finance and Procurement Article of the Annotated Code of Maryland (2015 Replacement
3 Volume and 2019 Supplement). If the indebtedness is evidenced by bonds, the bonds shall be
4 subject to registration as to principal and interest, in the name or names of the owner or owners
5 thereof on books kept for that purpose at the principal office of the Bond Registrar and the
6 principal of the bonds shall be payable upon presentation and surrender thereof at the principal
7 office of the Paying Agent or the ownership of the indebtedness may, pursuant to an
8 administrative resolution of the County Council or executive order of the County Executive, be
9 maintained by a book-entry system. The Bond Registrar and Paying Agent shall be determined
10 by administrative resolution of the County Council or executive order of the County Executive.
11 Payment of interest on the bonds shall be made by the Paying Agent on each payment date, to
12 each person appearing on the registration books of the County, maintained by the Bond Registrar,
13 as the registered owner thereof, by check or draft mailed to each such registered owner at his or
14 her address as it appears on such registration books. There shall be printed on each bond (or
15 delivered therewith) the text of the approving legal opinion of bond counsel with respect to the
16 bonds. Except as provided hereinafter or in an administrative resolution of the County Council
17 or executive order of the County Executive prior to the issuance of the bonds, if the indebtedness
18 authorized herein is evidenced by bonds, the bonds shall be in substantially the following form,
19 which form, together with all covenants and conditions therein contained, is hereby adopted by
20 the County Council as and for the form of obligation to be incurred by the County as bonds, and
21 any and all covenants and conditions therein contained, including (without limitation) the
22 promise to pay, are hereby made binding upon the County:

23 UNITED STATES OF AMERICA

24 STATE OF MARYLAND

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HARFORD COUNTY, MARYLAND

WATER AND SEWER BONDS, SERIES 2021

Registered Owner: _____
(Dated: _____, 2021)

No. _____ CUSIP NO. _____

HARFORD COUNTY, MARYLAND, a body politic and corporate, organized and existing under the Constitution and laws of the State of Maryland (the "County"), hereby acknowledges itself indebted and, for value received, promises to pay to the registered owner or registered assignees of this bond, the principal sum of _____ Dollars (\$_____), on October __, ____, upon presentation and surrender of this bond and to pay interest thereon, from the date of this bond at the rate of _____ percent (__%) per annum until payment of said principal sum, such interest to the maturity hereof being payable on October __, 2021 and semiannually thereafter on the __ day of April and October in each year by check or draft of the Paying Agent (hereinafter defined) mailed to the registered owners of record on the registration books of the Bond Registrar (hereinafter defined) on the __ day of the month in which the interest payment is due and payable.

Both the principal of and interest on this bond will be paid in lawful money of the United States of America, at the time of payment, at the principal office of _____ ("Paying Agent").

This bond shall be registered in the name of the owner on the registration books kept for that purpose at the principal office of _____ ("Bond Registrar"), after which no transfer hereof shall be valid unless made on the said registration books by the registered owner hereof in person or by his duly authorized attorney, but this bond will not be transferred

1 unless The Depository Trust Company (“DTC”) determines to discontinue providing its services
2 as a securities depository or directs that the Bonds (hereinafter defined) be re-registered in a
3 different name, or unless DTC is removed as the depository for the Bonds. The County, Bond
4 Registrar and Paying Agent may deem and treat the person in whose name this bond is registered
5 as the absolute owner hereof for all purposes. This bond, upon surrender hereof at the principal
6 office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond
7 Registrar, duly executed by the registered owner hereof, or the duly authorized attorney of the
8 registered owner hereof, may, at the option of the registered owner hereof, be exchanged for an
9 equal aggregate principal amount of bonds of authorized denominations and of the same form
10 and tenor as this bond. For every such exchange or transfer of bonds, the County or the Bond
11 Registrar shall make a charge for any tax or other governmental charge required to be paid with
12 respect to such exchange or transfer. Such charge shall be paid by the registered owner requesting
13 such exchange or transfer as a condition precedent to the exercise of such privilege. The Bond
14 Registrar shall not be obligated to make any such exchange or transfer of bonds during the fifteen
15 (15) days next preceding an interest payment date on the bonds, or in case of any proposed
16 redemption of bonds, during the fifteen (15) days next preceding the date of the publication of
17 notice of such redemption. The Bond Registrar shall not be required to make any transfer or
18 exchange of any bonds called for redemption.

19 This bond is one of a duly authorized issue or series of bonds (the “Bonds”) aggregating
20 Five Million Eight Hundred Fifty Thousand Dollars (\$5,850,000.00) in principal amount, which
21 are of the denomination of Five Thousand Dollars (\$5,000) or integral multiples thereof. The
22 Bonds mature serially in installments on October __ in each of the years 2021 to 2040, inclusive,
23 as follows:

<u>October</u> ____	<u>Principal</u>	<u>October</u> ____	<u>Principal</u>
<u>Year of</u>	<u>Amount</u>	<u>Year of</u>	<u>Amount</u>
<u>Maturity</u>		<u>Maturity</u>	

1 The Bonds are numbered from one (1) consecutively upwards in the order of their maturities, are
2 of like tenor except as to amount, maturity, number and interest rate, are issued pursuant to and
3 in full conformity with the provisions of the Charter of the County (the “Charter”) and the Code of
4 the County (the “Code”), and by virtue of due proceedings had and taken by the County Council
5 of Harford County, Maryland (the “County Council”) particularly, Bill No. _____,
6 enacted by the County Council on _____, effective _____; Bill No.
7 _____, enacted by the County Council on _____, effective
8 _____; Executive Orders of the County Executive, if any (the “Executive
9 Orders”); and Resolution No. _____ adopted by the County Council on _____,
10 effective _____ and Resolution No. _____ adopted by the County Council on
11 _____, effective _____ (collectively, the “Resolutions”).

12 The full faith and credit and unlimited taxing power of the County are pledged to the
13 punctual payment of the principal of and interest on this bond according to its terms, and the
14 County covenants and agrees punctually to pay the principal of this bond and the interest hereon,
15 at the dates and in the manner described herein.

16 The Bonds which mature before _____ are not subject to redemption prior to
17 their maturities. The Bonds which mature on or after _____ are subject to
18 redemption at any time, at par, beginning _____.

19 No covenant or agreement contained in this bond shall be deemed to be a covenant or

1 agreement of any officer, agent or employee of the County in his or her individual capacity and
2 neither the members of the County Council of Harford County, Maryland nor any official
3 executing this bond shall be liable personally on this bond or be subject to any personal liability
4 or accountability by reason of the issuance of this bond.

5 It is hereby certified and recited that each and every act, condition and thing required to
6 exist, to be done, to have happened and to be performed precedent to and in the issuance of this
7 bond, does exist, has been done, has happened and has been performed in full and strict
8 compliance with the Constitution and laws of the State of Maryland, the Charter, the Code, the
9 Bills, the Resolutions and the Executive Orders, and that the issue of Bonds of which this is one,
10 together with all other indebtedness of the County, is within every debt and other limit prescribed
11 by the Constitution and laws of the State of Maryland, the Charter and Code, and that due
12 provision has been made for the levy and collection, if and when necessary, of an annual *ad*
13 *valorem* tax or taxes upon all the legally assessable property within the corporate limits of the
14 County, as prescribed by law, in rate and amount sufficient to provide for the payment, when
15 due, of the interest on and the principal of this bond.

16 IN WITNESS WHEREOF the County has caused this bond to be executed in its name by
17 the manual or facsimile signature of the County Executive of the County, and has also caused its
18 corporate seal or a facsimile thereof to be imprinted or otherwise reproduced hereon, attested by
19 the manual or facsimile signature of the Director of Administration of the County, and the
20 manual signature of an authorized officer of the Bond Registrar, all as of the ____ day of
21 _____, 2021.

22 ATTEST: HARFORD COUNTY, MARYLAND
23
24
25 _____ By: _____

1 Billy Boniface
2 Director of Administration

Barry Glassman
County Executive

3
4
5
6
7
8
9

(SEAL)

10 **CERTIFICATE OF AUTHENTICATION**

11 This bond is one of the registered bonds of Harford County, Maryland Water and Sewer
12 Bonds, Series 2021.

[Bond Registrar]

13
14
15
16
17
18

By: _____
Authorized Officer
(Form of Registration)

19

20 (No writing hereon except by an officer of _____, Bond Registrar.)

<u>Date of Registry</u>	<u>Name of Registered Holder</u>	<u>Registered By</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

25 **PAYMENT GRID**

26
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39

<u>Date of Payment</u>	<u>Principal Amount Paid</u>	<u>Principal Amount Outstanding</u>	<u>Holder Signature</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

1 _____

2 _____

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4 _____

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9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

ASSIGNMENT

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

(please insert name and address of the assignee)

(Tax Identification or Social Security No. _____)

the within bond, and hereby irrevocably constitutes and appoints

attorney to transfer the within bond on the books kept for registration thereof, with full power of

substitution in the premises.

Date: _____

Signature guaranteed: _____

NOTICE: Signature must be
guaranteed by a member firm of the
New York Stock Exchange or a
commercial bank or trust company

NOTICE: The signature on this
Assignment must correspond with
the name of the registered owner as
it appears on the face of the within

bond in every particular, without
alteration or enlargement or
any change whatever.

SECTION 12. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF

HARFORD COUNTY, MARYLAND that if the indebtedness herein authorized is evidenced by bonds, the bonds shall be sold by bids in sealed proposals and/or electronic bid form as determined by administrative resolution of the County Council or executive order of the County Executive to the bidder therefor for cash whose bid is deemed to be in the best interest of the County, after giving at least ten (10) days' public notice by advertisement inserted twice in one or more daily or weekly newspapers having a general circulation in the County, said sale to be held not sooner than ten (10) days following the first insertion of said advertisement. Said advertisement or a summary thereof may also be published in *The Bond Buyer* and other publications approved by the County Executive, if recommended by the County's Financial Advisor, and in electronic form. The award of the bonds, if made, shall be approved by resolution of the County Council after written recommendation of the County Executive, to the bidder offering the lowest interest cost determined in accordance with the true interest cost method (TIC). The sale of the bonds shall be held on January 12, 2021 at the office of the Treasurer located at 220 S. Main Street, Bel Air, Maryland, at 10:30 a.m., prevailing Baltimore, Maryland time, or on such other date and at such other time and location as may be provided by administrative resolution of the County Council or executive order of the County Executive.

SECTION 13. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF

HARFORD COUNTY, MARYLAND that the Notice of Sale shall be in substantially the form hereinafter set forth (unless changed by administrative resolution of the County Council or executive order of the County Executive adopted or issued prior to the sale of the bonds) and the

1 terms, provisions and conditions set forth therein are hereby adopted and approved as the terms,
2 provisions and conditions under which and the manner in which the bonds shall be sold, issued
3 and delivered at public sale. The Notice of Sale, upon adoption of an administrative resolution by
4 the County Council, may be consolidated with the notices of sale for other bonds to be sold by
5 the County at the same time. The Notice of Sale may be published in summary form in *The Bond*
6 *Buyer* and in other financial publications approved by the County Executive and/or in electronic
7 form. The Notice of Sale for the bonds shall be in substantially the following form (unless
8 changed by administrative resolution of the County Council or executive order of the County
9 Executive adopted or issued prior to the sale of the bonds):

10 **NOTICE OF SALE**
11 **\$5,850,000.00***
12 **HARFORD COUNTY, MARYLAND**
13 **WATER AND SEWER BONDS**

14
15 _____
16 *Preliminary, subject to adjustment as provided herein

17 **SERIES 2021**
18 **(Book-Entry Only)**

19 **NOTICE IS HEREBY GIVEN** that electronic bids for the Bonds (defined below) will be received by the
20 Treasurer, Harford County, Maryland (the "County") until 10:30 a.m. (Prevailing Eastern Time) on _____,
21 2021 for the purchase of all (but not less than all) of the County's Water and Sewer Bonds, Series 2021, aggregating
22 \$5,850,000.00* (the "Bonds"). The bids will be received up to the time (unless postponed as described herein) and
23 in the manner described below:
24
25

26
27 **Bidding Procedures**

28
29 Bids for the purchase of the Bonds must be submitted electronically via BiDCOMP™/PARITY®
30 ("PARITY") by means of the bid form provided thereby in accordance with its Rules of Participation and this Notice
31 of Sale by 10:30 a.m. (prevailing Eastern Time) on _____, 2021, subject to postponement or cancellation in
32 accordance with this Notice of Sale. No other form of bid or proposal or provider of electric bidding services will be
33 accepted. Bids submitted after 10:30 a.m. (prevailing Eastern Time) on _____, 2021 or bids submitted in
34 person or via facsimile transmission will not be considered by the County. If any provisions in this Notice of Sale
35 shall conflict with information provided by PARITY, this Notice of Sale shall control. In the event of a malfunction
36 in the electronic bidding process, the bid time and/or date may be postponed at the option of the County. For further
37 information about PARITY, potential bidders may contact:

38
39 Davenport & Company LLC
40 8600 LaSalle Road, Suite 618
41 Towson, Maryland 21286
42 Attention: Jennifer L. Dierksen
43 Telephone: 410-296-9426

44 or
22

PARITY
1359 Broadway
New York, New York 10018
Telephone: 212-849-5021

Davenport & Company LLC is acting as financial advisor to the County (the “Financial Advisor”) in connection with the Bonds.

Any prospective bidder must submit its electronic bid through the facilities of PARITY, in accordance with the Rules of Participation and any other requirements of PARITY. Prospective bidders must be contracted customers of PARITY in order to submit an electronic bid.

An electronic bid made through the facilities of PARITY shall be deemed an offer in response to this Notice of Sale and shall be binding upon the bidder. The County shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

Neither the County nor PARITY shall have any duty or obligation to provide or assure access to PARITY to any prospective bidder. The County is using PARITY as a communication mechanism and not as the County’s agent to conduct the electronic bidding for the Bonds. The County is not bound by any advice or determination of PARITY to the effect that any particular bid complies with the terms of this Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their submission of bids via PARITY are the sole responsibility of the bidders, and the County is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Bonds, such bidder should telephone PARITY (212-806-8304) and notify the County’s Financial Advisor at the number provided

*Preliminary, subject to adjustment as provided herein

above.

Electronic bids must be submitted for the purchase of the Bonds via PARITY. Bids for the purchase of the Bonds shall be communicated electronically to the County by 10:30 a.m. (prevailing Eastern Time) on _____, 2021. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid for the Bonds. Once the bids are communicated electronically via PARITY to the County, each bid will constitute an irrevocable offer to purchase the Bonds bid for on the terms therein provided. For the purposes of the electronic bid, the time maintained by PARITY shall constitute the official time.

WARNING REGARDING ELECTRONIC BIDS: THE COUNTY WILL ACCEPT BIDS IN ELECTRONIC FORM SOLELY THROUGH PARITY ON THE OFFICIAL BID FORM CREATED FOR SUCH PURPOSE. EACH BIDDER SUBMITTING AN ELECTRONIC BID UNDERSTANDS AND AGREES BY DOING SO THAT IT IS SOLELY RESPONSIBLE FOR ALL ARRANGEMENTS WITH PARITY AND THAT PARITY IS NOT ACTING AS AN AGENT OF THE COUNTY. INSTRUCTIONS AND FORMS FOR SUBMITTING ELECTRONIC BIDS MUST BE OBTAINED FROM PARITY, AND THE COUNTY ASSUMES NO RESPONSIBILITY FOR ENSURING OR VERIFYING BIDDER COMPLIANCE WITH THE PROCEDURES OF PARITY. THE COUNTY SHALL ASSUME THAT ANY BID RECEIVED THROUGH PARITY HAS BEEN MADE BY A DULY AUTHORIZED AGENT OF THE BIDDER.

THE COUNTY, DAVENPORT & COMPANY LLC, AS FINANCIAL ADVISOR TO THE COUNTY, AND BOND COUNSEL ASSUME NO RESPONSIBILITY FOR ANY ERROR CONTAINED IN ANY BID SUBMITTED ELECTRONICALLY, OR FOR FAILURE OF ANY BID TO BE TRANSMITTED, RECEIVED OR OPENED AT THE OFFICIAL TIME FOR RECEIPT OF BIDS. EACH BIDDER EXPRESSLY ASSUMES THE RISK OF ANY INCOMPLETE, ILLEGIBLE, UNTIMELY OR NONCONFORMING BID SUBMITTED BY ELECTRONIC TRANSMISSION BY SUCH BIDDER, INCLUDING WITHOUT LIMITATION, BY REASON

1 OF GARBLED TRANSMISSION, MECHANICAL FAILURE, ENGAGED TELECOMMUNICATIONS LINES,
2 OR ANY OTHER CAUSE ARISING FROM SUBMISSION BY ELECTRONIC TRANSMISSION.
3

4 **Authorization and Purpose**

5
6 The Bonds will be issued by the County pursuant to [list of Bills]; and any applicable Resolutions adopted
7 by the County Council and any applicable Executive Orders of the County Executive (collectively, the “Authorizing
8 Legislation”). The proceeds of the Bonds will be used primarily to finance the costs of the acquisition, renovation or
9 new construction and equipping of certain capital projects described in the Authorizing Legislation.
10

11 The Bonds and payment of the principal and interest thereon will be the unconditional general obligations
12 of the County and will constitute an irrevocable pledge of the full faith and credit and unlimited taxing power of the
13 County.
14

15 **The County will not designate the Bonds as “qualified tax-exempt obligations” pursuant to the**
16 **provisions of Section 265 of the Internal Revenue Code of 1986, as amended.**
17

18 **List of Members of Account**

19
20 The facilities of PARITY currently do not allow bidders to list the names of the members of the account on
21 whose behalf the bid is made. Bidders who are submitting an electronic bid are requested to provide the names of
22 the members of the account on whose behalf the bid is made to the County, by electronic mail to the Financial
23 Advisor at jdierksen@investdavenport.com.
24

25 **Right to Modify or Amend Notice of Sale; Right to Postpone Sale**

26
27 **The County reserves the right to modify or amend this Notice of Sale, including (without limitation)**
28 **changing the scheduled maturities or reducing the aggregate principal amount of Bonds and the principal**
29 **amount of any maturity offered for sale, prior to the bid date. If any modifications occur, supplemental**
30 **information with respect to the Bonds will be made available on the BidComp/Parity/www.i-**
31 **dealprospectus.com system or published on Thompson Municipal Market Monitor (“TM3”) not later than**
32 **9:30 a.m. (prevailing Eastern Time) on the day of sale, and bidders shall bid upon the Bonds based upon the**
33 **terms thereof set forth in this Notice of Sale, as so modified by such supplemental information.**
34

35 In addition, the County reserves the right to postpone the time and/or date established for the receipt of bids
36 for the Bonds. Notice of any such change shall be provided not less than one hour prior to the time set forth above
37 for the receipt of bids by means of a supplemental notice of sale to be transmitted on BidComp/Parity/www.i-
38 dealprospectus.com system or published on TM3. In the event of a postponement, the new date and time of sale and
39 any revised date of expected delivery will made available on BidComp/Parity/www.i-dealprospectus.com system or
40 published on TM3 not later than 48 hours prior to such alternative sale date. On any such alternative sale date,
41 bidders may submit bids for the purchase of the Bonds in conformity with the provisions of this Notice of Sale
42 (including any supplemental notices of sale as described above), except for the changed date and time of sale and any
43 revised date of delivery.
44

45 **Bid Parameters**

46
47 No bid of less than 100% of par, no oral bid and no bid for less than all of the Bonds described in this
48 Notice of Sale will be considered. The Bonds are expected to be awarded no later than 3:00 p.m. (Prevailing Eastern
49 Time) on _____, 2021. All proposals shall remain firm until the time of award.
50

51 **Price and Interest Rate Bid**

52
53 Each bidder shall submit one bid, not less than 100% of par on an “all-or-none” basis for the Bonds. Each
54 bid must specify the rate or rates of interest to be paid on the Bonds, in multiples of one-eighth (1/8) or one-twentieth
55 (1/20) of one percent (1%). Bidders may specify more than one rate of interest to be borne by the Bonds, but all
56 Bonds maturing on the same date must bear interest at the same rate; and the difference between the maximum and

1 minimum interest rates specified may not exceed three percent (3%). A zero rate cannot be named for any maturity.

2
3 **Procedures for Award and Principal Amount Changes**

4
5 The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to
6 adjustments by the County, both before and after the receipt of bids for their purchase. The aggregate principal
7 amount of the Bonds may be decreased below \$5,850,000.00,* but may not be increased above \$5,850,000.00.*
8 Changes to be made prior to the sale will be made available on BidComp/Parity/www.i-dealprospectus.com system or
9 published on TM3 not later than 9:30 a.m. (prevailing Eastern Time) on the date of sale and will be used to compare
10 bids and select a winning bidder. Changes to be made after the sale and the maturity amounts for the Bonds will be
11 communicated to the successful bidder by 5:00 p.m. (prevailing Eastern Time) on the date of the sale, and will not
12 reduce or increase the aggregate principal amount of the Bonds by more than 10% from the amount bid upon. In
13 addition, the final maturity schedule for the Bonds will be communicated to the successful bidder by 5:00 p.m.
14 (prevailing Eastern Time) on the date of the sale. The dollar amount bid for principal and any
15 amount bid for premium by the successful bidder will be adjusted proportionately to reflect any reduction or increase
16 in the aggregate principal amount of the Bonds, but the interest rates specified by the successful bidder for all
17 maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within
18 these limits.
19

20 **ALL BIDS SHALL REMAIN FIRM UNTIL THE BONDS ARE AWARDED ON THE DATE OF SALE.**

21 An award of the Bonds pursuant to this Notice of Sale, if made, will be made by the resolution of the County
22 Council of the County, at or before 3:00 p.m. (Prevailing Eastern Time) on the date of sale.
23

24 **Good Faith Deposit**

25
26 _____
27 *Preliminary, subject to adjustment as provided herein.
28

29 A good faith deposit (the "Deposit") is required in connection with the award of the Bonds to the successful
30 bidder. After the bidding is closed and prior to the award, the apparent successful bidder indicated on PARITY must
31 submit the Deposit in the amount of \$_____ in the form of a federal funds wire transfer not later than 3:00 p.m.
32

33 (prevailing Eastern Time) (the "Deposit Deadline") on the date of sale. The award to the apparent successful bidder
34 is contingent upon receipt of the Deposit and the Bonds will not be awarded to such bidder until the County has
35 confirmed receipt of the Deposit. The Deposit of the successful bidder will be retained by the County to be applied
36 in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the
37 successful bidder shall fail to comply with the terms of the bid, the proceeds thereof will be retained as and for full
38 liquidated damages.
39

40 The County shall distribute wiring instructions for the Deposit to the apparent successful bidder in a timely fashion
41 after the bidding has been closed. If the Deposit is not received by the Deposit Deadline, the County reserves the
42 right to sell the Bonds to a different bidder upon such terms and conditions as the County shall deem appropriate,
43 without any financial liability on the County's part to the apparent successful bidder.
44

45 **Award of Bonds and Public Offering**

46
47 The County will not consider and will reject any bid for the purchase of less than all of the Bonds. THE
48 RIGHT IS RESERVED TO THE TREASURER TO REJECT ANY AND ALL BIDS FOR THE BONDS. The
49 award, if made, will be made to the bidder offering the lowest interest cost to the County, as calculated by the County
50 or its agent. True interest cost shall be determined in accordance with the true interest cost (TIC) method by
51 doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments
52 from the payment dates to the date of the Bonds and to the price bid, excluding interest accrued to the date of
53 delivery; provided, however, that if two or more bidders have made bids, each of which represents the lowest true
54 interest cost to the County, the Bonds shall be awarded to the bidder offering the highest premium and if the highest
55 premium is offered by two or more such bidders or if no premium is bid by any such bidders, then the Bonds may be
56 awarded, with their consent, in a ratable portion among such bidders, or the County, in its discretion, may award all

1 the Bonds to one bidder. The judgment of the County shall be final and binding upon all bidders with respect to the
2 form and adequacy of any bid received and as to its conformity to the terms of this Notice of Sale. Each bidder shall
3 include in its bid a statement of true interest cost offered by its bid, but such statement shall not be deemed a part of
4 its bid.
5

6 The successful bidder shall make a bona fide public offering of all the Bonds and shall represent to the
7 County that such reoffering is in compliance with all applicable securities laws of the jurisdictions in which the
8 Bonds are offered. **THE SUCCESSFUL BIDDER SHALL PROVIDE THE CERTIFICATION DESCRIBED**
9 **UNDER “CERTIFICATION AS TO ISSUE PRICE” BELOW.**

10
11 **Legal Opinion**

12
13 The issuance of the Bonds will be subject to delivery of the approving opinion of Miles & Stockbridge P.C.,
14 bond counsel, which opinion shall be substantially in the form set forth as an exhibit to the Preliminary Official
15 Statement referred to below.
16

17 **Official Statement**

18
19 Not later than seven (7) business days after the award of the Bonds to the successful bidder on the day of
20 sale, the County will deliver to the successful bidder an Official Statement, which is expected to be substantially in
21 the form of the Preliminary Official Statement referred to below. If so requested by the successful bidder at or
22 before the close of business on the date of the sale, the County will include in the Official Statement such pricing and
23 other information with respect to the terms of the reoffering of the Bonds by the successful bidder (“Reoffering
24 Information”), if any, as may be specified and furnished in writing by such bidder. If no Reoffering Information is
25 specified and furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds
26 resulting from the bid of the successful bidder and the successful bidder shall be responsible to the County and its
27 officials for the Reoffering Information, and for all decisions made by such bidder with respect to the use or
28 omission of the Reoffering Information in any reoffering of the Bonds, including the presentation or exclusion of any
29 Reoffering Information in any documents, including the Official Statement. The successful bidder for the Bonds will
30 also be furnished, without cost, with a reasonable number of copies of the Official Statement (not to exceed 50
31 copies) and any amendments or supplements thereto. The successful bidder may order additional copies at its own
32 expense and is responsible for distributing the final Official Statement to its syndicate members.
33

34 The Preliminary Official Statement of the County concerning the Bonds (the “Preliminary Official
35 Statement”) is in a form “deemed final” by the County for purposes of Section (b)(1) of Rule 15c2-12 of the
36 Securities and Exchange Commission (the “Rule”), but is subject to revision, amendment and completion in the final
37 Official Statement. The County is distributing the Preliminary Official Statement to potential bidders electronically
38 through i-Deal LLC (“i-Deal”). Potential bidders may also obtain an electronic copy of the Preliminary Official
39 Statement by logging onto the website for i-Deal at www.i-dealprospectus.com. Prior to submitting a bid, each
40 potential bidder should read the Preliminary Official Statement in its entirety.
41

42 The County will undertake to provide the successful bidder with further additional information to be
43 included in the Official Statement, when in the opinion of the County or of Bond Counsel, such additional
44 information constitutes a material change to the Official Statement. The County will take such steps as are necessary
45 to arrange for amending and supplementing the Official Statement in connection with the disclosure of such
46 additional information; provided, however, that the County shall have no obligation to provide such additional
47 information after the date that is twenty-five (25) days after the “end of the underwriting period,” as such term is
48 defined in the Rule.
49

50 The County agrees, in order to assist the successful bidder in complying with Section (b)(5) of the Rule,
51 pursuant to a continuing disclosure certificate (the “Continuing Disclosure Certificate”) signed by the County
52 Executive, Treasurer and Director of Administration of the County, to provide annual financial information and
53 notices of certain events, as enumerated in the Rule, to the Electronic Municipal Market Access (“EMMA”) System
54 implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the
55 Securities Exchange Act of 1934. The undertakings of the County in the Continuing Disclosure Certificate shall be
56 set forth in the Preliminary Official Statement and Official Statement and any amendment or supplement thereto.

1
2 **Certification as to Issue Price**
3

4 The successful bidder shall assist the County in establishing the issue price of the Bonds and shall execute and
5 deliver to the County on or before the date of issue of the Bonds, an “issue price” or similar certificate setting forth
6 the reasonably expected initial offering price to the public or the sales price or prices of the Bonds together with the
7 supporting pricing wires or equivalent communications as described herein.
8

9 The County intends and expects that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining
10 “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds
11 (the “competitive sale requirements”) because: (i) the County shall disseminate this Notice of Sale to potential
12 underwriters in a manner that is reasonably designed to reach potential underwriters; (ii) all bidders shall have an
13 equal opportunity to bid; (iii) the County may receive bids from at least three underwriters of municipal bonds who
14 have established industry reputations for underwriting new issuances of municipal bonds; and (iv) the County
15 anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest
16 true interest cost, as set forth in this Notice of Sale (a “Qualified Competitive Bid”). If a bid qualifies as a Qualified
17 Competitive Bid, the successful bidder shall be required to provide to the County a certificate acceptable to Bond
18 Counsel, on or before the date of issue of the Bonds, substantially in the form attached hereto as Exhibit A, with such
19 modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the County
20 and Bond Counsel. The County’s Financial Advisor acting as its municipal advisor (the “Municipal Advisor”) shall
21 also be required to provide to the County a certificate acceptable to Bond Counsel on or before the date of issue of
22 the Bonds, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or
23 necessary, in the reasonable judgment of the Municipal Advisor, the County and Bond Counsel.
24

25 In the event that a bid fails to satisfy the requirements of a Qualified Competitive Bid (an “Alternate
26 Competitive Bid”), the County shall so advise the successful bidder. The County may determine to treat (i) the first
27 price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity
28 and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of
29 that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if
30 different interest rates apply within a maturity, to each separate CUSIP number within that maturity). Bids will not be
31 subject to cancellation in the event that the County determines to apply the hold-the-offering-price rule to any
32 maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the
33 Bonds will be subject to the 10% test and/or the hold-the-offering-price rule in order to establish the issue price of
34 the Bonds. Bidders should note that an Alternative Competitive Bid may require the successful bidder, and if
35 applicable, other underwriters of the Bonds, to hold the initial offering prices for certain maturities of the Bonds
36 for up to five (5) business days after the sale date of the Bonds. If a bid is an Alternate Competitive Bid, the
37 successful bidder shall be required to provide to the County a certificate acceptable to Bond Counsel, substantially in
38 the form attached hereto as Exhibit C to this Notice of Sale, with such modifications as may be appropriate or
39 necessary, in the reasonable judgment of the successful bidder, the County and Bond Counsel.
40

41 Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds,
42 as specified in the bid. All bids shall include a representation that the underwriters have established industry
43 reputations for underwriting new issuances of municipal securities.
44

45 **Book-Entry Only Form**
46

47 The Bonds will be issued in book-entry-only form, registered in the name of Cede & Co., as nominee of
48 The Depository Trust Company, New York, New York (“DTC”) and immobilized in its custody. Principal, premium
49 (if any) and interest on the Bonds will be payable to DTC or its nominee as registered owners of the Bonds.
50 Information concerning DTC and its book-entry system is included in the Preliminary Official Statement and bidders
51 should rely solely on that material. The County takes no responsibility for the accuracy of such information.
52

53 **Interest Payment Dates**
54

55 The Bonds will be dated the date of delivery and will bear interest from the date of delivery, payable on
56 October __, 2021 and semiannually thereafter on each April __ and October __ until maturity or redemption.

Preliminary Principal Amounts*

Unless the maturity schedule below is revised as described under “Procedures for Award and Principal Amount Changes” above, the Bonds will mature on October __ in each of the years 2021 through 2040, inclusive, as follows (the “Maturity Schedule”):

<u>October __</u> <u>Year of Maturity</u>	<u>Preliminary</u> <u>Principal Amount*</u>	<u>October __</u> <u>Year of Maturity</u>	<u>Preliminary</u> <u>Principal Amount*</u>
--	--	--	--

*Preliminary, subject to adjustment as provided herein.

Redemption

The Bonds which mature before _____ are not subject to redemption prior to maturity. The Bonds that mature on and after _____, are subject to redemption at the option of the County in whole or in part at any time beginning _____, without premium or penalty at par (100% of the principal amount to be redeemed) plus accrued interest to the date of redemption.

Delivery

Delivery of the Bonds by the Treasurer of the County is expected to occur through the facilities of DTC on or about _____, 2021 (the “Closing Date”). The successful bidder shall pay for the Bonds in **IMMEDIATELY AVAILABLE FEDERAL FUNDS** by 11:00 a.m. (prevailing Eastern Time) on the Closing Date. Any expenses of providing immediately available funds shall be borne by the successful bidder. Certain closing documents will be available for delivery in Baltimore, Maryland by the Closing Date. Payment on the Closing Date shall be made in an amount equal to the price bid for the Bonds less the amount of the Deposit.

CUSIP Numbers

CUSIP numbers for the Bonds will be applied for by the Financial Advisor, but the County will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any of the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Bonds.

Conflict Waiver

Miles & Stockbridge P.C. is serving as Bond Counsel to the County in connection with the issuance and sale of the Bonds. By placing a bid, each bidder represents to the County that it understands that Miles & Stockbridge P.C., in its capacity as Bond Counsel, represents the County and the successful bidder agrees to waive any conflict of interest arising out of, and consents to, Miles & Stockbridge P.C.’s representation of the County in connection with the issuance and sale of the Bonds to the successful bidder.

Closing Documents

The Bonds will be accompanied by the customary closing documents, including a no-litigation certificate, effective as of the Closing Date, stating that there is no litigation pending against the County affecting the validity of the Bonds and a Tax Certificate and Compliance Agreement signed by the Treasurer of the County.

1 It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds
2 that, simultaneously with or before delivery and payment for the Bonds, the successful bidder shall be furnished a
3 certificate or certificates of the County Executive, Treasurer and Director of Administration of the County to the
4 effect that to the best of their knowledge and belief, the Official Statement (and any amendment or supplement
5 thereto) (except for the Reoffering Information, as to which no view will be expressed) as of the date of sale and as
6 of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to
7 state a material fact necessary to make the statements therein, in light of the circumstances under which they were
8 made, not misleading and that between the date of sale and the date of delivery of the Bonds there has been no
9 material adverse change in the financial position or revenues of the County, except as reflected or contemplated in
10 the Official Statement.

11 Date: _____

HARFORD COUNTY, MARYLAND

By: Barry Glassman
County Executive

EXHIBIT A TO NOTICE OF SALE

19 FORM ISSUE PRICE CERTIFICATE
20 FOR QUALIFIED COMPETITIVE BID
21 \$5,850,000.00*
22 HARFORD COUNTY, MARYLAND
23 WATER AND SEWER BONDS
24 SERIES 2021

25 _____
26 *Preliminary, subject to adjustment

ISSUE PRICE CERTIFICATE

27
28 The undersigned, on behalf of [NAME OF UNDERWRITER] (the "Underwriter"), hereby certifies as set forth
29 below with respect to the sale of the above-captioned obligations (the "Bonds") issued by Harford County, Maryland
30 (the "County").

31
32
33
34 1. Reasonably Expected Initial Offering Price.

35 (a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the
36 Public by the Underwriter are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected
37 Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter in formulating its bid to
38 purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to
39 purchase the Bonds.

40
41
42 (b) The Underwriter was not given the opportunity to review other bids prior to submitting its
43 bid.

44 (c) The bid submitted by the Underwriter constituted a firm offer to purchase the Bonds.

45
46 (d) The Underwriter has an established industry reputation for underwriting new issuances of
47 municipal bonds.

48
49
50 2. Defined Terms.

51 (a) "Maturity" means Bonds with the same credit and payment terms. Bonds with different
52 maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate
53 Maturities.
54
55

(b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(c) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Tax Certificate and Compliance Agreement executed and delivered by the County in connection with the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Miles & Stockbridge P.C., as bond counsel to the County, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the County from time to time relating to the Bonds.

[UNDERWRITER]

By: _____
Name:
Title:

Dated: [ISSUE DATE]

Schedule A – Expected Offering Prices
Schedule B – Copy of Underwriter's Bid

EXHIBIT B TO NOTICE OF SALE

\$5,850,000.00*
HARFORD COUNTY, MARYLAND
WATER AND SEWER BONDS
SERIES 2021

CERTIFICATE OF MUNICIPAL ADVISOR

The undersigned, on behalf of Davenport & Company LLC (the "Municipal Advisor"), as the municipal advisor to Harford County, Maryland (the "County") in connection with the issuance of the above-captioned obligations (the "Bonds"), has assisted the County in soliciting and receiving bids from potential underwriters in connection with the sale of the Bonds in a competitive bidding process in which bids were requested for the purchase of the Bonds at specified written terms, and hereby certifies as set forth below with respect to the bidding process and award of the Bonds.

1. The Bonds were offered for sale at specified written terms more particularly described in the Notice of Sale, which was distributed to potential bidders, a copy of which is attached to this certificate as Schedule A.
2. The Notice of Sale was disseminated electronically through _____. The method of

1 distribution of the Notice of Sale is regularly used for purposes of disseminating notices of sale of new issuances of
2 municipal bonds, and notices disseminated in such manner are widely available to potential bidders.
3

4 3. To the knowledge of the Municipal Advisor, all bidders were offered an equal opportunity to bid
5 to purchase the Bonds so that, for example, if the bidding process afforded any opportunity for bidders to review
6 other bids before providing a bid, no bidder was given an opportunity to review other bids that was not equally given
7 to all other bidders (that is, no exclusive “last-look”).
8

9 4. The County received bids from at least three bidders who represented that they have established
10 industry reputations for underwriting new issuances of municipal bonds. Copies of the bids received are attached to
11 this certificate as Schedule B.
12

13 5. The winning bidder was [NAME OF UNDERWRITER] (the “Underwriter”), whose bid was
14 determined to be the best conforming bid in accordance with the terms set forth in the Notice of Sale, as shown in the
15 bid comparison attached as Schedule C to this Certificate. The County awarded the Bonds to the Underwriter.
16

17 The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate
18 represents the Municipal Advisor’s interpretation of any laws, including specifically Sections 103 and 148 of the
19 Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands
20 that the foregoing information will be relied upon by the County with respect to certain of the representations set
21 forth in the Tax Certificate and Compliance Agreement executed and delivered by the County in connection with the
22 Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Miles &
23 Stockbridge P.C., as bond counsel to the County, in connection with rendering its opinion that the interest on the
24 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue
25 Service Form 8038-G, and other federal income tax advice that it may give to the County from time to time
26

27 *Preliminary, subject to adjustment
28 relating to the Bonds. No other persons may rely on the representations set forth in this Certificate without the prior
29 written consent of the Municipal Advisor.
30

31 PUBLIC ADVISORY CONSULTANTS, INC.

32 By: _____

33 Name:

34 Title:

35 Dated: [ISSUE DATE]

36 _____
37 Schedule A – Notice of Sale
38 Schedule B – Bids Received
39 Schedule C – Bid Comparison
40
41
42

EXHIBIT C TO NOTICE OF SALE

43 FORM ISSUE PRICE CERTIFICATE
44 FOR NON-QUALIFIED COMPETITIVE BID
45

46 **\$5,850,000.00***

47 **HARFORD COUNTY, MARYLAND**
48 **WATER AND SEWER BONDS**
49 **SERIES 2021**
50

51 **ISSUE PRICE CERTIFICATE**
52

53 The undersigned, on behalf of [NAME OF UNDERWRITER] (the “Underwriter”), hereby certifies as set
54 forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) issued by Harford
55 County, Maryland (the “County”).
56

1 1. ***Sale of the General Rule Maturities.*** As of the date of this Certificate, for each Maturity of the
 2 General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective
 3 price listed in Schedule A.
 4

5 2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

6 (a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for
 7 purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the
 8 Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as
 9 Schedule B.
 10

11 (b) As set forth in the Notice of Bond Sale and Official Bid Form, the Underwriter has agreed
 12 in writing that (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of
 13 the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity
 14 during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group
 15 agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail
 16 distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution
 17 agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined
 18 below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the
 19 respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.
 20

21 (c) The Underwriter has an established industry reputation for underwriting new issuances of
 22 municipal bonds.
 23

24 3. ***Defined Terms.***

25 _____
 26 *Preliminary, subject to adjustment
 27

28 (a) “*General Rule Maturities*” means those Maturities of the Bonds listed in Schedule A
 29 hereto as the “General Rule Maturities.”
 30

31 (b) “*Hold-the-Offering-Price Maturities*” means those Maturities of the Bonds listed in
 32 Schedule A hereto as the “Hold-the-Offering-Price Maturities.”
 33

34 (c) “*Holding Period*” means, with respect to a Hold-the-Offering-Price Maturity, the period
 35 starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date
 36 ([DATE]), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity
 37 to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.
 38

39 (d) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different
 40 maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate
 41 maturities.
 42

43 (e) “*Public*” means any person (including an individual, trust, estate, partnership,
 44 association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term
 45 “related party” for purposes of this certificate generally means any two or more persons who have greater than 50%
 46 common ownership, directly or indirectly.
 47

48 (f) “*Sale Date*” means the first day on which there is a binding contract in writing for the
 49 sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].
 50

51 (g) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the
 52 County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds
 53 to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person
 54 described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a
 55 member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to
 56

1 the Public).

2
3 The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate
4 represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal
5 Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the
6 foregoing information will be relied upon by the County with respect to certain of the representations set forth in the
7 Tax Certificate and Compliance Agreement executed and delivered by the County in connection with the Bonds and
8 with respect to compliance with the federal income tax rules affecting the Bonds, and by Miles & Stockbridge P.C.,
9 as bond counsel to the County, in connection with rendering its opinion that the interest on the Bonds is excluded
10 from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G,
11 and other federal income tax advice that it may give to the County from time to time relating to the Bonds.

12 **[UNDERWRITER]**

13
14
15 By: _____
16 Name:
17 Title:

18 Dated: [ISSUE DATE]

19
20 _____
21 Schedule A – Sale Prices of the General Rule Maturities and Initial Offering Prices of the Hold-The-Offering-Price Maturities
22 Schedule B – Pricing Wire or Equivalent Communication
23

24 **SECTION 14. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF**
25 **HARFORD COUNTY, MARYLAND** that the County Council, upon request of the County
26 Executive, may, by administrative resolution adopted at any time prior to the sale of the bonds,
27 determine whether the bonds may be sold above par, whether bids may be accepted electronically
28 or by facsimile, change the projects to be constructed with the proceeds of sale of the bonds, and
29 the County Executive, by executive order, may determine or change the Notice of Sale, date or
30 time of sale, the date or time or location of bid opening, the dates of maturity or redemption of
31 the bonds, the amount of the bonds to be sold (but not in excess of \$5,850,000.00) and the
32 amounts of bonds maturing in each year, the interest payment dates of the bonds, appoint paying
33 agent(s) and/or registrar(s) for the bonds, whether ownership of the bonds or other indebtedness
34 shall be maintained in book-entry form, and the terms of sale of the bonds.

35 **SECTION 15. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF**
36 **HARFORD COUNTY, MARYLAND** that immediately after the sale of the bonds, the interest

1 rate or rates payable thereon shall be fixed by an administrative resolution of the County Council
2 or executive order of the County Executive in accordance with the terms and conditions of the
3 sale of the bonds. The bonds shall thereupon be suitably printed or engraved and duly executed
4 and delivered to the purchaser (or to the Depository Trust Company if the bonds are book entry)
5 in accordance with the conditions of delivery set forth in the Notice of Sale. The proceeds of the
6 sale of the bonds, including any premium and accrued interest received therefor, shall be paid to
7 the Department of the Treasury of the County and shall be deposited in a special account of the
8 County. The County may, at its option, deduct from the gross proceeds received from the sale of
9 the bonds the cost of issuing the same, including the cost of advertising, printing and professional
10 fees (including legal) and expenses. There shall be deducted from the total gross proceeds
11 received from the sale of the bonds the amount received on account of accrued interest (if any) on
12 the bonds, which amount shall be set apart by the Treasurer in a special fund and applied to the
13 first maturing interest payment on the bonds. The balance of the proceeds of the sale of the
14 bonds shall be expended only to finance the Projects as set forth in this Bill and as more
15 particularly described in the Annual Budget and Appropriation Ordinance of the County, as
16 amended, for the year ending June 30, 2021. If the funds derived from the sale of the bonds shall
17 exceed the amount needed to finance the Projects, the excess funds so borrowed and not
18 expended by the County shall be applied by the County in payment of the next principal maturity
19 of the bonds so issued, unless the County Council shall adopt a resolution or ordinance allocating
20 said excess funds to finance any lawful modification of the Projects, or to the extent then
21 permitted by law, any other project lawfully undertaken by the County, as may be provided by
22 subsequent resolution or ordinance approved by the County Council.

1 **SECTION 16. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF**
2 **HARFORD COUNTY, MARYLAND** that, to the extent the funds from operation of the water
3 and sewer systems of the County are insufficient to pay the principal of, premium (if any) and
4 interest on the bonds, for the purpose of paying the principal of, premium (if any) and interest on
5 the bonds or other indebtedness authorized by this Bill, there is hereby levied and there shall
6 hereafter be levied in each fiscal year that any of the bonds or other indebtedness is outstanding,
7 *ad valorem* taxes on real and tangible personal property and intangible property subject to
8 taxation by the County without limitation on rate or amount; and, in addition, upon such other
9 intangible property as may be subject to taxation by the County within limitations prescribed by
10 law, in an amount sufficient together with funds available from other sources, to pay the annual
11 interest on the outstanding bonds or other indebtedness and to redeem the bonds or other
12 indebtedness maturing during the succeeding year; and the full faith and credit and the unlimited
13 taxing power of the County are hereby irrevocably pledged to the punctual payment of the
14 principal of and interest on the bonds or other indebtedness as and when they mature. The
15 County by the passage of this Bill hereby covenants and agrees properly and promptly to perform
16 all of the respective acts and duties defined in this Bill for the levy and collection of the aforesaid
17 *ad valorem* tax upon all the assessable property within the corporate limits of the County, as the
18 levy and collection of such a tax becomes necessary in order to meet the debt service
19 requirements of the Harford County, Maryland Water and Sewer Bonds, Series 2021. By this
20 Bill, the County agrees to take all action it may be legally authorized and empowered to take in
21 order to enforce, in any year in which any of the bonds or other indebtedness are outstanding, the
22 guarantee of such bonds or other indebtedness by the County.

1 **SECTION 17. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF**
2 **HARFORD COUNTY, MARYLAND** that as a part or all of the aggregate indebtedness
3 authorized by this Bill, upon written recommendation of the County Executive and adoption of
4 the Administrative Resolution (as defined in Section 17B of this Bill), the County shall borrow
5 upon its full faith and credit and unlimited taxing power of the County a loan (the “Water Quality
6 Loan”) from the Maryland Water Quality Financing Administration (the “WQFA”), and shall
7 issue and sell to the WQFA upon its full faith and credit and unlimited taxing power the bonds in
8 the form of a single, fully-registered bond in the principal amount not to exceed Five Million
9 Eight Hundred Fifty Thousand Dollars (\$5,850,000.00) pursuant to the authority of the Charter,
10 the Code, the Local Government Article of the Annotated Code of Maryland, and Title 9 of the
11 Environment Article of the Annotated Code of Maryland (2014 Replacement Volume and 2019
12 Supplement) (the “Water Quality Act”) for the upgrade, expansion and improvement of all or
13 part of the Projects. The sale of the bonds shall be conducted as more fully described in this
14 Section 17 and the aggregate amount of bonds otherwise authorized by this Bill shall be reduced
15 by the amount of the bonds sold pursuant to the Water Quality Act. The County hereby
16 determines to borrow money and incur indebtedness for the public purpose of financing the costs
17 of the acquisition and development of the Projects which shall include: (i) actual and estimated
18 costs of the issuance of the bonds, (ii) engineering expenses, (iii) inspection expenses, (iv) fiscal
19 expenses, (v) legal expenses; and (vi) interest estimated to accrue during the construction and for
20 24 months on money borrowed or expected to be borrowed. The development costs shall be
21 more fully described in the Administrative Resolution. It is the intent of the County Council that
22 the costs of the Projects be financed with the proceeds from the sale of the bonds and that the
23 County also be reimbursed out of the proceeds of the bonds for all costs of acquisition incurred

1 by the County; provided, however, that such expenses have been incurred by the County not
2 more than one (1) year prior to the issuance of the bonds:

3 A. Each of the Projects shall constitute a “wastewater facility” within the
4 meaning of Section 9-1601 of the Water Quality Act.

5 B. Such borrowing and indebtedness of the County shall be made and incurred
6 pursuant to Section 9-1606 and Section 9-1614(b) of the Water Quality Act and in accordance
7 with the provisions of a loan agreement between the County, as borrower, and the WQFA (the
8 “Loan Agreement”). The Loan Agreement shall be substantially in such form as is approved by a
9 resolution supplemental to this Bill and passed subsequent to the enactment of this Bill (the
10 “Administrative Resolution”) which Administrative Resolution shall set forth the details of the
11 bonds and the terms of the loan, in such manner as shall not be inconsistent with the provisions
12 and requirements of this Bill. The Loan Agreement (the form of which shall be attached to the
13 Administrative Resolution and approved therein) shall contain in its final form such insertions,
14 omissions, variations, or changes (collectively “changes”) as may be deemed necessary or
15 appropriate and which shall be acceptable to the County Executive, and the County Executive is
16 hereby authorized, and shall be authorized by the Administrative Resolution, to make changes in
17 the Loan Agreement as the County Executive may deem appropriate.

18 C. To evidence the payment of obligations of the County under the Loan
19 Agreement, the County shall issue and sell, upon its full faith and credit and unlimited taxing
20 power, the bonds, as general obligation installment bonds in the maximum amount not to exceed
21 Five Million Eight Hundred Fifty Thousand Dollars (\$5,850,000.00) which shall be in the form of
22 one bond certificate numbered R-1 and shall be designated “Harford County, Maryland Water
23 Quality Bond, Series 2021.”

1 The proceeds from the sale of the bonds shall be generally used for the purposes
2 set forth in this Section 17 as more fully described in the project description as set forth and
3 approved by the Administrative Resolution. The bonds shall be (i) dated as of the date of
4 delivery to the WQFA, (ii) registered in the name of the WQFA or its designee and (iii) payable
5 in such principal installments and shall bear interest at such rate as shall appear in the executed
6 bond certificate. The maturity of the bonds and the date of final maturity shall appear in the
7 executed bond certificate. In no event shall the final date of maturity of the bonds exceed thirty
8 (30) years from the date of issuance thereof. The interest rate borne by the bonds shall be
9 determined by the WQFA and approved in the Administrative Resolution.

10 The principal installments payable on the bonds and the rate of interest to be
11 borne thereby (or the manner of determining the principal payments and rate of interest) shall be
12 established by the Administrative Resolution. Such determination of the principal and interest on
13 the bonds shall be in accordance with the terms and conditions of the Loan Agreement. The rate
14 of interest approved by the Administrative Resolution shall in no event exceed the maximum rate
15 permitted by law and such interest rate shall appear in the executed bond certificate.

16 The form of bond, together with the statement of principal installments (annual or
17 semiannual as shall be finally approved by the County Executive pursuant to this Section 17) and
18 such installments of interest as therein set forth, and all of the covenants and conditions as shall
19 be contained therein and in the Loan Agreement shall be adopted by the County Council pursuant
20 to the Administrative Resolution and any and all covenants and conditions therein contained
21 shall be made binding upon the County, including (without limitation) the promise to pay.
22 Execution of the bond by the County Executive shall constitute conclusive evidence of such
23 approval.

1 D. The County will also execute and deliver in connection with the issuance of
2 the bonds, additional documents (the “Water Quality Documents”) including, but not limited to,
3 the Loan Agreement, and such other documents, agreements, instruments and certificates as the
4 County Executive, upon advice of legal counsel, shall deem necessary or desirable for the
5 financing of the acquisition of the Projects. Because this Bill is being adopted before all of the
6 details of the sale of the bonds and the issuance and sale of revenue bonds by the WQFA the
7 proceeds of which shall be used to make the Water Quality Loan to the County have been
8 finalized, the County Executive, pursuant to the powers reserved unto him under this Section 17
9 and as set forth in the Administrative Resolution, is hereby authorized to make changes to the
10 forms of the bonds and the Water Quality Documents, including insertions therein or additions
11 thereto or deletions therefrom, as the County Executive may deem necessary to conform the
12 terms of the bonds and the Water Quality Documents to the terms of the financing to be provided
13 to the County by the WQFA; provided, however, that such changes, additions or deletions are not
14 in substance inconsistent with or contrary to the requirements set forth in this Bill or in the
15 Administrative Resolution.

16 E. The Loan Agreement and the bonds shall be executed on behalf of and in the
17 name of the County by the County Executive, such execution to be made by the manual or
18 facsimile signature of the County Executive as permitted by law. The corporate seal of the
19 County shall be affixed to or otherwise reproduced on the Loan Agreement and the bonds, and
20 shall be attested by the manual or facsimile signature of the Director of Administration as
21 permitted by law. If any officer whose signature shall appear on the bonds or the Water Quality
22 Documents shall cease to be such officer before the delivery of the bonds or the Water Quality
23 Documents, such signature shall nevertheless be valid and sufficient for all purposes, the same as

1 if such officer had remained in office until such delivery. The County Executive is hereby
2 authorized, empowered and directed to complete the forms of the bonds and the Water Quality
3 Documents as such forms may be approved by the County Council through the Administrative
4 Resolution and the County Executive shall make corrections or changes thereto in any manner
5 which the County Executive, in the County Executive's discretion, shall deem necessary to
6 complete the issuance and sale of the bonds and the execution and delivery of the Water Quality
7 Documents, all as may promote the objectives of the County as set forth in this Bill. The Water
8 Quality Documents and the bonds, as executed by the County Executive and attested and sealed
9 as described above, shall be valid and legally binding obligations of the County in accordance
10 with their terms.

11 F. Notwithstanding any section of the Charter, the Code, Section 19-205 of the
12 Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and
13 2019 Supplement) or any other provision of public general or public local law, charter or
14 ordinance, and as authorized by Section 9-1606 of the Water Quality Act, the bonds may be sold
15 at private sale to the WQFA, without public bidding or regard to any limitations on the
16 denomination thereof and at any interest or cost or at any price that the County considers
17 necessary or desirable, and such private sale is determined to be in the best interests of the
18 County. The details of the sale of the bonds shall be determined in accordance with the
19 Administrative Resolution. The bonds shall be sold for cash at not less than par in accordance
20 with the terms and provisions of this Bill and the Administrative Resolution. The County
21 Executive, in the County Executive's discretion, is expressly authorized and empowered to take
22 any and all action necessary to complete and close the award, sale and delivery of the bonds to
23 the WQFA, including (without limitation) making changes to the form of bond as the County

1 Executive may deem to be necessary or appropriate to comply with WQFA practices and policies
2 applicable from time to time; provided, however, that such actions taken by the County
3 Executive shall not be in substance inconsistent with or contrary to the provisions of this Bill or
4 the Administrative Resolution.

5 G. The proceeds of sale of the bonds to the WQFA shall be held, invested and
6 administered by the WQFA pursuant to the Loan Agreement and shall be used, when and as
7 required, to be applied from time to time as and when received by the County to finance costs of
8 the Projects in compliance with the provisions of the Loan Agreement, the Charter, the Code and
9 the Water Quality Act. Any balance of the proceeds of the Water Quality Loan remaining
10 subsequent to payment in full of all the costs of the Projects may be applied to reduce the
11 principal of the Water Quality Loan in accordance with the terms of the Loan Agreement.

12 H. For the purpose of paying the principal of, premium (if any) and interest on the
13 bond when due, the County has established or shall establish a dedicated source of revenues as
14 shall be described in the Loan Agreement. In the event such revenues are insufficient to meet the
15 debt service requirements in any fiscal year in which the bonds are outstanding, the County shall
16 levy in such fiscal year upon all real and tangible personal property within its jurisdictional limits
17 subject to assessment for unlimited County taxation *ad valorem* taxes in rate and amount
18 sufficient to provide for the prompt payment of such principal, premium (if any) and interest on
19 the bonds in such fiscal year, and, if the proceeds from the collection of taxes so levied in any
20 such fiscal year are inadequate for such payment, additional taxes shall be levied in the
21 succeeding fiscal year to make up such deficiency. The full faith and credit and unlimited taxing
22 power of the County are hereby irrevocably pledged to the payment of the principal of, premium
23 (if any) and interest on the bonds as and when they become due and payable and to the levy and

1 collection of the taxes hereinabove described as and when such taxes may become necessary in
2 order to provide sufficient funds to meet the debt service requirements of the bonds. The County
3 hereby covenants and agrees with the registered owner of the bonds to levy and collect the taxes
4 hereinabove described and to take any action that may be appropriate from time to time during
5 the period that the bonds remain outstanding and unpaid to provide the funds necessary to pay
6 promptly the principal and interest due thereon.

7 I. The bonds are being issued in connection with the WQFA's Maryland Water
8 Quality Revolving Loan Fund Program and will evidence the County's obligation to repay the
9 Water Quality Loan advanced from the proceeds of the sale of revenue bonds issued by the
10 WQFA. The Loan Agreement limits the ability of the County to prepay the bond in accordance
11 with restrictions upon the ability of the WQFA to redeem its revenue bonds. Accordingly, the
12 County may prepay the bonds only in accordance with the provisions of the Loan Agreement and
13 the terms governing prepayment as set forth in the bonds.

14 J. The County Executive shall be the certifying official for the County responsible
15 for the execution and delivery on the date of the issuance of the bonds of a tax and arbitrage
16 certificate of the County (the "Tax Certificate") that complies with the requirements of Section
17 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder
18 ("Section 148"). The County Executive is hereby authorized and directed to execute and deliver
19 the tax and arbitrage certificate to counsel rendering an opinion on the excludability from gross
20 income of interest on the bonds for purposes of federal income taxation on the date of the
21 issuance thereof. The Tax Certificate shall set out the reasonable expectations of the County as
22 to relevant facts, estimates and circumstances relating to the use of the proceeds of the bonds or
23 of any moneys, securities or other obligations to the credit of any account of the County which

1 may be deemed to be bond proceeds under Section 148. The County covenants with the
2 registered owner of the bonds that the facts, estimates and circumstances set forth in the Tax
3 Certificate will be based on the County’s reasonable expectations on the date of the issuance of
4 the bonds and will be, to the best of the certifying official’s knowledge, true, correct and
5 complete as of that date.

6 K. The County covenants and agrees with the registered owner of the bonds that
7 it will not make, or (to the extent that it exercises control or direction) permit to be made, any use
8 of the bond proceeds that would cause any bond to be an “arbitrage bond” within the meaning of
9 Section 148. The County further covenants that it will comply with Section 148 to the extent
10 applicable to the bonds on the date of issuance thereof and which may subsequently lawfully be
11 made applicable to the bonds. The County further covenants that it shall make such use of the
12 proceeds of the bonds, to the extent possible regulate the investment of the proceeds thereof, and
13 take such other and further actions as may be required to maintain the excludability from gross
14 income, for federal income tax purposes, of interest on the bonds. All officers, employees and
15 agents of the County are hereby authorized and directed to take such actions, and to provide such
16 certificates of facts and estimates regarding the amount and use of the proceeds of the bonds, as
17 may be necessary or appropriate from time to time to comply with, or to evidence the County’s
18 compliance with, the covenants set forth in this Section 17.

19 L. The principal amount of the bonds to be sold to the WQFA pursuant to the
20 Water Quality Act shall be determined in a resolution adopted by the County Council upon
21 written recommendation of the County Executive and shall constitute a portion or all of the Five
22 Million Eight Hundred Fifty Thousand Dollars (\$5,850,000.00) principal amount of indebtedness
23 authorized to be incurred pursuant to this Bill. In no event may the aggregate indebtedness

1 incurred by the County to finance the Projects pursuant to this Bill exceed Five Million Eight
2 Hundred Fifty Thousand Dollars (\$5,850,000.00).

3 **SECTION 18. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF**
4 **HARFORD COUNTY, MARYLAND** that the County is hereby authorized and empowered
5 from time to time to issue its bond anticipation notes (or other evidence of indebtedness) on the
6 full faith and credit and unlimited taxing power of the County in an amount not exceeding Five
7 Million Eight Hundred Fifty Thousand Dollars (\$5,850,000.00), the net proceeds of such sale to be
8 used to finance part or all of the cost of the Projects; the sale of such notes to be upon such terms
9 as may be directed by resolution of the County Council.

10 The Treasurer prior to the issuance of any bond anticipation notes or other evidence of
11 indebtedness of the County shall present the terms of such notes to the County Council for
12 approval by administrative resolution of the County Council prior to the issuance thereof.

13 The bond anticipation notes will bear interest at the rate or rates so negotiated by the
14 Treasurer and approved by administrative resolution of the County Council and the bond
15 anticipation notes when issued shall be issued in the name of the County by the signature of the
16 County Executive, the corporate seal of the County shall be imprinted or otherwise reproduced
17 on the bond anticipation notes and attested by the Director of Administration and shall be used
18 only for those purposes approved by administrative resolution of the County Council adopted
19 subsequent to the adoption of this Bill.

20 The bond anticipation notes shall not be issued in an amount greater than the amount of
21 bonds or other indebtedness authorized in anticipation of the sale of which the bond anticipation
22 notes are issued and sold.

1 The principal of and interest on the bond anticipation notes shall be payable out of the
2 first proceeds of sale of the bonds, or from the tax or other revenue which the County shall
3 previously determine to apply to the payment of the bonds and interest thereon.

4 Twelve (12) months interest on the bond anticipation notes or any renewal thereof may be
5 paid from the proceeds of sale of the bonds accounting from the initial date of issue thereof.

6 By administrative resolution of the County Council, the County may provide for the
7 renewal of the bond anticipation notes at maturity with or without resale.

8 Immediately after the sale of the bond anticipation notes and approval by resolution of the
9 County Council, the proceeds of sale of such bond anticipation notes, after payment of expenses
10 of issuing the same, shall be paid to the County's Department of the Treasury. The proceeds of
11 sale of the bond anticipation notes shall be expended only to finance the Projects.

12 **SECTION 19. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF**
13 **HARFORD COUNTY, MARYLAND** that pursuant to Treasury Regulations 1.150-2,
14 governing the use of bond proceeds for the purpose of reimbursing expenditures paid prior to the
15 issuance of bonds, and as permitted by Treasury Regulations 1.150-2(e)(1), the Treasurer is
16 hereby duly designated to make declarations of Official Intent on behalf of the County. The
17 County expects that all or a part of the capital expenditures for the Projects will be paid prior to
18 the issuance of the bonds authorized herein, and that the proceeds of the bonds will be used to
19 reimburse the County for capital expenditures paid prior to the issuance of the bonds. The
20 County reasonably expects to reimburse a portion of the capital expenditures for the Projects
21 with proceeds of the bonds, in the maximum principal amount of Five Million Eight Hundred
22 Fifty Thousand Dollars (\$5,850,000.00), and this Bill shall be available for public inspection at
23 the offices of the County during regular business hours and in accordance with the laws of the

1 State of Maryland and the County, regarding access to public records. The maximum principal
2 amount of debt which is expected to be issued for the Projects is \$5,850,000.00.

3 **SECTION 20. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF**
4 **HARFORD COUNTY, MARYLAND** that the County covenants and agrees with the registered
5 owners, from time to time, of the bonds as follows:

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

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

19 (c) The County further covenants that it will not (i) take any action, (ii) fail to
20 take any action, or (iii) make any use of the proceeds of any of the bonds which would cause the
21 interest on any of the bonds to be or become subject to federal income taxes in the hands of the
22 registered owners of any of the bonds.

1 (d) The County further covenants, in order to assist bidders in complying with
2 SEC Rule 15c2-12(b)(5), pursuant to a continuing disclosure agreement (the “Continuing
3 Disclosure Agreement”) signed by the County Executive, Treasurer and Director of
4 Administration, to provide annual reports and notices of certain events. The undertaking of the
5 County in the Continuing Disclosure Agreement shall be described in any Preliminary Official
6 Statement and Official Statement and any amendment or supplement thereto.

7 **SECTION 21. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF**
8 **HARFORD COUNTY, MARYLAND** that upon recommendation of the County Executive, the
9 County Council may adopt a resolution pursuant to Section 19-101 of the Local Government
10 Article of the Annotated Code of Maryland (2013 Replacement Volume and 201 Supplement)
11 authorizing the loan authorized to be incurred and the bonds authorized to be sold by this Bill, to
12 be consolidated for sale and issued, sold and delivered as a single issue of bonds with other
13 bonds authorized to be sold to finance capital projects described in the Annual Budget and
14 Appropriation Ordinances, as amended, for the current fiscal year and/or prior or subsequent
15 fiscal years.

16 **SECTION 22. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF**
17 **HARFORD COUNTY, MARYLAND** that the provisions of this Bill are severable, and if any
18 provision, sentence, clause, section or part hereof is held illegal, invalid or unconstitutional or
19 inapplicable to any person or circumstances, such illegality, invalidity or unconstitutionality, or
20 inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses,
21 sections or parts of this Bill or their application to other persons or circumstances. It is hereby
22 declared to be the legislative intent that this Bill would have been passed if such illegal, invalid
23 or unconstitutional provision, sentence, clause, section or part had not been included herein, as if

1 the person or circumstances to which this Bill or any part hereof are inapplicable had been
2 specifically exempted therefrom.

3 **SECTION 23. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL**
4 **OF HARFORD COUNTY, MARYLAND** that this Bill shall take effect sixty (60) calendar
5 days from the date it becomes law.

6
7 EFFECTIVE: _____, 2020

8 The Council Administrator of the Council does
9 hereby certify that seven (7) copies of this Bill
10 are immediately available for distribution to the
11 public and the press.
12
13
14

Mylia A. Dixon

15 _____
16 Council Administrator